HOTAI MOTOR CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

MARCH 31, 2026 AND 2025

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES

MARCH 31, 2026 AND 2025 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REVIEW REPORT
(TRANSLATED FROM CHINESE)

PWCR26000449

To the Board of Directors and Shareholders of
Hotai Motor Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Hotai Motor Co., Ltd. and subsidiaries (the "Group") as at March 31, 2026 and its restated consolidated balance sheets as of December 31, 2025, March 31, 2025, and January 1, 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months ended March 31, 2026, and the related restated consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months ended March 31, 2025, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Jin-Guan-Pao-Tsai Letter No. 1140131712 dated March 12, 2025, and Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Notes 4(3) and 6(10), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these subsidiaries and investments accounted for using the equity method amounted to NT$73,699,385 thousand and NT$89,355,184 thousand, constituting 14% and 18% of the consolidated total assets as at March 31, 2026 and 2025, respectively. Total liabilities amounted to NT$12,883,057 thousand and NT$26,176,600 thousand, constituting 3% and 7% of the

consolidated total liabilities as at March 31, 2026 and 2025, respectively. And the total comprehensive income amounted to NT$1,156,836 thousand and NT$998,321 thousand, constituting 22% and 25% of the consolidated total comprehensive income for the three months then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and restated as at December 31, 2025, March 31, 2025, and January 1, 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026, and its restated consolidated financial performance and its restated consolidated cash flows for the three months ended March 31, 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Jin-Guan-Pao-Tsai Letter No. 1140131712 dated March 12, 2025, and Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Emphasis of Matter – Applicable Financial Reporting Framework

As described in Note 3(1) to the consolidated financial statements, the Hotai Group initially adopted IFRS 17 'Insurance Contracts' on January 1, 2026, and retrospectively restated the financial statements of the comparative period for 2025.

As described in Notes 4 and 6 to the consolidated financial statements, Hotai Insurance Co., Ltd., a subsidiary of the Hotai Group, has adopted the Jin-Guan-Pao-Tsai Letter No. 1140131712 issued by the Financial Supervisory Commission on March 12, 2025, since January 1, 2026. Accordingly, passive unleveraged NTD-denominated overseas bond exchange traded funds that meet the accounting judgment criteria in the practical examples published by the Taiwan Insurance Institute are classified as financial assets at fair value through other comprehensive income.

Our conclusion was not modified in respect of the aforementioned matters.

Wang, Fang-Yu　　Hsu, Sheng-Chung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2026

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

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025, MARCH 31, 2025 AND JANUARY 1, 2025
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2026 AMOUNT	%	(restated) December 31, 2025 AMOUNT	%	(restated) March 31, 2025 AMOUNT	%	(restated) January 1, 2025 AMOUNT	%
	Current assets									
1100	Cash and cash equivalents	6(1)	$ 33,821,612	6	$ 23,971,458	5	$ 23,189,434	5	$ 18,968,725	4
1120	Financial assets at fair value through profit or loss-current	6(2)	8,219,349	2	7,791,043	1	7,192,026	1	7,754,355	1
1145	Financial assets at amortized cost-current		355,787	-	387,446	-	-	-	-	-
1150	Derivative financial assets for hedging	6(4)	230,338	-	146,193	-	360,012	-	260,887	-
1190	Other financial assets-current	6(1) and 8	5,269,586	1	5,297,943	1	3,996,251	1	4,159,048	1
1195	Contract assets-current	6(28)	180,183	-	183,054	-	53,477	-	67,725	-
1201	Notes receivable	6(5), 7 and 8	20,651,681	4	20,414,962	4	17,374,604	3	17,125,715	3
1202	Accounts receivable	6(5), 7 and 8	278,268,245	53	279,236,723	54	279,161,604	55	283,113,872	56
1203	Other receivables	7	2,969,291	1	2,915,148	1	2,798,841	-	2,826,389	-
1270	Inventories	6(7)	14,190,576	3	17,238,736	3	19,100,415	4	19,891,943	4
1280	Prepayments	6(8)	6,445,926	1	7,098,668	1	8,302,088	2	8,412,375	2
1315	Insurance contract assets-current	6(9)	779	-	2	-	47	-	191	-
1316	Reinsurance contract assets-current	6(9)	1,173,042	-	1,372,452	-	-	-	-	-
	Total current assets		371,776,395	71	366,053,828	70	361,528,799	71	362,581,225	71
	Non-current assets									
1410	Financial assets at fair value through profit or loss-non-current	6(2)	1,012,237	-	1,012,237	-	1,006,453	-	1,006,453	-
1415	Financial assets at fair value through other comprehensive income-non-current	6(3)	13,738,651	3	13,988,170	3	11,869,475	2	13,107,751	3
1435	Financial assets at amortized cost-non-current		395,466	-	400,547	-	-	-	-	-
1470	Investments accounted for using the equity method	6(10)	22,288,182	4	21,818,413	4	23,072,401	5	22,432,577	5
1480	Other financial assets-non-current	6(1) and 8	132,579	-	195,662	-	105,093	-	189,400	-
1500	Property, plant and equipment, net	6(11) and 8	75,100,068	14	75,553,798	15	73,260,083	15	72,195,375	14
1595	Right-of-use assets, net	6(12)	3,914,664	1	3,964,830	1	3,734,922	1	3,831,714	1
1600	Investment property, net	6(14)	1,933,261	-	1,926,890	-	1,965,713	-	1,966,246	-
1700	Intangible assets, net	6(15)	2,736,641	1	2,678,260	1	745,396	-	765,740	-
1800	Deferred income tax assets, net	6(33)	4,487,255	1	4,338,480	1	3,947,719	1	3,806,717	1
1851	Insurance contract assets-non-current	6(9)	-	-	12	-	10	-	-	-
1852	Reinsurance contract assets-non-current	6(9)	5,090,909	1	5,367,977	1	5,262,412	1	5,211,391	1
1900	Other assets	6(5)(16)	22,545,557	4	22,041,910	4	21,347,297	4	20,922,592	4
	Total non-current assets		153,375,470	29	153,287,186	30	146,316,974	29	145,435,956	29
1XXX	**Total assets**		$ 525,151,865	100	$ 519,341,014	100	$ 507,845,773	100	$ 508,017,181	100

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HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025, MARCH 31, 2025 AND JANUARY 1, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 AMOUNT	%	(restated) December 31, 2025 AMOUNT	%	(restated) March 31, 2025 AMOUNT	%	(restated) January 1, 2025 AMOUNT	%
	Current liabilities									
2110	Short-term loans	6(17)	$ 111,314,642	21	$ 109,321,048	21	$ 130,162,253	26	$ 134,152,135	26
2120	Short-term notes and bills payable	6(18)	159,883,048	31	169,574,560	33	140,083,143	28	139,501,975	27
2140	Financial liabilities at fair value through profit or loss-current	6(2)	2,536	-	7,048	-	-	-	-	-
2150	Derivative financial liabilities for hedging	6(4)	871,520	-	687,433	-	230,965	-	855,551	-
2165	Contract liabilities-current	6(28)	1,833,045	-	1,531,162	-	1,808,171	-	1,363,237	-
2201	Notes payable		1,494,757	-	1,459,989	-	1,231,537	-	1,377,202	-
2202	Accounts payable	7	12,469,620	3	10,214,252	2	13,110,510	3	12,985,248	3
2203	Accrued expenses	6(21) and 7	7,703,196	2	8,273,318	2	6,952,874	1	7,812,696	2
2204	Other payables	7	16,343,113	3	2,774,801	1	15,314,715	3	2,778,901	1
2250	Commissions payable	7	3,470	-	7,799	-	3,805	-	11,931	-
2310	Current income tax liabilities		5,412,825	1	4,098,819	1	3,529,470	1	2,322,803	-
2320	Advance receipts		294,694	-	299,282	-	337,137	-	255,186	-
2330	Long-term liabilities-current portion	6(19)(20)	33,018,934	6	22,682,626	4	28,703,692	6	33,029,050	7
2335	Current lease liabilities	7	473,440	-	526,984	-	592,584	-	614,143	-
2350	Other current liabilities	6(23)(24)	10,843,355	2	10,493,283	2	10,433,442	2	10,195,804	2
2380	Insurance contract liabilities-current	6(9)	7,129,683	1	6,861,967	1	6,654,022	1	6,026,255	1
2381	Reinsurance contract liabilities-current	6(9)	1,086	-	1,086	-	14,110	-	12,277	-
	Total current liabilities		369,092,964	70	348,815,457	67	359,162,430	71	353,294,394	69
	Non-current liabilities									
2550	Long-term loans	6(20)	1,403,494	-	8,733,259	2	6,886,177	1	5,174,127	1
2600	Provisions	6(23)	6,595,546	1	6,372,290	1	5,739,678	1	5,428,612	1
2620	Guarantee deposits received	6(24)	11,643,502	2	12,019,629	2	11,963,945	2	11,824,521	2
2625	Non-current lease liabilities	7	2,270,537	1	2,267,423	1	1,933,091	1	1,984,070	1
2630	Deferred income tax liabilities	6(33)	5,189,290	1	5,133,111	1	4,814,579	1	4,732,392	1
2650	Insurance contract liabilities-non-current	6(9)	9,980,198	2	9,632,591	2	9,341,985	2	8,964,232	2
2651	Reinsurance contract liabilities-non-current	6(9)	5,195	-	5,195	-	-	-	-	-
2660	Other liabilities		2,637,071	1	1,855,038	-	1,767,825	-	1,767,327	-
	Total non-current liabilities		39,724,833	8	46,018,536	9	42,447,280	8	39,875,281	8
2XXX	**Total liabilities**		408,817,797	78	394,833,993	76	401,609,710	79	393,169,675	77

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HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025, MARCH 31, 2025 AND JANUARY 1, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 AMOUNT	%	(restated) December 31, 2025 AMOUNT	%	(restated) March 31, 2025 AMOUNT	%	(restated) January 1, 2025 AMOUNT	%
	Equity attributable to shareholders of the parent									
	Share capital	6(25)								
3110	Common stock		$ 5,571,028	1	$ 5,571,028	1	$ 5,571,028	1	$ 5,571,028	1
	Capital surplus	6(26)								
3200	Capital surplus		2,919,185	1	2,919,185	1	2,871,305	-	2,871,305	1
	Retained earnings	6(27)								
3310	Legal reserve		19,892,318	4	19,892,318	4	17,836,393	4	17,836,393	4
3320	Special reserve		381,843	-	381,843	-	381,843	-	381,843	-
3330	Unappropriated earnings		44,350,235	8	51,813,775	10	39,054,762	8	46,222,107	9
	Other equity									
3400	Other equity interest		6,107,609	1	6,331,087	1	5,002,893	1	6,126,567	1
31XX	**Total equity attributable to shareholders of the parent**		79,222,218	15	86,909,236	17	70,718,224	14	79,009,243	16
32XX	**Non-controlling interests**		37,111,850	7	37,597,785	7	35,517,839	7	35,838,263	7
3XXX	**Total equity**		116,334,068	22	124,507,021	24	106,236,063	21	114,847,506	23
	Significant contingent liabilities and unrecognized contract commitments	9								
	Significant events after balance sheet date	11								
	Total liabilities and equity		$ 525,151,865	100	$ 519,341,014	100	$ 507,845,773	100	$ 508,017,181	100

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Three months ended March 31			
			2026		2025 (restated)	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Revenues					
4010	Interest income	6(3)(29)	$ 5,186,614	7	$ 5,519,475	7
4021	Insurance revenue	6(30)	3,857,829	6	3,616,202	5
4060	Share of profit of associates and joint ventures accounted for using the equity method	6(10)	468,113	1	640,070	1
4090	Gains on financial assets and liabilities at fair value through profit or loss	6(2)	293,295	-	(609,711)	(1)
4105	Realized gains on financial assets at fair value through other comprehensive income		34,202	-	39,364	-
4160	Net sales revenue	6(28)				
4161	Sales revenue		55,623,104	78	58,275,134	80
4162	Sales returns		(106,299)	-	(280,746)	-
4163	Sales discounts and allowances		(532,350)	(1)	(603,231)	(1)
4170	Rental revenue		5,173,136	7	5,154,132	7
4180	Service revenue	6(28) and 7	751,359	1	696,198	1
4210	Gains on disposal of property, plant and equipment		7,184	-	40,209	-
4230	Income from investment property	6(14)	12,714	-	39,475	-
4260	Foreign exchange gains		109,234	-	172,524	-
4270	Other income		481,666	1	435,391	1
4256	Reversal gains on expected credit of investment		-	-	2	-
4280	Unrealized profits from sales		(90,784)	-	(103,661)	-
4290	Realized profits from sales		62,214	-	82,160	-
	Total revenues		71,331,231	100	73,112,987	100
	Expenses					
5010	Interest expenses		(1,804,929)	(3)	(1,832,903)	(2)
5040	Commission expenses	7	(281,646)	-	(404,270)	(1)
5071	Insurance service expenses		(2,815,104)	(4)	(2,974,942)	(4)
5072	Income or expenses of reinsurance contracts held		(533,041)	(1)	(415,796)	(1)
5073	Insurance finance income or expenses		(36,169)	-	(33,584)	-
5074	Finance income or expenses of reinsurance contracts held		17,174	-	23,158	-
5075	Net change in special reserves		(30,890)	-	(498)	-
5190	Cost of sales	6(7) and 7	(48,739,223)	(68)	(51,088,624)	(70)
5200	Cost of rental revenue		(4,056,807)	(6)	(4,059,111)	(6)
5210	Cost of services		(700,526)	(1)	(663,190)	(1)
5230	Operating expenses	6(31)(32) and 7				
5231	Selling expenses		(2,358,613)	(3)	(2,422,520)	(3)
5232	General and administrative expenses		(2,067,402)	(3)	(1,685,068)	(2)
5233	Research and development expenses		(75,538)	-	(87,153)	-
5287	Expected credit impairment losses of non-investment	12(2)	(1,029,435)	(2)	(1,385,007)	(2)
5240	Loss on disposal of investment		-	-	(7,149)	-
5270	Expenses and losses from investment property	6(14)	(9,364)	-	(9,284)	-
5320	Other expenses		(274,069)	-	(109,407)	-
	Total expenses		(64,795,582)	(91)	(67,155,348)	(92)
6100	**Income before income tax from continuing operations**		6,535,649	9	5,957,639	8
6200	Income tax expense	6(33)	(1,278,339)	(2)	(1,214,244)	(2)
6500	**Profit for the period**		$ 5,257,310	7	$ 4,743,395	6

(Continued)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Three months ended March 31			
			2026		2025 (restated)	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss) for the year					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
6617	Gain from investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 646,044)	(1)	($ 1,342,174)	(2)
6610	Total components of other comprehensive income that may not be reclassified to profit or loss		(646,044)	(1)	(1,342,174)	(2)
6650	**Components of other comprehensive (loss) income that may be reclassified to profit or loss**					
6651	Financial statement translation differences of foreign operations		511,677	1	615,162	1
6659	Unrealized gains (loss) from investments in debt instruments measured at fair value through other comprehensive income	6(3)	(4,179)	-	3,488	-
6661	Gain (loss) on hedging instrument	6(4)	89,092	-	(54,627)	-
6665	Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method components of other comprehensive income that may be reclassified to profit or loss		2,776	-	4,956	-
6689	Income tax related to components of other comprehensive (loss) income that may be reclassified to profit or loss	6(33)	(27,202)	-	7,225	-
	Total components of other comprehensive income that will be reclassified to profit or loss		572,164	1	576,204	1
6600	**Other comprehensive loss for the period-net**		($ 73,880)	-	($ 765,970)	(1)
6700	**Total comprehensive income for the period**		$ 5,183,430	7	$ 3,977,425	5
	Profit attributable to:					
6810	Owners of parent		$ 4,429,572	6	$ 3,974,710	5
6820	Non-controlling interests		827,738	1	768,685	1
			$ 5,257,310	7	$ 4,743,395	6
	Comprehensive income attributable to:					
6910	Owners of parent		$ 4,206,094	6	$ 2,851,036	3
6920	Non-controlling interests		977,336	1	1,126,389	2
			$ 5,183,430	7	$ 3,977,425	5
	Basic earnings per share	6(34)				
	Basic earnings per share		$	7.95	$	7.13
	Diluted earnings per share	6(34)				
	Diluted earnings per share		$	7.94	$	7.13

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent											
				Retained earnings			Other equity interest						
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Other comprehensive income (loss) reclassified by using overlay approach	Gain (loss) on hedging instruments	Total	Non-controlling interests	Total equity
For the three months ended March 31, 2025													
Balance at January 1, 2025		$ 5,571,028	$ 2,871,305	$ 17,836,393	$ 381,843	$ 44,928,842	($ 83,342)	$ 6,267,664	$ 567,839	($ 57,755)	$ 78,283,817	$ 35,838,179	$ 114,121,996
Effect of retrospective application	3	-	-	-	-	1,293,265	-	-	(567,839)	-	725,426	84	725,510
Balance at January 1, 2025 after restatements		5,571,028	2,871,305	17,836,393	381,843	46,222,107	(83,342)	6,267,664	-	(57,755)	79,009,243	35,838,263	114,847,506
Profit for the period		-	-	-	-	3,974,710	-	-	-	-	3,974,710	768,685	4,743,395
Other comprehensive income (loss) for the period		-	-	-	-	-	239,003	(1,339,269)	-	(23,408)	(1,123,674)	357,704	(765,970)
Total comprehensive income (loss)		-	-	-	-	3,974,710	239,003	(1,339,269)	-	(23,408)	2,851,036	1,126,389	3,977,425
Appropriation and distribution of retained earnings:	6(27)												
Cash dividends		-	-	-	-	(11,142,055)	-	-	-	-	(11,142,055)	(1,446,813)	(12,588,868)
Balance at March 31, 2025		$ 5,571,028	$ 2,871,305	$ 17,836,393	$ 381,843	$ 39,054,762	$ 155,661	$ 4,928,395	$ -	($ 81,163)	$ 70,718,224	$ 35,517,839	$ 106,236,063
For the three months ended March 31, 2026													
Balance at January 1, 2026 after restatements		$ 5,571,028	$ 2,919,185	$ 19,892,318	$ 381,843	$ 51,813,775	($ 107,907)	$ 6,466,175	$ -	($ 27,181)	$ 86,909,236	$ 37,597,785	$ 124,507,021
Effect of other regulations		-	-	-	-	(751,057)	-	-	-	-	(751,057)	(86)	(751,143)
Balance at January 1, 2026 after restatements		5,571,028	2,919,185	19,892,318	381,843	51,062,718	(107,907)	6,466,175	-	(27,181)	86,158,179	37,597,699	123,755,878
Profit for the period		-	-	-	-	4,429,572	-	-	-	-	4,429,572	827,738	5,257,310
Other comprehensive income (loss) for the period		-	-	-	-	-	406,815	(653,708)	-	23,415	(223,478)	149,598	(73,880)
Total comprehensive income (loss)		-	-	-	-	4,429,572	406,815	(653,708)	-	23,415	4,206,094	977,336	5,183,430
Appropriation and distribution of retained earnings:	6(27)												
Cash dividends		-	-	-	-	(11,142,055)	-	-	-	-	(11,142,055)	(1,660,631)	(12,802,686)
Difference between consideration and carrying amount of subsidiaries disposed		-	-	-	-	-	-	-	-	-	-	197,446	197,446
Balance at March 31, 2026		$ 5,571,028	$ 2,919,185	$ 19,892,318	$ 381,843	$ 44,350,235	$ 298,908	$ 5,812,467	$ -	($ 3,766)	$ 79,222,218	$ 37,111,850	$ 116,334,068

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 6,535,649	$ 5,957,639
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(11)(12)(14)(31)	3,600,167	3,595,105
Amortization	6(31)	46,799	38,701
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)	(293,295)	609,711
Reversal gains on expected credit of investment		-	(2)
Expected credit impairment loss on non-investment		1,029,435	1,396,884
Impairment loss of rental assets	6(11)	10,785	4,413
Provision for financial guarantee expense		14,654	6,713
Interest expense		1,804,929	1,832,903
Interest income	6(29)	(5,186,614)	(5,519,475)
Dividend income		(34,202)	(39,364)
Share of profit of associates accounted for using the equity method	6(10)	(468,113)	(640,070)
Net gain on disposal of property, plant and equipment		(7,184)	(40,209)
Unrealized profit from sales		90,784	103,661
Realized profit from sales		(62,214)	(82,160)
Loss on disposal of investment		-	7,149
Profit on lease modification	6(12)	(2,861)	(167)
Exchange gain or loss		75,353	59,328
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(384,463)	(47,382)
Contract assets		2,871	14,248
Notes and accounts receivable		57,594	2,406,008
Other receivables		(31,955)	41,196
Inventories		5,122,272	2,576,925
Prepayments		643,191	104,530
Insurance contract assets		(765)	134
Reinsurance contract assets		476,478	(51,021)
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss		(4,512)	-
Contract liabilities		301,883	444,934
Notes and accounts payable		2,226,441	(76,679)
Accrued expenses		(595,856)	(862,239)
Other payables		765,626	(53,054)
Commission payable		(4,329)	(8,126)
Provisions		223,256	311,066
Advance receipts		(4,588)	81,951
Other current liabilities		231,475	130,835
Insurance contract liabilities		615,323	1,005,520
Reinsurance contract liabilities		-	1,833
Other liabilities		30,890	498
Cash inflow generated from operations		16,824,904	13,311,937
Interest received		5,164,426	5,505,827
Cash dividends received		34,202	39,364
Interest paid		(1,770,751)	(1,827,828)
Income tax paid		(83,024)	(56,069)
Net cash flows from operating activities		20,169,757	16,973,231

(Continued)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at fair value through other comprehensive income		($ 151,252)	($ 100,410)
Proceeds from disposal of financial assets at amortised cost		36,626	-
Acquisition of property, plant and equipment	6(11)	(5,019,012)	(6,290,054)
Proceeds from disposal of property, plant and equipment		50,102	79,690
Acquisition of intangible assets	6(15)	(133,421)	(8,846)
Decrease in other financial assets		91,440	247,104
Increase in other assets		(673,388)	(540,799)
Net cash flows used in investing activities		(5,798,905)	(6,613,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(36)	2,182,628	(4,771,272)
(Decrease) increase in short-term notes and bills payable	6(36)	(10,890,449)	581,168
Proceeds from issuance of bonds	6(36)	4,150,000	-
Repayments of bonds	6(36)	-	(3,000,000)
Proceeds from long-term loans	6(36)	86,635	1,746,757
Repayments of long-term loans	6(36)	(31,155)	(1,360,065)
Increase in guarantee deposits received	6(36)	(257,530)	246,227
Repayment of principal portion of lease liability	6(36)	(124,994)	(127,148)
Net cash flows used in financing activities		(4,884,865)	(6,684,333)
Net effect of changes in foreign currency exchange rates		364,167	545,126
Net increase in cash and cash equivalents		9,850,154	4,220,709
Cash and cash equivalents at beginning of period		23,971,458	18,968,725
Cash and cash equivalents at end of period		$ 33,821,612	$ 23,189,434

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Hotai Motor Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in import, trading, selling and repairing of vehicles and their parts, as well as installment sales and leases of vehicles, and sales of used vehicles and business of property insurance.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became into effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7,'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period. Starting from January 1, 2026, Hotai Insurance has adopted the regulations specified in Jin-Guan-Pao-Tsai Letter No. 1140131712 dated March 12, 2025. The passive and unleveraged overseas bond index funds denominated in New Taiwan Dollars that meet the accounting standards in the practical illustrative example issued by the Taiwan Insurance Institute are classified as measured at fair value through other comprehensive income.

Effect from redesignation of financial assets

The Group redesignated various financial assets and did not restate the financial statements of prior periods. The Group only recognised the difference between the amount before redesignation and the amount after redesignation of the financial assets in retained earnings or other equity. The affected financial assets are listed in the following table:

	Amount before redesignation as at December 31, 2025	Recognition and measurement differences in redesignation of financial assets	Amount after redesignation as at January 1, 2026	
Financial assets at fair value through profit or loss	$ 4,806,409	($ 249,452)	$ 4,556,957	Reassessment and classification of designated financial assets
Financial assets at fair value through other comprehensive income	1,109,023	249,452	1,358,475	Reassessment and classification of designated financial assets
Unappropriated earnings	4,761,085	(2,680)	4,758,405	Reassessment and classification of designated financial assets
Other equity	4,475	2,680	7,155	Reassessment and classification of designated financial assets

B. Effects of initial application of IFRS 17, 'Financial instruments'

Hotai Insurance adopted IFRS 17 'Insurance contracts' ('IFRS 17') on January 1, 2026 to replace IFRS 4, and established principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM') representing the unearned profit of the contract. An entity may apply a modified simplified measurement approach (the premium allocation approach) to some insurance contracts. An entity recognizes the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately.

Entities are required to present separately insurance revenue, insurance service expenses and insurance finance income or expenses and to disclose information about amounts, judgements and risks arising from insurance contracts.

(a) The method for transition date

The transition date is defined as the start of the reporting period of the immediate prior year to the initial application date, thus for Hotai Insurance, the transition date is January 1, 2025. According to the standards, unless impracticable, the full retrospective approach should be applied to measure at the transition date under IFRS 17. If impractical, the modified retrospective approach or fair value approach should be used, and is conducted in accordance with the Jin-Guan-Pao-Tsai Letter No. 11404901651.

i. Modified Retrospective Approach: Achieving results as close as possible to those under a full retrospective approach without undue cost or effort.

ii. Fair Value Approach: Determining the contractual service margin as the difference between the fair value of the insurance contract group as measured under IFRS 13 at the transition date and the liability for remaining coverage measured on that date.

Based on the fact that most insurance contract combinations and groups are short-term products and apply the Premium Allocation Approach, contracts with inception dates in 2024 and onwards adopt the full retrospective approach, while for contracts with inception dates before 2023, except for long-term fire insurance using the fair value approach, other lines will apply the modified retrospective approach.

(b) Hotai Insurance retrospectively applies IFRS 17 to all reporting periods in the financial report and adopts the transitional provisions of IFRS 17, which exempts it from disclosing the impact of the application of IFRS 17 on various financial statement items.

The effects of initial application of IFRS 17 on Hotai Insurance's equity as of January 1, 2025 is shown in the following table:

	December 31, 2024	Effects of initial application of IFRS 17	January 1, 2025 (restated)
Share capital	$ 2,000,000	$ -	$ 2,000,000
Capital surplus	-	-	-
Retained earnings	3,746,861	1,357,769	5,104,630
Other equity	621,568	(632,259)	(10,691)
Total equity	$ 6,368,429	$ 725,510	$ 7,093,939

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

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

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

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies, except for the compliance statement, basis of preparation, and basis of consolidation described below, are consistent with those in Note 4 of the consolidated financial statements for the year 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", Regulations Governing the Preparation of Financial Reports by Enterprises Engaging in Insurance and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC and the Jin-Guan-Pao-Tsai Letter No. 11404901651 dated March 12, 2025 from the Insurance Bureau, FSC.

B. The consolidated financial report should be read in conjunction with the consolidated financial report for the fiscal year 2025.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Insurance contract liabilities (assets), as well as reinsurance contract assets (liabilities), measured at current interest rates.

(d) The other provisions recognized in accordance with specific statutory requirements and regulations relevant to insurance enterprises.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group

loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(f) From January 1, 2026 to March 31, 2026, the subsidiaries of the individual financial reports included in this consolidated financial statements, except for Hozan Investment Co., Ltd., Hotai Finance Co., Ltd., He Jing Co., Ltd., Hotai Leasing Co., Ltd., Hotai Insurance Co., Ltd., Hoyun International Limited, Hoyun International Leasing Co., Ltd., and Shanghai Ho-Yu (BVI) Investment Co.,Ltd., which are included based on their financial reports reviewed by independent auditors during the same period and excluded from the consolidated financial statements. The remaining subsidiaries are evaluated and disclosed based on their unaudited financial statements for the same period. From January 1, 2025 to March 31, 2025, the subsidiaries of the individual financial reports included in this consolidated financial statements, except for Hozan Investment Co., Ltd., Hotai Finance Co., Ltd., He Jing Co., Ltd., Hotai Leasing Co., Ltd., Hotai Insurance Co., Ltd., Hoyun International Limited, Hoyun International Leasing Co., Ltd., and Shanghai Ho-Yu (BVI) Investment Co.,Ltd., which are included based on their financial reports reviewed by independent auditors during the same period and excluded from the consolidated financial statements. The remaining subsidiaries are evaluated and disclosed based on their unaudited financial statements for the same period.

B. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Main business activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Note
Hotai Motor Co., Ltd.	Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Equity investments in Mainland China (trading and repairing of vehicles and their parts)	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	Hozan Investment Co., Ltd.	General investment	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	Hotai Insurance Co., Ltd.	Property and casualty insurance services	77.93	77.93	77.93	
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Sales of vehicles and parts and repairing of vehicles	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	Toyota Material Handling Taiwan Ltd.	Sales of vehicles and parts for industry use	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	Ho Tai Development Co., Ltd.	Agent for sales of air conditioning system and contracting of air conditioning construction	45.01	45.01	45.01	Note 2
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Trading of vehicle products/accessories	51.00	51.00	51.00	
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Sales of vehicles and parts and repairing of vehicles	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	Smart Design Technology Co., Ltd.	Electronic parts and components manufacturing	20.00	20.00	20.00	Note 1
Hotai Motor Co., Ltd.	Hotai Connected Co., Ltd.	E-commerce platform services	70.00	70.00	70.00	
Hotai Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Assembly of vehicle bodies	50.00	50.00	50.00	Note 1
Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Sales of vehicle bodies	100.00	100.00	100.00	
Hotai Motor Co., Ltd.	He Jun Energy Co., Ltd.	Solar power	18.00	18.00	18.00	Note 1
Hotai Motor Co., Ltd.	Hotai Japan Co., Ltd.	Management services	100.00	-	-	Note 8
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Tienjin Ho Yu Investment Co., Ltd.	Equity investments in Mainland China, (trading and repairing of vehicles and their parts)	70.00	70.00	70.00	
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Hotong Motor Investment Co., Ltd.	Operation decision making, capital and financial management, information services, employee trainings and other services	100.00	100.00	100.00	
Tienjin Ho Yu Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	75.00	75.00	75.00	
Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co.,	Sales and repairing of vehicles	100.00	100.00	100.00	

Investor	Investee	Main business activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Note
	Ltd.					
Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	Trading of vehicle products / accessories and property management	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai Hoxin Motor Service Consulting Co., Ltd.	Consulting services	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	Trading of vehicle products / accessories and property management	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	Sales and repairing of vehicles	70.00	70.00	70.00	
Hotong Motor Investment Co., Ltd.	Shanghai Fengyi Construction Decoration Co., Ltd.	Property management	70.00	70.00	70.00	
Hotong Motor Investment Co., Ltd.	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Property management	100.00	100.00	100.00	
Hotong Motor Investment Co., Ltd.	Qingdao Heling Lexus Automobile Sale Service Co., Ltd.	Sales and repairing of vehicles	70.00	70.00	70.00	
Hotong Motor Investment Co., Ltd.	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd..	Sales and repairing of vehicles	100.00	100.00	100.00	
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Zaozhuang Ho-Wan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	25.00	25.00	25.00	Note 1
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	-	-	23.81	Note 1, 4
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Shanghai Guangxin Cultural Media Co., Ltd.	Advertisement design and production	100.00	100.00	100.00	
Shanghai Heling Motor Service Co., Ltd.	Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	-	-	52.38	Note 1, 4
Shanghai Heling Motor Service Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
Shanghai Heling Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Sales of imported cars	100.00	100.00	100.00	
Shanghai Heling Motor Service Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	40.00	40.00	40.00	Note 1
Shanghai Hozhan Motor Service Co., Ltd.	Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	-	-	23.81	Note 1, 4
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	30.00	30.00	30.00	Note 1
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	30.00	30.00	30.00	Note 1
Hozan Investment Co., Ltd.	Hotai Leasing Co., Ltd.	Leasing of vehicles	65.52	65.52	66.04	Note 5
Hozan Investment Co., Ltd.	Hotai Finance Co., Ltd.	Installment trading and leasing of various vehicles	45.39	45.39	45.39	Note 2

Investor	Investee	Main business activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Note
Hozan Investment Co., Ltd.	Hotai Insurance Co., Ltd.	Property and casualty insurance services	22.05	22.05	22.05	Note 1
Hotai Connected Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taxi dispatch service	41.10	41.10	41.10	Note 1
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taxi dispatch service	27.40	27.40	27.40	Note 1
Hotai Mobility Service Co., Ltd.	ChyuanAn Transport Co., Ltd.	Taxi service	100.00	100.00	100.00	
Hotai Mobility Service Co., Ltd.	YuCheng Transport Co., Ltd.	Taxi service	100.00	100.00	100.00	
Hotai Finance Co., Ltd.	Hoyun International Limited	General investment	50.50	50.50	50.50	
Hotai Leasing Co., Ltd.	Hoyun International Limited	General investment	49.50	49.50	49.50	Note 1
Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Leasing of vehicles	50.82	50.82	50.82	
Hotai Connected Co., Ltd.	Hoing Mobility Service Co., Ltd.	Leasing of vehicles	49.18	49.18	49.18	Note 1
Hotai Connected Co., Ltd.	Ho Young Travel Agency Co., Ltd.	Tourism industry	100.00	100.00	100.00	
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Installment trading of various vehicles	81.00	81.00	81.00	
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Solar power	80.00	80.00	80.00	
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Installment of equipment sales	100.00	100.00	100.00	
Hotai Finance Co., Ltd	HFC (Cambodia) Microfinance PLC.	Financing and leasing services	66.00	66.00	35.00	Note 6
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Energy storage	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Solar power	99.00	99.00	99.00	
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Solar power	96.97	96.97	96.97	
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Solar power	99.00	99.00	99.00	
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Electricity retailing business	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Solar power	100.00	100.00	100.00	
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd	Solar power	86.62	86.62	70.00	Note 7
Cheng Yo Technology Co., Ltd.	Hon Yang Energy Co., Ltd.	Solar power	100.00	100.00	100.00	
Hoyun International Limited	Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring services	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Vehicle Leasing Co., Ltd.	Leasing of cars	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hemei International Trade (Suzhou) Co., Ltd.	Goods trading business	100.00	100.00	100.00	
Ho Tai Development Co., Ltd.	Air Master International Co., Ltd.	General investment	100.00	100.00	100.00	
Toyota Material Handling Taiwan Ltd.	Shanghai Hotai Toyota Forklift Co., Ltd.	Sales of vehicles and parts for industry use	100.00	100.00	100.00	

Investor	Investee	Main business activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Note
Ho Tai Development Co., Ltd.	Ho Tai Service & Marketing Co., Ltd.	Repairing of air conditioning equipment and trading of their parts	100.00	100.00	100.00	
Ho Tai Development Co., Ltd.	Ho Tai Parts & Accessories Co., Ltd.	Trading of air conditioning equipment and their peripherals	100.00	100.00	100.00	
Ho Tai Development Co., Ltd.	3A Express Co., Ltd.	Freight forwarders	51.00	51.00	51.00	
3A Express Co., Ltd.	Ho Tai Transportation Co., Ltd.	Freight forwarders	100.00	100.00	100.00	
3A Express Co., Ltd.	Long Hao Removal Transport Services Co., Ltd.	Freight forwarders	100.00	100.00	100.00	
Air Master International Co., Ltd.	He Zhan Development Co., Ltd.	Trading of air conditioning equipment	100.00	100.00	100.00	
Carmax Co., Ltd.	Carmax Autotech (Shanghai) Co., Ltd.	Trading of vehicle products/accessories	100.00	100.00	100.00	
Carmax Co., Ltd.	Smart Design Technology Co., Ltd.	Electronic parts and components manufacturing	61.77	61.77	61.77	
Carmax Co., Ltd.	Carmax Racing International Co., Ltd.	Trading of vehicle products/accessories	100.00	100.00	-	Note 3
Eastern Motor Co., Ltd.	Doroman Autoparts Corporation	Wholesale and retail of vehicles parts and accessories	100.00	100.00	100.00	
Eastern Motor Co., Ltd.	Daleon Auto Parts and Accessories Corporation	Wholesale and retail of vehicles parts and accessories	100.00	100.00	100.00	
Eastern Motor Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taxi dispatch service	0.68	0.68	0.68	Note 1
Eastern Motor Co., Ltd.	Hotai Connected Co., Ltd.	E-commerce platform services	0.50	0.50	0.50	Note 1
Chang Yuan Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Assembly of vehicle bodies	20.00	20.00	20.00	Note 1
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Trading of buses	100.00	100.00	100.00	
Hoyun International Leasing Co., Ltd.	Hoyun International Leasing Co., Ltd. The first phase of small and micro asset-backed notes trust for supporting industrial upgrade in 2024	Structured entities	-	-	-	Note 9
Hoyun International Leasing Co., Ltd.	Hoyun International Leasing Co., Ltd. The first phase of Hoyun Tongying asset-backed notes trust in 2025	Structured entities	-	-	-	Note 10

Note 1: The Group holds more than 50% shareholding in the subsidiary.

Note 2: The abovementioned investees whose equity were held directly or indirectly by the Group not exceeding 50%, were regarded as subsidiaries and consolidated in the Company's financial statements, since the Company could control over a half of voting rights in the Board of Directors.

Note 3: The subsidiary was established in April 2025.

Note 4: The subsidiary was deregistered in August 2025.

Note 5: The subsidiary Hozan Investment Co., Ltd. sold shares of Hoyun International Leasing Co., Ltd. on September 22, 2025, reducing its ownership stake to 65.52%.

Note 6: In December 2025, the subsidiary Hotai Finance Co., Ltd. acquired an additional 31%

equity interest in HFC (Cambodia) Microfinance PLC for USD$20.89 million, increasing its ownership to 66.00% and obtaining control; accordingly, it has been included in the scope of consolidation.

Note 7: In December 2025, the subsidiary He Jun Energy Co., Ltd. acquired an additional 16.62% equity interest in its subsidiary, Jun Te Energy Co., Ltd., for NT$18,615 thousand, increasing its ownership to 86.62%.

Note 8: The subsidiary was established in March 2026.

Note 9: The structured entity was a trust established in September 2024. The equity interests in the entity were not held directly or indirectly by the Group. Therefore, the Group judged whether it has control over the entity based on the substantial relationship with the entity and the evaluation of its risks and rewards. Accordingly, the entity was included in the scope of consolidation. The entity completed the relevant termination procedures in September 2025. Refer to Note 6(5) for details.

Note 10: This structured entity is a trust established in September 2025. The Group holds no direct or indirect equity interest in this entity; however, based on the substance of its relationship with the entity and an assessment of the associated risks and rewards, the Group is considered to have control over it and therefore includes it within the scope of consolidation. Refer to Note 6(5) for details.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interest that are material to the Group:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the non-controlling interest amounted to $37,111,850, $37,597,785 and $35,517,839, respectively. The information of non-controlling interests that are material to the Group and respective subsidiaries is as follows:

		Non-controlling interest			
		March 31, 2026		December 31, 2025	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Hotai Finance Co., Ltd. (Note)	Taiwan	$ 24,748,179	54.610%	$ 25,402,237	54.610%
Hotai Leasing Co., Ltd.	Taiwan	2,069,356	34.475%	2,168,857	34.475%

		Non-controlling interest	
		March 31, 2025	
Name of subsidiary	Principal place of business	Amount	Ownership (%)
Hotai Finance Co., Ltd. (Note)	Taiwan	$ 23,989,756	54.610%
Hotai Leasing Co., Ltd.	Taiwan	2,249,257	33.958%

Note: The shareholding percentage calculation does not include the non-voting special shares issued by the subsidiary.

Summarised financial information of the subsidiaries:

Balance sheets

	Hotai Finance Co., Ltd.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 301,356,298	$ 301,637,976	$ 299,159,417
Non-current assets	28,773,358	27,947,517	25,355,222
Current liabilities	(284,872,301)	(276,026,176)	(280,517,860)
Non-current liabilities	(2,959,908)	(10,163,061)	(3,787,144)
Total net assets	$ 42,297,447	$ 43,396,256	$ 40,209,635

	Hotai Leasing Co., Ltd.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 6,050,443	$ 4,772,657	$ 4,371,358
Non-current assets	55,073,128	57,043,878	55,989,143
Current liabilities	(40,567,744)	(40,582,376)	(34,718,454)
Non-current liabilities	(14,297,497)	(14,697,920)	(18,742,210)
Total net assets	$ 6,258,330	$ 6,536,239	$ 6,899,837

Statements of comprehensive income

	Hotai Finance Co., Ltd.	
	Three months ended March 31,	
	2026	2025
Revenue	$ 5,805,627	$ 6,085,734
Profit before income tax	1,199,688	1,036,934
Income tax expense	(276,772)	(264,550)
Profit for the period	922,916	772,384
Other comprehensive income for the period, net of tax	282,726	75,119
Total comprehensive income for the period	$ 1,205,642	$ 847,503
Comprehensive income attributable to non-controlling interests	$ 604,403	$ 410,836

	Hotai Leasing Co., Ltd.	
	Three months ended March 31,	
	2026	2025
Revenue	$ 7,593,635	$ 7,367,564
Profit before income tax	339,743	327,839
Income tax expense	(78,187)	(82,002)
Profit for the period	261,556	245,837
Other comprehensive income for the period, net of tax	80,475	50,326
Total comprehensive income for the period	$ 342,031	$ 296,163
Comprehensive income attributable to non-controlling interests	$ 114,223	$ 103,355

Statements of cash flows

	Hotai Finance Co., Ltd.	
	Three months ended March 31,	
	2026	2025
Net cash provided by operating activities	$ 4,295,144	$ 4,875,934
Net cash used in investing activities	(472,529)	(508,270)
Net cash used in financing activities	(1,262,288)	(4,447,244)
Net effect of changes in foreign currency exchange rates	194,665	100,616
Increase in cash and cash equivalents	2,754,992	21,036
Cash and cash equivalents, beginning of period	4,631,325	4,985,831
Cash and cash equivalents, end of period	$ 7,386,317	$ 5,006,867

	Hotai Leasing Co., Ltd.	
	Three months ended March 31,	
	2026	2025
Net cash provided by operating activities	$ 5,221,479	$ 4,803,814
Net cash used in investing activities	(4,041,747)	(5,476,930)
Net cash (used in) provided by financing activities	(1,224,868)	737,098
(Decrease) increase in cash and cash equivalents	(45,136)	63,982
Cash and cash equivalents, beginning of period	366,543	368,589
Cash and cash equivalents, end of period	$ 321,407	$ 432,571

(4) Loss allowance of the subsidiary, Hotai Insurance Co., Ltd.

A. The Group provisioned for the appropriate allowance loss under IFRS 9 for financial assets at fair value through other comprehensive income and long-term time deposits.

B. The Group provisioned for the appropriate allowance loss under IFRS 9 “Regulation Governing the Procedure for Asset Assessment and Collection of Overdue Debts in Insurance Industry” for financial assets at amortized cost such as receivables.

C. The Group provisioned for the appropriate allowance loss under the “Regulation Governing the Procedure for Asset Assessment and Collection of Overdue Debts in Insurance Industry” for reinsurance contract assets.

(5) Insurance contracts and reinsurance contracts

A. Definition and scope

(a) Insurance contracts issued (including reinsurance contracts):

Insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Hotai Insurance assesses insurance risk as significant if an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding

scenarios that have no commercial substance (ie no discernible effect on the economics of the transaction).

(b) Reinsurance contracts held

Hotai Insurance uses reinsurance to reduce its risk exposure. Even if a reinsurance contract held does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

B. Separating components of a contract

Hotai Insurance should analyze whether the insurance contracts and reinsurance contracts held include any components that need to be separated. IFRS 17 requires the separation of the following components if they are considered standalone contracts:

(a) Apply IFRS 9 to determine that cash flows relating to embedded derivatives shall be separated;

(b) Cash flows relating to distinct investment components;

(c) Any promise to transfer to a policyholder distinct goods or non-insurance services.

Hotai Insurance has no insurance contracts that require further separation.

C. Level of aggregation of contracts

(a) Insurance contracts

Insurance contracts issued by Hotai Insurance are based on the management of policy underwriting units. The contract in each insurance product has similar risks. Hotai Insurance regards the insurance contracts subject to same risk and managed together as a portfolio of insurance contracts. Groups of insurance contracts are managed by dividing each portfolio into contracts issued within a period of no more than one year and which, at initial recognition:

i. A group of contracts that are onerous at initial recognition;

ii. A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and

iii. A group of the remaining contracts in the portfolio.

The level of aggregation of insurance contracts and reinsurance contracts held is determined at initial recognition and the composition of the groups is not subsequently reconsidered.

(b) Reinsurance contracts held

Portfolios of reinsurance contracts held shall be assessed separately from portfolios of insurance contracts issued. For the purpose of applying the requirements for the level of aggregation, Hotai Insurance manages by dividing reinsurance contracts held within a period of no more than one year, at initial recognition, into:

i. A group of contracts that are a net gain at initial recognition;

ii. A group of contracts that at initial recognition have no significant possibility of becoming a net gain subsequently; and

iii. A group of the remaining contracts in the portfolio.

D. Initial recognition

(a) Insurance contracts

Hotai Insurance shall recognise a group of insurance contracts it issues from the earliest of the following:

i. The beginning of the coverage period of the group of contracts;

ii. The date when the first payment from a policyholder in the group becomes due; and

iii. For a group of onerous contracts, when the group becomes onerous.

(b) Reinsurance contracts held

Hotai Insurance shall recognise a group of reinsurance contracts held from the earliest of the following:

i. The beginning of the coverage period of the group of reinsurance contracts held; and

ii. The date Hotai Insurance recognises an onerous group of underlying insurance contracts, if Hotai Insurance entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

Hotai Insurance shall delay the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the group of contracts. If contracts meet the criteria for recognition in a group after the reporting period, they are included in that group of contracts in the reporting period in which they meet the criteria, subject to the limitation of annual cohorts.

E. Contract boundary

Hotai Insurance uses the concept of contract boundary to determine the cash flows to be included within a group of insurance contracts. Cash flows outside the contract boundary relate to future insurance contracts, and Hotai Insurance shall recognise them when those contracts meet the recognition criteria.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which Hotai Insurance can compel the policyholder to pay the premiums or in which Hotai Insurance has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when Hotai Insurance has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or when both of the following criteria are met:

(a) Hotai Insurance has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, the pricing of the premiums for contracts in the portfolio reflects the risks of that portfolio; and

(b) The pricing of the premiums for coverage up to the date of the reassessment of risks does not

take into account the risks that relate to periods after the reassessment date.

Cash flows are within the boundary of a reinsurance contract held if they arise from substantive rights and obligations that exist during the reporting period in which Hotai Insurance has a substantive obligation to pay amounts to the reinsurer or in which Hotai Insurance has a substantive right to receive services from the reinsurer.

F. Measurement of insurance contracts - groups of contracts not applying the premium allocation approach

Hotai Insurance uses the general measurement model to measure insurance contracts with longer coverage periods. This measurement method will be used to measure long-term fire insurance.

(a) Initial recognition

On initial recognition, Hotai Insurance measures the groups of insurance contracts at the total of the fulfillment cash flows and the contractual service margin.

i. The fulfillment cash flows include:

(i) Estimates of future cash flows;

(ii) An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and

(iii) A risk adjustment for non-financial risk to reflect the compensation required for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

Hotai Insurance calculates the discount rate for insurance contract liabilities using the best estimate assumptions that consider current information from liquid financial markets. The calculation is conducted in accordance with the methods specified by the regulatory authorities and the provisions of International Financial Reporting Standards.

ii. Contractual service margin

Hotai Insurance will recognise the unearned profit related to the provision of insurance contract services in the future as contractual service margin. The contractual service margin is a component of the asset or liability for the groups of insurance contracts, which will be recognized as contractual service margin when the insurance contract services are rendered. Hotai Insurance shall measure the contractual service margin on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts consists of onerous contracts or insurance revenue and insurance service expenses are recognized due to derecognition of other pre-recognition cash flows of assets or liabilities, results in no income or expenses arising from:

(i) The initial recognition of an amount for the fulfilment cash flows;

(ii) Any cash flows arising from the contracts in the group at that date.

(iii) Derecognition of all assets for insurance acquisition cash flows

An insurance contract is onerous at the date of initial recognition if the above calculation results in total are a net outflow. Hotai Insurance shall recognise a loss in profit or loss for the net outflow for the groups of onerous contracts, resulting in the carrying amount of the liability for the groups being equal to the fulfilment cash flows and the contractual service margin of the groups being zero. Simultaneously, Hotai Insurance shall establish a loss component of the liability for remaining coverage for the losses recognised.

(b) Subsequent measurement:

A group of insurance contracts: the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future service allocated to the groups at that date and the contractual service margin of the groups at that date. The liability for incurred claims comprises the fulfilment cash flows relating to past service allocated to the group at that date.

i. Changes in fulfilment cash flows

Hotai Insurance adopts current assumptions and discount rate to update the fulfilment cash flows at the end of each reporting period. The treatment of changes in fulfilment cash flows is as follows:

(i) Changes that relate to current or past service are recognized in profit or loss;

(ii) Changes that relate to future service are recognized by adjusting the contractual service margin or the loss component.

For insurance contracts applying the general measurement model, the adjustments to the contractual service margin of the groups of insurance contracts for changes in fulfilment cash flows that relate to future service comprise:

(i) Premium receipts in the current period that relate to future service and related cash flows, such as experience adjustments arising from insurance acquisition cash flows;

(ii) Changes in estimates of the present value of the future cash flows in the liability for remaining coverage;

(iii) Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing the actual investment component that becomes payable in the period with the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable;

(iv) Changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments mentioned in (i) and (ii) above shall be measured using the discount rate determined at initial recognition.

For insurance contracts applying the general measurement model, the contractual service margin for the groups of insurance contracts for the following changes in fulfilment cash flows shall not be adjusted because they do not relate to future service:

(i) The effect of the time value of money and changes in the time value of money and the effect of financial risk and changes in financial risk on fulfilment cash flows;

(ii) Changes in estimates of fulfilment cash flows in the liability for incurred claims;

(iii) Premium receipts in the current period that does not relate to future service and related cash flows, such as experience adjustments arising from insurance acquisition cash flows;

(iv) Experience adjustments related to insurance service expenses (excluding insurance acquisition cash flows).

ii. Adjustments to the contractual service margin

For insurance contracts issued, the carrying amount of the contractual service margin of the groups of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

(i) The effect of any new contracts added to the group;

(ii) Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates at initial recognition;

(iii) Changes in fulfilment cash flows relating to future service are recognized by adjusting the contractual service margin. The adjustments to the changes shall not exceed the carrying amount of the contractual service margin. When the increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, the contractual service margin will reduce to zero and the excess is recognised as insurance service expenses. Simultaneously, a loss component of the liability for remaining coverage shall be established. If the contractual service margin is already zero, changes in fulfilment cash flows will be recognised as insurance service and the loss component will be adjusted. If the subsequent decrease of fulfillment cash flows exceeds the loss component, the loss component will be reduced to zero, and the contractual service margin will be recognised.

(iv) The effect of any currency exchange differences on the contractual service margin; and

(v) The amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period over the current and remaining coverage period based on the coverage units.

The number of coverage units in a group of contracts is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period.

For the coverage units used as the basis for allocating the contractual service margin, Hotai Insurance applies the discount rate determined on the date of initial recognition of the groups of contracts to reflect their time value.

G. Measurement of insurance contracts - groups of contracts applying the premium allocation approach

Hotai Insurance applies the premium allocation approach to measure insurance contracts with short coverage periods. The measurement approach is used for measurement of all insurance contracts other than long-term fire insurance.

(a) Initial recognition

For the insurance contracts issued, Hotai Insurance defers the recognition of insurance acquisition cash flows allocated to the groups of contracts using the premium allocation approach over the coverage period of the group of contracts.

On initial recognition, Hotai Insurance calculates the liability for remaining coverage for the issued insurance contracts by deducting any insurance acquisition cash flows on that date and adding or subtracting the derecognition of assets for insurance acquisition cash flows on that date and any other assets or liabilities recognized relating to cash flows before initial recognition of the group of contracts from the premiums received.

Hotai Insurance applies the premium allocation approach to measure groups of insurance contracts with coverage periods within one year and contract groups that been through eligibility test at initial recognition, which meet the following criteria:

i. Percentage difference test at each point in time: The difference between the liability for remaining coverage under premium allocation approach and the general measurement model, divided by the liability for remaining coverage under the general measurement model, shall be less than or equal to 5%.

ii. Absolute difference test at each point in time: The difference between the liability for remaining coverage under premium allocation approach and the general measurement model shall be less than or equal to 5% of (premium income - insurance acquisition cash flows).

iii. Overall test: If each point in time passes at least one of the two tests mentioned above, then such point passes the test. If all points in time throughout the period pass the test, then the overall test is considered passed.

(b) Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

i. The liability for remaining coverage;

ii. The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

For insurance contracts issued, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the start of the reporting period.

i. Plus the premiums received in the period;

ii. Minus insurance acquisition cash flows;

iii. Minus the amount recognised as insurance revenue for services provided in that period;

iv. Plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period.

For insurance contracts issued by Hotai Insurance, using the premium allocation approach, the coverage periods are less than one year. Therefore, Hotai Insurance does not reflect the effect of the time value of money for the liability for remaining coverage of the insurance contracts issued.

For contracts measured using the premium allocation approach, the liability or asset for incurred claims is measured in a way similar to the liability for incurred claims under the general measurement model. Future cash flows are adjusted for the time value of money as the claim period is expected to exceed one year.

H. Measurement of reinsurance contracts held

(a) Groups of contracts not applying the premium allocation approach

i. Initial recognition

On initial recognition, Hotai Insurance shall measure a group of reinsurance contracts at the total of the fulfilment cash flows and the contractual service margin.

(i) Fulfilment cash flows

(i.) Hotai Insurance shall use consistent assumptions with those used for the group of underlying insurance contracts to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held. The amount reflects the effect of risk of non-performance by the reinsurer.

Hotai Insurance includes in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

(ii.) Risk adjustment for non-financial risk

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by Hotai Insurance to the issuer of those contracts.

(ii) Contractual service margin

Any net cost or net gain on a group of reinsurance contracts held is recognized as a contractual service margin on initial recognition, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held, in which case Hotai Insurance shall recognize such cost immediately in profit or loss. For reinsurance contracts held, the contractual service margin represents the deferred net cost or net gain that Hotai Insurance shall recognize as the allocation of reinsurance premiums as Hotai Insurance receives insurance contract services from the reinsurer, and is the total of:

(i.) The fulfilment cash flows, where the risk adjustment for non-financial risk represents the amount of risk being transferred by Hotai Insurance to the issuer of those contracts;

(ii.) The amount of any asset or liability recognised prior to that date for cash flows relating to the group of reinsurance contracts held that are derecognised at that date;

(iii.) Any cash flows arising at that date; and

(iv.) Any income recognised in profit or loss when a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or when an onerous underlying insurance contract is added to a group, adjusting the contractual service margin of the group of reinsurance contracts held and, consequently, establishing or adjusting a loss-recovery component in the asset for remaining coverage.

ii. Subsequent measurement

(i) The carrying amount at the end of each reporting period shall be the sum of the asset for remaining coverage and the asset for incurred claims.

(ii) Contractual service margin

For a group of reinsurance contracts held, the contractual service margin at the end of the reporting period is measured as the carrying amount determined at the start of the reporting period, adjusted for the following:

(i.) The effect of any new contracts added to the group;

(ii.) Interest accreted on the carrying amount of the contractual service margin, measured at the discount rates determined at the date of initial recognition;

(iii.) Any income recognised in profit or loss when a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or when an onerous underlying insurance contract is added to a group. Hotai Insurance shall establish or adjust a loss-recovery component in the asset for remaining coverage for a group of reinsurance contracts held to reflect that amount;

(iv.) Reversals of a loss-recovery component recognised to the extent that those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;

(v.) Changes in the fulfilment cash flows relating to future service, unless those changes arise from changes in the fulfilment cash flows allocated to a group of underlying insurance contracts that do not adjust the contractual service margin for the group of underlying insurance contracts;

(vi.) Any effect of exchange differences on the contractual service margin; and

(vii.)The amount recognised in profit or loss because of the services received in the period.

To apply the calculation requirements in the preceding paragraphs (iii.) to (v.), Hotai Insurance shall use a systematic and rational method of allocation to determine the portion of losses recognised on a group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

(b) Groups of contracts applying the premium allocation approach

i. Initial recognition

At initial recognition, Hotai Insurance uses the reinsurance premiums paid and any other cash flows arising from derecognition prior to initial recognition as the asset for remaining coverage.

ii. Subsequent measurement

For a group of reinsurance contracts held, the carrying amount at the end of each reporting period shall be the sum of the asset for remaining coverage and the asset for incurred claims. The carrying amount of the asset for remaining coverage at the end of the reporting period is the carrying amount of the asset at the start of the reporting period plus the reinsurance premiums paid in the period and minus the amount recognised as reinsurance premiums paid for services received in that period.

Hotai Insurance adjusts the liability for remaining coverage of the group of reinsurance contracts held to reflect the effect of risk of non-performance by the reinsurer.

I. Loss component and loss-recovery component

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, Hotai Insurance shall recognise a loss in profit or loss and increase the liability for remaining coverage for the excess of the fulfilment cash flows relating to the group over the carrying amount of the liability for remaining coverage, and establish a loss component, and subsequently, Hotai Insurance shall remeasure the loss component at the end of each reporting period as the difference between the fulfilment cash flows relating to future service and the carrying amount of the liability for remaining coverage, and the changes in the loss component shall be allocated to insurance service expenses and insurance finance income or expenses, to reflect the effects of the time value of money, financial risk and changes thereof.

After Hotai Insurance recognises a loss on an onerous group of insurance contracts, Hotai Insurance shall allocate the following items on a systematic basis between the loss component of the liability for remaining coverage and the liability for remaining coverage excluding the loss component, based on the ratio of the loss component to the present value of the future cash outflows expected to arise from the group:

(a) The estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of incurred insurance service expenses;

(b) Changes in the risk adjustment for non-financial risk; and

(c) Insurance finance income or expenses.

The allocations of (a) and (b) above shall reduce the amounts of insurance revenue and insurance service expenses, respectively.

An onerous group of insurance contracts includes both onerous insurance contracts covered by a group of reinsurance contracts held and onerous contracts not covered by the group of reinsurance contracts held. Hotai Insurance shall use a systematic and rational method of allocation to determine the portion of the loss component of the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

Hotai Insurance establishes or adjusts a loss-recovery component for a group of reinsurance contracts held to reflect the changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component determines the amounts that are presented in profit or loss as reversals of recoveries of losses from reinsurance contracts held and are consequently excluded from the allocation of reinsurance premiums paid.

The carrying amount of the loss-recovery component shall not exceed the carrying amount of the loss component of the onerous group of underlying insurance contracts that Hotai Insurance expects to recover from the group of reinsurance contracts held.

When Hotai Insurance recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, Hotai Insurance shall adjust the asset for remaining coverage for a group of reinsurance contracts held measured under the premium allocation approach, recognise a gain in profit or loss, and establish or adjust a loss-recovery component of the asset for remaining coverage for the group of reinsurance contracts held. The gain recognised shall be determined by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims on the underlying insurance contracts that Hotai Insurance expects to recover from the group of reinsurance contracts held, provided that the reinsurance contracts held are entered into at or before the onerous underlying insurance contracts are recognised.

The changes in the loss-recovery component of a group of reinsurance contracts held shall be allocated proportionally to reflect the effects of the time value of money, financial risk and changes thereof on the underlying contracts, and shall be recognised in reinsurance expenses or income and reinsurance finance income or expenses.

J. Modification and derecognition of an insurance contract

When Hotai Insurance reaches an agreement with the other party to the contract to modify the contract, or the contract is modified due to regulatory requirements, unless the original contract meets the conditions for derecognition, Hotai Insurance regards changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

Hotai Insurance shall derecognise an insurance contract when, and only when:

(a) It is extinguished, ie when the obligation specified in the insurance contract expires or is discharged or cancelled;

(b) Any of the conditions in the following paragraph are met, Hotai Insurance shall derecognise the original contract and recognise the modified contract as a new contract.

i. If the modified terms had been included at contract inception and Hotai Insurance considers that the modified contract contains any of the conditions in the following paragraph:

(i) The modified contract would have been excluded from the scope of IFRS 17;

(ii) Hotai Insurance would have separated different components from the host insurance contract, resulting in a different insurance contract to which IFRS 17 would have applied;

(iii) The modified contract would have had a substantially different contract boundary; or

(iv) The modified contract would have been included in a different group of contracts.

ii. The original contract was accounted for under the premium allocation approach, but the modified contract no longer meets the requirements for applying that approach.

K. Presentation of an insurance contract

Portfolios of insurance contracts and portfolios of reinsurance contracts held shall be presented separately as assets and liabilities. Any insurance acquisition cash flows arising before the recognition of the related group of insurance contracts shall be recognised as an asset and included in the carrying amount of the related group of insurance contracts. Any asset or liability corresponding to cash flows arising before the recognition of the related group of reinsurance contracts held shall be included in the carrying amount of the related group of reinsurance contracts held.

For result of the measurement of insurance contracts, Hotai Insurance presents the results in the statement of comprehensive income as insurance service result and insurance finance result.

(a) Insurance service results

i. Insurance revenue

Hotai Insurance recognises insurance revenue for the reduction in the liability for remaining coverage arising from the provision of insurance services during the reporting period. The amount of insurance revenue recognised in a period to depict the transfer of promised services at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

For insurance contracts not measured applying the premium allocation approach, insurance revenue comprises the following:

(i) The amounts relating to the changes in the liability for remaining coverage:

(i.) Insurance service expenses incurred in the period, measured at the amounts expected at the start of the period, excluding:

(aa) Amounts allocated to the loss component of the liability for remaining coverage applying paragraph;

(ab) Repayments of investment components;

(ac) Any amounts related to transaction-based taxes collected on behalf of third parties;

(ad) Insurance acquisition expenses;

(ae) Amounts relating to the risk adjustment for non-financial risk.

(ii.) Changes in the risk adjustment for non-financial risk, excluding:

(aa) Changes in insurance finance income or expenses;

(ab) Changes that adjust the contractual service margin; and

(ac) Amounts allocated to the loss component of the liability for remaining coverage.

(iii.) The amount of the contractual service margin recognised in profit or loss in the period;

(iv.) Other amounts, for example, experience adjustments for premium receipts other than those that relate to future service.

(ii) An allocation of the portion of the premium that relates to the recovery of insurance acquisition cash flows: an entity shall determine insurance revenue relating to those cash flows by allocating the portion of the premium that relates to recovering insurance acquisition cash flows to each reporting period on the basis of the passage of time.

For insurance contracts applying the premium allocation approach, Hotai Insurance recognises insurance revenue on the basis of the passage of time over the coverage period of the group of contracts.

ii. Insurance service expenses

Insurance service expenses comprise the following:

(i) Incurred claims (excluding investment components) and other incurred insurance service expenses;

(ii) Amortisation of insurance acquisition cash flows.

(iii) Changes that relate to past service, ie changes in fulfilment cash flows relating to the liability for incurred claims;

(iv) Changes that relate to future service, ie loss and reversal of loss of onerous contract groups;

For insurance contracts not measured applying the premium allocation approach, the amortisation of insurance acquisition cash flows shall be reflected in insurance service expenses, which matches the allocation of the premium that relates to the recovery of insurance acquisition cash flows reflected in insurance revenue.

For insurance contracts measured applying the premium allocation approach, insurance acquisition cash flows shall be amortised on the basis of the passage of time.

Cash flows relating to costs not directly attributable to the portfolio of insurance contracts that include the contract are recognized as other operating expenses in the statements of comprehensive income as incurred.

(b) Insurance service results: Reinsurance contracts held

Hotai Insurance presents the income or expenses from a group of reinsurance contracts held as a single amount, including the following amounts:

i. For reinsurance contracts held not measured applying the premium allocation approach, the allocation of paid premiums includes the following amounts arising from changes in the remaining coverage:
   (i) Claim recovery and other directly attributable expenses incurred in the period which measured at the amounts expected at the beginning of the period, excluding:
      (i.) Amounts allocated to the loss component of the liability for remaining coverage;
      (ii.) Repayments of investment components;
      (iii.) The amount related to the risk adjustment for non-financial risk.
   (ii) The change in the risk adjustment for non-financial risk, excluding:
      (i.) Changes in insurance finance income or expenses of reinsurance contracts held;
      (ii.) Changes that adjust the contractual service margin;
      (iii.) Amounts allocated to the loss-recovery component.
   (iii) Amount of the contractual service margin recognised in profit or loss in the period due to service received.
   (iv) Experience adjustments arising from payment for reinsurance premiums other than those that relate to future service.

ii. For reinsurance contracts held applying the premium allocation approach, Hotai Insurance recognises the reinsurance premiumson on the basis of the passage of time over the coverage period of the group of contracts.

iii. Amounts recovered from the reinsurer
   (i) Incurred claims recovered from insurers (excluding investment components and net of allocation of loss-recovery components);
   (ii) Other incurred expenses relating to reinsurance;
   (iii) Changes that relate to past service, ie changes in fulfilment cash flows relating to the liability for incurred claims;
   (iv) Loss recovery and reversals for onerous underlying contracts and other related amount.

iv. Changes in the risk of non-performance by the reinsurer

(c) Insurance finance income or expenses

i. Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts arising from:

(i) The effect of the time value of money and changes in the time value of money; and

(ii) The effect of financial risk and changes in financial risk.

ii. For contracts applying the general measurement model, insurance finance income or expenses primarily consist of the following items:

(i) Interest calculated on fulfillment cash flows and contractual service margin;

(ii) Effect of changes in interest rate and other financial assumptions;

(iii) Effect of foreign exchange.

iii. For contracts applied to the premium allocation approach, insurance finance income or expenses primarily consist of the following items:

(i) Interest expenses on the liability for incurred claims;

(ii) Effects of changes in interest rates and other financial assumptions.

iv. For contracts applying the general measurement model, Hotai Insurance, elects to recognize insurance finance income or expenses of the current period in profit or loss.

v. For a group of insurance contracts that generate cash flows in a foreign currency, Hotai Insurance treats the group of contracts, including the contractual service margin, as a monetary item.

(6) Special reserves of the subsidiary, Hotai Insurance

Special reserves include “catastrophe reserve” and “risk claim reserve”. Except for compulsory automobile liability insurance, nuclear insurance, residential earthquake insurance and commercial earthquake and typhoon flood insurance which are covered by other regulations requiring reserves for them to be recognized under liability, the additional provision for special reserve less income tax should be recognized as special reserve under equity after annual closing. The release of special reserve shall be made through special reserve under equity based on its net value after tax.

In accordance with the “Guidelines for Strengthening Catastrophe Reserve of Property Insurance Enterprises”, when the current-year reversal of the special reserve for major incidents for commercial earthquake and typhoon flood insurance by the subsidiary, Hotai Insurance, exceeds the reversal amount for other insurance lines that had reached their accumulation time limits for major incident special reserves prior to the implementation of these Directions, the difference shall be transferred to special reserve under equity based on the net-of-tax amount. When actual retained claims resulting from a catastrophe exceed expected claims after deducting the offset of the special reserve for major incidents, or when the cumulative provisions reach the maximum level, the offset or reversal of the special reserve for fluctuation of risks shall be handled in accordance with Point 3 of the “Regulations Governing Various Reserves for Commercial Earthquake Insurance and Typhoon Flood Insurance by Property Insurance Enterprises”.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Measurement of insurance contracts and reinsurance contracts

The subsidiary, Hotai Insurance, adopts the premium allocation approach as its primary measurement model for insurance contracts and reinsurance contracts. For groups of insurance contracts and reinsurance contracts with a coverage period of one year or less, the premium allocation approach can be directly applied to simplify the measurement of the groups of insurance contracts. However, for certain insurance contracts and reinsurance contracts with a contract duration exceeding one year, the subsidiary, Hotai Insurance, establishes a quantitative model (eligibility test for the premium allocation approach) based on the expected potential future cash flows of the contracts. If the results indicate that the measurement results produced by the premium allocation approach do not differ materially from those produced by the general measurement model, the conditions for applying the premium allocation approach are still met.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Group estimates sales discounts and returns refund liabilities for sales returns based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically. Please refer to Note 6(28) for the information of sales of goods.

B. Provisions for warranty

In order to enhance customers' confidence on the quality of products, the Company provides additional warranty services apart from the warranty offered by the original manufacturer. Provisions for warranty is estimated based on historical information regarding the nature, frequency, and average cost of claims for each vehicle line by model year, and is revaluated on a regular basis. Please refer to Note 6(23) "Provisions" for more information.

C. Evaluation of allowance for uncollectible accounts

The subsidiary, Hotai Finance Co., Ltd., provides loss allowance for uncollectible accounts based on the forecast factors such as past due days and future economic conditions to assess the default possibility of accounts receivable. The subsidiary recognizes loss allowance individually after the management assesses the customers' financial condition or payment situation which indicate that the accounts receivable may not be recovered. Given the evaluation process involves estimates

and predictions of the past events, current conditions and future overall economic situation, changes might arise due to the difference between the actual results and estimates. Please refer to Note 6(5) for the information of evaluation of allowance for uncollectible accounts.

D. Insurance contract (reinsurance contract)

The critical assumptions and estimations involved in the insurance contracts (reinsurance contracts) of the subsidiary, Hotai Insurance, primarily relate to claims estimations and the liability for incurred claims (assets) measured by establishing claims development trends. The relevant assumptions include:

(a) Estimates of future cash flows

The subsidiary, Hotai Insurance Co., Ltd., estimates the expected value of all possible outcomes in an unbiased manner, incorporating all reasonable and supportable information regarding the amount, timing, and uncertainty of future cash flows. The estimates of future cash flows are the expected future cash outflows (including insurance claims and benefits, claims handling expenses, and directly attributable contract maintenance and management expenses) less expected future cash inflows (including premium revenues and salvages and subrogations), excluding investment returns, cash flows from reinsurance contracts, and cash flows outside contract boundaries. Reported but unpaid claims are estimated on a case-by-case basis by claims specialists. Incurred but not reported claims are modeled using paid or reported claims-based loss development triangles or other appropriate actuarial methods, depending on the characteristics of each insurance line and data quality. Actuarial assumptions are selected based on the claims development experience over past years and are used to estimate future payment patterns to project the timing of cash flows. The subsidiary, Hotai Insurance, reassesses and adjusts all assumptions based on the latest available information at each financial reporting date.

(b) Discount rate

The discount rates adopted by the subsidiary, Hotai Insurance, for measuring insurance contracts and reinsurance contracts are constructed using the risk-free interest rate plus a liquidity premium, in accordance with the methodology prescribed in the Jin-Guan-Pao-Tsai Letter No. 11404901651. Among these, the risk-free interest rate for each currency is determined based on the Three-Segment Approach, where the second segment shall be extrapolated using the Smith-Wilson model. The liquidity premium for the ICS segregated accounts to which each product belongs is determined based on the Three Bucket Approach prescribed by the ICS, and is added using a non-linear decreasing approach. The table below sets forth the discount rates used:

	March 31, 2026	December 31, 2025	March 31, 2025
Discount rate	1.23%~2.96%	1.01%~2.98%	1.01%~2.98%

(c) Measurement approaches adopted for the risk adjustment for non-financial risk

Hotai Insurance Co., Ltd. defines the risk adjustment for non-financial risk as the compensation required for bearing uncertainty in cash flow amounts and timing during contract fulfillment. The calculation process involves identifying parameter risks (stochastic, model-related) and process risks (inherent variability). The risk adjustment is calculated at the dimension level of reserve valuation and allocated to insurance contract groups using the proportional contribution method.

The subsidiary, Hotai Insurance, adopts the confidence interval approach to measure the probability distribution of cash flows for the liability for incurred claims using appropriate risk measures (such as VaR or TVaR). This probability distribution is constructed through stochastic simulation methods such as Bootstrapping, and the difference between the quantile at a specific confidence level and the actuarial central estimate is taken as the risk adjustment for non-financial risk. In the calculation, the subsidiary, Hotai Insurance, considers the correlation existing among the liability cash flows of different insurance lines, primarily employing Bootstrapping to simulate and aggregate the probability distribution of ultimate claims at each level, and references expert judgment and external regulatory models to review the reasonableness of the correlation matrix.

The confidence levels used by Hotai Insurance to determine the risk adjustment for non-financial risk were all 75% as of March 31, 2026, December 31, 2025, and March 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 14,933	$ 14,047	$ 15,848
Checking accounts and demand deposits	22,066,908	15,468,673	16,275,732
Cash equivalents			
Time deposits	2,716,843	2,256,706	2,058,255
Short-term notes and bills	9,022,928	6,232,032	4,839,599
	$ 33,821,612	$ 23,971,458	$ 23,189,434

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group presented its long-term time deposits of $3,952,781, $4,302,991 and $3,506,832, respectively, under other financial assets-current and non-current.

C. Of the short-term notes held by the Company's subsidiary, Hotai Insurance Co., Ltd., investments in notes issued under reverse repurchase agreements have obtained notes as collateral. For related explanations, please refer to Note 6(6).

(2) Financial instruments at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2026
Financial assets at fair value through profit or loss			
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Domestic and foreign beneficiary certificates	$ 2,105,961	$ 1,695,929	$ 1,936,702
Derivative instruments	134,267	138,107	205,459
Financial instruments	703,168	502,553	1,000,000
Listed stocks	3,080,495	3,126,037	1,950,192
Listed preference share	-	59,980	59,980
Exchange Traded Funds	1,445,692	1,433,180	1,694,412
Valuation adjustment	749,766	835,257	345,281
	$ 8,219,349	$ 7,791,043	$ 7,192,026
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Corporate bonds	$ 1,012,237	$ 1,012,237	$ 1,006,453
Financial liabilities at fair value through profit or loss			
Current items:			
Financial liabilities held for trading			
Derivative instruments	$ 2,536	$ 7,048	$ -

A. Amounts recognized in profit or loss in relation to financial instruments at fair value through profit or loss are listed below:

	Three months ended March 31,	
Items	2026	2025
Financial instruments mandatorily measured at fair value through profit or loss		
Derivative instruments	$ 672	($ 40,364)
Domestic and foreign beneficiary certificates	44,998	(5,414)
Listed stocks	229,455	(407,037)
Listed preference share	-	956
Exchange Traded Funds	9,651	(166,371)
Corporate bonds	8,519	8,519
	$ 293,295	($ 609,711)

B. The Group entered into contracts relating to derivative instruments which were not accounted for under hedge accounting. The information is listed below:

	March 31, 2026	
Derivative instruments	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 405,700	2025/10/27~2026/9/14

	December 31, 2025	
Derivative instruments	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 326,700	2025/07/24~2026/04/09

	March 31, 2025	
Derivative instruments	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 418,930	2024/10/22~2025/09/09

The Group entered into forward foreign exchange contracts to buy USD to hedge exchange rate risk of import proceeds and foreign investments. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. In accordance with IFRS 12 'Disclosure of interests in other entities', information on equity of the structured entities which were not controlled by the Group is as follows:

(a)

Type of structured entities	Book value at March 31, 2026	Book value at December 31, 2025	Book value at March 31, 2025	Description
Real estate private placement fund	$ 110,769	$ 111,100	$ 122,009	Note

Note: Investment fund is set for raising capital, and investors acquire long-term capital gains through investing in restricted fund.

(b) The intention of the Group for holding these structured entities is for earning investment income.

(c) The Group recognized equity of the structured entities which were not consolidated into the financial statements under financial assets at fair value through profit or loss. The maximum exposed risk of such entities is the carrying amount of held assets, and the related risk exposure of the investment position is restricted by contract terms and issuance terms. Please

refer to Note 12(2) for more information.

(3) Financial assets at fair value through other comprehensive income

Items	March 31, 2026	December 31, 2025	March 31, 2026
Non-current items:			
Debt instrument			
Government bonds	$ 804,632	$ 804,548	$ 804,281
Corporate bonds	600,000	600,000	100,000
Overseas bond exchange-traded funds	340,209	-	-
	1,744,841	1,404,548	904,281
Valuation adjustment (including loss allowance)	(1,090)	4,475	(7,204)
Less: Operation bonds	(300,000)	(300,000)	(300,000)
	1,443,751	1,109,023	597,077
Equity instruments			
Listed stocks and unlisted stocks	6,900,405	6,839,994	6,741,189
Valuation adjustment	5,394,495	6,039,153	4,531,209
	12,294,900	12,879,147	11,272,398
	$ 13,738,651	$ 13,988,170	$ 11,869,475

A. The Group has elected to classify equity instruments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair values of these investments were $12,294,900, $12,879,147, and $11,272,398 as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively.

B. Under the Insurance Law of the Republic of China, Hotai Insurance Co., Ltd. is required to deposit 15% of its registered operating capital with the Central Bank of Republic of China. As of March 31, 2026, December 31, 2025 and March 31, 2025, government bonds with par value of $300,000, $300,000 and $300,000, respectively, were deposited.

C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

Items	Three months ended March 31, 2026	Three months ended March 31, 2025
Debt instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 4,179)	$ 3,488
Interest income recognized in profit or loss	$ 2,630	$ 2,649

Items	Three months ended March 31, 2026	Three months ended March 31, 2025
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 646,044)	($ 1,342,174)

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2) C.

(4) Hedging financial assets and liabilities

	March 31, 2026		December 31, 2025		March 31, 2025	
	Current assets	Current liabilities	Current assets	Current liabilities	Current assets	Current liabilities
Cash flow hedges						
Exchange rate risk and interest rate risk						
Cross currency swaps	$ 109,279	($ 871,520)	$ 29,128	($ 687,433)	$ 360,012	($ 230,965)
Interest rate swaps	121,059	-	117,065	-	-	-
	$ 230,338	($ 871,520)	$ 146,193	($ 687,433)	$ 360,012	($ 230,965)

A. Hedge accounting is applied to remove the accounting inconsistency between the hedging instrument and the hedged item. As the Group's foreign currency borrowings are exposed to the impact of variable exchange rate and interest rates, the Group uses cross currency swap to control the exchange rate risk and interest rates under their acceptable range.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

	March 31, 2026					Three months ended March 31, 2026		
Hedging instruments	Notional amount (in thousand dollars)	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss
Cash flow hedges： Exchange rate risk and Interest rate risk								
Cross currency swaps transactions	USD 72,000	2026/3/23~ 2026/7/10	$ 2,994	$ -	$ -	31.95	1.99	$ -
	JPY 46,700,000	2026/2/9~ 2028/5/26	103,590	(21,576)	-	0.20	2.25~ 2.44	-
	JPY 28,210,000	2023/10/23~ 2028/6/9	-	(849,944)	-	0.05	3.31~ 4.20	-
	CHN 125,0(	2026/3/11~ 2026/4/13	2,695	-	-	4.61	1.95	-
Interest rate swaps	TWD 22,250,000	2025/4/24~ 2027/6/28	121,059	-	-	-	1.44~ 1.48	-

	March 31, 2026	
	Liabilities carrying amount	Valuation on liabilities' carrying amount due to cash flow hedges
Hedged items		
Cash flow hedges:		
Exchange rates risk and interest rate risk		
Short-term borrowings	$ 40,857,555	($ 705,828)

		December 31, 2025				Year ended December 31, 2025		
Hedging instruments	Notional amount (in thousand dollars)	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss
Cash flow hedges： Exchange rate risk and Interest rate risk								
Cross currency swaps transactions	USD 30,000	2024/3/28~ 2026/3/27	$ -	($ 15,034)	$ -	31.96	1.84	$ -
	JPY 38,800,000	2024/2/20~ 2028/5/26	29,128	(71,799)	-	0.20~0.21	1.98~2.44	-
	JPY 28,315,000	2023/10/23~ 2028/6/9	-	(600,600)	-	0.05	3.31~4.20	-
Interest rate swaps	TWD 22,250,000	2025/4/24~ 2027/6/28	117,065	-	-	-	1.44~1.48	-

	December 31, 2025	
	Liabilities carrying amount	Valuation on liabilities' carrying amount due to cash flow hedges
Hedged items		
Cash flow hedges:		
Exchange rates risk and interest rate risk		
Short-term borrowings	$ 37,200,151	($ 515,401)

		March 31, 2025				Three months ended March 31, 2025		
Hedging instruments	Notional amount (in thousand dollars)	Contract period	Assets carrying amount	Liabilities carrying amount	Changes in fair value in relation to recognizing hedge ineffectiveness basis	Average exchange rates	Average interest rates	Gains (losses) on valuation of ineffective hedge that will be recognized in financial assets/liabilities at fair value through profit or loss
Cash flow hedges： Exchange rate risk and Interest rate risk								
Cross currency swaps transactions	USD 30,000	2024/3/28~ 2026/3/27	$ 37,191	$ -	$ -	31.96	1.84	$ -
	JPY 51,529,948	2023/5/2~ 2026/2/12	273,679	(90,225)	-	0.21~0.23	1.92~2.36	-
	JPY 26,128,000	2023/10/23~ 2028/1/6	49,142	(140,740)	-	0.05	3.71~4.20	-

	March 31, 2025	
	Liabilities carrying amount	Valuation on liabilities' carrying amount due to cash flow hedges
Hedged items		
Cash flow hedges:		
Exchange rates risk and interest rate risk		
Short-term borrowings	$ 17,992,577	$ 284,869

C. Cash flow hedges

	2026	2025
Other equity- cash flow hedges reserve		
At January 1	($ 37,812)	($ 102,049)
Gains (losses) on hedge effectiveness-amount recognized in other comprehensive income	123,257	(22,834)
Reclassified to profit or loss as the hedged item has affected profit or loss	(34,165)	(31,793)
Income tax relating to the hedge effectiveness -amount recognized in other comprehensive (loss) income	(27,202)	7,225
At March 31	$ 24,078	($ 149,451)

To hedge exposed exchange rate risk and interest rate risk arising from short-term borrowings, the Group entered into a cross currency swap agreement. The effective portion with respect to the changes in the fair value of the hedging instruments is deferred to recognize in the cash flow hedge reserve, which is under other comprehensive income, and will be directly included in gain or loss on foreign exchange and finance costs when the hedged items, principal and interest are subsequently paid.

(5) Notes and accounts receivable, net (including related parties)

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 1,511,993	$ 1,231,258	$ 1,362,676
Installment notes receivable	18,881,055	18,671,126	15,404,112
Accounts receivable	5,999,307	5,960,611	5,967,992
Installment accounts receivable	293,231,653	293,503,019	291,478,946
Lease payments and notes receivable	36,561,761	38,150,111	40,427,739
Less: Unrealized interest revenue	(31,034,270)	(31,431,593)	(33,260,818)
Unearned finance income of finance lease	(3,563,496)	(3,802,155)	(3,802,539)
	321,588,003	322,282,377	317,578,108
Less: Allowance for doubtful accounts	(6,485,839)	(5,963,563)	(6,050,741)
Notes and accounts receivable, net	$ 315,102,164	$ 316,318,814	$ 311,527,367

	March 31, 2026	December 31, 2025	March 31, 2025
Current	$ 298,919,926	$ 299,651,685	$ 296,536,208
Non-current (shown as other assets)	$ 16,182,238	$ 16,667,129	$ 14,991,159

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, the subsidiary - Hotai Finance Co., Ltd.'s notes receivable were pledged as collateral amounting to $15,480,228, $17,085,835 and $17,942,094, respectively. Information on the Group's notes receivable pledged as collateral is provided in Note 8.

B. The aging analysis of receivables that were past due but not impaired is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	$ 314,642,415	$ 314,903,605	$ 311,290,948
Up to 30 days	1,124,695	2,572,558	845,161
31 to ~ 90 days	3,300,201	2,526,615	2,933,725
91 to ~ 180 days	1,352,637	1,486,247	2,130,761
Over 181 days	1,168,055	793,352	377,513
	$ 321,588,003	$ 322,282,377	$ 317,578,108

The above aging analysis was based on past due date.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balances of receivables (including notes receivable) from contracts with customers amounted to $7,507,918, $7,189,748 and $7,325,932, respectively.

D. The expected recovery of the Group's instalment notes and accounts receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Up to 12 months	$ 112,448,056	$ 111,915,422	$ 107,894,973
Over 12 months	199,664,652	200,258,723	198,988,085
	$ 312,112,708	$ 312,174,145	$ 306,883,058

E. Lease payments receivable

(a) In July 2025 and September 2024, the subsidiary, Hoyun International Leasing Co., Ltd., securitized its financial assets by transferring financing lease receivables with an aggregate carrying amount of RMB 997 million and RMB 1.5 billion to Huaneng Guicheng Trust Corp., Ltd. These assets were placed into a trust for the issuance of asset-backed securities. The trust qualifies as a structured entity, as defined, with stringent contractual clauses that restrict the decision-making powers of the entity. The significant activities are predetermined in the contract, which is directed by the subsidiary, Hoyun International Leasing Co., Ltd., thereby granting the Group control over the structured entity. As described in Note 4(3), the structured entity is included in the consolidated financial statements.

The issued asset-backed securities in July 2025 were divided into senior tranches amounting to RMB 740 million and subordinated tranches amounting to RMB 257 million. The subsidiary, Hoyun International Leasing Co., Ltd., subscribed to all of the subordinated asset-backed securities, thereby receiving RMB 740 million in cash, which was recognized as short-term borrowings. The key characteristics of the issued asset-backed securities are as follows:

Class of asset-backed securities	Issue amount (In thousands)		Expected due date	Interest rate	Payment frequency
Senior	RMB	740,000	August 27, 2026	3.00%	Monthly
Subordinated	RMB	256,715	September 27, 2029	None	None (Note)

Note: The principal and interest payments of the subordinated asset-backed notes will commence after the principal and interest of the senior notes have been fully paid. As of March 31, 2026, the balance of the asset-backed notes trust was $2,707,139.

In September 2024, asset-backed notes were issued in two tranches: a senior tranche of RMB 1.11 billion and a subordinated tranche of RMB 390 million. The subsidiary, Hoyun International Leasing Co., Ltd., subscribed for all of the subordinated asset-backed notes; accordingly, cash of RMB 1.11 billion was received, and the proceeds were recognized as short-term borrowings. The key features of the issued asset-backed notes are as follows:

Class of asset-backed securities	Issue amount (In thousands)		Expected due date	Interest rate	Payment frequency
Senior	RMB	1,110,000	September 27, 2025	3.15%	Monthly
Subordinated	RMB	390,000	April 27, 2029	None	None (Note)

Note: The principal and interest payments of the subordinated asset-backed notes will commence after the principal and interest of the senior notes have been fully paid.

The subsidiary Hoyun International Leasing Co., Ltd.'s special-purpose securitization trust established in September 2024 fully repaid the senior asset-backed notes, and pursuant to the contract, the trust was terminated; the related termination procedures were completed in September 2025. As this structured entity has been dissolved, the Group has ceased its consolidation in the financial statements.

(b) Refer to Note 6(13) for more details.

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

(6) Offsetting financial assets and financial liabilities

A. The reverse repurchase agreements held by the Group do not meet the offsetting requirements under paragraph 42 of IAS 32. However, the subsidiary has entered into enforceable master netting arrangements or similar agreements with counterparties. Upon the event of a delinquency (default, insolvency or bankruptcy) of a party, the counterparties may set-off the netting arrangement or pursue legal action against the collateral. The related amount of the collateral received is its fair value. However, the offsetting amount is limited to recognized financial assets (liabilities).

B. Financial assets and financial liabilities subject to master netting arrangements are as follows:

March 31, 2026						
Financial assets						
				Not set off in the balance sheets		
Description	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off (b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Financial instruments (d)	Collateral received (e)	Net amount (f)=(c)-(d)-(e)
Reverse repurchase agreement	$ 4,774,079	$ -	$ 4,774,079	$ -	$ 4,771,947	$ 2,132

December 31, 2025						
Financial assets						
				Not set off in the balance sheets		
Description	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off (b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Financial instruments (d)	Collateral received (e)	Net amount (f)=(c)-(d)-(e)
Reverse repurchase agreement	$ 4,356,233	$ -	$ 4,356,233	$ -	$ 4,349,204	$ 7,029

	March 31, 2025					
	Financial assets					
				Not set off in the balance sheets		
Description	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off (b)	Net amounts of financial assets presented in the balance sheet (c)=(a)-(b)	Financial instruments (d)	Collateral received (e)	Net amount (f)=(c)-(d)-(e)
Reverse repurchase agreement	$ 3,324,587	$ -	$ 3,324,587	$ -	$ 3,321,101	$ 3,486

(7) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Vehicles and parts	$ 7,760,906	($ 255,365)	$ 7,505,541
Air conditioners and parts	3,838,296	(483,430)	3,354,866
Other goods	387,493	(3,106)	384,387
Inventory in transit	2,945,782	-	2,945,782
	$ 14,932,477	($ 741,901)	$ 14,190,576

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Vehicles and parts	$ 12,312,195	($ 242,128)	$ 12,070,067
Air conditioners and parts	3,718,031	(483,430)	3,234,601
Other goods	308,702	(3,106)	305,596
Inventory in transit	1,628,472	-	1,628,472
	$ 17,967,400	($ 728,664)	$ 17,238,736

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Vehicles and parts	$ 12,508,060	($ 240,468)	$ 12,267,592
Air conditioners and parts	4,130,625	(431,242)	3,699,383
Other goods	712,804	(8,549)	704,255
Inventory in transit	2,429,185	-	2,429,185
	$ 19,780,674	($ 680,259)	$ 19,100,415

A. Above listed inventories were not pledged to others as collateral.

B. The cost of inventories recognized as expense for the period:

	Three months ended March 31,	
	2026	2025
Cost of goods sold	$ 48,725,986	$ 51,082,153
Loss on reversal of market value decline of inventories	13,237	6,471
	$ 48,739,223	$ 51,088,624

(8) Prepayments

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments to commissions	$ 1,073,098	$ 1,146,332	$ 1,473,202
Prepayments to suppliers	2,972,116	3,387,763	3,837,294
Offset against business tax payable	411,164	604,123	716,025
Prepaid insurance premiums	675,803	702,521	703,921
Other prepayments	1,313,745	1,257,929	1,571,646
	$ 6,445,926	$ 7,098,668	$ 8,302,088

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(9) Insurance contracts and reinsurance contracts

A. Statement of reconciliation for assets and liabilities of insurance contract issued is as follows:

	Liability for remaining coverage			Liabilities for incurred claims measured under the general measurement model and variable fee approach	Liabilities for incurred claims measured under the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
Beginning balance of insurance contract assets	$ -	$ -	$ -	$ -	($ 12)	($ 2)	($ 14)	($ 14)
Beginning balance of insurance contract liabilities	5,709,804	126,494	5,836,298	5,357	9,067,600	1,585,303	10,652,903	16,494,558
Net balance as of January 1, 2026	5,709,804	126,494	5,836,298	5,357	9,067,588	1,585,301	10,652,889	16,494,544
Insurance revenue								
Contracts applied modified retrospective approach	(18,083)	-	(18,083)	-	-	-	-	(18,083)
Contracts applied fair value approach	(840)	-	(840)	-	-	-	-	(840)
All other contracts	(4,035,639)	-	(4,035,639)	-	-	-	-	(4,035,639)
Subtotal of insurance revenue	(4,054,562)	-	(4,054,562)	-	-	-	-	(4,054,562)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	143	2,456,866	271,490	2,728,356	2,728,499
Changes that relate to past service—changes in fulfilment cash flows relating to liabilities for incurred claims	-	-	-	(318)	(315,441)	(216,516)	(531,957)	(532,275)
Changes that relate to future service—losses on and reversals of onerous groups of contracts	-	5,287	5,287	-	-	-	-	5,287
Amortization of insurance acquisition cash flows	719,758	-	719,758	-	-	-	-	719,758
Subtotal of insurance service expenses	719,758	5,287	725,045	(175)	2,141,425	54,974	2,196,399	2,921,269
Insurance service result	(3,334,804)	5,287	(3,329,517)	(175)	2,141,425	54,974	2,196,399	(1,133,293)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss—interest rate-related	20	7,914	7,934	10	24,157	4,068	28,225	36,169
Subtotal of insurance finance income or expenses	20	7,914	7,934	10	24,157	4,068	28,225	36,169
Total amount recognized in the statement of comprehensive	(3,334,784)	13,201	(3,321,583)	(165)	2,165,582	59,042	2,224,624	(1,097,124)
Cash flows in the period								
Premiums received for insurance contracts issued	4,353,848	-	4,353,848	-	-	-	-	4,353,848
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	-	(1,842,700)	-	(1,842,700)	(1,842,700)
Insurance acquisition cash flows	(799,466)	-	(799,466)	-	-	-	-	(799,466)
Subtotal of cash flows in the period	3,554,382	-	3,554,382	-	(1,842,700)	-	(1,842,700)	1,711,682
Ending balance of insurance contract assets	(2,211)	-	(2,211)	-	1,180	252	1,432	(779)
Ending balance of insurance contract liabilities	5,931,613	139,695	6,071,308	5,192	9,389,290	1,644,091	11,033,381	17,109,881
Net balance as of March 31, 2026	$ 5,929,402	$ 139,695	$ 6,069,097	$ 5,192	$ 9,390,470	$ 1,644,343	$ 11,034,813	17,109,102

	Liability for remaining coverage			Liabilities for incurred claims measured under the general measurement model and variable fee approach	Liabilities for incurred claims measured under the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
Beginning balance of insurance contract assets	($ 1,472)	$ -	($ 1,472)	$ -	$ 1,052	$ 229	$ 1,281	($ 191)
Beginning balance of insurance contract liabilities	5,241,906	105,561	5,347,467	3,066	8,186,600	1,453,354	9,639,954	14,990,487
Net balance as of January 1, 2025	5,240,434	105,561	5,345,995	3,066	8,187,652	1,453,583	9,641,235	14,990,296
Insurance revenue								
Contracts applied modified retrospective approach	(65,055)	-	(65,055)	-	-	-	-	(65,055)
Contracts applied fair value approach	(768)	-	(768)	-	-	-	-	(768)
All other contracts	(3,746,610)	-	(3,746,610)	-	-	-	-	(3,746,610)
Subtotal of insurance revenue	(3,812,433)	-	(3,812,433)	-	-	-	-	(3,812,433)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	306	2,990,383	381,426	3,371,809	3,372,115
Changes that relate to past service—changes in fulfilment cash flows relating to liabilities for incurred claims	-	-	-	(356)	(613,536)	(332,704)	(946,240)	(946,596)
Changes that relate to future service—losses on and reversals of onerous groups of contracts	-	(8,638)	(8,638)	-	-	-	-	(8,638)
Amortization of insurance acquisition cash flows	674,030	-	674,030	-	-	-	-	674,030
Subtotal of insurance service expenses	674,030	(8,638)	665,392	(50)	2,376,847	48,722	2,425,569	3,090,911
Insurance service result	(3,138,403)	(8,638)	(3,147,041)	(50)	2,376,847	48,722	2,425,569	(721,522)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss—interest rate-related	38	1,400	1,438	9	27,381	4,756	32,137	33,584
Subtotal of insurance finance income or expenses	38	1,400	1,438	9	27,381	4,756	32,137	33,584
Total amount recognized in the statement of comprehensive	(3,138,365)	(7,238)	(3,145,603)	(41)	2,404,228	53,478	2,457,706	(687,938)
Cash flows in the period								
Premiums received for insurance contracts issued	4,483,906	-	4,483,906	-	-	-	-	4,483,906
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	-	(2,065,122)	-	(2,065,122)	(2,065,122)
Insurance acquisition cash flows	(725,192)	-	(725,192)	-	-	-	-	(725,192)
Subtotal of cash flows in the period	3,758,714	-	3,758,714	-	(2,065,122)	-	(2,065,122)	1,693,592
Ending balance of insurance contract assets	(48)	-	(48)	-	(11)	2	(9)	(57)
Ending balance of insurance contract liabilities	5,860,831	98,323	5,959,154	3,025	8,526,769	1,507,059	10,033,828	15,996,007
Net balance as of March 31, 2025	$ 5,860,783	$ 98,323	$ 5,959,106	$ 3,025	$ 8,526,758	$ 1,507,061	$ 10,033,819	15,995,950

B. Statement of reconciliation for components of assets and liabilities of insurance contract issued (excluding the premium allocation approach)

			Contractual service margin			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value approach	All other contracts	Subtotal	Total
Beginning balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -
Beginning balance of insurance contract liabilities	8,344	2,540	4,560	-	4,560	15,444
Net balance as of January 1, 2026	$ 8,344	$ 2,540	$ 4,560	$ -	$ 4,560	$ 15,444
Changes that relate to future service						
Changes in estimates that adjust the contractual service margin	176	2	(178)	-	(178)	-
Losses on and reversals of onerous groups of contracts	-	-	-	-	-	-
Contracts initially recognized in the period	-	-	-	-	-	-
Subtotal of changes that relate to future service	176	2	(178)	-	(178)	-
Changes that relate to current service						
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	(368)	-	(368)	(368)
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(99)	-	-	-	(99)
Experience adjustments	(235)	-	-	-	-	(235)
Subtotal of changes that relate to current service	(235)	(99)	(368)	-	(368)	(702)
Changes that relate to past service						
Changes in fulfilment cash flows relating to claims incurred	(255)	(63)	-	-	-	(318)
Others	-	-	-	-	-	-
Subtotal of changes that relate to past service	(255)	(63)	-	-	-	(318)
Insurance finance income or expenses					-	-
Insurance finance income or expenses recognized in profit or loss—interest rate-related	13	4	14	-	14	31
Subtotal of insurance finance income or expenses	13	4	14	-	14	31
Total amount recognized in the statement of comprehensive income	(301)	(156)	(532)	-	(532)	(989)
Cash flows in the period						
Premiums received for insurance contracts issued	(16)	-	-	-	-	(16)
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-	-
Subtotal of cash flows in the period	(16)	-	-	-	-	(16)
Ending balance of insurance contract assets	-	-	-	-	-	-
Ending balance of insurance contract liabilities	8,027	2,384	4,028	-	4,028	14,439
Net balance as of March 31, 2026	$ 8,027	$ 2,384	$ 4,028	$ -	$ 4,028	$ 14,439

			Contractual service margin			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value approach	All other contracts	Subtotal	Total
Beginning balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -
Beginning balance of insurance contract liabilities	5,827	1,989	7,896	-	7,896	15,712
Net balance as of January 1, 2025	$ 5,827	$ 1,989	$ 7,896	$ -	$ 7,896	$ 15,712
Changes that relate to future service						
Changes in estimates that adjust the contractual service margin	19	-	(19)	-	(19)	-
Losses on and reversals of onerous groups of contracts	-	-	-	-	-	-
Contracts initially recognized in the period	-	-	-	-	-	-
Subtotal of changes that relate to future service	19	-	(19)	-	(19)	-
Changes that relate to current service						
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	(473)	-	(473)	(473)
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(14)	-	-	-	(14)
Experience adjustments	23	-	-	-	-	23
Subtotal of changes that relate to current service	23	(14)	(473)	-	(473)	(464)
Changes that relate to past service						
Changes in fulfilment cash flows relating to claims incurred	(276)	(79)	-	-	-	(355)
Others	-	-	-	-	-	-
Subtotal of changes that relate to past service	(276)	(79)	-	-	-	(355)
Insurance finance income or expenses					-	-
Insurance finance income or expenses recognized in profit or loss—interest rate-related	19	7	21	-	21	47
Subtotal of insurance finance income or expenses	19	7	21	-	21	47
Total amount recognized in the statement of comprehensive income	(215)	(86)	(471)	-	(471)	(772)
Cash flows in the period						
Premiums received for insurance contracts issued	(13)	-	-	-	-	(13)
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-	-
Subtotal of cash flows in the period	(13)	-	-	-	-	(13)
Ending balance of insurance contract assets	-	-	-	-	-	-
Ending balance of insurance contract liabilities	5,599	1,903	7,425	-	7,425	14,927
Net balance as of March 31, 2025	$ 5,599	$ 1,903	$ 7,425	$ -	$ 7,425	$ 14,927

C. Statement of reconciliation for assets and liabilities of reinsurance contract held is as follows:

	Liability for remaining coverage			Liabilities for incurred claims measured under the general measurement model and variable fee approach	Liabilities for incurred claims measured under the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
Beginning balance of assets of reinsurance contracts held	$ 248,526	$ 25,318	$ 273,844	$ 1,933	$ 5,542,439	$ 922,213	$ 6,464,652	$ 6,740,429
Beginning balance of liabilities of reinsurance contracts held	-	-	-	-	(6,281)	-	(6,281)	(6,281)
Net balance as of January 1, 2026	248,526	25,318	273,844	1,933	5,536,158	922,213	6,458,371	6,734,148
Allocation of premiums paid	(821,215)	-	(821,215)	-	-	-	-	(821,215)
Amounts recovered from the reinsurer								
Incurred benefits and claims recovered from reinsurers	-	-	-	105	591,428	122,635	714,063	714,168
Other incurred expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Losses on and reversals of onerous underlying groups of contracts	-	1,564	1,564	-	-	-	-	1,564
Changes that relate to past service—adjustments to assets for incurred claims	-	-	-	(669)	(287,783)	(138,756)	(426,539)	(427,208)
Subtotal of amounts recovered from the reinsurer	-	1,564	1,564	(564)	303,645	(16,121)	287,524	288,524
Effect of any risk of non-performance by the issuer of the reinsurance contracts held	-	-	-	-	(350)	-	(350)	(350)
Income or expenses from reinsurance contracts held	(821,215)	1,564	(819,651)	(564)	303,295	(16,121)	287,174	(533,041)
Finance income or expenses from reinsurance contracts held								
Finance income or expenses from reinsurance contracts held recognized in profit or loss—interest rate-related	3	311	314	11	14,463	2,386	16,849	17,174
Subtotal of finance income or expenses from reinsurance contracts held	3	311	314	11	14,463	2,386	16,849	17,174
Total amount recognized in the statement of comprehensive	-	-	-	-	-	-	-	-
Investment components	(222,248)	-	(222,248)	-	222,248	-	222,248	-
Cash flows in the period								
Amounts received (claims or expenses recovered from reinsurance contracts held)	-	-	-	-	(847,256)	-	(847,256)	(847,256)
Amounts paid (premiums paid for reinsurance contracts held)	886,645	-	886,645	-	-	-	-	886,645
Subtotal of cash flows in the period	886,645	-	886,645	-	(847,256)	-	(847,256)	39,389
Ending balance of assets of reinsurance contracts held	91,711	27,193	118,904	1,380	5,235,189	908,478	6,143,667	6,263,951
Ending balance of liabilities of reinsurance contracts held	-	-	-	-	(6,281)	-	(6,281)	(6,281)
Net balance as of March 31, 2026	$ 91,711	$ 27,193	$ 118,904	$ 1,380	$ 5,228,908	$ 908,478	$ 6,137,386	6,257,670

	Liability for remaining coverage			Liabilities for incurred claims measured under the general measurement model and variable fee approach	Liabilities for incurred claims measured under the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal		Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Subtotal	Total
Beginning balance of assets of reinsurance contracts held	($ 1,960,170)	$ 21,359	($ 1,938,811)	$ 1,558	$ 6,274,672	$ 873,972	$ 7,148,644	$ 5,211,391
Beginning balance of liabilities of reinsurance contracts held	(56,341)	-	(56,341)	-	38,250	5,814	44,064	(12,277)
Net balance as of January 1, 2025	(2,016,511)	21,359	(1,995,152)	1,558	6,312,922	879,786	7,192,708	5,199,114
Allocation of premiums paid	(819,416)	-	(819,416)	-	-	-	-	(819,416)
Amounts recovered from the reinsurer								
Incurred benefits and claims recovered from reinsurers	-	-	-	357	774,030	181,875	955,905	956,262
Other incurred expenses from reinsurance contracts held	-	-	-	-	-	-	-	-
Losses on and reversals of onerous underlying groups of contracts	-	(797)	(797)	-	-	-	-	(797)
Changes that relate to past service—adjustments to assets for incurred claims	-	-	-	(488)	(366,031)	(186,918)	(552,949)	(553,437)
Subtotal of amounts recovered from the reinsurer	-	(797)	(797)	(131)	407,999	(5,043)	402,956	402,028
Effect of any risk of non-performance by the issuer of the reinsurance contracts held	-	-	-	-	1,593	-	1,593	1,593
Income or expenses from reinsurance contracts held	(819,416)	(797)	(820,213)	(131)	409,592	(5,043)	404,549	(415,795)
Finance income or expenses from reinsurance contracts held								
Finance income or expenses from reinsurance contracts held recognized in profit or loss—interest rate-related	10	(967)	(957)	3	21,198	2,914	24,112	23,158
Subtotal of finance income or expenses from reinsurance contracts held	10	(967)	(957)	3	21,198	2,914	24,112	23,158
Total amount recognized in the statement of comprehensive	-	-	-	-	-	-	-	-
Investment components	(238,156)	-	(238,156)	-	238,156	-	238,156	-
Cash flows in the period								
Amounts received (claims or expenses recovered from reinsurance contracts held)	-	-	-	-	(91,506)	-	(91,506)	(91,506)
Amounts paid (premiums paid for reinsurance contracts held)	533,331	-	533,331	-	-	-	-	533,331
Subtotal of cash flows in the period	533,331	-	533,331	-	(91,506)	-	(91,506)	441,825
Ending balance of assets of reinsurance contracts held	(2,524,749)	19,595	(2,505,154)	1,430	6,889,729	876,407	7,766,136	5,262,412
Ending balance of liabilities of reinsurance contracts held	(15,993)	-	(15,993)	-	633	1,250	1,883	(14,110)
Net balance as of March 31, 2025	($ 2,540,742)	$ 19,595	($ 2,521,147)	$ 1,430	$ 6,890,362	$ 877,657	$ 7,768,019	5,248,302

D. Statement of reconciliation for components of assets and liabilities of reinsurance contracts held (excluding the premium allocation approach) is as follows:

			Contractual service margin			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value approach	All other contracts	Subtotal	Total
Beginning balance of assets of reinsurance contracts held	$ 4,119	$ 1,532	($ 553)	$ -	($ 553)	$ 5,098
Beginning balance of liabilities of reinsurance contracts held	-	-	-	-	-	-
Net balance as of January 1, 2026	$ 4,119	$ 1,532	($ 553)	$ -	($ 553)	$ 5,098
Changes that relate to future service						
Changes in estimates that adjust the contractual service margin	(7)	(3)	10	-	10	-
Loss recovery on and reversal of onerous underlying contracts	-	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	-	-	-
Subtotal of changes that relate to future service	(7)	(3)	10	-	10	-
Changes that relate to current service						
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	44	-	44	44
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(73)	-	-	-	(73)
Experience adjustments	(126)	-	-	-	-	(126)
Subtotal of changes that relate to current service	(126)	(73)	44	-	44	(155)
Changes that relate to past service						
Adjustments to assets for incurred claims	(534)	(135)	-	-	-	(669)
Others	-	-	-	-	-	-
Subtotal of changes that relate to past service	(534)	(135)	-	-	-	(669)
Effect of any risk of non-performance by the issuer of the reinsurance contracts held	-	-	-	-	-	-
Income or expenses from reinsurance contracts held	(667)	(211)	54	-	54	(824)
Finance income or expenses from reinsurance contracts held						
Finance income or expenses from reinsurance contracts held recognized in profit or loss—interest rate-related	12	4	(3)	-	(3)	13
Subtotal of finance income or expenses from reinsurance contracts held	12	4	(3)	-	(3)	13
Cash flows in the period						
Amounts received (claims or expenses recovered from reinsurance contracts held)	-	-	-	-	-	-
Amounts paid (premiums paid for reinsurance contracts held)	-	-	-	-	-	-
Subtotal of cash flows in the period	-	-	-	-	-	-
Ending balance of assets of reinsurance contracts held	3,464	1,325	(502)	-	(502)	4,287
Ending balance of liabilities of reinsurance contracts held	-	-	-	-	-	-
Net balance as of March 31, 2026	$ 3,464	$ 1,325	($ 502)	$ -	($ 502)	$ 4,287

			Contractual service margin			
	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contracts under fair value approach	All other contracts	Subtotal	Total
Beginning balance of assets of reinsurance contracts held	$ 2,097	$ 814	$ 1,929	$ -	$ 1,929	$ 4,840
Beginning balance of liabilities of reinsurance contracts held	-	-	-	-	-	-
Net balance as of January 1, 2025	$ 2,097	$ 814	$ 1,929	$ -	$ 1,929	$ 4,840
Changes that relate to future service						
Changes in estimates that adjust the contractual service margin	3	-	(3)	-	(3)	-
Loss recovery on and reversal of onerous underlying contracts	-	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	-	-	-
Subtotal of changes that relate to future service	3	-	(3)	-	(3)	-
Changes that relate to current service						
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	(108)	-	(108)	(108)
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	55	-	-	-	55
Experience adjustments	223	-	-	-	-	223
Subtotal of changes that relate to current service	223	55	(108)	-	(108)	170
Changes that relate to past service						
Adjustments to assets for incurred claims	(376)	(112)	-	-	-	(488)
Others	-	-	-	-	-	-
Subtotal of changes that relate to past service	(376)	(112)	-	-	-	(488)
Effect of any risk of non-performance by the issuer of the reinsurance contracts held	-	-	-	-	-	-
Income or expenses from reinsurance contracts held	(150)	(57)	(111)	-	(111)	(318)
Finance income or expenses from reinsurance contracts held						
Finance income or expenses from reinsurance contracts held recognized in profit or loss—interest rate-related	5	2	6	-	6	13
Subtotal of finance income or expenses from reinsurance contracts held	5	2	6	-	6	13
Cash flows in the period						
Amounts received (claims or expenses recovered from reinsurance contracts held)	-	-	-	-	-	-
Amounts paid (premiums paid for reinsurance contracts held)	-	-	-	-	-	-
Subtotal of cash flows in the period	-	-	-	-	-	-
Ending balance of assets of reinsurance contracts held	1,952	759	1,824	-	1,824	4,535
Ending balance of liabilities of reinsurance contracts held	-	-	-	-	-	-
Net balance as of March 31, 2025	$ 1,952	$ 759	$ 1,824	$ -	$ 1,824	$ 4,535

E. Statement of the expected recognition of the contractual service margin in profit or loss for the insurance contracts issued by time bands is as follows:

	March 31, 2026				
	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 6 years	Total
Insurance contracts issued	$ 1,378	$ 1,932	$ 655	$ 63	$ 4,028
Reinsurance contracts held	($ 163)	($ 241)	($ 89)	($ 9)	($ 502)

	December 31, 2025				
	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 6 years	Total
Insurance contracts issued	$ 1,468	$ 2,173	$ 826	$ 93	$ 4,560
Reinsurance contracts held	($ 170)	($ 262)	($ 108)	($ 13)	($ 553)

	March 31, 2025				
	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 6 years	Total
Insurance contracts issued	$ 1,969	$ 3,396	$ 1,734	$ 326	$ 7,425
Reinsurance contracts held	$ 457	$ 823	$ 451	$ 93	$ 1,824

F. Movement of special reserve is as follows:

	2026		2025	
	Compulsory insurance	Others	Compulsory insurance	Others
At January 1	$ 1,597,694	$ 257,344	$ 1,509,983	$257,344
Effects of other regulations	-	751,143	-	-
Provision during the period	34,871	-	498	-
Recovery during the period	-	(3,981)	-	-
At March 31	$ 1,632,565	$1,004,506	$ 1,510,481	$257,344

For the subsidiary, Hotai Insurance Co., Ltd., the insurance types of the special reserve include compulsory automobile liability insurance, nuclear insurance, policy earthquake insurance and typhoon and flood insurance.

The subsidiary, Hotai Insurance, shall set aside special reserves for its retention business of compulsory automobile liability insurance. Effective from January 1, 2026, the special reserves have been recalculated at NT$1,597,694 thousand in accordance with the 'Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance'.

G. Pursuant to Jin-Guan-Pao-Tsai Letter No. 11204940091, "Guidelines for Strengthening Catastrophe Reserve of Property Insurance Enterprises", special reserve recognized under liabilities shall first be used to make up required catastrophe reserve and risk claim reserve for commercial earthquake insurance and typhoon flood insurance. The remaining, net of income tax, shall be recognized as special reserve under stockholders' equity in accordance with IAS 12. In accordance with the aforementioned ruling, the increase in retained earnings arising from the

initial application of IFRS 17 by the subsidiary, Hotai Insurance, amounted to $751,143 thousand. This amount was transferred and reclassified to the special reserves under insurance liabilities for commercial earthquake insurance and typhoon and flood insurance. Subsequently, the deduction or recovery of the special reserves under insurance liabilities for commercial earthquake insurance and typhoon and flood insurance shall be processed accordingly.

If the above is not taken into consideration, the effects on liabilities, equity, profit and earnings per share to Hotai Insurance Co., Ltd. are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Decrease in special reserve under liability	$ 780,612	$ 33,450	$ 33,450
Increase in special reserve under retained earnings	636,064	38,334	38,334

For the three months ended March 31, 2026 and 2025, assuming that the aforementioned rulings had not been applied, there would be no impact on the profit before tax and earnings per share of the subsidiary, Hotai Insurance.

H. Pursuant to Jin-Guan-Pao-Chan Letter No. 10102531541, "Guidelines for Strengthening Reserve of Pool Members Residential Earthquake" and Jin-Guan-Pao-Tsai Letter No. 10102517091, "Regulations Governing the Setting Aside of Nuclear Reserve by Property Insurance Enterprises", Hotai Insurance Co., Ltd. maintains a special reserve for the residential earthquake insurance and nuclear insurance provisioned under insurance liabilities.

If the above is not taken into consideration, the effects on liabilities, equity and profit to Hotai Insurance Co., Ltd. are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Decrease in special reserve under liability	$ 223,894	$ 223,894	$ 223,894
Increase in special reserve under retained earnings	185,832	185,832	185,832

Both special reserve of the residential earthquake insurance and nuclear insurance have no provision or recovery and have no effect on net income before tax and earnings per share before tax for the three months ended March 31, 2026 and 2025.

(10) Investments accounted for using the equity method

	March 31, 2026	December 31, 2025	March 31, 2025
Kuozui Motors, Ltd.	$ 6,869,514	$ 6,688,551	$ 7,190,441
Central Motor Co., Ltd.	3,037,877	2,997,607	2,989,480
Tau Miau Motor Co., Ltd.	2,120,514	2,072,122	2,046,320
Kau Du Automobile Co., Ltd.	1,588,008	1,560,177	1,570,177
Kuotu Motor Co., Ltd.	1,796,428	1,754,029	1,744,922
Taipei Toyota Motor Co., Ltd.	1,577,666	1,531,083	1,547,119
Nan Du Motor Co., Ltd.	1,483,052	1,436,257	1,409,289
Lang Yang Toyota Motor Co.,Ltd.	330,146	327,089	322,232
HFC (Cambodia) Microfinance PLC.(Note)	-	-	564,309
Heng Fong Energy Co., Ltd.	381,845	389,466	398,361
Formosa Flexible Packaging Corp.	418,361	416,302	417,229
Yokohama Tire Taiwan Co., Ltd., etc.	2,684,771	2,645,730	2,872,522
	$ 22,288,182	$ 21,818,413	$ 23,072,401

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the financial performance are summarized as follows:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group's individually immaterial associates amounted to $22,288,182, $21,818,413 and $23,072,401, respectively.

	Three months ended March 31,	
	2026	2025
Comprehensive income for the period	$ 498,339	$ 661,324

B. The Group's investments have no quoted market price. The share of profit of investments accounted for using the equity method amounted to $468,113 and $640,070 for the three months ended March 31, 2026 and 2025, respectively, and were valued based on the investees' financial statements that were audited by independent auditors.

C. In December 2025, the subsidiary Hotai Finance Co., Ltd. acquired an additional 31% equity interest in HFC (Cambodia) Microfinance PLC for USD$20.89 million, increasing its ownership to 66.00% and obtaining control; accordingly, it has been included in the scope of consolidation.

(11) Property, plant and equipment

	2026										
			Utility equipment		Office equipment		Machinery and equipment				
	Land	Buildings and structures	Owner-occupied	Lease	Owner-occupied	Lease (Note)	Owner-occupied	Lease (Note)	Leasehold improvements	Construction in progress	Total
At January 1,											
Cost	$ 11,835,015	$ 9,980,009	$ 139,680	$ 60,187	$ 7,917,414	$ 587,222	$ 825,524	$ 72,483,054	$ 978,362	$ 1,630,582	$ 106,437,049
Accumulated depreciation and impairment	(26,850)	(3,204,480)	(125,735)	(59,998)	(2,296,634)	(304,182)	(533,402)	(23,639,177)	(692,793)	-	(30,883,251)
	$ 11,808,165	$ 6,775,529	$ 13,945	$ 189	$ 5,620,780	$ 283,040	$ 292,122	$ 48,843,877	$ 285,569	$ 1,630,582	$ 75,553,798
Opening net book amount as at January 1	$ 11,808,165	$ 6,775,529	$ 13,945	$ 189	$ 5,620,780	$ 283,040	$ 292,122	$ 48,843,877	$ 285,569	$ 1,630,582	$ 75,553,798
Additions	183,510	202,497	1,583	-	368,480	46,546	24,335	4,084,379	16,903	90,779	5,019,012
Disposals	-	-	-	-	(15,757)	(1,999)	(118)	(24,233)	(811)	-	(42,918)
Reclassifications	-	1,406,484	-	-	14,377	(306)	-	(2,074,112)	-	(1,380,045)	(2,033,602)
Depreciation charge	-	(76,933)	(2,047)	(5)	(130,933)	(24,111)	(13,539)	(3,173,407)	(17,745)	-	(3,438,720)
Reversal gain (impairment loss)	-	-	-	-	-	18	-	(10,803)	-	-	(10,785)
Net exchange differences	-	10,269	79	-	12,468	-	2,141	27,706	620	-	53,283
Closing net book amount as at March 31	$ 11,991,675	$ 8,317,846	$ 13,560	$ 184	$ 5,869,415	$ 303,188	$ 304,941	$ 47,673,407	$ 284,536	$ 341,316	$ 75,100,068
At March 31											
Cost	$ 12,018,525	$ 11,629,847	$ 139,854	$ 60,187	$ 8,258,820	$ 604,650	$ 855,840	$ 71,934,458	$ 944,751	$ 341,316	$ 106,788,248
Accumulated depreciation and impairment	(26,850)	(3,312,001)	(126,294)	(60,003)	(2,389,405)	(301,462)	(550,899)	(24,261,051)	(660,215)	-	(31,688,180)
	$ 11,991,675	$ 8,317,846	$ 13,560	$ 184	$ 5,869,415	$ 303,188	$ 304,941	$ 47,673,407	$ 284,536	$ 341,316	$ 75,100,068

Note: Rental assets are exclusively for leasing business by Hotai Leasing Co., Ltd., Hotai Finance Co., Ltd. and other subsidiaries. The rental assets for disposal should be reclassified to inventories at their carrying value when the assets are no longer leased and are ready to be sold. Proceeds from disposal are reclassified as sales revenue and the related cost of sales should be recognized.

	2025										
			Utility equipment		Office equipment		Machinery and equipment				
	Land	Buildings and structures	Owner-occupied	Lease	Owner-occupied	Lease (Note)	Owner-occupied	Lease (Note)	Leasehold improvements	Construction in progress	Total
At January 1,											
Cost	$ 11,748,126	$ 7,698,780	$ 138,043	$ 60,187	$ 6,807,830	$ 704,184	$ 728,194	$ 68,820,377	$ 936,369	$ 2,392,074	$ 100,034,164
Accumulated depreciation and impairment	(26,850)	(2,934,948)	(123,594)	(59,941)	(2,132,406)	(384,393)	(455,945)	(21,054,162)	(666,550)	-	(27,838,789)
	$ 11,721,276	$ 4,763,832	$ 14,449	$ 246	$ 4,675,424	$ 319,791	$ 272,249	$ 47,766,215	$ 269,819	$ 2,392,074	$ 72,195,375
Opening net book amount as at January 1	$ 11,721,276	$ 4,763,832	$ 14,449	$ 246	$ 4,675,424	$ 319,791	$ 272,249	$ 47,766,215	$ 269,819	$ 2,392,074	$ 72,195,375
Additions	-	1,777	-	-	227,621	21,931	1,665	5,566,347	5,525	465,188	6,290,054
Disposals	-	(19)	(4)	-	(21,505)	(3,425)	(480)	(11,839)	(2,209)	-	(39,481)
Reclassifications	-	1,265,738	-	-	(2,281)	(2,989)	(20)	(1,785,397)	(179)	(1,259,903)	(1,785,031)
Depreciation charge	-	(56,670)	(584)	(14)	(118,646)	(30,179)	(13,380)	(3,194,530)	(17,270)	-	(3,431,273)
Reversal gain (impairment loss)	-	-	-	-	-	94	-	(4,507)	-	-	(4,413)
Net exchange differences	-	6,605	46	-	7,982	-	1,250	18,543	426	-	34,852
Closing net book amount as at March 31	$ 11,721,276	$ 5,981,263	$ 13,907	$ 232	$ 4,768,595	$ 305,223	$ 261,284	$ 48,354,832	$ 256,112	$ 1,597,359	$ 73,260,083
At March 31											
Cost	$ 11,748,126	$ 9,000,124	$ 138,158	$ 60,187	$ 6,971,456	$ 659,027	$ 730,762	$ 69,936,604	$ 926,639	$ 1,597,359	$ 101,768,442
Accumulated depreciation and impairment	(26,850)	(3,018,861)	(124,251)	(59,955)	(2,202,861)	(353,804)	(469,478)	(21,581,772)	(670,527)	-	(28,508,359)
	$ 11,721,276	$ 5,981,263	$ 13,907	$ 232	$ 4,768,595	$ 305,223	$ 261,284	$ 48,354,832	$ 256,112	$ 1,597,359	$ 73,260,083

Note : Rental assets are exclusively for leasing business by Hotai Leasing Co., Ltd., Hotai Finance Co., Ltd. and other subsidiaries. The rental assets for disposal should be reclassified to inventories at carrying value when the assets are no longer leased and are ready to be sold. Proceeds from disposal are reclassified as sales revenue and the related cost of sales should be recognized.

(12) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings and structures and office equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 2,122,286	$ 2,124,700	$ 2,238,148
Buildings and structures	1,792,151	1,839,634	1,494,808
Office equipment	227	496	1,966
	$ 3,914,664	$ 3,964,830	$ 3,734,922

	Three months ended March 31,	
	2026	2025
	Depreciation Charge	Depreciation Charge
Land	$ 47,567	$ 47,320
Buildings and structures	113,006	106,715
Office equipment	268	1,170
	$ 160,841	$ 155,205

C. For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets amounted to $88,096 and $31,979, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended March 31,	
	2026	2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 15,998	$ 13,624
Expense on short-term lease contracts and leases of low-value assets	36,202	30,088
Gain on lease modification	2,861	167

E. For the three months ended March 31, 2026 and 2025, the Group's total cash outflow for lease amounted to $177,194 and $170,860, respectively.

(13) Leasing arrangements - lessor

A. The Group leases various assets including land, buildings, machinery and equipment, business vehicles and multifunction printers. Rental contracts are typically made for periods of 1 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group leases machinery and equipment, business vehicles and so on under a finance lease. Based on the terms of the lease contract, the ownership of assets will be transferred to lessees when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	Three months ended March 31,	
	2026	2025
Finance income from the net investment in the finance lease	$ 817,018	$ 959,592

C. The maturity analysis of the undiscounted lease payment receivable in the finance lease is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than 1 year	$ 22,704,380	$ 22,537,385	$ 24,937,672
Between 1 and 2 years	7,876,090	8,721,962	9,227,223
Between 2 and 3 years	3,106,397	3,527,647	3,249,373
Between 3 to 4 years	1,292,671	1,432,836	1,345,879
Between 4 to 5 years	613,011	827,947	653,255
More than 6 years	128,612	197,991	211,334
	$ 35,721,161	$ 37,245,768	$ 39,624,736

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

	March 31, 2026	December 31, 2025	March 31, 2025
Undiscounted lease payments	$ 35,721,161	$ 37,245,768	$ 39,624,736
Unearned finance income	(3,563,496)	(3,802,155)	(3,802,539)
Net investment in the lease	$ 32,157,665	$ 33,443,613	$ 35,822,197

E. For the three months ended March 31, 2026 and 2025, the Group recognized rent income in the amounts of $5,173,136 and $5,154,132, respectively, based on the operating lease agreement, which does not include variable lease payments.

F. The maturity analysis of the undiscounted lease payments receivable under the operating leases is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than 1 year	$ 15,094,245	$ 15,346,661	$ 14,956,158
Between 1 and 2 years	9,308,181	9,658,513	9,682,406
Between 2 and 3 years	4,384,357	4,630,009	4,693,609
Between 3 to 4 years	1,690,222	1,751,240	1,671,624
Between 4 to 5 years	522,860	568,749	531,063
More than 6 years	26,485	30,695	26,394
	$ 31,026,350	$ 31,985,867	$ 31,561,254

(14) Investment property

	2026		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 943,836	$ 1,297,939	$ 2,241,775
Accumulated depreciation	-	(314,885)	(314,885)
	$ 943,836	$ 983,054	$ 1,926,890
Opening net book amount as at January 1	$ 943,836	$ 983,054	$ 1,926,890
Reclassifications	-	(28,313)	(28,313)
Depreciation	-	(606)	(606)
Net exchange differences	-	35,290	35,290
Closing net book amount as at March 31	$ 943,836	$ 989,425	$ 1,933,261
At March 31			
Cost	$ 943,836	$ 1,309,290	$ 2,253,126
Accumulated depreciation	-	(319,865)	(319,865)
	$ 943,836	$ 989,425	$ 1,933,261

	2025		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 943,836	$ 1,313,292	$ 2,257,128
Accumulated depreciation	-	(290,882)	(290,882)
	$ 943,836	$ 1,022,410	$ 1,966,246
Opening net book amount as at January 1	$ 943,836	$ 1,022,410	$ 1,966,246
Reclassifications	-	(6,473)	(6,473)
Depreciation	-	(8,627)	(8,627)
Net exchange differences	-	14,567	14,567
Closing net book amount as at March 31	$ 943,836	$ 1,021,877	$ 1,965,713
At March 31			
Cost	$ 943,836	$ 1,314,227	$ 2,258,063
Accumulated depreciation	-	(292,350)	(292,350)
	$ 943,836	$ 1,021,877	$ 1,965,713

A Rental income from investment property and direct operating expenses arising from investment property are as follows:

	Three months ended March 31,	
	2026	2025
Rental income from investment property	$ 12,714	$ 39,475
Direct operating expenses arising from the investment property that generated rental income during the period (including depreciation)	$ 9,364	$ 9,284

B. The fair value of the investment properties held by the Group was $2,994,565, $3,051,587 and $3,014,351 as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Except for the subsidiary, Hotai Insurance Co., Ltd., other values are based on the recent transaction prices of similar properties in the respective regions of investment properties, taking into account factors such as location, scale, and usage.

Hotai Insurance Co., Ltd. appoints external independent appraisers to calculate and estimate the price of investment property every three years using at least two appraisal techniques among income approach, comparison method and cost approach, basing on observable price in an active market as well as according to the nature, location and situation of individual asset under "Regulations on Real Estate Appraisal". The most recent appraisal appointed by an external independent appraisers was in 2025. It also prepares an internal assessment every year, and if a significant difference has been identified, the Company will engage an external independent appraiser revaluing the fair values of investment property under "Regulations on Real Estate Appraisal" and take the result as the basis of the adjustments for financial statement disclosures. The valuations based on the aforementioned method were categorized within Level 3 in the fair value hierarchy as assessed and its main input was capitalization rate.

(15) Intangible assets

	2026		
	Goodwill	Other intangible assets	Total
At January 1			
Cost	$ 895,434	$ 2,954,853	$ 3,850,287
Accumulated amortization and impairment	(662,323)	(509,704)	(1,172,027)
	$ 233,111	$ 2,445,149	$ 2,678,260
Opening net book amount as at January 1	$ 233,111	$ 2,445,149	$ 2,678,260
Additions-acquired separately	-	133,421	133,421
Amortization	-	(61,619)	(61,619)
Net change differences	-	(13,421)	(13,421)
Closing net book amount as at March 31	$ 233,111	$ 2,503,530	$ 2,736,641
At March 31			
Cost	$ 895,434	$ 3,084,621	$ 3,980,055
Accumulated amortization and impairment	(662,323)	(581,091)	(1,243,414)
	$ 233,111	$ 2,503,530	$ 2,736,641

	2025		
	Goodwill	Other intangible assets	Total
At January 1			
Cost	$ 731,920	$ 1,197,799	$ 1,929,719
Accumulated amortization and impairment	(662,323)	(501,656)	(1,163,979)
	$ 69,597	$ 696,143	$ 765,740
Opening net book amount as at January 1	$ 69,597	$ 696,143	$ 765,740
Additions-acquired separately	-	8,846	8,846
Amortization	-	(29,875)	(29,875)
Net change differences	-	685	685
Closing net book amount as at March 31	$ 69,597	$ 675,799	$ 745,396
At March 31			
Cost	$ 731,920	$ 1,204,108	$ 1,936,028
Accumulated amortization and impairment	(662,323)	(528,309)	(1,190,632)
	$ 69,597	$ 675,799	$ 745,396

Details of amortization of intangible assets are as follows:

	Three months ended March 31,	
	2026	2025
Administrative expenses	$ 61,619	$ 29,875

(16) Other assets

	March 31, 2026	December 31, 2025	March 31, 2025
Long-term accounts receivable (Including long-term notes and accounts receivable)	$ 17,721,080	$ 18,090,890	$ 17,009,427
Operation bonds	300,000	300,000	300,000
Guarantee deposits paid	679,325	703,396	708,624
Prepayments for business facilities	1,685,451	630,616	572,842
Others	2,159,701	2,317,008	2,756,404
	$ 22,545,557	$ 22,041,910	$ 21,347,297

(17) Short-term borrowings

Type of loans	March 31, 2026	December 31, 2025	March 31, 2025
Bank borrowings			
Unsecured borrowings	$ 55,751,240	$ 43,248,586	$ 73,091,060
Mortgage borrowings	900,000	-	2,500,000
Mid-term syndicated loans for working capital	53,380,466	63,924,232	52,940,664
Securitised asset-backed notes borrowings	1,223,790	2,088,887	1,563,989
Other short-term borrowings	59,146	59,343	66,540
	$ 111,314,642	$ 109,321,048	$ 130,162,253
Annual interest rate	1.50%～9.50%	1.30%~10.00%	0.50%~4.83%

As of March 31, 2026, December 31, 2025 and March 31, 2025, the details of loans are as follows:

A. The Group uses cross currency swap agreement to control the exchange rate risk and interest rate risk. After the cross-currency swap, the rate range of short-term loans were 1.44%~9.50%, 1.77%~10.00% and 0.50%~4.30%, respectively.

B. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of $13,250,000 with 20 financial institutions including CTBC Bank Co., Ltd, in order to fulfil its working capital. The duration is 36 months from the date of first drawdown. The loan can be drawn several times. Of this amount, $5,900,000 is non-revolving and is repayable in full at maturity; the remaining $7,350,000 is revolving and is repayable in full at maturity for any amounts drawn. As of March 31, 2026, no drawdowns had been made.

C. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 875 million with 11 financial institutions including Fubon Bank (China) Co., Ltd. in order to fulfil its working capital. The duration is within 9 months from the agreement date (from April 25, 2025 to January 25, 2026). The loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the drawn down period.

D. The subsidiary, Hotai Finance Development Co., Ltd., has entered into a mid-term syndicated contract for a credit line of $ 10,000,000 with 11 financial institutions including Yuanta Commercial Bank Co., Ltd., and Bank SinoPac Co., Ltd., in order to fulfil its working capital. The duration is 36 months (from March 21, 2025 to March 21, 2028). The loan can be drawn several times. Of the total loan, $4,400,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of $5,600,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.

E. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of JPY 35 billion with 13 financial institutions including Mizuho Bank, Ltd., in order to fulfil its working capital. The duration is 36 months (from July 16, 2025 to May 26, 2028). The loan can be drawn several and is non-revolving times. The payment terms is to repay the full drawn amount at the maturity date.

F. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of JYP 110 billion with 4 financial institutions including MUFG Bank Ltd. in order to fulfil its working capital. The duration is 30 months (starting from June 9, 2025 to December 7, 2027). The loan can be drawn several times and is revolving. The payment term is to repay the full drawn amount at the maturity.

G. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of JPY 25 billion with 9 financial institutions including Mizuho Bank, Ltd., in order to fulfil its working capital. The duration is 10.5 months (from December 6, 2024 to October 20, 2025). The loan can be drawn several times and is non-revolving. The payment terms is to repay the full drawn amount at the maturity date.

H. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of $ 29,500,000 with 11 financial institutions including CTBC Bank Co., Ltd., in order to fulfil its working capital. The duration is 36 months (from June 28, 2024 to June 28, 2027). The loan can be drawn several times. Of the total loan, $14,750,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of $14,750,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.

I. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 1.33 billion with 5 financial institutions including Mizuho Bank, Ltd. in order to fulfil its working capital. Within 6 months from the agreement date (from May 9, 2024 to November 8, 2024). The loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the drawn down period.

J. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 510 million with 6 financial institutions including E.SUN Commercial Bank, Ltd., in order to fulfil its working capital. The duration is within 12 months from the first withdrawal date (from March 25, 2024 to March 24, 2025). The loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the drawn down period.

K. The subsidiary, He Jing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of $10,000,000 with 12 financial institutions including Mega International Commercial Bank Ltd. in order to fulfil its working capital. The duration is 36 months (starting from July 12, 2023 to July 12, 2026). The loan can be drawn several times and is revolving. The payment terms is to repay the full drawn amount at the maturity date.

L. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of $14,000,000 with 13 financial institutions including Bank of Taiwan, in order to fulfil its working capital. The duration is 36 months (from February 24, 2023 to February 24, 2026). The loan can be drawn several times. Of the total loan, $6,025,000 is non-revolving and the payment term is to repay the full drawn amount at the maturity date. The remaining amount of $7,975,000 is revolving and the payment term is to repay the full drawn amount at the maturity date.

M. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 1 billion with 13 financial institutions including Mizuho Bank, Ltd. in order to fulfil its working capital. The duration is 36 months (from July 3, 2023 to July 27, 2026). The loan can be drawn several times but is non-revolving. The payment term is to repay the drawn amounts in installments within the drawn down period.

N. The subsidiary, Hoyun International Leasing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of RMB 980 million with 12 financial institutions including Mizuho Bank, Ltd., in order to fulfil its working capital. Within six months from the contract signing date (from July 26, 2022 to January 26, 2023), the loan can be drawn several times but is non-revolving. Each borrowing period is 36 months. The payment term is to repay the drawn amounts in installments within the drawn down period.

O. The Company has entered into a mid-term syndicated contract for a credit line of $15,000,000 with 18 financial institutions including CTBC Bank Ltd., in order to fulfil its working capital. The duration is 36 months (from June 29, 2022 to June 27, 2025). The loan can be drawn several times. Of the total loan, $7,056,600 is non-revolving and the payment term is to repay the drawn amounts in installments within the contract period. The remaining amount of $7,943,400 is revolving and the payment term is to repay the full drawn amount at the maturity date.

P. Asset-backed securities borrowing are provided in Note 6(5)E.

Q. Financial commitments of the Group made for the above mentioned syndicated loans and partial loans from other financial institutions require the Group to maintain specific current ratio, ratio of self-owned capital, interest coverage ratio, net value, net tangible assets, debt/equity ratio, shareholder equity ratio, net tangible assets ratio and non-performing loans ratio during the contract periods.

As of March 31, 2026, the Group has not breached the financial commitments.

(18) Short-term notes and bills payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper payable	$ 160,055,000	$ 169,820,000	$ 140,323,400
Less: Unamortized discount	(171,952)	(245,440)	(240,257)
	$ 159,883,048	$ 169,574,560	$ 140,083,143
Annual interest rate	1.73%~2.19%	1.60%~2.19%	1.75%~2.23%

(19) Bonds payable (Recorded as 'long-term liabilities current portion')

	March 31, 2026	December 31, 2025	March 31, 2025
Bonds payable	$ 21,950,000	$ 17,800,000	$ 28,200,000

The information on corporate bonds issued by the Group's subsidiary, Hotai Finance Co., Ltd., that has been approved by the Competent Authority are as follows:

A. The Company issued 4,150,000 first unsecured ordinary bonds in 2026, which was declared effective on March 20, 2026. The issuance comprises two bonds: Bond A bears a coupon rate of 1.93%, with interest payable annually and matures 3 years from the issue date (March 30, 2026 ~ March 30, 2029); Bond B bears a coupon rate of 1.93%, with interest payable annually and matures 5 years from the issue date (March 30, 2026 ~ March 30, 2031). Both bonds will be redeemed in cash at face value at the maturity date.

B. The second unsecured ordinary corporate bonds were issued in 2025 and became effective on September 26, 2025, with a total amount of $5,600,000. The bonds are divided into two tranches with differing terms: Tranche A carries a coupon rate of 1.93% paid annually, with a 3-year period, and will be outstanding from October 8, 2025 to October 8, 2028; Tranche B carries a coupon rate of 1.97% paid annually, with a 5-year period, and will be outstanding from October 8, 2025 to October 8, 2030. Both tranches will be repaid in cash at par in a single lump sum at maturity.

C. The first secured ordinary corporate bonds were issued in 2025. The total amount was $3,000,000, the coupon rate was 1.83% paid annually with a 3-year period, the outstanding period was from July 21, 2025 to July 21, 2028 and the bonds would be repaid at face value in a lump sum with cash on the due date.

D. The second secured ordinary corporate bonds were issued in 2023. The total amount was $5,000,000, the coupon rate was 1.49% paid annually with a 2-year period, the outstanding period was from October 27, 2023 to October 27, 2025, and the bonds would be repaid at face value in a lump sum with cash on the due date. The corporate bond was fully repaid at maturity.

E. The first unsecured ordinary corporate bonds were issued in 2023. The total amount was $4,000,000, the coupon rate was 1.50% with a 5-year period, the outstanding period was from March 28, 2023 to March 28, 2028, and the bonds would be repaid at face value in a lump sum with cash on the due date.

F. The second secured ordinary corporate bonds were issued in 2022. The total amount was $7,000,000, the coupon rate was 1.50% with a 3-year period, the outstanding period was from June 6, 2022 to June 6, 2025, and the bonds would be repaid at face value in a lump sum with cash on the due date. The corporate bond was fully repaid at maturity.

G. The first secured ordinary corporate bonds were issued in 2022. The total amount was $3,000,000, the coupon rate was 0.57% paid annually with a 3-year period, the outstanding period was from January 13, 2022 to January 13, 2025, and the bonds would be repaid at face value in a lump sum with cash on the due date. The corporate bond was fully repaid at maturity.

H. The second unsecured ordinary corporate bonds were issued in 2021. The total amount was $3,000,000, the coupon rate was 0.56% paid annually with a 5-year period, the outstanding period was from July 22, 2021 to July 22, 2026, and the bonds would be repaid at face value in a lump sum with cash on the due date.

I. The first unsecured ordinary corporate bonds were issued in 2021. The total amount was $2,200,000, the coupon rate was 0.55% paid annually with a 5-year period, the outstanding period was from April 15, 2021 to April 15, 2026, and the bonds would be repaid at face value in a lump sum with cash on the due date.

J. The first unsecured ordinary corporate bonds were issued in 2020. The total amount was $7,000,000, the coupon rate was 0.70% paid annually with a 5-year period, the outstanding period was from April 22, 2020 to April 22, 2025, and the bonds would be repaid at face value in a lump sum with cash on the due date. The corporate bond was fully repaid at maturity.

(20) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	March 31, 2026	December 31, 2025	March 31, 2025
Long-term bank borrowings					
Credit borrowings	Borrowing period is from August 2022 to December 2025; interest is repayable monthly	1.58%~2.01%	$ -	$ -	$ 300,000
	Borrowing period is from December 2023 to April 2030; interest and principal are repayable monthly	2.43%~2.48%	382,294	354,736	466,761
	Borrowing period is from December 2023 to December 2026; interest is repayable monthly	1.85%	100,000	100,000	100,000
Commercial papers payable	From March 2025 to March 2026; interest is repayable monthly	1.91%	-	1,198,938	699,136
Secured borrowings (Note)	Borrowing period is from October 2020 to December 2031; interest and principal are repayable monthly	1.67%~2.68%	1,369,593	1,344,103	1,253,161
Mid-term syndicated contract	Borrowing period is from March 2025 to March 2028; interest and principal are repayable monthly	2.33~2.41%	7,380,541	7,378,108	970,811
	Borrowing period is from December 2023 to December 2026; interest is repayable monthly	2.26%	3,240,000	3,240,000	3,600,000
			$ 12,472,428	$ 13,615,885	$ 7,389,869
Less: long-term liabilities, current portion			(11,068,934)	(4,882,626)	(503,692)
			$ 1,403,494	$ 8,733,259	$ 6,886,177

Note: The information regarding the collateral is detailed in Note 8.

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

Duration of maturity	Loan amount
Up to 1 year	$ 3,688,393
1 to 2 years	7,693,591
Over 2 years	1,090,444
	$ 12,472,428

B. Information regarding the mid-term syndicated contract of the subsidiary, Hotai Finance Development Co., Ltd., is detailed in Note 6 (17).

C. The subsidiary, Hotai Leasing Co., Ltd., entered into a mid-term syndicated contract with 11 financial institutions, including CTBC Bank Co., Ltd. The credit facility of NTD 6 billion injects a stable source of funds for future development. Sustainability ESG perspectives are incorporated into the credit conditions, which link to the growth performance of electric vehicles and hybrid vehicles. If the credit conditions incorporated with sustainability ESG perspectives are not met, it will result in an increase in the interest rate; however, the total increase is capped

at a maximum of 0.04%. Out of the NTD 6 billion credit facility, NTD 3.6 billion is under Tranche A and shall not be used on a revolving basis; 10% of the drawn amount shall be repaid upon the expiration of 2 years from the date of drawdown, an additional 10% of the drawn amount shall be repaid upon the expiration of 2.5 years, and the remaining 80% balance shall be repaid in a lump sum upon the expiration of 3 years. The remaining NTD 2.4 billion is under Tranche B and may be used on a revolving basis, and the repayment method is to repay the drawn amount in a lump sum upon maturity.

D. During the term of the syndicated loan agreement, the Group is required to maintain a specific tangible net worth ratio, interest coverage ratio, and net worth amount. As of March 31, 2026, the Group has complied with the requirements of the aforementioned agreement.

(21) Accrued expenses

	March 31, 2026	December 31, 2025	March 31, 2025
Wages and salaries payable	$ 2,700,886	$ 2,954,440	$ 2,684,405
Dealer bonus payable	561,191	583,440	492,464
Remuneration payable to employees	1,019,593	1,069,514	973,752
Remuneration payable to directors	553,194	448,840	548,317
Interest payable	479,751	454,017	467,070
Others	2,388,581	2,763,067	1,786,866
	$ 7,703,196	$ 8,273,318	$ 6,952,874

(22) Pensions

Defined contribution pension plan

A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The Company's mainland China subsidiaries have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China ("PRC") are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the mainland China subsidiaries have no further obligations.

C. The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2026 and 2025, were $127,684 and $125,820, respectively.

(23) Provisions

	2026	2025
At January 1	$ 7,463,750	$ 6,509,943
Additional provisions during the period	599,785	545,578
Used during the period	(257,044)	(227,952)
Unused amounts reversed	(34,723)	(35,846)
At March 31	$ 7,771,768	$ 6,791,723

Analysis of provision for warranty is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current (shown as other current liabilities)	$ 1,176,222	$ 1,091,460	$ 1,052,045
Non-current	$ 6,595,546	$ 6,372,290	$ 5,739,678

The Group provides warranties on vehicles and air conditioners sold. Provision for warranty is estimated based on historical warranty data of vehicles, air conditioners and related products.

(24) Guarantee deposits received

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits received for car rentals	$ 20,452,017	$ 20,671,041	$ 20,414,005
Others	48,462	86,968	90,128
	$ 20,500,479	$ 20,758,009	$ 20,504,133

Analysis of guarantee deposits received for warranty is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current (shown as other current liabilities)	$ 8,856,977	$ 8,738,380	$ 8,540,188
Non-current	$ 11,643,502	$ 12,019,629	$ 11,963,945

(25) Share capital

As of March 31, 2026, the Company's authorised capital was $6,000,000, consisting of 600,000,000 shares of ordinary stock and the paid-in capital was $5,571,028 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected. The Company has issued 557,102,768 ordinary shares outstanding.

(26) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(27) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve, and shall be set aside as special reserve as required by the regulations when necessary. The remainder, if any, shall be appropriated as dividends to shareholders which shall account for at least 50%, and cash dividends shall account for at least 10% of the total dividends distributed.

The earnings appropriation ratios and distribution method of dividends to shareholders are determined based on current year's profit and capital position and shall be proposed by the Board of Directors and resolved by the shareholders.

The Board of Directors of the Company may distribute all or part of the dividends and bonuses in cash through the adoption of a resolution by a majority vote of the directors present at a meeting of its Board of Directors attended by at least two-thirds of the directors of the Company, and reported to the shareholders' meeting. The aforementioned provision that requires a resolution at the shareholders' meeting is not applicable.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion more than 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022 issued by FSC on March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. On June 13, 2025, the stockholders of the Company resolved those total dividends for the distribution of earnings for the year of 2024 was $11,142,055 consisting of $20 in dollars of cash dividend per share.

E. On March 11, 2026, the Board of Directors of the Company resolved those total dividends for the distribution of earnings for the year of 2025 was $11,142,055 consisting of $20 in dollars of cash dividend per share.

F. For the information relating to employees' compensation and directors' remuneration, please refer to Note 6(32).

(28) Revenue from contracts with customers

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Three months ended March 31, 2026

	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Other segments	Total
Segments	$ 41,812,271	$ 329,623	$ 2,620,203	$ 15,681,733	$ 60,443,830
Inter segments	(2,288,518)	(9,503)	(71,983)	(2,338,012)	(4,708,016)
Revenue from external customer contracts	$ 39,523,753	$ 320,120	$ 2,548,220	$ 13,343,721	$ 55,735,814
Timing of revenue recognition					
At a point in time	$ 39,523,753	$ 280,225	$ 2,520,231	$ 12,899,537	$ 55,223,746
Over time	-	39,895	27,989	444,184	512,068
	$ 39,523,753	$ 320,120	$ 2,548,220	$ 13,343,721	$ 55,735,814

Three months ended March 31, 2025

	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Other segments	Total
Segments	$ 43,662,529	$ 335,347	$ 2,436,692	$ 16,327,674	$ 62,762,242
Inter segments	(2,106,935)	(35)	(52,891)	(2,515,026)	(4,674,887)
Revenue from external customer contracts	$ 41,555,594	$ 335,312	$ 2,383,801	$ 13,812,648	$ 58,087,355
Timing of revenue recognition					
At a point in time	$ 41,555,594	$ 300,514	$ 2,383,801	$ 13,321,267	$ 57,561,176
Over time	-	34,798	-	491,381	526,179
	$ 41,555,594	$ 335,312	$ 2,383,801	$ 13,812,648	$ 58,087,355

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Contract assets:			
Contract assets - construction contracts	$ 180,183	$ 183,054	$ 53,477
Contract liabilities:			
Contract liabilities - sales of goods	$ 1,828,267	$ 1,527,123	$ 1,804,619
Contract liabilities -customer loyalty programs	4,778	4,039	3,552
	$ 1,833,045	$ 1,531,162	$ 1,808,171

For the three months ended March 31, 2026 and 2025, revenue recognized that was included in the contract liability balance at the beginning of the period amounted to $548,778 and $180,680, respectively.

(29) Interest income

	Three months ended March 31,	
	2026	2025
Installment revenue	$ 4,258,531	$ 4,451,206
Finance leasing revenue	817,018	959,592
Interest from deposits and short-term notes	87,862	92,076
Other interest income	23,203	16,601
	$ 5,186,614	$ 5,519,475

(30) Insurance revenue

	Three months ended March 31,	
	2026	2025
Direct underwriting	$ 3,723,272	$ 3,484,252
Reinsurance assumed	134,557	131,950
	$ 3,857,829	$ 3,616,202

(31) Expenses by nature

	Three months ended March 31,	
	2026	2025
Employee benefit expense	$ 3,293,633	$ 3,149,303
Depreciation	3,600,167	3,595,105
Amortization	46,799	38,701
	$ 6,940,599	$ 6,783,109

(32) Employee benefit expense

	Three months ended March 31,	
	2026	2025
Wages and salaries	$ 2,751,328	$ 2,652,417
Labor and health insurance fees	225,259	219,080
Pension costs	127,684	125,820
Other personnel expenses	189,362	151,986
	$ 3,293,633	$ 3,149,303

A. According to the Articles of Incorporation of the Company, a percentage of distributable profit of the current year, shall be distributed as employees' compensation and directors' remuneration. The percentage shall be 1% for employees' compensation and shall not be higher than 2% for directors' remuneration. Independent directors will not receive any distributable profit. If the Company has accumulated deficit, earnings should be channelled to cover losses.

B. For the three months ended March 31, 2026 and 2025, employees' remuneration were accrued at $52,177 and $51,233, respectively; while directors' remuneration were accrued at $104,353 and $102,465, respectively. The aforementioned amounts were recognized in salary expenses.

For the three months ended March 31, 2026 and 2025, the employees' compensation and directors' remuneration were estimated and accrued based on 1% and 2% of distributable profit of current year as of the end of reporting period. On March 11, 2026, the employees' compensation and directors' remuneration that were resolved at the meeting of Board of Directors amounted to $224,420 and $448,840, respectively. The amount is consistent with the financial statements recognized in 2025. The employees' remuneration will be distributed in the form of cash.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors and shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(33) Income tax

A. Income tax expense

(a)Components of income tax expense:

	Three months ended March 31,	
	2026	2025
Current tax:		
Current tax expense recognized in the current period	$ 1,396,085	$ 1,265,834
Prior year income tax overestimation	2,052	-
Total current tax	1,398,137	1,265,834
Deferred tax:		
Origination and reversal of temporary differences	(119,798)	(51,590)
Total deferred tax	(119,798)	(51,590)
Income tax expense	$ 1,278,339	$ 1,214,244

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

	Three months ended March 31,	
	2026	2025
Cash flow hedges	$ 27,202	($ 7,225)

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

(34) Earnings per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to common shareholders of the parent	$ 4,429,572	557,103	$ 7.95
Diluted earnings per share			
Profit attributable to common shareholders of the parent	$ 4,429,572	557,103	
Assumed conversion of all dilutive potential common shares-Employees' compensation	-	456	
Profit attributable to common shareholders of the parent plus assumed conversion of all dilutive potential common shares	$ 4,429,572	557,559	$ 7.94

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to common shareholders of the parent	$ 3,974,710	557,103	$ 7.13
Diluted earnings per share			
Profit attributable to common shareholders of the parent	$ 3,974,710	557,103	
Assumed conversion of all dilutive potential common shares-Employees' compensation	-	378	
Profit attributable to common shareholders of the parent plus assumed conversion of all dilutive potential common shares	$ 3,974,710	557,481	$ 7.13

(35) Supplemental cash flow information

Financing activities with no cash flow effects

	Three months ended March 31,	
	2026	2025
Dividend payable	$ 12,802,686	$ 12,588,868

(36) Changes in liabilities from financing activities

	2026			
	Short-term loans	Short-term notes and bills payable	Long-term liabilities-current portion	Long-term loans
January 1, 2026	$ 109,321,048	$ 169,574,560	$ 22,682,626	$ 8,733,259
Changes in cash flow from financing activities	2,182,628	(10,890,449)	4,150,000	55,480
Impact of changes in foreign exchange rate	-	-	-	-
Changes in other non-cash items	(189,034)	1,198,937	6,186,308	(7,385,245)
March 31, 2026	$ 111,314,642	$ 159,883,048	$ 33,018,934	$ 1,403,494

	2026			
	Guarantee deposits received	Lease liabilities	Dividend payable	Liabilities from financing activities-gross
January 1, 2026	$ 20,758,009	$ 2,794,407	$ 6,328	$ 333,870,237
Changes in cash flow from financing activities	(257,530)	(124,994)	-	(4,884,865)
Impact of changes in foreign exchange rate	-	31,331	-	31,331
Changes in other non-cash items	-	43,233	12,802,686	12,656,885
March 31, 2026	$ 20,500,479	$ 2,743,977	$ 12,809,014	$ 341,673,588

	2025			
	Short-term loans	Short-term notes and bills payable	Long-term liabilities-current portion	Long-term loans
January 1, 2025	$ 134,152,135	$ 139,501,975	$ 33,029,050	$ 5,174,127
Changes in cash flow from financing activities	(4,771,272)	581,168	(3,000,000)	386,692
Impact of changes in foreign exchange rate	3,052	-	-	-
Changes in other non-cash items	778,338	-	(1,325,358)	1,325,358
March 31, 2025	$ 130,162,253	$ 140,083,143	$ 28,703,692	$ 6,886,177

	2025			
	Guarantee deposits received	Lease liabilities	Dividend payable	Liabilities from financing activities-gross
January 1, 2025	$ 20,257,906	$ 2,598,213	$ 6,334	$ 334,719,740
Changes in cash flow from financing activities	246,227	(127,148)	-	(6,684,333)
Impact of changes in foreign exchange rate	-	33,933	-	36,985
Changes in other non-cash items	-	20,677	12,588,864	13,387,879
March 31, 2025	$ 20,504,133	$ 2,525,675	$ 12,595,198	$ 341,460,271

7. Related Party Transactions

(1) Names of related parties and relationship with the Group (Significant counterparties only)

Names of related parties	Relationship with the Group
Toyota Industries Corporation	Entities controlled by key management
Toyota Motor Asia (Singapore) Pte., Ltd. (TMA- Singapore)	〃
Toyota South Africa Motors (Pty) Ltd.	〃
Toyota-Motor-Sales-USA(TMS)	〃
Toyota Motor Asia (Thailand) Co., Ltd.	〃
Toyota Motor Manufacturing Canada Inc.	〃
Triple S Digital Co., Ltd.	〃
Hino Motors, Ltd. (HINO)	〃
Toyota Motor Corporation (TMC)	〃
Ho Chuang Insurance Agency Co., Ltd.	〃
Ho An Insurance Agency Co., Ltd. (Ho An)	〃
Ho Yu Investment Co., Ltd. (Ho Yu)	〃
Toyota Motor (China) Investment Co., Ltd. (TMCI)	〃

Names of related parties	Relationship with the Group
Formosa Flexible Packaging Corp.	Associates
Zhongyang Motor Co., Ltd.	〃
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	〃
Yokohama Tire Taiwan Co., Ltd.	〃
Shi-Ho Screw Industrial Co., Ltd.	〃
Kuai Shun Transportation Co., Ltd.	〃
Wang Fu Co., Ltd.	〃
Nan I Motor Co., Ltd.	〃
ChongQing Taikang Heling Lexus Motor Sales & Service Co., Ltd. (ChongQing Taikang Heling)	〃
Taiyuan Zhongdu Heling LEXUS Motor Sales & Service Co., Ltd.	〃
Taizhou Zhongdu Lexus Motor Sale & Service Co., Ltd.	〃
Tung Yu Motor Co., Ltd.	〃
Innovation Auto Parts Co., Ltd.	〃
Guangzhou Gac Changho Autotech Corporation	〃
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	〃
Nitto Seiko Technology	〃
Linyi Ho-Yu Toyota Motor Sales & Service Co., Ltd.	〃
Tianjin Binhai Heling LEXUS Motor Service Co., Ltd. (Tianjin Binhai Heling)	〃
Kuozui Motors, Ltd. (Kuozui)	〃
Kuotu Motor Co., Ltd. (Kuotu)	〃
Taipei Toyota Motor Co., Ltd. (Taipei Motor)	〃
Tau Miau Motor Co., Ltd. (Tau Miau)	〃
Central Motor Co., Ltd. (Central Motor)	〃
Nan Du Motor Co., Ltd. (Nan Du)	〃
Kau Du Automobile Co., Ltd. (Kau Du)	〃
Lang Yang Toyota Motor Co., Ltd.	〃
Ho Cheng Auto Parts Co., Ltd.	〃
Hozao Enterprise Co., Ltd.	〃
Heng Yun Investment Co., Ltd.	〃
Fan Tai Transportation Co., Ltd. (Fan Tai)	〃
Yi Tai Transportation Co., Ltd. (Yi Tai)	〃

Names of related parties	Relationship with the Group
Hua Tai Transportation Co., Ltd.	Associates
AIM Technology Corp.	〃
Guangguan Machinery Co., Ltd.	〃
Kao Jin Co., Ltd.	〃
Tau Jin Enterprise Co., Ltd.	〃
Nantian Technology Co., Ltd.	〃
He Ru Co., Ltd.	〃
New Auto Parts Co., Ltd.	〃
Shye Shing Enterprise Co., Ltd.	〃
Zhonghao Automobile Co., Ltd.	〃
Gochabar Co., Ltd.	〃
Kai Lan Power Co., Ltd.	〃
Daikin Taiwan Applied Air Conditioning Systems Co., Ltd.	〃
The Company's Directors, president, vice president and others	Key management

(2) Significant related party transactions and balances

A. Revenue

	Three months ended March 31,	
	2026	2025
(a) Sales revenue:		
-Associates		
Central Motor	$ 8,229,120	$ 8,589,753
Tau Miau	7,597,136	7,800,574
Taipei Motor	6,022,180	6,470,860
Kuotu	6,018,594	6,439,378
Kau Du	5,703,164	5,960,692
Others	6,647,609	6,790,677
-Entities controlled by key management	24,812	32,280
	$ 40,242,615	$ 42,084,214

Sales from the Company and subsidiaries to related parties are based on the price lists in force and terms that would be available to third parties. Terms are shown in table 4 of Note 13(1) significant transactions information.

	Three months ended March 31,	
	2026	2025
(b) Rental revenue:		
-Associates	$ 40,582	$ 39,044
-Entities controlled by key management	3,864	971
	$ 44,446	$ 40,015

The Company and subsidiaries entered into rental contracts based on normal conditions with related parties and collect rents monthly based on the contracts.

	Three months ended March 31,	
	2026	2025
(c) Service revenue:		
Service sales:		
-Associates	$ 20,676	$ 19,898
-Entities controlled by key management	493	20
Contracted operating revenue:		
-Associates	5,697	5,787
	$ 26,866	$ 25,705

	Three months ended March 31,	
	2026	2025
(d) Subsidy income for price difference from installments:		
-Associates	$ 73,584	$ 94,071

	Three months ended March 31,	
	2026	2025
(e) Warranty revenue		
-Associates		
Kuozui	$ 122,630	$ 36,797
-Entities controlled by key management		
TMA-Singapore	138,764	167,181
Others	11	50
	$ 261,405	$ 204,028

	Three months ended March 31,	
	2026	2025
(f) Advertisement subsidy and sales promotion revenue (shown as deductions to advertisement expense):		
-Associates		
Kuotu	$ 74,381	$ 79,021
Others	37,665	35,469
-Entities controlled by key management		
TMC	34,779	14,834
	$ 146,825	$ 129,324

	Three months ended March 31,	
	2026	2025
(g) Miscellaneous income:		
-Associates		
Kuotu	$ 30,780	$ 31,491
Others	41,271	45,291
-Entities controlled by key management		
TMC	53,898	6,947
Others	12,492	13,313
	$ 138,441	$ 97,042

B. Expenditures

	Three months ended March 31,	
	2026	2025
(a) Purchases of goods:		
-Associates		
Kuozui	$ 13,216,368	$ 13,040,338
Others	568,966	662,777
-Entities controlled by key management		
TMC	14,528,888	16,584,034
Others	3,257,752	3,319,780
	$ 31,571,974	$ 33,606,929

The Company and subsidiaries sold domestic cars which were purchased from Kuozui and imported cars and parts which were purchased from TMC, HINO, TMCI, TMA-Singapore, TMS and TME. Payment terms are shown in table 4 of Note 13(1) Significant transactions information.

	Three months ended March 31,	
	2026	2025
(b) Warranty cost:		
-Associates		
Kuotu	$ 40,659	$ 33,031
Central Motor	34,322	29,875
Tau Miau	34,154	27,640
Kau Du	28,548	24,770
Others	49,373	44,156
-Entities controlled by key management	251	9
	$ 187,307	$ 159,481

	Three months ended March 31,	
	2026	2025
(c) Freight:		
-Associates		
Fan Tai	$ 64,610	$ 63,974
Yi Tai	32,989	34,011
Others	435	557
	$ 98,034	$ 98,542

	Three months ended March 31,	
	2026	2025
(d) Commission expense:		
-Associates	$ 41,848	$ 49,127
-Entities controlled by key management		
Ho An	407,679	394,457
	$ 449,527	$ 443,584

	Three months ended March 31,	
	2026	2025
(e) Others:		
-Associates		
Kuotu	$ 1,805,371	$ 2,228,154
Tau Miau	1,282,175	749,856
Kau Du	1,106,847	1,131,734
Taipei Motor	416,462	623,318
Nan Du	374,489	359,084
	$ 4,985,344	$ 5,092,146

As described in Note 4(42) in the financial statements for the year ended December 31, 2025, Hotai Finance Co., Ltd. receives only interest income rather than gross profit from the installment sales with related parties. Therefore, sales revenue and cost of sales are presented in net amount and movable properties arising from the transaction are all pledged as collateral. Terms of purchases from related parties are in agreement with third parties. Terms are shown in table 4 of Note 13(1) significant transactions information.

C. Receivables from (payables to) related parties

	March 31, 2026	December 31, 2025	March 31, 2025
(a) Receivables from related parties:			
-Associates	$ 1,883,555	$ 1,581,284	$ 1,575,148
-Entities controlled by key management	22,664	17,061	12,623
	$ 1,906,219	$ 1,598,345	$ 1,587,771

	March 31, 2026	December 31, 2025	March 31, 2025
(b) Other receivables from related parties:			
-Associates	$ 235,608	$ 249,214	$ 196,004
-Entities controlled by key management	2,355	5,521	2,627
	$ 237,963	$ 254,735	$ 198,631

	March 31, 2026	December 31, 2025	March 31, 2025
(c) Accounts payable:			
-Associates	$ 1,516,776	$ 968,391	$ 1,360,861
-Entities controlled by key management			
TMC	4,935,303	3,893,788	5,739,309
Others	311,283	432,170	492,185
	$ 6,763,362	$ 5,294,349	$ 7,592,355

	March 31, 2026	December 31, 2025	March 31, 2025
(d) Accrued expenses and other payables:			
-Associates	$ 438,236	$ 579,253	$ 183,968
-Entities controlled by key management	37,543	307	593
	$ 475,779	$ 579,560	$ 184,561

	March 31, 2026	December 31, 2025	March 31, 2025
(e) Commissions payable:			
-Entities controlled by key management			
Ho An	$ 168,382	$ 29,536	$ 174,207
Others	6,230	-	-
	$ 174,612	$ 29,536	$ 174,207

D. Prepayments to suppliers

	March 31, 2026	December 31, 2025	March 31, 2025
-Entities controlled by key management	$ 136,704	$ 76,847	$ 150,451

E. Property transactions

(a) Acquisition of rental assets and equipment

	Three months ended March 31,	
	2026	2025
-Associates		
Kuotu	$ 610,177	$ 1,142,395
Tau Miau	334,909	489,204
Taipei Motor	251,270	636,104
Central Motor	243,487	493,847
Others	403,728	620,997
-Entities controlled by key management	7,340	3,106
	$ 1,850,911	$ 3,385,653

(b) Disposal of property, plant and equipment:

	Three months ended March 31,			
	2026		2025	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
-Associates	$ 1,076	$ 204	$ 2,571	$ 1,099

F. Leasing arrangements - lessee

The Group entered into the lease agreement with related parties based on the market price and the rent is paid on a monthly basis according to the agreement.

	March 31, 2026	December 31, 2025	March 31, 2025
Lease liabilities:			
-Entities controlled by key management			
Ho Yu	$ 40,722	$ 46,309	$ 62,905
-Associates	50,415	53,919	60,550
	$ 91,137	$ 100,228	$ 123,455

G. Loans to related parties

	March 31, 2026	December 31, 2025	March 31, 2025
-Associates			
Chongqing Taikang Heling	$ 139,167	$ 134,870	$ 137,196
Kai Lan Power	4,000	-	-
	$ 143,167	$ 134,870	$ 137,196

(3) Key management remuneration

	Three months ended March 31,	
	2026	2025
Salaries and other short-term employee benefits	$ 131,156	$ 133,740

8. Pledged Assets

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

Pledged asset	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Notes and accounts receivable	$ 15,480,228	$ 17,085,835	$ 17,942,094	Credit enhancements for asset-backed note borrowings, short-term borrowings and commercial papers payable
Financial assets at fair value through other comprehensive income (Note 1)	300,000	300,000	300,000	Operation bonds
Guarantee deposits paid	679,325	703,396	708,624	Operation bonds and performance bonds
Restricted assets (Note 2)				
-Demand and time deposits	334,537	539,268	580,310	Credit line for short-term borrowings, performance guarantee and issuance of L/C (Note 3)
-Property, plant and equipment	1,382,784	1,300,401	968,385	Long-term borrowings
	$ 18,176,874	$ 19,928,900	$ 20,499,413	

Note 1: Shown as 'other assets'.

Note 2: Shown as 'other financial assets -current' and 'other financial assets-non-current'.

Note 3: As of March 31, 2026, December 31, 2025 and March 31, 2025, the certificates of deposit amounting to $12,792, $12,537 and $12,678, respectively, were pledged to the financial institution to issue the letter of credit required by the unexpired insurance policies worldwide underwritten by the subsidiary, Hotai Insurance Co., Ltd.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

A. Significant contracts signed by the Company with related parties and non-related parties as of March 31, 2026, are summarized as follows:

(a) The Company

Type of contracts	Party involved	Contract period	Main contents
Distributor agreement	Toyota Motor Corporation	January 1, 2025 to December 31, 2027	Sales of imported or domestic models, parts and accessories of Toyota and Hino in Taiwan.
	Hino Motors, Ltd.	April 1, 2021 to March 31, 2026 (Hino) (The contract has been renewed In the year 2026, with the contract period lasting from April 1, 2026 to March 31, 2031)	
Agreement on sale and purchase of Kuozui product	Kuozui Motors, Ltd.	Except for execution of termination clause, contract terms remain effective from July 1, 1995 (Hino) and January 1, 2022 (Toyota).	Kuozui Motors, Ltd. agrees to provide vehicles, parts and accessories, which are manufactured under authorisation, to the Company for sale purpose in Taiwan.
Product dealership agreement	Kuotu Motor Co., Ltd. and other dealers	May 15, 2024 to May 14, 2027	Authorised dealers sell vehicles, parts and automobile products provided by the Company.
Contracted operating contracts	Kuotu Motor Co., Ltd.	Starting from July 1, 2009	The Company was designated to conduct affairs such as sales, supply chain management, pre-sale services, after-sale services and promotion management.
	Kuozui Motors, Ltd.	Starting from June 1, 2002	
	Chang Yuan Motor Co., Ltd.	Starting from January 1, 2003 Except for termination signed by both parties, contracts remain effective.	

(b) Chang Yuan Motor Co., Ltd.

Type of contracts	Party involved	Contract period	Main contents
Trading contracts	Kuozui Motors, Ltd.	Starting from January 1, 2003, except for termination signed by both parties or breach of contract, contracts remain effective.	Kuozui Motors, Ltd. agrees to provide vehicles, which are manufactured under authorisation, to the Company for sale purpose in Taiwan.

(c) Toyota Material Handling Taiwan Ltd.

Type of contracts	Party involved	Contract period	Main contents
Distributor agreement	Toyota Industries Corporation	April 1, 2023 to March 31, 2026 (The contract has been renewed In the year 2026, with the contract period lasting from April 1, 2026 to March 31, 2029)	Sales of imported Toyota vehicles and parts for industrial and industry use in Taiwan.

B. As of March 31, 2026, the Group has signed equipment purchase contracts, real estate purchase contracts and engineering project payments that have not yet resulted in capital expenditures. The amounts for these contracts are $1,639,769 and $664,140, respectively.

C. On December 18, 2025, the Company's Board of Directors resolved to acquire from Hino Motors, Ltd. an 80% equity interest in each of the following companies: Minami Kanto Hino Motors, Ltd., Hokkaido Hino Motors, Ltd., Higashi Hokkaido Hino Motors, Ltd., Miyagi Hino Motors, Ltd., and Fukushima Hino Motors, Ltd., and to execute a definitive share purchase agreement. The provisional transfer price is JPY 27.026 billion, subject to adjustment in accordance with the agreement.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and considering future capital requirements and long-term capital plan in order to maintain an optimal capital structure to reduce the cost of capital, support operations and maximise returns for shareholders. Information on the capital management policy that the Group's subsidiary, Hotai Insurance Co., Ltd., made based on the Insurance Law of the Republic of China is provided in Note 12(16).

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 9,231,586	$ 8,803,280	$ 8,198,479
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	12,294,900	12,879,147	11,272,398
Qualifying debt instrument	1,443,751	1,109,023	597,077
Financial assets at amortized cost/Loans and receivables			
Cash and cash equivalents	33,821,612	23,971,458	23,189,434
Financial assets at amortized cost	751,253	787,993	-
Notes receivable	20,651,681	20,414,962	17,374,604
Accounts receivable	278,268,245	279,236,723	279,161,604
Long-term notes and accounts receivable	16,182,238	16,667,129	14,991,159
Other receivables	2,969,291	2,915,148	2,798,841
Guarantee deposits paid	979,325	1,003,396	1,008,624
Other financial assets	5,402,165	5,493,605	4,101,344
Financial assets for hedging	230,338	146,193	360,012
	$ 382,226,385	$ 373,428,057	$ 363,053,576
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ 2,536	$ 7,048	$ -
Financial liabilities at amortized cost			
Short-term loans	111,314,642	109,321,048	130,162,253
Short-term notes and bills payable	159,883,048	169,574,560	140,083,143
Notes payable	1,494,757	1,459,989	1,231,537
Accounts payable	12,469,620	10,214,252	13,110,510
Accrued expenses	7,703,196	8,273,318	6,952,874
Other payables	16,343,113	2,774,801	15,314,715
Commission payable	3,470	7,799	3,805
Corporate bonds payable (including current portion)	21,950,000	17,800,000	28,200,000
Long-term borrowings (including current portion)	12,472,428	13,615,885	7,389,869
Guarantee deposits received	20,500,479	20,758,009	20,504,133
Other financial liabilities	25,403	23,273	23,305
Lease liabilities	2,743,977	2,794,407	2,525,675
Financial liabilities for hedging	871,520	687,433	230,965
	$ 367,778,189	$ 357,311,822	$ 365,732,784

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk, and cross currency swap contracts are used to fix variable future cash flows.

(b) Risk management is carried out by finance departments of companies within the Group under policies approved by the Board of Directors. Finance departments identify, evaluate and hedge financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(c) Information on the additional risk management policy of the Company's subsidiary, Hotai Insurance Co., Ltd., is provided in Note 12(4).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange rate arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities.

ii. Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the companies treasury.

iii. The Group hedges foreign exchange rate by using forward exchange contracts. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2). Moreover, the Group enters into cross currency swap contracts to hedge the foreign exchange risk arising from foreign currency loan underwritten by financial institutions, shown as derivative financial assets and liabilities for hedging. The information is provided in Note 6(4).

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). After taking into consideration the use of cross currency swap contracts, the information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2026			December 31, 2025		
	Foreign currency amount	Exchange rate	Book value	Foreign currency amount	Exchange rate	Book value
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	USD 93,935	31.9950	$ 3,005,450	USD 25,131	31.4300	$ 789,867
JPY:NTD	JPY 19,304,637	0.2005	3,870,580	JPY 12,337,767	0.2008	2,477,424
RMB:NTD	CNY 8,690	4.6389	40,312	CNY 2,070	4.4957	9,306
Financial liabilities						
Monetary items						
USD:NTD	USD 186,435	31.9950	$ 5,964,988	USD 143,944	31.4300	$ 4,524,160
JPY:NTD	JPY 218,976	0.2005	43,905	JPY 193,291	0.2008	38,813
RMB:NTD	CNY 15,265	4.6389	70,813	CNY 9,055	4.4957	40,709

	March 31, 2025		
	Foreign currency amount	Exchange rate	Book value
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	USD 22,778	33.2050	$ 756,343
JPY:NTD	JPY 1,018,255	0.2227	226,765
RMB:NTD	CNY 3,779	4.5732	17,282
Financial liabilities			
Monetary items			
USD:NTD	USD 218,768	33.2050	$ 7,264,191
JPY:NTD	JPY 158,591	0.2227	35,318
RMB:NTD	CNY 19,159	4.5732	87,618

v. The total exchange gains, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2026 and 2025 amounted to $109,234 and $172,524, respectively.

vi. The Group took the use of cross currency swap contracts into account and analysis of foreign currency market risk arising from significant foreign exchange variation is as follows:

	Three months ended March 31, 2026			Three months ended March 31, 2025		
	Sensitivity analysis			Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	1%	$ 30,055	$ -	1%	$ 7,563	$ -
JPY:NTD	1%	38,706	-	1%	2,268	-
RMB:NTD	1%	403	-	1%	173	-
Financial liabilities						
Monetary items						
USD:NTD	1%	$ 59,650	$ -	1%	$ 72,642	$ -
JPY:NTD	1%	439	-	1%	353	-
RMB:NTD	1%	708	-	1%	876	-

Price risk and interest rate risk

i. The Company's and the subsidiaries' financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are domestic quasi money market fund and listed stocks which are influenced by fluctuation in market price.

ii. The subsidiary's, Hotai Finance Co., Ltd., main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk.

iii. The subsidiary, Hotai Finance Co., Ltd., assessed the market risk of cross currency swap by using PVBP (Present Value of Basis Point). However, the contracted notional principal equal to the amount of hedged liabilities, and the duration, resetting date, date of receiving and paying of interest and principal and the index of measuring interest were both the same, which can use to offset the market risk, thus, the Group did not expect significant market risk.

iv. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant and considering the use of cross currency swap contracts, profit after tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by $664,787 and $765,574, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Group manages their credit risk taking into consideration the entire Group's concern. For banks and financial institutions, only independently rated parties with good rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The subsidiary, Hotai Finance Co., Ltd. (HFC), entered into agreements with banks for handling financing through pledging new and used vehicles. In accordance with the agreements, HFC is responsible for expansion of client lists, assisting expansion of installment loans for cars and unsecured loans. If borrowers are late for payment, HFC shall repay on behalf of the borrowers, and request claims of the borrowings and mortgage of vehicles. As of March 31, 2026, December 31, 2025 and March 31, 2025, HFC has financial instruments with off-balance-sheet credit risk amounting to $1,805,145, $1,779,600 and $1,827,047, respectively, and HFC has collected notes for installment payment on behalf of the banks amounting to $17,504, $11,651 and $15,550, respectively. HFC assesses financial guarantee contract liabilities which may arise from rendering the above services based on historical experience and recognizes financial guarantee expense which is shown as 'other current liabilities'.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
   (i.) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
   (ii.) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

v. For the subsidiaries, Hotai Finance Co., Ltd. and Hoyun International Leasing Co., Ltd., the default occurs when the contract payments are past due over 60 days. Additionally, when the contract payments are past due over 90 days and are not expected to be recovered, the default has occurred.

vi. The Group classified accounts receivable and contract assets based on customers' default and used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable and contract assets. Not including the subsidiaries, Hotai Finance Co., Ltd., Hoyun International Leasing Co., Ltd. and Hotai Insurance Co., Ltd., estimated loss allowance arising from accounts receivable and contract assets amounted to $191,543.

vii. The following indicators are used by the Group to determine whether the credit impairment of debt instruments has occurred:
   (i.) It becomes probable that the issuer or the borrower will enter bankruptcy or other financial reorganization due to their financial difficulties;
   (ii.) The disappearance of an active market for that financial asset because of financial difficulties;
   (iii.) Default or delinquency in interest or principal repayments; and
   (iv.) Adverse changes in national or regional economic conditions that are expected to cause a default.

viii. For accounts receivable and notes receivable of the subsidiary, Hotai Finance Co., Ltd., the credit rating levels are presented below:

March 31, 2026	12 months expected credit loss	Lifetime: Significant increase in credit risk	Lifetime: Impairment of credit	Lifetime: Simplified approach	Total
Neither past due nor impaired	$ 303,052,605	$ -	$ -	$ 104,734	$ 303,157,339
Past due or case assessment	-	2,172,444	3,880,671	-	6,053,115
	$ 303,052,605	$ 2,172,444	$ 3,880,671	$ 104,734	$ 309,210,454

December 31, 2025	12 months expected credit loss	Lifetime: Significant increase in credit risk	Lifetime: Impairment of credit	Lifetime: Simplified approach	Total
Neither past due nor impaired	$ 305,052,063	$ -	$ -	$ 116,917	$ 305,168,980
Past due or case assessment	-	2,111,351	3,410,019	-	5,521,370
	$ 305,052,063	$ 2,111,351	$ 3,410,019	$ 116,917	$ 310,690,350

March 31, 2025	12 months expected credit loss	Lifetime: Significant increase in credit risk	Lifetime: Impairment of credit	Lifetime: Simplified approach	Total
Neither past due nor impaired	$ 302,307,625	$ -	$ -	$ 78,891	$ 302,386,516
Past due or case assessment	-	1,454,201	3,343,979	-	4,798,180
	$ 302,307,625	$ 1,454,201	$ 3,343,979	$ 78,891	$ 307,184,696

ix. The subsidiary, Hotai Finance Co., Ltd., used historical expense and the forward-looking information, such as forecastability of future economic environment to assess the default possibility. For the three months ended March 31, 2026 and 2025, the movements of the loss allowance of trade receivables were as follows:

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

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

For the three months ended March 31, 2026 and 2025, gain on recoverable bad debts amounted to $593,274 and $398,436, respectively, presented as a deduction item to expected credit loss.

x. As of March 31, 2026, December 31, 2025 and March 31, 2025, information relating to credit risk of the Company's subsidiary, Hotai Insurance Co., Ltd., is provided in Note 12(5)A.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by finance departments of companies within the Group. Finance departments of companies within the Group monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

March 31, 2026	Up to 1 year	1 to 2 years	Over 2 years
Short-term loans	$ 77,940,778	$ 19,252,793	$ 16,048,386
Short-term notes and bills payable	167,055,000	-	-
Notes payable	1,494,757	-	-
Accounts payable	12,469,620	-	-
Accrued expenses	7,703,196	-	-
Other payables	16,343,113	-	-
Commission payable	3,470	-	-
Lease liabilities	532,791	430,858	2,121,748
Bonds payable	5,509,053	4,303,026	12,935,537
Long-term loans (including current portion)	3,963,432	7,910,195	1,114,932

Non-derivative financial liabilities:

December 31, 2025	Up to 1 year	1 to 2 years	Over 2 years
Short-term loans	$ 62,438,816	$ 37,352,923	$ 12,095,609
Short-term notes and bills payable	149,415,262	17,545,952	3,541,959
Notes payable	1,459,989	-	-
Accounts payable	10,214,252	-	-
Accrued expenses	8,273,318	-	-
Other payables	2,774,801	-	-
Commission payable	7,799	-	-
Lease liabilities	586,974	440,506	2,109,790
Bonds payable	5,436,084	223,260	12,756,298
Long-term loans (including current portion)	5,156,120	325,492	8,720,036

Non-derivative financial liabilities:

March 31, 2025	Up to 1 year	1 to 2 years	Over 2 years
Short-term loans	$ 114,350,531	$ 5,212,102	$ 12,308,652
Short-term notes and bills payable	118,528,749	18,363,423	4,578,072
Notes payable	1,231,537	-	-
Accounts payable	13,110,510	-	-
Accrued expenses	6,952,874	-	-
Other payables	15,314,715	-	-
Commission payable	3,805	-	-
Lease liabilities	548,964	456,350	1,726,024
Bonds payable	19,153,990	5,265,698	4,059,671
Long-term loans (including current portion)	651,626	4,847,978	2,266,501

Derivative financial liabilities:

March 31, 2026	Up to 1 year	1 to 2 years	Over 2 years
Cross currency swaps	$ 201,962	$ 459,481	$ 210,077
Forward exchange contracts	2,536	-	-

Derivative financial liabilities:

December 31, 2025	Up to 1 year	1 to 2 years	Over 2 years
Cross currency swaps	$ 155,046	$ 145,896	$ 386,491
Forward exchange contracts	7,048	-	-

Derivative financial liabilities:

March 31, 2025	Up to 1 year	1 to 2 years	Over 2 years
Cross currency swaps	$ 90,225	$ 66,570	$ 74,170

iv. Information on insurance contracts risk of the Company's subsidiary, Hotai Insurance Co., Ltd., is provided in Note 12(5).

(3) Fair value information

A. The different levels of valuation techniques used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficial certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Group's equity investments with no active markets and infrastructure fund are included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(14).

C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable, accrued expenses, other payables, commission payables and bonds payable are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Domestic and foreign beneficiary certificates	$ 1,994,453	$ -	$ 110,769	$ 2,105,222
Forward exchange contracts	-	134,267	-	134,267
Bond investment	-	1,012,237	-	1,012,237
Equity securities	3,710,572	-	-	3,710,572
Exchange traded funds	1,566,120	-	-	1,566,120
Financial instruments	-	703,168	-	703,168
Derivative financial assets for hedging	-	230,338	-	230,338
Financial assets at fair value through other comprehensive income				
Bond investment (Note 1)	-	1,406,621	-	1,406,621
Beneficiary certificates (Note 2)	337,130	-	-	337,130
Equity securities	11,431,705	-	863,195	12,294,900
	$19,039,980	$ 3,486,631	$ 973,964	$23,500,575

March 31, 2026	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ 2,536	$ -	$ -	$ 2,536
Derivative financial liabilities for hedging	-	871,520	-	871,520
	$ 2,536	$ 871,520	$ -	$ 874,056

Note 1: Including operation bonds.

Note 2: It refers to financial instruments that comply with the assessment prescribed in Jin-Guan-Pao-Tsai Letter No. 1140131712 on March 12, 2025.

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Domestic and foreign beneficiary certificates	$ 1,573,497	$ -	$ 111,100	$ 1,684,597
Forward exchange contracts	-	138,107	-	138,107
Bond investment	-	1,012,237	-	1,012,237
Equity securities	3,888,617	-	-	3,888,617
Exchange traded funds	1,577,169	-	-	1,577,169
Financial instruments	-	502,553	-	502,553
Derivative financial assets for hedging	-	146,193	-	146,193
Financial assets at fair value through other comprehensive income				
Bond investment (Note)	-	1,409,023	-	1,409,023
Equity securities	12,020,151	-	858,996	12,879,147
	$19,059,434	$ 3,208,113	$ 970,096	$23,237,643
Liabilities				
Recurring fair value measurements				
Forward exchange contracts	$ -	$ 7,048	$ -	$ 7,048
Derivative financial liabilities for hedging	-	687,433	-	687,433
	$ -	$ 694,481	$ -	$ 694,481

Note: Including operation bonds.

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Domestic and foreign beneficiary certificates	$ 1,804,859	$ -	$ 122,009	$ 1,926,868
Forward exchange contracts	-	205,459	-	205,459
Bond investment	-	1,006,453	-	1,006,453
Equity securities	2,059,344	-	-	2,059,344
Exchange traded funds	2,000,355	-	-	2,000,355
Financial instruments	-	1,000,000	-	1,000,000
Derivative financial assets for hedging	-	360,012	-	360,012
Financial assets at fair value through other comprehensive income				
Bond investment (Note)	-	897,077	-	897,077
Equity securities	10,511,795	-	760,603	11,272,398
	$16,376,353	$ 3,469,001	$ 882,612	$20,727,966
Liabilities				
Recurring fair value measurements				
Derivative financial liabilities for hedging	$ -	$ 230,965	$ -	$ 230,965

Note: Including operation bonds

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks	Beneficiary certificates	Open-end fund	Exchange traded funds
Market quoted price	Closing price	Closing price	Net asset value	Closing price

ii. Except for financial instruments with active markets, domestic investments of the Company's subsidiary, Hotai Insurance Co., Ltd., take the quoted price of Taipei Exchange while foreign investments take the quoted price of the Swiss Exchange's financial information system as the fair value aside from infrastructure fund and real estate private placement fund that are assessed by balance sheet approach. The fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts and foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market. Forward foreign currency contracts are generally assessed using forward exchange rates.

iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. The following chart is the movement of Level 3 for the three months ended March 31, 2026 and 2025:

	2026	
	Beneficiary certificates	Equity securities
At January 1	$ 111,100	$ 858,996
Recorded as unrealized losses on valuation of investments in equity instruments measured at fair value through other comprehensive income	-	4,199
Recorded as losses on financial assets at fair value through profit or loss	(331)	-
At March 31	$ 110,769	$ 863,195

	2025	
	Beneficiary certificates	Equity securities
At January 1	$ 115,801	$ 789,064
Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	-	(28,461)
Recorded as losses on financial assets at fair value through profit or loss	6,208	-
At March 31	$ 122,009	$ 760,603

F. For the three months ended March 31, 2026 and 2025, there was no transfer between Level 1, Level 2, and Level 3.

G. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 863,195	Asset liability method, Market comparable companies method	Net asset value, price to earnings ratio multiple	-	The higher the multiple and control premium, the higher the fair value.
Real estate private placement fund	110,769	Net assets value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 858,996	Asset liability method, Market comparable companies method	Net asset value, price to earnings ratio multiple	-	The higher the multiple and control premium, the higher the fair value.
Real estate private placement fund	111,100	Net assets value	Not applicable	Not applicable	Not applicable

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative instrument:					
Unlisted shares	$ 760,603	Asset liability method, Market comparable companies method	Net asset value, price to earnings ratio multiple	-	The higher the multiple and control premium, the higher the fair value.
Real estate private placement fund	122,009	Net assets value	Not applicable	Not applicable	Not applicable

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value, and regards its fair value measurements as reasonable. However, the use of different valuation models or assumptions may result in different measurements. If assumptions from financial assets and liabilities categorized within Level 3 had increased or decreased by 1%, other comprehensive income would not have been significantly impacted as of March 31, 2026, December 31, 2025 and March 31, 2025.

(4) The nature and range of contract risk governance of the subsidiary, Hotai Insurance Co., Ltd.

A. The objectives, policies, procedures and methods of risk governance on insurance contracts:

(a) Risk Governance Structure and Responsibilities

The subsidiary, Hotai Insurance Co., Ltd., has set up the Risk & Control Committee (RCC) under the Board of Directors as well as an independent risk management department in order to effectively plan, advocate and monitor risk management matters.

The subsidiary's goals in managing its risks are to:

i. Protect the subsidiary's capital by not taking risks beyond the subsidiary's risk tolerance.
ii. Enhance value creation and achieve an optimal risk-return profile by efficiently deploying capital.

iii. Support decision making processes by providing consistent, reliable, and timely risk information.
iv. Protect the subsidiary's brand and reputation by fostering the subsidiary's core values and promoting a sound culture of risk awareness.

The "three lines of defense" approach runs through the subsidiary's risk governance structure, so that risks are clearly identified, owned, and managed:

1st line: Business management takes risks and is responsible for day-to-day risk management.

2nd line: The risk management function oversees the overall risk management framework and helps manage risk. Other governance and control functions (e.g., legal and compliance, finance, technical underwriting review, claims QA) are responsible for and help control specific types of risks.

3rd line: The audit function provides independent assurance regarding the effectiveness of the ERM framework and risk controls.

In accordance with "Risk Management Practice Rules for Insurance Industry", the subsidiary has established "Risk Management Policy" which is approved by the subsidiary's Board of Directors, to establish its corporate risk management framework.

(b) Risk Reporting and Measurement System

i. Risk Reporting

Each department branch of the subsidiary, Hotai Insurance Co., Ltd., periodically delivers risk information to the risk management department for monitoring purpose. The mitigating actions and response plans are required while breaching the risk-type limits.

Risk management department consolidates risk information, reviews and follows up improvement actions. In the quarterly RCC meeting, Integrated Assessment and Assurance Reporting will be presented in accordance with the meeting agenda. After the CEO signs off quarterly RCC meeting minutes as a formal risk report, the report will be submitted to RCC and the Board of Directors for monitoring and verifying the soundness of the risk management framework.

ii. Measurement System

Pursuant to the regulatory authority's requirement, the subsidiary has performed sensitivity analysis, scenario analysis and stress test to understand the related risks which have quantitative influence on the subsidiary's performance.

(c) Insurance Risk and Underwriting Guidelines

Insurance risk management of the subsidiary, Hotai Insurance Co., Ltd., includes product development, pricing, underwriting, reinsurance, natural/man-made catastrophes, claims and reserve related risks. All of these risks are managed by the front-line responsible functions, such as underwriting, claims, technical management, product development and actuarial departments. According to the "Risk Management Policy," related functional policies and procedures, and local regulations, the Risk management framework and mechanism are designed and embedded into day-to-day operations, which includes authorisation, operational process and risk-type limit monitoring, etc. The Risk Policy adherence self-assessment checklist and Risk Management Practice Rules for Insurance Industry checklist should be filled in by risk-type owners annually, in order to comply with the requirements of "Risk Management Policy" and "Risk Management Practice Rules for Insurance Industry".

(d) Total Risk Profiling and Insurance Risk Management

The subsidiary, Hotai Insurance Co., Ltd., adopts the Total Risk Profiling (TRP) methodology to identify, assess, response and document its overall risks (incl. Business and Strategic Risk, Insurance Risk, Operational Risk, ALM / Investment / Credit Risk, and Financial Reporting Risk that can have an impact on the sustainability of Earnings, Capital and Reputation) systematically across the subsidiary. The risk management department coordinates the TRP

efforts and provides quality assurance with all departments within their areas of responsibilities. The implementation status of improvement actions will be reviewed quarterly according to the fall TRP results in the previous year. The insurance risks (incl. product development, pricing, underwriting, reinsurance, natural / man-made catastrophes, claims, reserve and so on) are covered in the TRP process as well.

(e) Concentration Exposures on Insurance Risk

The subsidiary, Hotai Insurance Co., Ltd., has established the related risk control mechanism and developed risk management plan to run retention and ceded/assumed businesses based on reinsurance capacity by following the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms". The net retention limit per risk for each line of business is listed below:

Line of Business	March 31, 2026	December 31, 2025	March 31, 2025
Fire insurance	$ 100,000	$ 100,000	$ 100,000
Fire & A.P. insurance	100,000	100,000	100,000
Long-term residential fire insurance	100,000	100,000	100,000
Residential fire insurance	100,000	100,000	100,000
Marine cargo insurance	20,000	20,000	20,000
Inland marine insurance	20,000	20,000	20,000
Automobile insurance	Nil	Nil	Nil
General liability insurance	30,000	30,000	30,000
Engineering insurance	100,000	100,000	100,000
Fidelity insurance	90,000	90,000	90,000
Other property insurance	100,000	100,000	100,000
Personal accident insurance	50,000	50,000	50,000

In addition to control the own-retention limit per risk/catastrophe for confining risk exposures, the subsidiary, in accordance with the characteristics of each line of insurance business and to align with operational strategies, arranges reinsurance contracts or arranges facultative reinsurance to appropriately spread the subsidiary's endured risk. For the credit risk of main reinsurers, the subsidiary considers their credit rating, financial status, and location to ensure that the subsidiary has a stable and appropriate reinsurance coverage.

(f) Asset/Liability Management

The Asset/Liability Management Investment Committee (ALMIC) meeting is held on a quarterly basis to monitor the asset/liability matching duration of the subsidiary, Hotai Insurance Co., Ltd., and evaluate liquidity risk by ensuring the fulfillment of due liabilities and future claims provisions.

(5) Credit risk, liquidity risk and market risk of insurance contract

A. Credit risk

(a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and other financial assets based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through other comprehensive income.

(b) Except for using historical loss rate as a basis and forecastable macroeconomic information to estimate expected credit loss in line with IAS, the subsidiary, Hotai Insurance Co., Ltd., also provisioned allowance for loss in line with "Regulation of the Procedure for Asset Assessment and Collection of Overdue Debts" and related procedures.

(c) The subsidiary, Hotai Insurance Co., Ltd., adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk since initial recognition:
   i. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
   ii. For bonds or banks that issue non-short-term certificates of deposit, if any external credit rating agency rates these bonds and banks as investment grade, the credit risk of these financial assets is low. However, if the rating of these bonds and banks are degraded to non-investment grade, the credit risk of these financial assets was significantly increased.

(d) The subsidiary, Hotai Insurance Co., Ltd., adopts IFRS 9 to presume the following assumptions that financial assets have been impaired:
   i. If the contract payments were past due over 90 days based on the terms, there has been an impairment and default on that instrument since initial recognition.
   ii. If companies that issue bonds or banks that issue non-short-term certificates of deposit experience significant financial difficulties and enter into bankruptcy or financial reorganization, the credit of the financial assets would be considered impaired.
   iii. If the Company actively clears these financial assets in line with the "Regulation of the Procedure for Asset Assessment and Collection of Overdue Debts", and the financial assets could no longer be recovered, the financial assets should be written off after it is reported to the Board of Directors. However, the subsidiary, Hotai Insurance Co., Ltd., will continue executing the recourse procedures to secure their rights.

   The subsidiary, Hotai Insurance, utilizes the expected credit loss rate of bond exchange-traded funds (ETFs) reported by the investment trust companies that issued the NTD-denominated overseas bond ETFs to measure the 12-month expected credit loss amount. The expected credit loss rate is reported by the investment trust companies issuing the bond ETFs on the trading information platform of the Taipei Exchange (TPEx) for insurance enterprises to query. The exposure at default is measured based on the amortized cost of the financial instruments.

   As of March 31, 2026, December 31, 2025 and March 31, 2025, the subsidiary, Hotai Insurance Co., Ltd., included receivable (excluding interest receivables from bonds and interest receivables from time deposits) and other assets (excluding operating margin and restricted deposits) in the scope of impairment assessment. The expected loss rate is as follows:

	March 31, 2026		
	12 months	Significant increase in credit risk	Impairment of credit
	Not overdue or overdue for no more than 30 days	Overdue for more than 30 days	Overdue for more than 90 days
Expected loss rate	0%	0%	100%
Total book value	$ 411,989	$ -	$ -
Allowance for losses	9,000	-	-

	December 31, 2025		
	12 months	Significant increase in credit risk	Impairment of credit
	Not overdue or overdue for no more than 30 days	Overdue for more than 30 days	Overdue for more than 90 days
Expected loss rate	0%	0%	100%
Total book value	$ 396,657	$ -	$ -
Allowance for losses	9,000	-	-

	March 31, 2025		
	12 months	Significant increase in credit risk	Impairment of credit
	Not overdue or overdue for no more than 30 days	Overdue for more than 30 days	Overdue for more than 90 days
Expected loss rate	0%	0%	100%
Total book value	$ 457,464	$ -	$ -
Allowance for losses	9,000	-	-

The subsidiary, Hotai Insurance Co., Ltd., refers to the "Regulation of the Procedure for Asset Assessment and Collection of Overdue Debts". For the three months ended March 31, 2026 and 2025, the movements of allowance for loss are as follows:

	2026				
	12 months	Significant increase in credit risk	Impairment of credit	Amount of provision in line with the "Regulation of the Procedure for Asset Assessment and Collection of Overdue Debts"	Total
At January 1	$ -	$ -	$ -	$ 12,442	$ 12,442
Provisions during the period	-	-	-	2,350	2,350
At March 31	$ -	$ -	$ -	$ 14,792	$ 14,792

	2025				
	12 months	Significant increase in credit risk	Impairment of credit	Amount of provision in line with the "Regulation of the Procedure for Asset Assessment and Collection of Overdue Debts"	Total
At January 1	$ -	$ -	$ -	$ 12,866	$ 12,866
Amounts reversed during the period	-	-	-	343	343
At March 31	$ -	$ -	$ -	$ 13,209	$ 13,209

As of March 31, 2026, December 31, 2025 and March 31, 2025, the allowance for loss of abovementioned financial assets was $14,792, $12,442 and $13,209, respectively, and the maximum exposure to credit risk was $397,197, $384,215 and $444,255, respectively.

(e) As of March 31, 2026, December 31, 2025 and March 31, 2025, the subsidiary, Hotai Insurance Co., Ltd., has financial assets at fair value through other comprehensive income (including operating bonds), interest receivables from bonds, non-short term time deposits (excluding valuation adjustment) and interest receivables from time deposits amounting to $3,277,307, $3,273,821 and $2,673,273, respectively, and are all classified as investment grade. The external credit risk rating are as follows:

Credit risk rating	March 31, 2026	December 31, 2025	March 31, 2025
tw AAA	$ 1,016,759	$ 1,011,918	$ 911,048
tw AA	194,054	193,797	295,471
tw AA-	1,222,063	1,224,195	352,110
tw A+	352,142	351,911	252,010
tw A	492,289	492,000	862,634
	$ 3,277,307	$ 3,273,821	$ 2,673,273

The probable expected loss rates of abovementioned financial assets within 12 months were 0%~0.04%, 0%~0.04% and 0%~0.04%, respectively, the amounts of allowance for loss were $336, $336 and $443, respectively, and the maximum exposure amounts were $3,276,971, $3,273,485 and $2,672,830, respectively. Aforementioned amounts of allowance for loss were using the forecastability of Standard & Poor's research report to adjust historical and timely information to assess the expected loss rate. For the three months ended March 31, 2026 and 2025, the movements of allowance for loss are as follows:

	2026	2025
At January 1	$ 336	$ 446
Amounts reversed during the period	-	(3)
At March 31	$ 336	$ 443

(f) Reinsurance Credit Risk

The counterparties of the subsidiary, Hotai Insurance Co., Ltd., in conducting reinsurance transactions are companies with good credit ratings. Also, the subsidiary, Hotai Insurance Co., Ltd., transacts with numerous counterparties to diversify credit risk. The possibility of expected defaults is remote. In addition, the reinsurer list that the subsidiaries transacts with has been reviewed and approved by the subsidiary, Hotai Insurance Co., Ltd., and all are qualified reinsurance ceded companies. Policy underwriting units also non-routinely check on the newest approved reinsurance list. For the three months ended March 31, 2026 and 2025, the reinsurance companies reinsurance premiums ceded and credit rating levels are as follows (if the reinsurance companies' reinsurance transactions is through reinsurance brokers, then the credit rating levels as follows is based on the reinsurance broker):

Three months ended March 31, 2026

Credit rating levels (S&P)	Reinsurance premiums ceded	Percentage
AA+	$ 14,035	0.24
AA	1,460,280	24.57
AA-	916,891	15.42
A++	1,778	0.03
A+	2,603,574	43.80
A	773,251	13.01
A-	174,310	2.93
Total	$ 5,944,119	100.00

Three months ended March 31, 2025

Credit rating levels (S&P)	Reinsurance premiums ceded	Percentage
AA+	$ 19,423	0.40
AA	1,502,341	30.59
AA-	753,106	15.33
A+	2,020,149	41.13
A	512,034	10.43
A-	104,119	2.12
Total	$ 4,911,172	100.00

Note: Compulsory automobile insurance and residential earthquake insurance are excluded.

B. Liquidity risk

Liquidity risk is the risk that the subsidiary, Hotai Insurance Co., Ltd., may not have sufficient liquid financial resources to meet its obligations when they fall due or would have to incur excessive costs to do so. The subsidiary is not exposed to liquidity risk as there is no need for the subsidiary to hold adequate current assets to fulfill the financial liabilities as they become due or use higher costs to settle relevant financial liabilities.

(a) Cash flow control and hedging strategy

With the following controls and hedge strategies, the working capital of the subsidiary, Hotai Insurance Co., Ltd., is sufficient to meet insurance services and operational needs, and no liquidity risk is expected.

i. The investment in debt instruments and equity instruments are mostly traded in the active market and can be expected to be disposed at the price close to fair value.

ii. To make sure liquidity fund fulfill the liabilities when they fall due or capital requirements, the subsidiary manages liquidity through bank deposits and money market instruments.

iii. To make sure the effectiveness of liquidity risk management, cash flow analysis is employed, the subsidiary generates yearly and monthly net cash flow forecast according to annual plan of operating income and expenses. Based on the cash flow forecast, the subsidiary periodically monitors the actual income and expenses to execute cash management activities.

(b) Liquidity risk management

To effectively manage liquidity risk, except for holding a considerable portion of current assets, the subsidiary also limits the proportion of non-current investment amount and reviews current assets and liabilities on a regular basis to ensure that above requirement is fully supported.

The table below analyses the insurance liabilities non-derivative and derivative financial liabilities of the subsidiary, Hotai Insurance Co., Ltd., based on the remaining period at the balance sheet date to the contractual maturity date.

i. Insurance contract liabilities and reinsurance contract liabilities

The analysis of the estimates of the present value of future cash flows is as follows:

	Subsequent years after the balance sheet date			
March 31, 2026	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years
Portfolios of reinsurance contracts held that are liabilities	$ 1,086	$ 1,630	$ 1,061	$ 906
Portfolios of insurance contracts issued that are liabilities	7,162,533	2,693,170	2,139,838	1,762,951

	Subsequent years after the balance sheet date		
March 31, 2026	Between 4 and 5 years	Over 5 years	Total
Portfolios of reinsurance contracts held that are liabilities	$ 661	$ 937	$ 6,281
Portfolios of insurance contracts issued that are liabilities	1,407,336	1,976,903	17,142,731

	Subsequent years after the balance sheet date			
December 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years
Portfolios of reinsurance contracts held that are liabilities	$ 1,086	$ 1,630	$ 1,061	$ 905
Portfolios of insurance contracts issued that are liabilities	6,861,967	2,598,821	2,065,354	1,701,750

	Subsequent years after the balance sheet date		
December 31, 2025	Between 4 and 5 years	Over 5 years	Total
Portfolios of reinsurance contracts held that are liabilities	$ 661	$ 938	$ 6,281
Portfolios of insurance contracts issued that are liabilities	1,358,485	1,908,181	16,494,558

	Subsequent years after the balance sheet date			
March 31, 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years
Portfolios of reinsurance contracts held that are liabilities	$ 14,730	$ 108	($ 112)	($ 77)
Portfolios of insurance contracts issued that are liabilities	6,654,022	2,405,006	2,088,978	1,524,080

	Subsequent years after the balance sheet date		
March 31, 2025	Between 4 and 5 years	Over 5 years	Total
Portfolios of reinsurance contracts held that are liabilities	($ 237)	($ 302)	$ 14,110
Portfolios of insurance contracts issued that are liabilities	1,462,150	1,861,771	15,996,007

ii. Non-derivative financial liabilities

	Contractual undiscounted cash flows			
March 31, 2026	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Payables	$ 1,035,621	$ -	$ -	$ -
Deposits-in	744	1,084	-	-
Lease liabilities	18,298	19,483	-	-

	Contractual undiscounted cash flows			
December 31, 2025	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Payables	$ 844,866	$ -	$ -	$ -
Deposits-in	1,514	288	-	-
Lease liabilities	65,659	29,876	-	-

	Contractual undiscounted cash flows			
March 31, 2025	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
Payables	$ 713,717	$ -	$ -	$ -
Deposits-in	988	867	-	-
Lease liabilities	62,907	68,352	-	-

iii. Derivatives

As of March 31, 2026, December 31, 2025 and March 31, 2025, the subsidiary, Hotai Insurance Co., Ltd., has no derivative instruments liabilities.

C. Market risk

Market risk refers to the risk of changes in values or cash flows of accounts on the subsidiary, Hotai Insurance Co., Ltd.'s financial statements due to changes in financial markets. Major risk factors are as follows:

- Equity market prices
- Interest rate and credit spreads
- Currency exchange rates

The subsidiary, Hotai Insurance Co., Ltd., defines its risk tolerance and regularly measures and reviews this risk by adoption of "assets allocation strategy". In compliance with the subsidiary's "Risk Management Policy", the subsidiary's "Investment Policy Statement", and regulations of the competent authority, the subsidiary imposes investment limit on individual investment targets, restricts investments in assets with low liquidity, and manages the difference between the interest rate sensitive assets and the interest rate sensitive liabilities. To ensure effective market risk management, the subsidiary, Hotai Insurance Co., Ltd. also implements relevant stress tests in compliance with requirement by the competent authority.

The table below further describes the subsidiary, Hotai Insurance Co., Ltd.'s current risk management mechanism in terms of individual risk factor:

(a) Price risk

The price risk is arising from the uncertainty of the prices of beneficiary certificates. However, the subsidiary Hotai Insurance Co., Ltd. has appropriately spread the price risk through diversified portfolio to decrease the risk of investments centralised in any specific industry or issuance institution.

With other conditions unchanged, the reasonable sensitivity analysis on stock price change is shown below:

	March 31, 2026		
	Change of variables		Change in other comprehensive income
Listed stocks, ETF and domestic and foreign beneficiary certificates (Note)	Increase in price	10%	$ 463,360
	Decrease in price	10%	(463,360)

	March 31, 2025		
	Change of variables		Change in other comprehensive income
Listed stocks, ETF and domestic and foreign beneficiary certificates (Note)	Increase in price	10%	$ 347,536
	Decrease in price	10%	(347,536)

Note: Including overseas bond exchange-traded funds (ETFs).

(b) Interest rate risk

Interest rate risk refers to the risk from market interest rate change which results in change of fair value of financial instruments. The major investment for the subsidiary, Hotai Insurance Co., Ltd., is fixed interest rate debt investment. Increase in interest rate will result in decrease in fair value. However, due to focus on long-term stability and predictable income, the short-term interest rate change would have insignificant impact to the subsidiary. Thus, no major interest rate risk is expected.

With other conditions unchanged, the reasonable sensitivity analysis on interest rate change is shown below:

	March 31, 2026		
	Change of variables		Change in fair value
Fixed-income investments	Increase in interest rate	100 basis point	($ 59,652)
	Decrease in interest rate	100 basis point	59,652

	March 31, 2025		
	Change of variables		Change in fair value
Fixed-income investments	Increase in interest rate	100 basis point	($ 47,726)
	Decrease in interest rate	100 basis point	47,726

The insurance contracts issued and reinsurance contracts held by the subsidiary, Hotai Insurance, are mostly short-term policies. Although the claim payment period may exceed one year, the duration is only approximately 2 to 3 years; therefore, it will not lead to significant interest rate risk.

(c) Foreign exchange risk

Foreign exchange risk refers to the risk from fluctuations in fair value of assets or future cash flow due to foreign exchange volatility.

The major foreign exchange risk of the subsidiary, Hotai Insurance Co., Ltd., results from US dollar position. The US dollar foreign exchange rate is shown below:

	March 31, 2026	December 31, 2025	March 31, 2025
Foreign exchange rate	32.09	31.45	33.21

The US dollar assets and liabilities are shown as below:

	March 31, 2026	December 31, 2025	March 31, 2025
USD Assets	USD 13,429 thousand	USD 8,548 thousand	USD 6,963 thousand
USD Liabilities	USD 646 thousand	USD -	USD 1,524 thousand

Foreign exchange risk will affect the subsidiary, Hotai Insurance Co., Ltd.'s foreign currency denominated assets and liabilities.Under the circumstance that other variables remain unchanged and after deducting the nominal principal of hedge items, the sensitivity analysis for reasonable fluctuations in exchange rates is as follows:

	March 31, 2026	
	Change on variable	Impact on net (loss) income
USD assets, net	Appreciate 5% against NTD	($ 20,508)
	Depreciate 5% against NTD	20,508

	March 31, 2025	
	Change on variable	Impact on net (loss) income
USD assets, net	Appreciate 5% against NTD	($ 9,031)
	Depreciate 5% against NTD	9,031

(6) Insurance risk information

A. Insurance risk concentration

Insurance businesses undertaken by the subsidiary, Hotai Insurance Co., Ltd., comprise fire insurance, engineering insurance, accident insurance, transportation insurance, automobile insurance, and personal accident insurance. Among them, as the subject matters of transportation insurance, automobile insurance, and personal accident insurance have mobility, the level of risk is deemed relatively dispersed. The subject matter of accident insurance has legality, and the risks in relation to accident insurance and aforesaid insurances are all dispersed through coverage limit control.

Besides, as the subject matters of fire insurance and engineering insurance do not have mobility, the level of risk is deemed relatively concentrated. The subsidiary, Hotai Insurance Co., Ltd., disperses the risks mainly through reinsurance ceding. For the three months ended March 31, 2026 and 2025, the insurance risk concentration degree of premiums income and self-retained premiums from effective insurance contracts of fire insurance and engineering insurance are listed below:

	Three months ended March 31, 2026	
Line of Business	Premiums revenue	Retention premiums
Fire insurance	$ 529,180	$ 86,659
Engineering insurance	336,130	(17,304)

	Three months ended March 31, 2025	
Line of Business	Premiums revenue	Retention premiums
Fire insurance	$ 502,683	($ 179,617)
Engineering insurance	253,461	65,070

The subsidiary, Hotai Insurance Co., Ltd., has established catastrophe claims system to record losses of various line of insurance businesses and risks assumed by the subsidiary, including earthquake, typhoon, fire accident, air crash, and man-made catastrophes. The system also provides information for reinsurance brokers to implement catastrophe measurement models and perform analysis on expected occurrence years such as 10 years, 50 years, 100 years, and 250 years. The model covers fire insurance, engineering insurance, marine insurance, automobile insurance, as well as earthquake and typhoon risks. The model provides monthly report of

cumulative risk assessment for the purpose of monitoring the risk. With strict reinsurance strategies and arrangements, as well as system monitoring cumulative risk, the subsidiary, Hotai Insurance Co., Ltd., can appropriately and effectively prevent high risk concentration to achieve a goal of risk dispersion.

B. Analysis of insurance risk sensitivity

The subsidiary, Hotai Insurance Co., Ltd., estimates claim reserve fund mainly through a series of development modules and various estimated loss ratios. With concern of unexpected factors, such as external environmental change (change of regulation or judicial order), trend or different ways of claims paid, these could change the loss development and expected loss ratio and therefore influence the estimated result of claims reserve. Therefore, the subsidiary, Hotai Insurance Co., Ltd., conducted a sensitivity test for the three months ended March 31, 2026 and 2025 and the result is shown below:

	Three months ended March 31, 2026			
	Expected loss ratio increased by 5%		Expected loss ratio decreased by 5%	
Line of Business	Increase in claim reserve before reinsurance	Increase in claim reserve after reinsurance	Decrease in claim reserve before reinsurance	Decrease in claim reserve after reinsurance
Automobile property damage insurance	$ 75,726	$ 73,456	$ 75,726	$ 73,456
Automobile third party liability insurance	46,363	44,444	46,363	44,444
Personal property insurance	882	874	882	874
Commercial property insurance	24,716	9,436	24,716	9,436
Liability insurance	11,059	7,835	11,059	7,835
Marine cargo insurance	4,296	2,353	4,296	2,353
Engineering insurance	16,806	4,829	16,806	4,829
Personal accident insurance	9,080	8,848	9,080	8,848
Credit insurance	-	-	-	-
Health insurance	2,076	2,075	2,076	2,075
Foreign inward reinsurance	71	64	71	64

	Three months ended March 31, 2025			
	Expected loss ratio increased by 5%		Expected loss ratio decreased by 5%	
Line of Business	Increase in claim reserve before reinsurance	Increase in claim reserve after reinsurance	Decrease in claim reserve before reinsurance	Decrease in claim reserve after reinsurance
Automobile property damage insurance	$ 72,124	$ 69,531	$ 72,124	$ 69,531
Automobile third party liability insurance	42,834	40,910	42,834	40,910
Personal property insurance	857	848	857	848
Commercial property insurance	23,024	4,154	23,024	4,154
Liability insurance	11,912	8,732	11,912	8,732
Marine cargo insurance	4,113	2,255	4,113	2,255
Engineering insurance	12,675	4,519	12,675	4,519
Personal accident insurance	9,183	8,936	9,183	8,936
Credit insurance	-	72	-	72
Health insurance	2,249	2,248	2,249	2,248
Foreign inward reinsurance	269	263	269	263

Sensitivity test determines the impact on profit and loss based on before-reinsurance and after-reinsurance calculation from the increase or decrease by 5% in the expected loss ratio for the three months ended March 31, 2026 and 2025.

C. Loss development pattern

As of March 31, 2026, December 31, 2025 and March 31, 2025, the loss development pattern of the subsidiary, Hotai Insurance Co., Ltd., are as follows:

(a) Direct business

March 31, 2026	Accident Year					
Development Year	Before 2022	2023	2024	2025	Three months ended March 31, 2026	Total
End of underwriting year	$ 77,605,733	$ 8,977,292	$ 8,054,655	$ 7,292,384	$ 1,222,806	
One year after underwriting year	79,977,973	9,037,507	8,203,371	7,706,184	-	
Two years after underwriting year	79,670,812	8,707,926	8,107,394	-	-	
Three years after underwriting year	79,572,693	8,678,017	-	-	-	
Four years after underwriting year	79,326,050	-	-	-	-	
Estimated ultimate losses	79,326,050	8,678,017	8,107,394	7,706,184	1,222,806	
Paid losses	(79,059,701)	(8,557,774)	(6,497,262)	(5,657,270)	(410,850)	
Total reserve	$ 266,349	$ 120,243	$ 1,610,132	$ 2,048,914	$ 811,956	$ 4,857,594
Effect of discounting						(87,418)
Effect of risk adjustment for non-financial risk						1,658,196
Other liability for incurred claims						4,614,441
Total gross liability for incurred claims of direct busines						$ 11,042,813

December 31, 2025	Accident Year					
Development Year	Before 2021	2022	2023	2024	2025	Total
End of underwriting year	$ 39,013,774	$ 38,397,939	$ 8,977,292	$ 8,054,655	$ 7,292,384	
One year after underwriting year	39,207,793	40,941,702	9,037,507	8,203,371	-	
Two years after underwriting year	39,036,271	40,819,222	8,707,926	-	-	
Three years after underwriting year	38,851,591	40,739,805	-	-	-	
Four years after underwriting year	38,734,164	-	-	-	-	
Estimated ultimate losses	38,734,164	40,739,805	8,707,926	8,203,371	7,292,384	
Paid losses	(38,542,093)	(40,516,889)	(8,562,765)	(6,526,366)	(4,654,677)	
Total reserve	$ 192,071	$ 222,916	$ 145,161	$ 1,677,005	$ 2,637,707	$ 4,874,860
Effect of discounting						(82,819)
Effect of risk adjustment for non-financial risk						1,598,803
Other liability for incurred claims						4,267,402
Total gross liability for incurred claims of direct busines						$ 10,658,246

March 31, 2025	Accident Year					
Development Year	Before 2021	2022	2023	2024	Three months ended March 31, 2025	Total
End of underwriting year	$ 39,013,774	$ 38,397,939	$ 8,977,292	$ 8,054,655	$ 1,773,773	
One year after underwriting year	39,207,793	40,941,702	9,037,507	8,300,199	-	
Two years after underwriting year	39,036,271	40,819,222	8,926,930	-	-	
Three years after underwriting year	38,851,591	40,753,064	-	-	-	
Four years after underwriting year	38,778,546	-	-	-	-	
Estimated ultimate losses	38,778,546	40,753,064	8,926,930	8,300,199	1,773,773	
Paid losses	(38,533,143)	(40,341,372)	(8,612,100)	(5,500,317)	(444,728)	
Total reserve	$ 245,403	$ 411,692	$ 314,830	$ 2,799,882	$ 1,329,045	$ 5,100,852
Effect of discounting						(84,286)
Effect of risk adjustment for non-financial risk						1,520,564
Other liability for incurred claims						3,499,714
Total gross liability for incurred claims of direct busines						$ 10,036,844

(b) Retention business

March 31, 2026	Accident Year					
Development Year	Before 2022	2023	2024	2025	Three months ended March 31, 2026	Total
End of underwriting year	$ 65,865,010	$ 7,643,468	$ 4,719,671	$ 5,268,657	$ 1,013,322	
One year after underwriting year	67,982,715	7,701,972	4,925,163	5,591,432	-	
Two years after underwriting year	67,823,532	7,465,817	4,854,732	-	-	
Three years after underwriting year	67,782,607	7,443,475	-	-	-	
Four years after underwriting year	67,687,830	-	-	-	-	
Estimated ultimate losses	67,687,830	7,443,475	4,854,732	5,591,432	1,013,322	
Paid losses	(67,542,486)	(7,360,667)	(4,579,466)	(4,342,125)	(349,544)	
Total reserve	$ 145,344	$ 82,808	$ 275,266	$ 1,249,307	$ 663,778	$ 2,416,503
Effect of discounting						(26,865)
Effect of risk adjustment for non-financial risk						740,498
Other liability for incurred claims						1,773,911
Total gross liability for incurred claims of direct busines						$ 4,904,047

December 31, 2025	Accident Year					
Development Year	Before 2021	2022	2023	2024	2025	Total
End of underwriting year	$ 28,663,137	$ 36,977,645	$ 7,643,468	$ 4,719,671	$ 5,268,657	
One year after underwriting year	28,887,365	39,424,071	7,701,972	4,925,163	-	
Two years after underwriting year	28,558,644	39,305,465	7,465,817	-	-	
Three years after underwriting year	28,518,067	39,269,576	-	-	-	
Four years after underwriting year	28,426,846	-	-	-	-	
Estimated ultimate losses	28,426,846	39,269,576	7,465,817	4,925,163	5,268,657	
Paid losses	(28,328,234)	(39,213,727)	(7,364,071)	(4,601,601)	(3,531,519)	
Total reserve	$ 98,612	$ 55,849	$ 101,746	$ 323,562	$ 1,737,138	$ 2,316,907
Effect of discounting						(30,287)
Effect of risk adjustment for non-financial risk						668,900
Other liability for incurred claims						1,242,422
Total gross liability for incurred claims of direct busines						$ 4,197,942

March 31, 2025	Accident Year					
Development Year	Before 2020	2021	2022	2023	Three months ended March 31, 2025	Total
End of underwriting year	$ 28,663,137	$ 36,977,645	$ 7,643,468	$ 4,719,671	$ 1,150,950	
One year after underwriting year	28,887,365	39,424,071	7,701,972	4,924,633	-	
Two years after underwriting year	28,558,644	39,305,465	7,630,848	-	-	
Three years after underwriting year	28,518,067	39,262,051	-	-	-	
Four years after underwriting year	28,443,252	-	-	-	-	
Estimated ultimate losses	28,443,252	39,262,051	7,630,848	4,924,633	1,150,950	
Paid losses	(28,308,528)	(39,146,897)	(7,405,989)	(4,094,582)	(363,088)	
Total reserve	$ 134,724	$ 115,154	$ 224,859	$ 830,051	$ 787,862	$ 2,092,650
Effect of discounting						(10,769)
Effect of risk adjustment for non-financial risk						634,364
Other liability for incurred claims						(448,850)
Total gross liability for incurred claims of direct busines						$ 2,267,395

Based on the table above, the estimated cumulative loss amount of each accident year is estimated based on the current available information, however, the actual amounts may be deviated from the estimation due to the loss development in the following years.

(7) The subsidiary-Hotai Insurance Co., Ltd. assets and liabilities recoverable or payable within or over 12 months after the balance sheet date are as follows:

March 31, 2026	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	$ 9,015,423	$ 9,015,423	$ -
Receivables	346,385	346,385	-
Financial assets at fair value through profit or loss	4,744,303	4,232,067	512,236
Financial assets at fair value through other comprehensive income	1,508,149	-	1,508,149
Other financial assets	1,836,465	1,836,465	-
Right-of-use assets	36,487	-	36,487
Investment property	376,751	-	376,751
Insurance contract assets	779	779	-
Reinsurance contract assets	6,263,951	1,173,042	5,090,909
Property and equipment	4,587,282	-	4,587,282
Intangible assets	477,731	-	477,731
Deferred income tax assets	1,126,912	-	1,126,912
Other assets	492,833	110,009	382,824
Liabilities			
Payables	$ 1,035,621	$ 1,035,621	$ -
Insurance contract liabilities	17,142,731	7,162,533	9,980,198
Reinsurance contract liabilities	6,281	1,086	5,195
Lease liabilities	37,000	18,298	18,702
Current income tax liabilities	153,443	153,443	-
Deferred income tax liabilities	43,651	-	43,651
Other liabilities	3,141,449	519,218	2,622,231

December 31, 2025	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	$ 7,390,897	$ 7,390,897	$ -
Receivables	329,278	329,278	-
Financial assets at fair value through profit or loss	4,806,409	4,294,173	512,236
Financial assets at fair value through other comprehensive income	1,109,023	-	1,109,023
Other financial assets	1,836,465	1,836,465	-
Right-of-use assets	90,887	-	90,887
Investment property	378,288	-	378,288
Insurance contract assets	14	2	12
Reinsurance contract assets	6,740,429	1,372,452	5,367,977
Property and equipment	4,515,715	-	4,515,715
Intangible assets	384,365	-	384,365
Deferred income tax assets	1,206,196	-	1,206,196
Other assets	481,406	96,775	384,631
Liabilities			
Payables	$ 844,866	$ 844,866	$ -
Current income tax liabilities	122,567	122,567	-
Insurance contract liabilities	16,494,558	6,861,967	9,632,591
Reinsurance contract liabilities	6,281	1,086	5,195
Deferred income tax liabilities	43,274	-	43,274
Lease liabilities	94,195	65,659	28,536
Other liabilities	2,273,752	418,426	1,855,326

	Book value	Within 12 months	Over 12 months
March 31, 2025			
Assets			
Cash and cash equivalents	$ 7,207,731	$ 7,207,731	$ -
Receivables	375,516	375,516	-
Current income tax assets	7,718	7,718	-
Financial assets at fair value through profit or loss	3,981,811	3,475,357	506,454
Financial assets at fair value through other comprehensive income	597,078	-	597,078
Other financial assets	1,836,357	1,836,357	-
Right-of-use assets	120,846	-	120,846
Investment property	382,898	-	382,898
Insurance contract assets	57	47	10
Reinsurance contract assets	5,262,412	-	5,262,412
Property and equipment	4,232,931	-	4,232,931
Intangible assets	100,358	-	100,358
Deferred income tax assets	1,039,756	-	1,039,756
Other assets	851,300	450,786	400,514
Liabilities			
Payables	$ 713,717	$ 713,717	$ -
Current income tax liabilities	3,191	3,191	-
Insurance contract liabilities	15,996,007	6,654,022	9,341,985
Reinsurance contract liabilities	14,110	14,110	-
Lease liabilities	124,390	62,907	61,483
Deferred income tax liabilities	43,344	-	43,344
Other liabilities	2,215,268	446,575	1,768,693

(8) The subsidiary-Hotai Insurance Co., Ltd.'s related information on commissioned investments

The subsidiary, Hotai Insurance Co., Ltd., entrusts the securities investment trust business to operate and manage the investment in domestic listed company stocks, domestic and foreign bonds, and short-term notes and bills. The entrusted contract is limited by the legal upper limit. As of March 31, 2026, December 31, 2025 and March 31, 2025, the fund amounts were $2,400,000, $2,200,000 and $1,900,000, respectively.

(9) Statement of insurance revenue of the subsidiary, Hotai Insurance

	Three months ended March 31, 2026									
	Amounts measured under the general measurement model			Amounts measured under the variable fee approach	Amounts measured under the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance assumed	Total	(Direct underwriting)	Direct underwriting	Reinsurance assumed	Total	Direct underwriting	Reinsurance assumed	Total
Insurance revenue for contracts measured under the general measurement model and the variable fee approach										
Amounts related to the changes in the liability for remaining coverage										
Expected incurred claims and insurance service expenses	$ 337	$ 12	$ 349	$ -	$ -	$ -	$ -	$ 337	$ 12	$ 349
Contractual service margin recognized in profit or loss	359	9	368	-	-	-	-	359	9	368
Change in the risk adjustment for non-financial risk for risk expired	121	5	126	-	-	-	-	121	5	126
Allocation of the portion of the premiums that relates to the recovery of insurance acquisition cash flow	-	(3)	(3)	-	-	-	-	-	(3)	(3)
Subtotal of insurance revenue for contracts measured under the general measurement model and the variable fee approach	817	23	840	-	-	-	-	817	23	840
Insurance revenue from insurance contracts measured under the premium allocation approach	-	-	-	-	3,919,188	134,534	4,053,722	3,919,188	134,534	4,053,722
Total	$ 817	$ 23	$ 840	$ -	$ 3,919,188	$ 134,534	$ 4,053,722	$ 3,920,005	$ 134,557	$ 4,054,562

	Three months ended March 31, 2025									
	Amounts measured under the general measurement model			Amounts measured under the variable fee approach	Amounts measured under the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance assumed	Total	(Direct underwriting)	Direct underwriting	Reinsurance assumed	Total	Direct underwriting	Reinsurance assumed	Total
Insurance revenue for contracts measured under the general measurement model and the variable fee approach										
Amounts related to the changes in the liability for remaining coverage										
Expected incurred claims and insurance service expenses	$ 208	$ 7	$ 215	$ -	$ -	$ -	$ -	$ 208	$ 7	$ 215
Contractual service margin recognized in profit or loss	458	15	473	-	-	-	-	458	15	473
Change in the risk adjustment for non-financial risk for risk expired	77	3	80	-	-	-	-	77	3	80
Allocation of the portion of the premiums that relates to the recovery of insurance acquisition cash flow	-	-	-	-	-	-	-	-	-	-
Subtotal of insurance revenue for contracts measured under the general measurement model and the variable fee approach	743	25	768	-	-	-	-	743	25	768
Insurance revenue from insurance contracts measured under the premium allocation approach	-	-	-	-	3,679,740	131,925	3,811,665	3,679,740	131,925	3,811,665
Total	$ 743	$ 25	$ 768	$ -	$ 3,679,740	$ 131,925	$ 3,811,665	$ 3,680,483	$ 131,950	$ 3,812,433

(10) Statement of insurance service expenses of the subsidiary, Hotai Insurance

	Three months ended March 31, 2026								
	Amounts measured under the general measurement model			Amounts measured under the variable fee approach	Amounts measured under the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance assumed	Total	(Direct underwriting)	Direct underwriting	Reinsurance assumed	Total	Direct underwriting	Reinsurance assumed	Total
Incurred claims	$ 137	$ 6	$ 143	$ -	$ 2,465,490	$ 42,469	$ 2,507,959	$ 2,465,627	$ 42,475	$ 2,508,102
Other insurance service expenses incurred	-	-	-	-	220,401	(4)	220,397	220,401	(4)	220,397
Changes that relate to past service-changes in fulfilment cash flows relating to the liability for incurred claims	(303)	(15)	(318)	-	(506,670)	(25,287)	(531,957)	(506,973)	(25,302)	(532,275)
Changes related to future service -losses on onerous contracts and reversals of such losses	-	-	-	-	5,094	193	5,287	5,094	193	5,287
Insurance acquisition cash flows										
Amortization	-	(3)	(3)	-	719,492	269	719,761	719,492	266	719,758
Total	($ 166)	($ 12)	($ 178)	$ -	$ 2,903,807	$ 17,640	$ 2,921,447	$ 2,903,641	$ 17,628	$ 2,921,269

	Three months ended March 31, 2025								
	Amounts measured under the general measurement model			Amounts measured under the variable fee approach	Amounts measured under the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance assumed	Total	(Direct underwriting)	Direct underwriting	Reinsurance assumed	Total	Direct underwriting	Reinsurance assumed	Total
Incurred claims	$ 293	$ 13	$ 306	$ -	$ 2,465,254	$ 727,191	$ 3,192,445	$ 2,465,547	$ 727,204	$ 3,192,751
Other insurance service expenses incurred	-	-	-	-	179,362	2	179,364	179,362	2	179,364
Changes that relate to past service-changes in fulfilment cash flows relating to the liability for incurred claims	(343)	(13)	(356)	-	(913,535)	(32,705)	(946,240)	(913,878)	(32,718)	(946,596)
Changes related to future service -losses on onerous contracts and reversals of such losses	-	-	-	-	(8,493)	(145)	(8,638)	(8,493)	(145)	(8,638)
Insurance acquisition cash flows										
Amortization	-	-	-	-	673,000	1,030	674,030	673,000	1,030	674,030
Total	($ 50)	$ -	($ 50)	$ -	$ 2,395,588	$ 695,373	$ 3,090,961	$ 2,395,538	$ 695,373	$ 3,090,911

(11) Relationship between the composition of insurance finance income and expenses of the subsidiary, Hotai Insurance, and the investment returns on its corresponding assets

	Three months ended March 31	
	2026	2025
Insurance finance income or expenses	$ 48,034	$ 31,477
Accrued interest	(11,865)	2,107
Effect of changes in interest rates and other financial assumptions	36,169	33,584
Subtotal of insurance finance income or expenses	36,169	33,584
Amounts recognized in profit or loss		
Finance income or expenses from reinsurance contracts held		
Accrued interest	(24,048)	(21,761)
Effect of changes in interest rates and other financial assumptions	6,854	(1,397)
Finance income or expenses from reinsurance contracts held	(17,194)	(23,158)
Amounts recognized in profit or loss	($ 17,194)	($ 23,158)

(12) Statement of income or expenses from reinsurance contracts held of the subsidiary, Hotai Insurance

	Three months ended March 31, 2026	
	Amounts measured under the general measurement model	Amounts measured under the variable fee approach
Allocation of premiums paid		
Contracts not measured under the premium allocation approach		
Related to the changes in remaining coverage		
Expected recoveries of claims and other reinsurance related expenses	$ 211	$ -
Change in the risk adjustment for non-financial risk	93	-
Contractual service margin recognized in profit or loss for services transferred	(44)	-
Experience adjustments-reinsurance premiums paid	-	-
Contracts measured under the premium allocation approach	-	820,955
Subtotal	260	820,955
Amounts recovered from reinsurers		
Incurred recoveries of claims and benefits	(105)	(714,063)
Other reinsurance related expenses incurred	-	-
Changes related to past service – adjustments to the asset for incurred	669	426,539
Loss recovery on and reversal of onerous underlying contracts	-	(1,564)
Effect of changes in the risk of non-performance by issuers of reinsurance	-	350
Subtotal	564	(288,738)
Net income (expenses) from reinsurance contracts held	$ 824	$ 532,217

	Three months ended March 31, 2025	
	Amounts measured under the general measurement model	Amounts measured under the variable fee approach
Allocation of premiums paid		
Contracts not measured under the premium allocation approach		
Related to the changes in remaining coverage		
Expected recoveries of claims and other reinsurance related expenses	$ 52	$ -
Change in the risk adjustment for non-financial risk	27	-
Contractual service margin recognized in profit or loss for services transferred	108	-
Experience adjustments-reinsurance premiums paid	-	-
Contracts measured under the premium allocation approach	-	819,229
Subtotal	187	819,229
Amounts recovered from reinsurers		
Incurred recoveries of claims and benefits	(357)	(955,905)
Other reinsurance related expenses incurred	-	-
Changes related to past service – adjustments to the asset for incurred	488	552,949
Loss recovery on and reversal of onerous underlying contracts	-	797
Effect of changes in the risk of non-performance by issuers of reinsurance	-	(1,593)
Subtotal	131	(403,752)
Net income (expenses) from reinsurance contracts held	$ 318	$ 415,477

(13) Statement of finance income or expenses from insurance contracts issued and reinsurance contracts held

	Three months ended March 31	
	2026	2025
Insurance contracts	$ 36,169	$ 33,584
Reinsurance contracts	($ 17,174)	($ 23,158)

(14) The amount of retention earned premiums and the amount of retention claims incurred for compulsory automobile liability insurance of the subsidiary, Hotai Insurance

A. Amount of retention earned premiums

	Three months ended March 31, 2026						
Type of insurance	Insurance revenue from direct business	Insurance revenue from reinsurance assumed business	Allocation of reinsurance premiums paid	Insurance finance income or expenses from direct business excluding any loss component	Finance income or expenses from reinsurance contracts assumed excluding any loss component	Finance income or expenses from reinsurance contracts held excluding any loss recovery component	Retention earned premiums
Compulsory insurance	$ 100,101	$ 52,700	($ 60,078)	($ 615)	($ 420)	$ 442	$ 92,130

	Three months ended March 31, 2025						
Type of insurance	Insurance revenue from direct business	Insurance revenue from reinsurance assumed business	Allocation of reinsurance premiums paid	Insurance finance income or expenses from direct business excluding any loss component	Finance income or expenses from reinsurance contracts assumed excluding any loss component	Finance income or expenses from reinsurance contracts held excluding any loss recovery component	Retention earned premiums
Compulsory insurance	$ 96,822	$ 51,581	($ 58,102)	($ 797)	($ 500)	$ 560	$ 89,564

B. Amount of retention claims incurred

	Three months ended March 31, 2026					
Type of insurance	Incurred claims and other insurance service expenses paid from direct business	Incurred claims and other insurance service expenses paid from reinsurance contracts assumed	Amounts received from reinsurance ceded (claims or expenses recovered from reinsurance contracts held)	Beginning balance of net liability for incurred claims	Ending balance of net liability for incurred claims	Retained claims
Compulsory insurance	$ 64,294	$ 49,722	($ 52,135)	($ 238,399)	$ 243,158	$ 66,640

	Three months ended March 31, 2025					
Type of insurance	Incurred claims and other insurance service expenses paid from direct business	Incurred claims and other insurance service expenses paid from reinsurance contracts assumed	Amounts received from reinsurance ceded (claims or expenses recovered from reinsurance contracts held)	Beginning balance of net liability for incurred claims	Ending balance of net liability for incurred claims	Retained claims
Compulsory insurance	$ 67,277	$ 47,442	($ 38,278)	($ 236,924)	$ 258,637	$ 98,154

(15) Financial information of compulsory automobile insurance:

The subsidiary, Hotai Insurance Co., Ltd., sets independent accounting for its compulsory automobile liability insurance in accordance with Compulsory Automobile Liability Insurance Act, recording the insurance' business and financial condition.

A. As of March 31, 2026, December 31, 2025 and March 31, 2025, balance sheets for compulsory automobile liability insurance are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Assets			
Cash and cash equivalents	$ 2,086,943	$ 2,046,647	$ 1,975,400
Reinsurance contract assets	257,747	273,950	290,639
Temporary payments and suspense accounts	18	80	-
Total assets	$ 2,344,708	$ 2,320,677	$ 2,266,039
Liabilities			
Insurance contract liabilities	$ 709,144	$ 721,712	$ 752,451
Special reserve	1,632,565	1,597,694	1,510,481
Temporary payments and suspense accounts	2,999	1,271	3,107
Total liabilities	$ 2,344,708	$ 2,320,677	$ 2,266,039

As of March 31, 2026, December 31, 2025 and March 31, 2025, the subsidiary, Hotai Insurance Co., Ltd., has long-term time deposits amounting to $1,736,800, $1,736,800 and $1,736,800, respectively, shown as other financial assets in the Group's balance sheets.

B. Details of revenues and costs for compulsory automobile liability insurance for the three months ended March 31, 2026 and 2025 are as follows:

	Three months ended March 31,	
	2026	2025
Insurance service result		
Insurance revenue	$ 152,801	$ 148,403
Insurance service expenses	(92,756)	(172,098)
Income or expenses from reinsurance contracts held	(33,368)	16,579
Total insurance service expenses	$ 26,677	($ 7,116)
Finance result		
Insurance finance income or expenses	($ 1,035)	($ 1,297)
Finance income or expenses from reinsurance contracts held	442	560
Total finance result	($ 593)	($ 737)
Other operating results		
Other operating costs-interest income	$ 6,790	$ 6,417
Other operating costs-net change in special reserves	(34,871)	(498)
Total other operating results	($ 28,081)	$ 5,919

(16) Capital management- Hotai Insurance Co., Ltd.

The primary objectives of the subsidiary, Hotai Insurance Co., Ltd., when managing capital are to safeguard capital adequacy and solvency of the subsidiary in order to support the subsidiary's sustainable development and continuously create interests for shareholder.

Taiwan insurance enterprises usually measure whether the capital is adequate in accordance with the capital adequacy ratio. Pursuant to Article 143-4 of Insurance Act, an insurance enterprise's ratio of self-owned capital to risk-based capital may not be lower than 200%. The subsidiary, Hotai Insurance Co., Ltd., calculates the capital adequacy ratio once every half year in accordance with "Regulations Governing Capital Adequacy of Insurance Enterprises" to ensure that it can continuously meet the statutory capital requirement. In addition, net worth ratio will be included in the monitor indicators of capital adequacy ratio.

Capital adequacy ratio is calculated as self-owned capital divided by risk-based capital. Self-owned capital is the total capital approved by the competent authority, which includes recognized owners' equity and other adjustment items as regulated by the competent authority; risk-based capital is the total capital calculated based on the extent of risk that an insurance enterprise assumes in its actual operations. The subsidiary, Hotai Insurance Co., Ltd., calculates capital adequacy ratio in accordance with "Regulations Governing Capital Adequacy of Insurance Companies". In the past two years, the subsidiary, Hotai Insurance Co., Ltd.'s ratio of self-owned capital to risk-based capital was higher than 200%.

Under Article 15 of "Regulations Governing the Preparation of Financial Reports by Enterprises Engaging in Insurance", the net worth ratios of the subsidiary, Hotai Insurance Co., Ltd., as of March 31, 2026, December 31, 2025 and March 31, 2025 were 30.03%, 32.08%, and 26.49%, respectively.

(17) The total amount of current assets and liabilities of the subsidiary, Hotai Finance Co., Ltd., that are expected to be recovered and repaid within or over 12 months

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

December 31, 2025	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	$ 4,631,325	$ 4,631,325	$ -
Financial assets at amortized cost	387,446	134,680	252,766
Current financial assets for hedging	146,193	-	146,193
Accounts and notes receivable, net	264,716,553	97,143,946	167,572,607
Operating lease receivables, net	1,318	1,318	-
Finance lease receivable, net	26,827,522	18,392,133	8,435,389
Other receivables	148,511	148,511	-
Inventories	6,930	6,930	-
Prepayments	4,576,001	3,786,792	789,209
Other current financial assets	196,177	195,864	313
Liabilities			
Short-term borrowings	$ 100,930,048	$ 52,522,902	$ 48,407,146
Short-term notes and bills payable	145,508,216	124,625,007	20,883,209
Current financial liabilities for hedging	687,433	155,046	532,387
Notes payable	1,326,948	1,326,948	-
Accounts payable (including related parties)	561,445	561,445	-
Other payables	3,597,697	3,597,697	-
Current income tax liabilities	872,384	872,384	-
Lease liabilities-current	72,510	72,510	-
Bonds payable	17,800,000	5,200,000	12,600,000
Financial guarantee liabilities-current	23,273	23,273	-
Guarantee deposits received-current	4,164,386	1,943,750	2,220,636
Other current liabilities, others	138,147	138,147	-

March 31, 2025	Book value	Within 12 months	Over 12 months
Assets			
Cash and cash equivalents	$ 5,006,867	$ 5,006,867	$ -
Current financial assets for hedging	360,012	351,897	8,115
Accounts and notes receivable, net	258,430,724	92,693,955	165,736,769
Operating lease receivables, net	3,751	3,751	-
Finance lease receivable, net	30,063,052	20,679,044	9,384,008
Other receivables	82,558	82,558	-
Inventories	5,402	5,402	-
Prepayments	5,056,069	4,186,942	869,127
Other current financial assets	150,982	150,982	-
Liabilities			
Short-term borrowings	$ 120,336,852	$ 103,379,754	$ 16,957,098
Short-term notes and bills payable	118,855,263	96,379,498	22,475,765
Current financial liabilities for hedging	230,965	90,225	140,740
Notes payable	1,142,690	1,142,690	-
Accounts payable (including related parties)	579,255	579,255	-
Other payables	5,565,592	5,565,592	-
Current income tax liabilities	978,710	978,710	-
Lease liabilities-current	81,125	81,125	-
Bonds payable	28,200,000	19,000,000	9,200,000
Financial guarantee liabilities-current	23,305	23,305	-
Guarantee deposits received-current	4,241,327	2,069,406	2,171,921
Other current liabilities, others	79,084	79,084	-

13. Supplementary Disclosures

Related information of significant transactions for the three months ended March 31, 2026 are as follows:

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

F. Significant inter-company transactions during the reporting period: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

(a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.

(b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.

(c) The amount of property transactions and the amount of the resulting gains or losses: None.

(d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please refer to table 2.

(e) The highest balance, end of period balance, interest rate range, and total current period interest with respect to financing of funds: Please refer to table 1.

(f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions. The Company considers the business from an operating perspective, and the reportable operating segments are as follows:

A. Distributor of Toyota and Hino products segments: distributor for sale of Toyota and Hino vehicles, parts and other products to dealers. This segment refers to Hotai Motor Co., Ltd. As of March 31, 2026, the Company's self-owned capital ratio was 69%.

B. Installment trading segments: trading various vehicles in installments.

C. Leasing segments: leasing of various vehicles in installments.

D. Property insurance segments: engaging in various property insurance.

E. Overseas sales agent segment: Sales agent in the mainland Chinese market.

F. Other segments: business activities and operating segments not included above.

(2) Measurement of segment information

A. The accounting policies of operating segments are consistent with the summary of material accounting policies summarized in Note 4.

B. The pre-tax net income is used to measure the Company's operating segment profit (loss) and performance of the operating segments.

(3) Information about segment profit or loss, assets and liabilities

	Three months ended March 31, 2026			
Items	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Property insurance segments
Revenue from external customers	$ 40,183,600	$ 4,640,170	$ 8,564,144	$ 4,358,185
Inter-segment revenue (Note)	3,707,601	176,364	213,270	196,734
Total segment revenue	$ 43,891,201	$ 4,816,534	$ 8,777,414	$ 4,554,919
Segment income (Note)	$ 5,061,137	$ 1,229,942	$ 383,573	$ 731,623
Segment assets	$ 115,307,780	$ 297,874,116	$ 97,862,621	$ 30,816,170

Items	Overseas sales agent segments	Other segments	Reconciliation and elimination	Total
Revenue from external customers	$ 4,801,820	$ 8,783,312	$ -	$ 71,331,231
Inter-segment revenue (Note)	391,962	2,532,026	(7,217,957)	-
Total segment revenue	$ 5,193,782	$ 11,315,338	($ 7,217,957)	$ 71,331,231
Segment income (loss) (Note)	($ 88,882)	$ 1,438,572	($ 2,220,316)	$ 6,535,649
Segment assets	$ 20,979,103	$ 83,799,408	($ 121,487,333)	$ 525,151,865

	Three months ended March 31, 2025			
Items	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Property insurance segments
Revenue from external customers	$ 42,296,585	$ 4,800,094	$ 8,625,258	$ 2,727,706
Inter-segment revenue (Note)	3,263,190	159,086	207,951	196,231
Total segment revenue	$ 45,559,775	$ 4,959,180	$ 8,833,209	$ 2,923,937
Segment income (Note)	$ 4,969,556	$ 992,969	$ 459,301	($ 191,180)
Segment assets	$ 103,898,937	$ 287,912,673	$ 102,080,072	$ 26,156,677

Items	Overseas sales agent segments	Other segments	Reconciliation and elimination	Total
Revenue from external customers	$ 4,671,775	$ 9,991,569	$ -	$ 73,112,987
Inter-segment revenue (Note)	440,416	2,741,218	(7,008,092)	-
Total segment revenue	$ 5,112,191	$ 12,732,787	($ 7,008,092)	$ 73,112,987
Segment income (loss) (Note)	($ 58,275)	$ 1,577,792	($ 1,792,524)	$ 5,957,639
Segment assets	$ 20,968,621	$ 83,276,414	($ 116,447,621)	$ 507,845,773

Note: Inter-segment revenue is revenue from goods sold and services rendered between segments. Sales and transfers between consolidated entities are deemed as transactions with third parties and are measured at present market price.

(4) Reconciliation for segment income (loss)

A. The Company's Chief Operating Decision-Maker assesses performance of operating segments and allocates resources based on pre-tax net income, thus, reconciliation is not needed.

B. The total assets reported to the Chief Operating Decision-Maker are measured in a manner consistent with that in the Company's financial statements.

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Hotai Motor Co., Ltd.

Loans to others

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 1

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three months ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Shanghai Heling Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	$ 463,891	$ 463,891	$ -	1.60%	Short-term financing	$ -	Operations	$ -	None	$ -	$ 601,961	$ 1,203,921	Note 1
2	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	185,556	185,556	-	1.60%	Short-term financing	-	Operations	-	None	-	251,960	503,920	Note 1
3	Shanghai Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	115,973	115,973	-	1.60%	Short-term financing	-	Operations	-	None	-	198,885	397,771	Note 1
4	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	278,334	278,334	64,434	1.60%	Short-term financing	-	Operations	-	None	-	457,465	914,931	Note 1
5	Shanghai Ho Mian Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	463,891	463,891	228,513	1.60%	Short-term financing	-	Operations	-	None	-	1,068,177	2,136,355	Note 1
6	Shanghai Guangxin Cultural Media Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	9,278	9,278	-	1.60%	Short-term financing	-	Operations	-	None	-	13,938	27,876	Note 1
7	Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,833	27,833	27,184	1.60%	Short-term financing	-	Operations	-	None	-	46,353	92,706	Note 1
8	Shanghai HoChen Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	139,167	139,167	-	1.60%	Short-term financing	-	Operations	-	None	-	269,340	538,681	Note 1
9	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	162,362	162,362	98,345	1.60%	Short-term financing	-	Operations	-	None	-	290,753	581,506	Note 1
10	Shanghai Hotai Toyota Forklift Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	162,362	162,362	8,628	1.60%	Short-term financing	-	Operations	-	None	-	221,694	443,389	Note 1
11	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	231,945	231,945	-	1.60%	Short-term financing	-	Operations	-	None	-	295,315	590,629	Note 1
12	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	278,334	278,334	122,235	1.60%	Short-term financing	-	Operations	-	None	-	390,175	780,350	Note 1
13	Tianjin Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	162,362	162,362	96,443	1.60%	Short-term financing	-	Operations	-	None	-	329,575	659,150	Note 1
14	Tianjin Heyi International Trading Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	102,056	102,056	28,947	1.60%	Short-term financing	-	Operations	-	None	-	142,073	284,146	Note 1
15	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	46,389	46,389	9,695	1.60%	Short-term financing	-	Operations	-	None	-	94,314	188,628	Note 1
16	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	208,751	208,751	150,486	1.60%	Short-term financing	-	Operations	-	None	-	281,926	563,852	Note 1
17	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	231,945	231,945	156,238	1.60%	Short-term financing	-	Operations	-	None	-	285,959	571,917	Note 1
18	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	139,167	139,167	-	1.60%	Short-term financing	-	Operations	-	None	-	244,875	489,749	Note 1
19	ZaoZhuang Ho-Wan Motor Sales & Service Co.,Ltd	Hotong Motor Investment Co., Ltd.	Other receivables	Y	41,750	41,750	4,639	1.60%	Short-term financing	-	Operations	-	None	-	54,762	109,524	Note 1
20	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,833	27,833	9,278	1.60%	Short-term financing	-	Operations	-	None	-	36,449	72,898	Note 1
21	Tianjin Ho-Yu Toyota Motor Sales & Service Co.,Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	18,556	18,556	-	1.60%	Short-term financing	-	Operations	-	None	-	35,820	71,639	Note 3
22	Shanghai Fengyi Construction Decoration Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,833	27,833	27,833	1.60%	Short-term financing	-	Operations	-	None	-	55,893	111,785	Note 3
23	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	23,195	23,195	22,499	1.60%	Short-term financing	-	Operations	-	None	-	46,586	93,171	Note 3
24	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Other receivables	Y	695,836	695,836	527,676	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Other receivables	Y	185,556	185,556	14,798	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	Other receivables	Y	347,918	347,918	82,573	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	278,334	278,334	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	Other receivables	Y	46,389	46,389	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three months ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
24	Hotong Motor Investment Co., Ltd.	Shanghai Guangxin Cultural Media Co., Ltd.	Other receivables	Y	$ 9,278	$ 9,278	$ -	2.10%	Short-term financing	$ -	Operations	$ -	None	$ -	$ 8,728,129	$ 17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Other receivables	Y	13,917	13,917	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	Other receivables	Y	185,556	185,556	129,843	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Other receivables	Y	185,556	185,556	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hotai Toyota Forklift Co., Ltd.	Other receivables	Y	139,167	139,167	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	278,334	278,334	91,804	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	231,945	231,945	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Other receivables	Y	139,167	139,167	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Other receivables	Y	185,556	185,556	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Other receivables	Y	371,112	371,112	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Other receivables	Y	139,167	139,167	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	231,945	231,945	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	231,945	231,945	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Other receivables	Y	162,362	162,362	27,833	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Other receivables	Y	46,389	46,389	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Other receivables	Y	46,389	46,389	-	2.10%	Short-term financing	-	Operations	-	None	-	8,728,129	17,456,259	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd.	Other receivables	Y	162,362	162,362	24,725	2.10%	Short-term financing	-	Operations	-	None	-	1,745,626	3,491,252	Note 4
24	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	Other receivables	Y	231,945	231,945	192,700	2.10%	Short-term financing	-	Operations	-	None	-	1,745,626	3,491,252	Note 4
24	Hotong Motor Investment Co., Ltd.	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Other receivables	Y	139,167	139,167	-	2.10%	Short-term financing	-	Operations	-	None	-	1,745,626	3,491,252	Note 4
24	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co., Ltd.	Other receivables	Y	881,392	881,392	881,392	2.60%	Short-term financing	-	Operations	-	None	-	1,745,626	3,491,252	Note 4
24	Hotong Motor Investment Co., Ltd.	Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	139,167	139,167	139,167	2.60%	Short-term financing	-	Operations	-	None	-	1,745,626	3,491,252	Note 4
25	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Other receivables	Y	927,781	927,781	-	3.45%	Short-term financing	-	Operations	-	None	-	6,573,765	13,147,530	Note 5
25	Hoyun International Leasing Co. Ltd.	Homei International Trade (Suzhou) Co., Ltd.	Other receivables	Y	463,891	463,891	-	3.45%	Short-term financing	-	Operations	-	None	-	6,573,765	13,147,530	Note 5
26	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y	50,000	50,000	50,000	2.48%	Short-term financing	-	Operations	-	None	-	279,728	559,456	Note 6
26	He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Other receivables	Y	4,000	4,000	4,000	2.68%	Short-term financing	-	Operations	-	None	-	279,728	559,456	Note 6
27	He Jing Co., Ltd.	D	Accounts receivable	N	62,358	62,358	62,358	6%~10%	Short-term financing	-	Operations	861	Real estate	64,690	663,666	1,327,331	Note 7
27	He Jing Co., Ltd.	H	Accounts receivable	N	248,446	234,459	234,459	4.5%~10%	Short-term financing	-	Operations	3,236	Stock	349,800	663,666	1,327,331	Note 7
27	He Jing Co., Ltd.	I	Accounts receivable	N	100,000	99,980	99,980	6.5%~10%	Short-term financing	-	Operations	1,380	Real estate	70,413	663,666	1,327,331	Note 7

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three months ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
28	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N	$ 47,046	$ 46,448	$ 46,448	5%~10%	Short-term financing	$ -	Operations	$ 418	Golf club membership card	$ 43,200	$ 610,174	$ 1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	G	Accounts receivable	N	58,787	57,558	57,558	5%~10%	Short-term financing	-	Operations	518	Stock	79,580	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	87,286	86,414	86,414	5%~10%	Short-term financing	-	Operations	778	Real estate	66,000	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	L	Accounts receivable	N	149,982	149,962	149,962	5%~10%	Short-term financing	-	Operations	1,350	Stock	353,732	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	N	Accounts receivable	N	86,190	76,300	76,300	5%~10%	Short-term financing	-	Operations	687	Real estate	100,000	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	O	Accounts receivable	N	248,446	234,459	234,459	4.5%~10%	Short-term financing	-	Operations	2,110	Stock	349,800	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	P	Accounts receivable	N	100,000	100,000	100,000	4.5%~10%	Short-term financing	-	Operations	900	Stock	165,920	610,174	1,220,348	Note 8
28	Hotai Finance Development Co., Ltd.	Q	Accounts receivable	N	50,000	50,000	-	6%~10%	Short-term financing	-	Operations	-	Stock	67,620	610,174	1,220,348	Note 8

Note 1: The limit on total loans to the borrower and creditor whose voting rights are both 100% owned directly and indirectly by the Company is 200% of the creditor's net value. The limit on loans to a single entity is 100% of the company's total equity.

Note 2: For Hotong Motor Investment Co., Ltd., the limit on total loans to foreign companies whose voting rights are 100% owned directly and indirectly by the same parent company is 200% of the company's total equity. The limit on loans to a single entity is 100% of the company's total equity.

Note 3: The limit on total loans to the creditor (Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd. and Shanghai Fengyi Construction Decoration Co., Ltd.) and borrower (Hotong Motor Investment Co., Ltd.) for operations short-term financing is prescribed in the Hotong Motor Investment Co., Ltd.'s "Procedures for Provision of Loans"; the limit on loans to others is 40% of the company's net value and to a single entity is 20% of the company's net value.

Note 4: The limit on total loans to the creditor (Hotong Motor Investment Co., Ltd.) and borrower (Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd., Nanjing HoZhan Motor Sales and Service Co., Ltd., Qingdao Heling Lexus Automobile Sales Service Co., Ltd. , Hoyun International Leasing Co., Ltd., Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.) for operations short-term financing is prescribed in the Hotong Motor Investment Co., Ltd.'s "Procedures for Provision of Loans"; the limit on loans to others is 40% of the company's net value and to a single entity is 20% of the company's net value.

Note 5: For loans granted by (Hoyun International Leasing Co., Ltd.) to foreign companies whose voting rights are 100% owned directly and indirectly by the parent company, ceiling on total loans granted is 200% of the total shareholders' equity and limit on loans granted to a single party is 100% of the total shareholders'equity.

Note 6: For the short-term financing granted by the creditor (He Jun Energy Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 20% of net worth and limit on loans granted to a single party is 10% of net worth as prescribed.

Note 7: For the short-term financing granted by the creditor (He Jing Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 10% of net worth as prescribed.

Note 8: For the short-term financing granted by the creditor (Hotai Finance Development Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 20% of net worth as prescribed.

Hotai Motor Co., Ltd.

Provision of endorsements and guarantees to others

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding balance during the three months ended March 31, 2026	Outstanding endorsement/ guarantee amount at March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Note 6	$ 23,767,469	$ 600,000	$ 600,000	$ 442,000	$ -	0.76%	$ 39,612,449	Y	N	N	Note 2
0	Hotai Motor Co., Ltd.	Minami Kanto Hino Motors, Ltd.	Note 6	23,767,469	2,646,600	2,646,600	-	-	3.34%	39,612,449	Y	N	N	〃
0	Hotai Motor Co., Ltd.	Hokkaido Hino Motors, Ltd.	Note 6	23,767,469	1,379,440	1,379,440	-	-	1.74%	39,612,449	Y	N	N	〃
0	Hotai Motor Co., Ltd.	Higashi Hokkaido Hino Motors, Ltd.	Note 6	23,767,469	513,280	513,280	-	-	0.65%	39,612,449	Y	N	N	〃
0	Hotai Motor Co., Ltd.	Miyagi Hino Motors, Ltd.	Note 6	23,767,469	272,680	272,680	-	-	0.34%	39,612,449	Y	N	N	〃
0	Hotai Motor Co., Ltd.	Fukushima Hino Motors, Ltd.	Note 6	23,767,469	802,000	802,000	-	-	1.01%	39,612,449	Y	N	N	〃
1	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Note 6	37,288,406	1,154,953	1,154,953	138,943	-	3.10%	37,288,406	Y	N	Y	Note 3
1	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Note 6	37,288,406	3,000,000	3,000,000	-	-	8.05%	37,288,406	Y	N	N	〃
1	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Note 6	37,288,406	15,200,000	15,200,000	10,700,000	-	40.76%	37,288,406	Y	N	N	〃
2	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Vehicle Leasing Ltd.	Note 6	3,155,407	139,167	139,167	59,146	-	2.12%	3,286,882	Y	N	Y	Note 4
3	Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Note 6	1,887,331	10,000	10,000	-	-	0.16%	3,145,551	Y	N	N	Note 5

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

1. The Company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

Note 2: Limit on the Company's accumulated endorsement/guarantee is 50% of the Company's stockholders' equity; limit on endorsement/guarantee to a single party is 30% of the Company's stockholders' equity.

Note 3: For Hotai Financial Co., Ltd., the limit on total endorsement is no more than 100% of its total equity; the limit on endorsement for any single entity is no more than 100% of the Company's total equity. The net asset value is based on the latest financial statements reviewed by auditors.

Note 4: For Hoyun International Leasing Co. Ltd., the limit on total endorsement is no more than 50% of its total equity; the limit on endorsement for any single entity is no more than 48% of the Company's total equity and shall not exceed 48% of the parent company's total equity.

Note 5: For Hotai Leasing Co., Ltd., the limit on total endorsement is no more than 50% of it's total equity; the limit on endorsement for any single entity is no more than 30% of the Company's total equity.

Note 6: The Company owns directly or indirectly more than 50% of the voting shares.

Hotai Motor Co., Ltd.

Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

				As of March 31, 2026				
Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	Number of shares	Book Value	Ownership (%)	Fair value	Footnote
Hotai Motor Co., Ltd.	Listed stocks - Mega Financial Holding Company	None	Financial assets at fair value through other comprehensive income - non-current	22,397,657	$ 861,190	0.15%	$ 861,190	
Hotai Motor Co., Ltd.	Listed stocks - Toyota Motor Corporation	Entity controlled by the Company's key management	Financial assets at fair value through other comprehensive income - non-current	15,956,000	10,115,801	0.10%	10,115,801	
Hotai Motor Co., Ltd.	Listed stocks - Shihlin Electric & Engineering Corporation Etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	390,311	0.00%~0.42%	390,311	
Hotai Motor Co., Ltd.	Unlisted stocks - Taian Insurance Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	675,900	0.42%~9.02%	675,900	
Hotai Motor Co., Ltd.	Corporate bonds - Nan Shan Life Insurance Perpetual Subordinated Bonds	None	Financial assets at fair value through profit or loss - non-current	-	500,000	-	500,000	
Hotai Motor Co., Ltd.	Beneficiary certificates - CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	34,232,507	400,209	-	400,209	
Hotai Motor Co., Ltd.	Listed stocks - Toyota Motor Corporation	Entity controlled by the Company's key management	Financial assets at fair value through profit or loss - current	2,526,500	1,601,753	0.02%	1,601,753	
Ho Tai Development Co., Ltd.	Financial instruments - PSC DSU 100% Principal Guaranteed (TWD)	Not applicable	Financial assets at fair value through profit or loss - current	-	703,168	-	703,168	
He Jun Energy Co., Ltd.	Unlisted stocks - Green Impact Impact Creator Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,675,131	134,024	17.56%	134,024	
Hotai Connected Co., Ltd	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	53,036,261	582,884	-	582,884	
Hotai Connected Co., Ltd	Beneficiary certificates - Mega Diamond Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	27,075,676	360,800	-	360,800	
Hotai Finance Development Co., Ltd.	Beneficiary right of real estate trust - Chaofu Real Estate Management Co., Ltd.	None	Financial assets at amortized cost - current	-	260,422	-	260,422	
Hotai Finance Development Co., Ltd.	Beneficiary right of real estate trust - Chaofu Real Estate Management Co., Ltd.	None	Financial assets at amortized cost - non-current	-	395,466	-	395,466	

Note: Hotai Insurance Co., Ltd. does not need to be disclosed as it is an insurance company.

Hotai Motor Co., Ltd.

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 4

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Hotai Motor Co., Ltd.	Toyota Motor Corporation	Entity controlled by the Company's key management	Purchases	$ 14,528,888	42%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	($ 4,935,303)	53%	
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	11,143,743	33%	Pays its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Major supplier of domestic cars, so it is not applicable.	Normal	(767,386)	8%	
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	8,202,910	20%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	283,133	16%	
Hotai Motor Co., Ltd.	Tau Miau Motor Co., Ltd.	Associates	Sales	7,570,865	18%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	282,393	16%	
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Sales	6,005,013	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	202,465	11%	
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Sales	5,993,489	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	124,531	7%	
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Sales	5,683,144	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	196,385	11%	
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Sales	5,045,104	12%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	197,805	11%	
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Sales	898,259	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	The imported large vehicles and parts are sold to the company, so it is not applicable.	Normal	255,152	14%	
Hotai Motor Co., Ltd.	Toyota Motor Asia (Singapore) Pte., Ltd.	Entity controlled by the Company's key management	Purchases	823,279	2%	Pays its accounts 15 days after the end of each month	Major supplier of parts, so it is not applicable.	Normal	(248,075)	3%	
Hotai Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	810,549	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	26,604	1%	
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Subsidiary	Sales	729,175	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	35,844	2%	
Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Subsidiary	Sales	390,576	1%	Collection at sight	Normal	Normal	57,645	3%	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Hotai Motor Co., Ltd.	Yokohama Tire Taiwan Co., Ltd.	Associates	Purchases	$ 323,424	1%	Pays its accounts 16 days after the end of each month	Major supplier of vehicle tires, so it is not applicable.	Normal	($ 114,062)	1%	
Hotai Motor Co., Ltd.	Hino Motors, Ltd.	Entity controlled by the Company's key management	Purchases	116,993	-	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(26,281)	-	
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	212,513	81%	Payment in advance	Normal	Normal	-	-	
Shanghai Heling Lexus Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	462,295	87%	Payment in advance	Normal	Normal	-	-	
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	246,357	79%	Payment in advance	Normal	Normal	-	-	
Chongqing Heling Lexus Motor Sales & Service Co., Ltd	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	344,426	95%	Payment in advance	Normal	Normal	-	-	
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	282,814	93%	Payment in advance	Normal	Normal	-	-	
Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	326,526	87%	Payment in advance	Normal	Normal	-	-	
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	252,312	78%	Payment in advance	Normal	Normal	-	-	
Chang Yuan Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	2,072,625	66%	Pays its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Major supplier of domestic cars, so it is not applicable.	Not applicable	(142,197)	26%	
Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	162,640	5%	Collection at sight	Normal	Normal	46,804	4%	
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Sales	342,855	18%	Collects its accounts 30 days after the end of each month	Normal	Normal	137,246	13%	
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Sales	317,071	17%	Collects its accounts 40 days after the end of each month	Normal	Normal	208,699	19%	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Carmax Co., Ltd.	AIM Technology Corp.	Associates	Purchases	$ 189,535	14%	Pays its accounts 21 days after the end of each month	Normal	Normal	($ 68,242)	12%	
Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	184,110	80%	Collects its accounts 10 days after the end of each month	Normal	Normal	74,275	63%	
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Sales	146,179	87%	Collects its accounts 180 days after the end of each month	Normal	Normal	323,122	96%	
Hotai Leasing Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Purchases	610,177	15%	Payment at sight	Normal	Normal	(117,754)	29%	
Hotai Leasing Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Purchases	163,281	4%	Payment at sight	Normal	Normal	-	-	Note
Hotai Leasing Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Purchases	251,270	6%	Payment at sight	Normal	Normal	(78,844)	20%	〃
Hotai Leasing Co., Ltd.	Tau Miau Motor Co., Ltd.	Associates	Purchases	334,909	8%	Payment at sight	Normal	Normal	-	-	〃
Hotai Leasing Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Purchases	216,515	5%	Payment at sight	Normal	Normal	(4,465)	1%	〃
Hotai Leasing Co., Ltd.	Central Motor Co., Ltd.	Associates	Purchases	243,487	6%	Payment at sight	Normal	Normal	(4,781)	1%	〃

Note: Hotai Leasing Co., Ltd., Hoing Mobility Service Co., Ltd. and Hoyun International Leasing Co., Ltd., purchase vehicles from parent company and associates for renting services, the related assets are reported under property, plant, and equipment.

Hotai Motor Co., Ltd.

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2026		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
						Amount	Action taken		
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Accounts receivable	$ 124,531	232.00	$ -	-	$ 124,531	$ -
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Accounts receivable	197,805	138.74	-	-	197,805	-
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Accounts receivable	202,465	162.06	-	-	202,465	-
Hotai Motor Co., Ltd.	Tau Miau Motor Co., Ltd.	Associates	Accounts receivable	282,393	138.58	-	-	282,393	-
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Accounts receivable	196,385	149.47	-	-	196,385	-
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Accounts receivable	283,133	151.09	-	-	283,133	-
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Accounts receivable	255,152	20.69			255,152	-
Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Accounts receivable	323,122	1.88	-	-	323,122	-
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Accounts receivable	208,699	5.01	-	-	208,699	-
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Accounts receivable	137,246	9.68	-	-	137,246	-

Hotai Motor Co., Ltd.

Significant inter-company transactions during the reporting periods

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 6

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 3)	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Sales revenue	$ 898,259	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	1%
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Service revenue	258,575	Closes its accounts 16 days after the end of following two months	-
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Accounts receivable	255,152	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	-
0	Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	1	Sales revenue	729,175	Collects its accounts on the next Monday and Wednesday after the end of each week,	1%
0	Hotai Motor Co., Ltd.	Carmax Co., Ltd.	1	Accounts payable	139,807	Pays its accounts 30 days after the end of each month	-
0	Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	1	Sales revenue	390,576	Collection at sight	1%
1	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	122,235	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	3	Other receivables	527,676	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	150,486	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	156,238	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	3	Other payables	228,513	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	3	Other receivables	129,843	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	3	Other receivables	192,700	Collects its accounts 30 days after the end of each month	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount (Note 3)	Transaction terms	Percentage of consolidated total operating revenues or total assets
1	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co. Ltd.	3	Other receivables	$ 881,392	Collects its accounts 30 days after the end of each month	-
2	Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	162,640	Collection at sight	-
3	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Sales revenue	342,855	Collects its accounts 30 days after the end of each month	-
4	Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	184,110	Collects its accounts 10 days after the end of each month	-
16	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Accounts receivable	323,122	Collects its accounts 180 days after the end of each month	-
16	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Sales revenue	146,179	Collects its accounts 180 days after the end of each month	-

Note 1： The numbers filled for inter-company transactions are as follows:
(1.)The parent company is numbered "0".
(2.)The subsidiaries are numbered starting from "1".

Note 2： The relationships among the transaction parties are as follows, just indicate the type. (If it is the same transaction between the parent company and its subsidiaries or among the subsidiaries, it is not necessary to disclose it repeatedly. For instance: a transaction the parent company to a subsidiary, if the parent company has disclosed it, then the subsidiary does not need to disclose it again; a transaction between subsidiaries, if one subsidiary has disclosed it, then the other subsidiary does not need to disclose it again):
(1.)The parent company to the subsidiary.
(2.)The subsidiary to the parent company.
(3.)The subsidiary to another subsidiary.

Note 3： Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Hotai Motor Co., Ltd.

Names, locations and other information of investee companies (not including investees in Mainland China)

For the three months ended March 31, 2026

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Shanghai Ho-Yu (BVI) Investment Co., Ltd.	British Virgin Islands	General investment	$ 3,484,171	$ 3,484,171	108,897,360	100.00	$ 8,826,577	($ 60,884)	($ 60,884)	Subsidiary
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	326,463	326,463	313,500,000	100.00	4,683,616	100,873	100,873	Subsidiary
Hotai Motor Co., Ltd.	Toyota Material Handling Taiwan Ltd.	Taiwan	Sales of vehicles and parts for industry use	50,000	50,000	94,602,868	100.00	1,438,863	41,911	41,911	Subsidiary
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	80,000	80,000	51,929,840	100.00	582,599	7,659	7,659	Subsidiary
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Taiwan	Trading of vehicle products/accessories	153,030	153,030	22,950,000	51.00	2,457,643	307,434	156,791	Subsidiary
Hotai Motor Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	10,763	10,763	960,961	20.00	45,869	7,885	1,577	Subsidiary
Hotai Motor Co., Ltd.	Hozan Investment Co., Ltd.	Taiwan	General investment	12,004,622	12,004,622	254,032	100.00	19,421,443	532,805	532,805	Subsidiary
Hotai Motor Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar energy business	504,000	504,000	50,400,000	18.00	503,683	3,356	604	Subsidiary
Hotai Motor Co., Ltd.	Hotai Insurance Co., Ltd.	Taiwan	Property and casualty insurance services	26,000,000	26,000,000	155,867,346	77.93	7,267,916	618,367	481,927	Subsidiary
Hotai Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	615,342	615,342	79,100,000	70.00	882,558	54,039	37,827	Subsidiary
Hotai Motor Co., Ltd.	Ho Tai Development Co., Ltd.	Taiwan	Agent for sales of air conditioning system and contracting of air conditioning construction	73,787	73,787	24,710,856	45.01	4,575,719	130,361	58,673	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	500,000	500,000	50,000,000	50.00	552,937	7,517	3,758	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Taiwan	Sales of vehicle bodies	37,010	37,010	5,428,025	100.00	75,614	3,737	3,737	Subsidiary
Hotai Motor Co., Ltd.	Hotai Japan Co., Ltd.	Japan	Consulting services	20,050	-	10,000	100.00	20,050	-	-	Subsidiary
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	1,010,667	1,010,667	17,553,761	20.18	1,796,428	224,302	45,264	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Yokohama Tire Taiwan Co., Ltd.	Taiwan	Import and export of all kinds of tires and inner tubes	3,000	3,000	3,000	25.00	120,106	28,465	7,116	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	186,851	186,851	14,806,073	23.67	1,483,052	214,005	50,655	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	201,700	201,700	25,438,987	34.81	1,577,519	153,885	53,567	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Taiwan	Sales of vehicles and parts and manufacturing of vehicles	4,390,907	4,390,907	103,800,000	30.00	6,869,514	590,065	180,963	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Shi-Ho Screw Industrial Co., Ltd.	Taiwan	Manufacturing and sales of precision screws	7,400	7,400	211,433	21.14	125,791	5,719	1,209	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	256,000	256,000	2,000,000	20.00	330,146	20,131	3,856	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Tau Miau Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	1,324,655	1,324,655	15,153,573	20.00	2,120,514	270,571	52,946	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	1,235,931	1,235,931	22,161,150	20.00	1,588,008	163,199	31,089	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Formosa Flexible Packaging Corp.	Taiwan	Production and marketing of packaging products	87,520	87,520	1,295,108	44.44	418,361	4,634	2,059	Investee company accounted for using the equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	$ 2,094,293	$ 2,094,293	15,000,000	20.00	$ 3,037,877	$ 236,426	$ 46,517	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	AIM Technology Corp.	Taiwan	Trading of vehicle products/accessories	16,500	16,500	1,650,000	15.00	18,460	800	120	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	12,000	12,000	1,200,000	10.00	6,379	(1,945)	(195)	Investee company accounted for using the equity method
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Tienjin Ho Yu Investment Co., Ltd.	British Virgin Islands	General investment	111,983	111,983	3,500,000	70.00	128,462	4,350	-	Sub-subsidiary
Chang Yuan Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	200,000	200,000	20,000,000	20.00	221,398	7,517	-	Subsidiary
Eastern Motor Co., Ltd.	Doroman Autoparts Corporation	Taiwan	Wholesale and retail of vehicles parts and accessories	500	500	138,718	100.00	8,185	370	-	Sub-subsidiary
Eastern Motor Co., Ltd.	Daleon Auto Parts and Accessories Corporation	Taiwan	Wholesale and retail of vehicles parts and accessories	500	500	50,000	100.00	1,030	222	-	Sub-subsidiary
Eastern Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	5,650	5,650	565,000	0.50	5,650	54,039	-	Subsidiary
Eastern Motor Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	3,000	3,000	300,000	0.68	3,000	2,824	-	Sub-subsidiary
Carmax Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	33,242	33,242	2,968,016	61.77	143,871	7,885	-	Subsidiary
Carmax Co., Ltd.	Carmax Racing International Co., Ltd.	Taiwan	Trading of vehicle products/accessories	30,000	30,000	3,000,000	100.00	28,725	755	-	Sub-subsidiary
Carmax Co., Ltd.	AIM Technology Corp.	Taiwan	Trading of vehicle products/accessories	38,500	38,500	3,850,000	35.00	43,074	800	-	Investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Hotai Leasing Co., Ltd.	Taiwan	Leasing of vehicles	181,907	181,907	126,153,159	65.52	3,953,334	250,845	-	Sub-subsidiary
Hozan Investment Co., Ltd.	Hotai Finance Co., Ltd.	Taiwan	Installment trading and leasing of various vehicles	62,025	62,025	282,879,511	45.39	12,406,770	908,070	-	Sub-subsidiary
Hozan Investment Co., Ltd.	Hotai Insurance Co., Ltd	Taiwan	Property and casualty insurance services	11,331,887	11,331,887	44,108,996	22.05	2,056,738	618,367	-	Subsidiary
Hozan Investment Co., Ltd.	Hozao Enterprise Co., Ltd.	Taiwan	Installment trading of various vehicles	34,756	34,756	3,823,128	18.29	486,411	568	-	Subsidiary's investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	77	77	2,000	-	147	153,885	-	Investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Heng Yun Investment Co., Ltd.	Taiwan	General investment	298,864	298,864	20,470,156	40.00	390,174	43,043	-	Subsidiary's investee company accounted for using the equity method
Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	413,849	413,849	35,810,824	50.82	260,012	21,779	-	Sub-subsidiary
Hotai Leasing Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,267,002	1,267,002	39,600,000	49.50	3,253,789	23,238	-	Sub-subsidiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment trading of various vehicles	2,430,000	2,430,000	253,831,919	81.00	2,687,845	34,583	-	Sub-subsidiary
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar power business	2,240,000	2,240,000	224,000,000	80.00	2,238,590	3,356	-	Subsidiary
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Taiwan	Installment trading of various equipments	3,000,000	3,000,000	300,000,000	100.00	3,050,869	20,274	-	Sub-subsidiary
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Leasing of vehicles	1,212,252	1,212,252	10,560,000	66.00	1,228,265	277	-	Sub-subsidiary
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,292,598	1,292,598	40,400,000	50.50	3,320,379	23,238	-	Sub-subsidiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	75,084	2,824	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Taiwan	Energy storage business	22,000	22,000	2,200,000	100.00	2,959	(2,391)	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar power business	32,781	32,781	3,200,000	96.97	33,166	47	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Taiwan	Solar power business	20,816	20,816	2,079,000	99.00	21,725	72	-	Sub-subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months ended March 31, 2026	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Taiwan	Solar power business	$ 27,706	$ 27,706	2,673,000	99.00	$ 23,233	($ 285)	$ -	Sub-subsidiary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity sales related business	10,000	10,000	1,000,000	100.00	13,163	614	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Taiwan	Solar power business	42,227	42,227	4,000,000	100.00	41,678	62	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Taiwan	Solar power business	88,685	88,685	9,200,000	100.00	95,269	(219)	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Taiwan	Solar power business	163,017	163,017	10,000,000	100.00	162,318	1,471	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Taiwan	Solar power business	474,783	474,783	5,000,000	100.00	445,225	6,903	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Taiwan	Solar power business	81,202	81,202	4,000,000	100.00	80,328	425	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Taiwan	Solar power business	162,216	162,216	94,011	100.00	167,348	2,574	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar power business	97,015	97,015	9,701,455	86.62	97,661	555	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Zheng Ren Energy Co., Ltd.	Taiwan	Solar power business	168,980	168,980	16,898,000	35.00	140,891	(51)	-	Sub-subsidiary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Heng Fong Energy Co., Ltd.	Taiwan	Energy storage business	410,000	410,000	41,000,000	20.00	381,845	(9,451)	-	Sub-subsidiary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	36,000	36,000	3,600,000	30.00	19,283	(1,945)	-	Investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Taiwan	Energy storage business	360,000	360,000	36,000,000	40.00	350,059	(8,703)	-	Sub-subsidiary's investee company accounted for using the equity method
Cheng Yo Technology Co., Ltd.	Hon Yang Energy Co., Ltd.	Taiwan	Solar power business	27,037	27,037	2,000,000	100.00	33,880	2,145	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	300,000	300,000	34,655,635	49.18	255,848	21,779	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Ho Young Travel Agency Co., Ltd.	Taiwan	Tourism industry	10,000	10,000	2,400,000	100.00	36,483	1,731	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	180,000	180,000	18,000,000	41.10	110,557	2,824	-	Sub-subsidiary
Hotai Mobility Service Co., Ltd.	ChyuanAn Transport Co., Ltd.	Taiwan	Taxi service	9,748	9,748	3,400,000	100.00	37,238	156	-	Sub-subsidiary
Hotai Mobility Service Co., Ltd.	YuCheng Transport Co., Ltd.	Taiwan	Taxi service	39,225	39,225	7,000,000	100.00	100,178	571	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	Air Master International Co., Ltd.	Samoa	General investment	95,985	95,985	3,000,000	100.00	86,479	(649)	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	Ho Tai Service & Marketing Co., Ltd.	Taiwan	Repairing of air conditioning equipment and trading of their parts	100,000	100,000	27,190,239	100.00	941,129	22,870	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	Ho Tai Parts & Accessories Co., Ltd.	Taiwan	Trading of air conditioning equipment and their parts	50,000	50,000	5,000,000	100.00	113,420	1,290	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	3A Express Co., Ltd.	Taiwan	Freight forwarders	51,000	51,000	5,100,000	51.00	174,085	6,764	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	Daikin Applied Systems (Taiwan) Co., Ltd.	Taiwan	Manufacturing and trading of conditioning equipment	61,047	61,047	6,104,700	34.00	35,150	(569)	-	Subsidiary's investee company accounted for using the equity method
3A Express Co., Ltd.	Long Hao Removal Transport Services Co., Ltd.	Taiwan	Freight forwarders	10,000	10,000	1,000,000	100.00	20,756	168	-	Sub-subsidiary
3A Express Co., Ltd.	Ho Tai Transportation Co., Ltd.	Taiwan	Freight forwarders	25,000	25,000	2,500,000	100.00	84,176	6,718	-	Sub-subsidiary
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Taiwan	Trading of buses	40,000	40,000	40,000,000	100.00	82,436	9,428	-	Sub-subsidiary

Hotai Motor Co., Ltd.

Information on investments in Mainland China-Basic information

For the three months ended March 31, 2026

Table 8

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income (loss) of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Book value of investment in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hotong Motor Investment Co., Ltd.	Operation decision making, capital using and financial management, information services, employee trainings and other services	$ 4,096,800	Note(2)	$ 460,504	$ -	$ -	$ 460,504	($ 63,929)	100.00	($ 63,929)	$ 8,663,196	$ 1,549,567	Note 2.3
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Sales and repairing of vehicles	107,823	Note(2)	107,823	-	-	107,823	(5,848)	100.00	(5,848)	246,020	-	Note 2.3
ChongQing Yudu Toyota Automobile Sales & Service Co., Ltd.	Sales and repairing of vehicles	139,167	Note(2)	11,758	-	-	11,758	(10,623)	10.48	-	11,758	-	Note 2.3
Beijing Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	95,985	Note(2)	31,995	-	-	31,995	-	40.00	-	-	-	Note 2.3
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	191,970	Note(2)	191,970	-	-	191,970	2,942	100.00	2,942	298,303	-	Note 2.3
Shanghai Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	95,985	Note(2)	95,985	-	-	95,985	6,785	100.00	6,785	205,777	-	Note 2.3
Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	159,975	Note(2)	111,983	-	-	111,983	4,350	70.00	3,045	183,516	-	Note 2.3
Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	111,983	Note(3)	83,987	-	-	83,987	(4,816)	100.00	(4,816)	597,069	-	Note 2.3
ChongQing Yurun Toyota Automobile Service Co., Ltd.	Sales and repairing of vehicles	139,167	Note(2)	12,598	-	-	12,598	(11,556)	10.48	-	12,598	26,106	Note 2.3
Shanghai Hotai Toyota Forklift Co., Ltd.	Sales of vehicles and parts for industry use	191,970	Note(2)	191,970	-	-	191,970	(1,289)	100.00	(1,289)	220,384	-	Note 2.3
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	436,732	Note(2)	297,554	-	-	297,554	(5,852)	100.00	(5,852)	238,930	-	Note 2.3
Zaozhung Ho-Wan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	46,389	Note(3)	-	-	-	-	340	100.00	340	55,107	-	Note 2.3
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	185,571	Note(2)	185,571	-	-	185,571	(12,298)	100.00	(12,298)	269,435	-	Note 2.3
Nanchang Heling Lexus Motors Sales & Service Co., Ltd.	Sales and repairing of vehicles	207,968	Note(2)	207,968	-	-	207,968	(1,157)	100.00	(1,157)	284,784	-	Note 2.3
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	2,559,600	Note(2)	2,559,600	-	-	2,559,600	23,238	55.61	12,923	3,655,988	514,959	Note 2.1
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring services	927,781	Note(3)	-	-	-	-	21,037	55.61	11,699	646,155	-	Note 2.3
Hoyun (Shanghai) Vehicle Leasing Ltd.	Leasing of cars	695,836	Note(3)	-	-	-	-	9,235	55.61	5,135	441,760	-	Note 2.3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income (loss) of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Book value of investment in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Homei International Trade (Suzhou) Co., Ltd.	Goods trading business	$ 231,945	Note(3)	$ -	$ -	$ -	$ -	$ (869)	55.61	$ (483)	$ 133,095	$ -	Note 2.3
He Zhan Development Co., Ltd.	Trading of air conditioning equipment	95,985	Note(2)	95,985	-	-	95,985	(649)	45.01	(292)	38,919	-	Note 2.3
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	383,940	Note(3)	-	-	-	-	(7,977)	100.00	(7,977)	382,073	-	Note 2.3
Tianjin Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	318,229	Note(3)	-	-	-	-	1,165	100.00	1,165	330,758	-	Note 2.3
Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	92,778	Note (3)	-	-	-	-	(746)	100.00	(746)	93,556	-	Note 2.3
Linyi Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	383,940	Note(3)	-	-	-	-	(5,055)	35.00	(1,769)	33,250	-	Note 2.3
Carmax Autotech (Shanghai) Co., Ltd.	Trading of vehicle products/accessories	42,553	Note(1)	42,553	-	-	42,553	10,797	51.00	5,506	225,090	-	Note 2.3
Guangzhou Gac Changho Autotech Corporation	Trading of vehicle products/accessories	102,171	Note(1)	45,977	-	-	45,977	3,950	22.95	906	45,718	286,798	Note 2.3
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	319,950	Note(3)	-	-	-	-	(8,907)	35.00	(3,118)	179,616	-	Note 2.3
Taizhou Zhongdu Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	479,925	Note(3)	-	-	-	-	(1,348)	35.00	(472)	239,147	-	Note 2.3
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	383,940	Note(3)	-	-	-	-	(10,284)	35.00	(3,600)	227,125	-	Note 2.3
Jinzhong Central Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	447,930	Note(3)	-	-	-	-	(11,842)	35.00	(4,145)	5,894	-	Note 2.3
Shanghai Guangxin Cultural Media Co., Ltd.	Design and production of advertisements	4,639	Note(3)	-	-	-	-	(1,780)	100.00	(1,780)	12,131	-	Note 2.3
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	495,903	Note(3)	-	-	-	-	(8,033)	100.00	(9,116)	499,519	-	Note 2.3
Shanghai Ho-Mian Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	1,066,948	Note(3)	-	-	-	-	1,674	100.00	1,674	1,069,878	-	Note 2.3
Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Consulting service	13,917	Note(3)	-	-	-	-	5,028	100.00	5,028	51,461	-	Note 2.3
Tianjin Heyi International Trading Co., Ltd.	Sales of imported vehicles	92,778	Note(3)	-	-	-	-	771	100.00	771	142,856	-	Note 2.3
Chongqing Taikang Heling Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	46,389	Note(3)	-	-	-	-	8,470	50.00	4,235	(38,269)	-	Note 2.3

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2026		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income (loss) of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2026	Book value of investment in Mainland China as of March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai HoChen Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	$ 319,950	Note(3)	$ -	$ -	$ -	$ -	($ 2,457)	100.00	($ 2,457)	$ 266,845	$ -	Note 2.3
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	335,948	Note(3)	-	-	-	-	(4,272)	100.00	(4,272)	286,414	-	Note 2.3
Tianjin Binhai Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	139,167	Note(3)	-	-	-	-	(9,707)	35.00	(3,397)	30,611	-	Note 2.3
Tianjin Yongda Communication Technology Co., Ltd.	Trading of vehicle products / accessories and property management	272,675	Note(3)	-	-	-	-	198	35.00	(1,132)	161,766	-	Note 2.3
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Sales and repairing of vehicles	139,167	Note(3)	-	-	-	-	(16,524)	70.00	(11,567)	54,842	-	Note 2.3
Taiyuan Zhongdu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	137,579	Note(3)	-	-	-	-	(1,650)	35.00	(577)	20,207	-	Note 2.3
Shanghai Zhongxin Means of Transportation Engineering Co.,Ltd.	Property management	23,195	Note(3)	-	-	-	-	504	100.00	(2,948)	465,922	-	Note 2.3
Shanghai Fengyi Construction Decoration Co., Ltd.	Property management	259,779	Note(3)	-	-	-	-	5,310	70.00	73	621,310	-	Note 2.3
Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Sales and repairing of vehicles	324,723	Note(3)	-	-	-	-	(5,160)	70.00	(3,612)	159,381	-	Note 2.3
Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	788,614	Note(3)	-	-	-	-	9,975	100.00	9,975	846,762	-	Note 2.3
Hoyun International Leasing Co., Ltd. The first phase of Hoyun Tongying asset-backed notes trust in 2025	Structured entities	-	Note(3)	-	-	-	-	-	-	-	-	-	Note 3

Note 1: The investmets are classified as follows:
Note(1) Direct investment in Mainland China.
Note(2) Investment in Mainland China companies through a company invested and established in a third region.
Note(3) Others.

Note 2: The amount of investment income (loss) recognized for the three months ended March 31, 2026 is based on:
(1) The financial statements were reviewed by R.O.C parent company's CPA.
(2) The financial statements were reviewed by other independent auditors in PricewaterhouseCoopers, Taiwan.
(3) Others

Note 3: The trust that conforms to the definition of a structured entity is summarized in detail in Note 6(5).

Note 4: Related amounts in the following table are expressed in NT$.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hotai Motor Co., Ltd.	$ 1,907,824	$ 5,347,725	$ 69,800,441