

**HOTAI MOTOR CO., LTD. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

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
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024
TABLE OF CONTENTS

Contents	Page
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Review Report	4 ~ 5
4. Consolidated Balance Sheets	6 ~ 7
5. Consolidated Statements of Comprehensive Income	8 ~ 9
6. Consolidated Statements of Changes in Equity	10
7. Consolidated Statements of Cash Flows	11 ~ 12
8. Notes to the Consolidated Financial Statements	13 ~ 109
(1) History and Organization	13
(2) The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	13
(3) Application of New Standards, Amendments and Interpretations	13 ~ 17
(4) Summary of Material Accounting Policies	17 ~ 26
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	26 ~ 27
(6) Details of Significant Accounts	28 ~ 61

Contents	Page
(7) Related Party Transactions	62 ~ 69
(8) Pledged Assets	70
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	70 ~ 71
(10) Significant Disaster Loss	71
(11) Significant Events after the Balance Sheet Date	71
(12) Others	71 ~ 106
(13) Supplementary Disclosures	106 ~ 107
A. Significant transactions information	106
B. Information on investees	107
C. Information on investments in Mainland China	107
(14) Segment Information	107 ~ 109

INDEPENDENT AUDITORS' REVIEW REPORT
(TRANSLATED FROM CHINESE)

PWCR25000328

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, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, 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, 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\$91,639,743 thousand and NT\$93,961,622 thousand, constituting 18% and 19% of the consolidated total assets as at March 31, 2025 and 2024, respectively. Total liabilities

amounted to NT\$26,176,600 thousand and NT\$33,799,259 thousand, constituting 6% and 9% of the consolidated total liabilities as at March 31, 2025 and 2024, respectively. And the total comprehensive income amounted to NT\$1,331,392 thousand and NT\$2,079,534 thousand, constituting 35% and 18% 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, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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.

Hsiao, Chun-Yuan

Hsu, Sheng-Chung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2025

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

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

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

			March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
Current Assets								
1100	Cash and cash equivalents	6(1)	\$ 23,189,434	4	\$ 18,968,725	3	\$ 21,301,997	4
1120	Financial assets at fair value through profit or loss-current	6(2)	7,192,026	1	7,754,355	2	7,481,232	1
1150	Derivative financial assets for hedging	6(4)	360,012	-	260,887	-	530,868	-
1190	Other financial assets-current	6(1) and 8	3,996,251	1	4,159,048	1	3,968,468	1
1195	Contract assets-current	6(28)	53,477	-	67,725	-	97,922	-
1201	Notes receivable	6(5), 7 and 8	17,374,604	3	17,125,715	3	14,271,382	3
1202	Accounts receivable	6(5), 7 and 8	282,622,259	55	286,195,993	56	277,322,275	56
1203	Other receivables	7	2,669,640	1	2,656,405	1	2,778,970	-
1270	Inventories	6(7)	19,100,415	4	19,891,943	4	14,397,716	3
1280	Prepayments	6(8)	8,302,088	2	8,412,375	2	8,199,116	2
1290	Assets held for sale		-	-	-	-	218,073	-
1310	Reinsurance contract assets, net	6(9)	5,146,407	1	5,082,534	1	4,147,756	1
Total current assets			370,006,613	72	370,575,705	73	354,715,775	71
Non-current assets								
1410	Financial assets at fair value through profit or loss-non-current	6(2)	1,006,453	-	1,006,453	-	1,011,886	-
1415	Financial assets at fair value through other comprehensive income-non-current	6(3)	11,869,475	2	13,107,751	3	15,345,483	3
1470	Investments accounted for using the equity method	6(10)	23,072,401	5	22,432,577	4	22,323,516	5
1480	Other financial assets-non-current	6(1) and 8	105,093	-	189,400	-	60,248	-
1500	Property, plant and equipment, net	6(11) and 8	73,260,083	14	72,195,375	14	68,225,102	14
1595	Right-of-use assets, net	6(12)	3,734,922	1	3,831,714	1	3,531,621	1
1600	Investment property, net	6(14)	1,965,713	-	1,966,246	-	1,926,473	-
1700	Intangible assets, net	6(15)	745,396	-	765,740	-	794,587	-
1800	Deferred income tax assets, net	6(33)	3,789,497	1	3,671,441	1	3,695,678	1
1900	Other assets	6(5)(9)(16)	21,009,878	5	20,817,170	4	24,470,008	5
Total non-current assets			140,558,911	28	139,983,867	27	141,384,602	29
1XXX	Total Assets		\$ 510,565,524	100	\$ 510,559,572	100	\$ 496,100,377	100

(Continued)

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

	Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current Liabilities							
2110	Short-term loans	6(17)	\$ 130,162,253	25	\$ 134,152,135	26	\$ 117,779,370	24
2120	Short-term notes and bills payable	6(18)	140,083,143	27	139,501,975	27	138,836,932	28
2150	Derivative financial liabilities for hedging	6(4)	230,965	-	855,551	-	1,459,441	-
2165	Contract liabilities-current	6(28)	1,808,171	-	1,363,237	-	1,497,377	-
2201	Notes payable		1,231,537	-	1,377,202	-	1,695,814	-
2202	Accounts payable	7	13,110,510	3	12,985,248	4	12,548,523	3
2203	Accrued expenses	6(21) and 7	6,953,033	1	7,812,895	2	7,225,121	1
2204	Other payables	7	15,053,362	3	2,541,234	1	14,579,905	3
2250	Commissions payable	7	309,273	-	287,549	-	279,034	-
2260	Due to reinsurance and ceding companies		1,801,735	-	1,566,549	-	1,761,647	-
2270	Claims payable		35,665	-	23,528	-	12,467	-
2310	Current income tax liabilities		3,529,470	1	2,322,803	-	2,776,496	1
2320	Advance receipts		337,137	-	255,186	-	172,510	-
2330	Long-term liabilities-current portion	6(19)(20)	28,703,692	7	33,029,050	7	34,713,471	7
2335	Current lease liabilities	7	592,584	-	614,143	-	465,185	-
2350	Other current liabilities	6(9)(23)(24)	23,492,837	5	22,382,808	4	22,512,027	5
	Total current liabilities		<u>367,435,367</u>	<u>72</u>	<u>361,071,093</u>	<u>71</u>	<u>358,315,320</u>	<u>72</u>
	Non-current liabilities							
2550	Long-term loans	6(20)	6,886,177	2	5,174,127	2	11,433,815	2
2600	Provisions	6(9)(23)	12,300,504	2	11,786,649	2	10,336,180	2
2620	Guarantee deposits received	6(24)	11,963,945	2	11,824,521	2	9,813,742	2
2625	Non-current lease liabilities	7	1,933,091	-	1,984,070	-	1,798,817	1
2630	Deferred income tax liabilities	6(33)	4,656,357	1	4,597,116	1	4,441,344	1
	Total non-current liabilities		<u>37,740,074</u>	<u>7</u>	<u>35,366,483</u>	<u>7</u>	<u>37,823,898</u>	<u>8</u>
2XXX	Total Liabilities		<u>405,175,441</u>	<u>79</u>	<u>396,437,576</u>	<u>78</u>	<u>396,139,218</u>	<u>80</u>
	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
	Capital surplus	6(26)						
3200	Capital surplus		2,871,305	1	2,871,305	1	2,897,372	-
	Retained earnings	6(27)						
3310	Legal reserve		17,836,393	3	17,836,393	3	15,553,282	3
3320	Special reserve		381,843	-	381,843	-	381,843	-
3330	Unappropriated earnings		38,094,568	8	44,928,842	9	32,537,809	7
	Other equity							
3400	Other equity interest		5,117,205	1	6,694,406	1	8,778,944	2
31XX	Total equity attributable to shareholders of the parent		<u>69,872,342</u>	<u>14</u>	<u>78,283,817</u>	<u>15</u>	<u>65,720,278</u>	<u>13</u>
32XX	Non-controlling interest		<u>35,517,741</u>	<u>7</u>	<u>35,838,179</u>	<u>7</u>	<u>34,240,881</u>	<u>7</u>
3XXX	Total equity		<u>105,390,083</u>	<u>21</u>	<u>114,121,996</u>	<u>22</u>	<u>99,961,159</u>	<u>20</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after balance sheet date	11						
	Total liabilities and equity		<u>\$ 510,565,524</u>	<u>100</u>	<u>\$ 510,559,572</u>	<u>100</u>	<u>\$ 496,100,377</u>	<u>100</u>

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

			Three months ended March 31			
			2025		2024	
Items		Notes	AMOUNT	%	AMOUNT	%
Revenues						
4010	Interest income	6(3)(29)	\$ 5,519,475	8	\$ 5,915,607	8
4020	Premiums revenue	6(30)	2,306,451	3	2,030,359	3
4040	Reinsurance commission revenue		208,442	-	264,981	-
4050	Fee income		2,520	-	2,439	-
4060	Share of profit of associates and joint ventures accounted for using the equity method	6(10)	640,070	1	765,473	1
4105	Realized gains on financial assets at fair value through other comprehensive income		39,364	-	30,837	-
4160	Net sales revenue	6(28)				
4161	Sales revenue		58,275,134	80	56,205,071	80
4162	Sales returns		(280,746)	- (	( 325,140)	-
4163	Sales discounts and allowances		(603,231) (	1) (	( 672,836) (	1)
4170	Rental revenue		5,337,130	7	5,041,678	7
4180	Service revenue	6(28) and 7	513,200	1	654,296	1
4210	Gains on disposals of property, plant and equipment		40,209	-	389,204	1
4230	Income from investment property	6(14)	39,475	-	36,568	-
4260	Foreign exchange gains		172,986	- (	211,474)	-
4270	Other income		419,397	-	392,538	-
4256	Reversal gains on expected credit of investment		2	-	-	-
4245	Gains on reclassification under the overlay approach	6(2)	452,340	1 (	111,479)	-
4280	Unrealized profits from sales		(103,661)	- (	111,051)	-
4290	Realized profits from sales		82,160	-	69,323	-
	Total revenues		73,060,717	100	70,366,394	100
Expenses						
5010	Interest expenses		(1,832,903) (	3) (	( 1,638,920) (	2)
5030	Underwriting expenses		(86)	- (	61)	-
5040	Commission expenses	7	(978,778) (	1) (	( 1,369,914) (	2)
5050	Claims payment		(1,154,724) (	2) (	( 904,754) (	1)
5070	Net changes in other insurance liabilities	6(9)	(294,008)	-	190,778	-
5110	Losses on financial assets and liabilities at fair value through profit or loss	6(2)	(609,711) (	1)	1,376,227	2
5190	Cost of sales	6(7) and 7	(51,089,099) (	70) (	( 48,997,682) (	70)
5200	Cost of rental revenue		(4,203,526) (	6) (	( 3,924,333) (	6)
5210	Cost of services		(518,775) (	1) (	( 512,517)	-
5230	Operating expenses	6(31)(32) and 7				
5231	Selling expenses		(2,605,013) (	3) (	( 2,699,548) (	4)
5232	General and administrative expenses		(1,886,254) (	3) (	( 2,062,261) (	3)
5233	Research and development expenses		(87,153)	- (	34,591)	-
5287	Expected credit impairment losses of non-investment	12(2)	(1,396,884) (	1) (	( 1,184,643) (	2)
5240	Loss on disposal of investment		(7,149)	-	-	-

(Continued)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Three months ended March 31				
		2025		2024		
Items	Notes	AMOUNT	%	AMOUNT	%	
5270	Expenses and losses from investment property	6(14)	(\$ 9,284)	-	(\$ 7,716)	-
5320	Other expenses		(97,861)	-	(75,139)	-
	Total expenses		(66,771,208)	(91)	(61,845,074)	(88)
6100	Income before income tax from continuing operations		6,289,509	9	8,521,320	12
6200	Income tax expense	6(33)	(1,213,003)	(2)	(1,577,514)	(2)
6500	Profit for the period		<u>\$ 5,076,506</u>	<u>7</u>	<u>\$ 6,943,806</u>	<u>10</u>
Other comprehensive income (loss) for the period						
Components of other comprehensive (loss) income that will not be reclassified to profit or loss						
6617	(Loss) gain from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 1,342,174)	(2)	\$ 4,287,885	6
6610	Total components of other comprehensive (loss) income that may not be reclassified to profit or loss		(1,342,174)	(2)	4,287,885	6
6650	Components of other comprehensive income that may be reclassified to profit or loss					
6651	Financial statement translation differences of foreign operations		615,162	1	585,913	1
6659	Unrealized gains (loss) from investments in debt instruments measured at fair value through other comprehensive income	6(3)	3,488	-	(7,250)	-
6661	Loss on hedging instrument	6(4)	(54,627)	-	(50,014)	-
6675	Other comprehensive (loss) income reclassified by using overlay approach	6(2)	(452,340)	(1)	111,479	-
6665	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method components of other comprehensive income that may be reclassified to profit or loss		4,956	-	(2,295)	-
6689	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	6(33)	<u>5,984</u>	<u>-</u>	<u>7,413</u>	<u>-</u>
	Total components of other comprehensive income that will be reclassified to profit or loss		<u>122,623</u>	<u>-</u>	<u>645,246</u>	<u>1</u>
6600	Other comprehensive (loss) income for the period-net		<u>(\$ 1,219,551)</u>	<u>(2)</u>	<u>\$ 4,933,131</u>	<u>7</u>
6700	Total comprehensive income for the period		<u>\$ 3,856,955</u>	<u>5</u>	<u>\$ 11,876,937</u>	<u>17</u>
Profit attributable to:						
6810	Owners of parent		\$ 4,307,781	6	\$ 5,885,107	8
6820	Non-controlling interests		<u>768,725</u>	<u>1</u>	<u>1,058,699</u>	<u>2</u>
			<u>\$ 5,076,506</u>	<u>7</u>	<u>\$ 6,943,806</u>	<u>10</u>
Comprehensive income attributable to:						
6910	Owners of parent		\$ 2,730,580	3	\$ 10,635,849	15
6920	Non-controlling interests		<u>1,126,375</u>	<u>2</u>	<u>1,241,088</u>	<u>2</u>
			<u>\$ 3,856,955</u>	<u>5</u>	<u>\$ 11,876,937</u>	<u>17</u>
Basic earnings per share						
	6(34)		<u>\$ 7.73</u>		<u>\$ 10.56</u>	
Diluted earnings per share						
	6(34)		<u>\$ 7.73</u>		<u>\$ 10.56</u>	

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

		Equity attributable to owners of the parent											
		Retained earnings					Other equity interest						
							Financial statement translation differences of foreign operations	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	Other comprehensive income (loss) reclassified by using overlay approach	Loss on hedging instruments	Total	Non-controlling interests	Total equity
Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings								
<u>For the three months ended March 31, 2024</u>													
	Balance at January 1, 2024	\$ 5,571,028	\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 37,794,757	(\$ 673,527)	\$ 4,378,007	\$ 333,556	(\$ 9,834)	\$ 66,226,484	\$ 34,211,863	\$ 100,438,347
	Profit for the period	-	-	-	-	5,885,107	-	-	-	-	5,885,107	1,058,699	6,943,806
	Other comprehensive income (loss) for the period	-	-	-	-	-	380,017	4,279,933	111,064	(20,272)	4,750,742	182,389	4,933,131
	Total comprehensive income (loss)	-	-	-	-	5,885,107	380,017	4,279,933	111,064	(20,272)	10,635,849	1,241,088	11,876,937
Appropriation and distribution of retained earnings:	6(27)												
	Cash dividends	-	-	-	-	(11,142,055)	-	-	-	-	(11,142,055)	(1,212,070)	(12,354,125)
	Balance at March 31, 2024	\$ 5,571,028	\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 32,537,809	(\$ 293,510)	\$ 8,657,940	\$ 444,620	(\$ 30,106)	\$ 65,720,278	\$ 34,240,881	\$ 99,961,159
<u>For the three months ended March 31, 2025</u>													
	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
	Profit for the period	-	-	-	-	4,307,781	-	-	-	-	4,307,781	768,725	5,076,506
	Other comprehensive income (loss) for the period	-	-	-	-	-	239,003	(1,339,269)	(453,527)	(23,408)	(1,577,201)	357,650	(1,219,551)
	Total comprehensive income (loss)	-	-	-	-	4,307,781	239,003	(1,339,269)	(453,527)	(23,408)	2,730,580	1,126,375	3,856,955
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	\$ 38,094,568	\$ 155,661	\$ 4,928,395	\$ 114,312	(\$ 81,163)	\$ 69,872,342	\$ 35,517,741	\$ 105,390,083

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

	Notes	Three months ended March 31	
		2025	2024
Cash flows from operating activities			
Profit before tax		\$ 6,289,509	\$ 8,521,320
Adjustments to reconcile profit (loss) before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(11)(12)(14)(31)	3,595,105	3,375,356
Amortization	6(31)	38,701	35,172
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)	609,711	(1,376,227)
Reversal gains on expected credit of investment	(	2)	-
Expected credit impairment loss on non-investment		1,396,884	1,184,643
Profit or loss reclassified by applying overlay approach	6(2)	(452,340)	111,479
Impairment loss (reversal gain) of rental assets	6(11)	4,413	(891)
Provision for financial guarantee expense		6,713	7,054
Interest expense		1,832,903	1,638,920
Interest income	6(29)	(5,519,475)	(5,915,607)
Dividend income	(	39,364)	(30,837)
Share of profit of associates accounted for using the equity method	6(10)	(640,070)	(765,473)
Net gain on disposal of property, plant and equipment	(	40,209)	(389,204)
Unrealized profit from sales		103,661	111,051
Realized profit from sales	(	82,160)	(69,323)
Loss on disposal of investment		7,149	-
Profit from lease modification	6(12)	(167)	(15)
Exchange loss		59,328	3,671
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss	(	47,382)	219,505
Contract assets		14,248	8,733
Notes and accounts receivable		2,281,798	(7,206,520)
Other receivables		413	(374,851)
Inventories		2,576,925	4,457,599
Prepayments		104,530	744,873
Reinsurance contract assets	(	112,908)	331,191
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		-	(407,727)
Contract liabilities		444,934	47,802
Notes and accounts payable	(	76,679)	(857,506)
Accrued expenses	(	862,279)	(465,517)
Other payables	(	76,740)	(35,662)
Commission payable		21,724	18,108
Provisions		513,855	149,036
Due to reinsurance and ceding companies		235,186	193,901
Claims payable		12,137	(20,885)
Advance receipts		81,951	(25,769)
Other current liabilities		1,003,226	126,014
Other liabilities		-	(1,221)
Cash inflow generated from operations		13,285,229	3,342,193
Interest received		5,505,827	5,893,970
Cash dividends received		39,364	30,837
Interest paid	(	1,827,828)	(1,560,553)
Income tax paid	(	56,069)	(153,308)
Net cash provided by operating activities		16,946,523	7,553,139

(Continued)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Three months ended March 31	
	Notes	2025	2024
<u>Cash flows from investing activities</u>			
Acquisition in financial assets at fair value through other comprehensive income		(\$ 100,410)	(\$ 213,869)
Acquisition of investments accounted for using the equity method		-	(68,250)
Net cash flow from acquisition of subsidiaries		-	(216,779)
Acquisition of property, plant and equipment	6(11)	(6,290,054)	(6,691,965)
Proceeds from disposal of property, plant and equipment		79,690	-
Proceeds from disposal of assets held for sale		-	685,000
Acquisition of investment properties	6(14)	-	(85)
Acquisition of intangible assets	6(15)	(8,846)	(10,892)
Decrease (increase) in other financial assets		247,104	(711,314)
Increase in other assets		(514,091)	(746,027)
Net cash flows used in investing activities		(6,586,607)	(7,974,181)
<u>Cash flows from financing activities</u>			
(Decrease) increase in short-term loans	6(35)	(4,771,272)	16,676,130
Increase (decrease) in short-term notes and bills payable	6(35)	581,168	(9,279,157)
Repayment of bonds	6(35)	(3,000,000)	-
Proceeds from long-term loans	6(35)	1,746,757	1,186,125
Repayments of long-term loans	6(35)	(1,360,065)	(10,871,060)
Increase in guarantee deposits received	6(35)	246,227	503,344
Repayment of principal portion of lease liability	6(35)	(127,148)	(120,639)
Net cash flows used in financing activities		(6,684,333)	(1,905,257)
Net effect of changes in foreign currency exchange rates		545,126	485,403
Net increase (decrease) in cash and cash equivalents		4,220,709	(1,840,896)
Cash and cash equivalents at beginning of period		18,968,725	23,142,893
Cash and cash equivalents at end of period		\$ 23,189,434	\$ 21,301,997

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, 2025 AND 2024

(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, 2025.

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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Financial Instruments-Classification and Measurement’	January 1, 2026

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(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 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
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 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

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.

A. IFRS 17, 'Insurance contracts'

IFRS 17 'Insurance contracts' (the "IFRS 17") replaces IFRS 4 and establishes 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.

Impact description of implementing IFRS 17

IFRS 17 (including amendments), is scheduled to be officially implemented and effective from January 1, 2026 (transition date). Subsidiary Hotai Insurance will comply with and apply the relevant provisions of IFRS 17, summarizing the impacts as follows:

The measurement principles for IFRS 17 generally require the use of the General Measurement Model. However, it is expected that most of Hotai Insurance's business will meet one of the following conditions, allowing the use of the simplified "Premium Allocation Approach":

- (a) It is reasonably expected that the simplified measurement model's assessment of the liability for remaining coverage for the group will not significantly differ from the result under the General Measurement Model.
- (b) The coverage period for each contract in the group is within one year.

The measurement of liabilities for remaining insurance coverage under the simplified Premium Allocation Approach involves initial recognition of premiums received, minus insurance acquisition costs, and then adding up the amounts recognized as insurance revenue by the financial reporting date. The measurement of incurred claims liabilities is the same as under the General Measurement Model. A comparison between IFRS 4's unearned premium reserves and claims reserves assessment and the results under IFRS 17 using the premium allocation approach indicates minimal differences. The main impacts arise from the discounting of reserves, more detailed onerous contract testing, and the inclusion of risk adjustments for non-financial risks.

As of the transition date assessment, over 95% of Hotai Insurance's insurance and reinsurance contracts apply the premium allocation approach.

IFRS 17 is expected to significantly change the presentation and disclosure in financial statements.

In the statement of comprehensive income, financial performance should be separated into:

- (a) Insurance service result, including insurance revenue and insurance service expenses (i.e., incurred claims and other incurred insurance service expenses);
- (b) Insurance finance income or expenses;
- (c) Separate reporting of income or expense for issued insurance contracts and reinsurance contracts held.

Compared to IFRS 4, IFRS 17 will no longer reflect the premiums underwritten during the year and the net change in unearned premiums. Instead, it will be expressed as "insurance revenue" corresponding to the insurance services provided during the financial reporting period. Additionally, IFRS 17 requires consideration of the impact of discount rates and allows the choice to account for changes in the locked-in discount rate at the time of insurance contract issuance and the current discount rate changes in profit or loss or other comprehensive income (OCI) to mitigate volatility caused by interest rate changes. As Hotai Insurance's business is predominantly short-term in nature, the impact of discount rate changes is not expected to be significant; thus, it chooses to account for insurance finance income or expenses in profit or loss, expecting no significant financial volatility.

In contrast to IFRS 4, on the balance sheet, other changes primarily involve no longer separately reporting receivables (and payables) related to insurance contracts (including reinsurance contracts) separately from insurance contract liabilities and reinsurance contract assets. Consequently, total assets and liabilities under IFRS 17 are expected to decrease.

Hotai Insurance anticipates that the implementation of IFRS 17 using the Premium Allocation Approach during the transition period will have key financial impacts on the opening balance, including deferral of insurance acquisition cash flows (i.e., increasing equity), discounting of claims reserves (i.e., increasing equity), and adjustments for non-financial risk impacts on claims reserves (i.e., decreasing equity). The offsetting effects of discounting and risk adjustments on claims reserves are expected to limit the actual impact at the 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:

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

During the transition period, Hotai Insurance is conducting conversion work according to the IFRS 17 new standard implementation plan, including establishing accounting policies, insurance contract data, and actuarial models to facilitate the preparation of the opening balance sheet and various financial reporting tasks. Nevertheless, the financial impact of its implementation remains uncertain. Hotai Insurance is currently unable to provide the impact amounts on shareholders' equity and the statement of comprehensive income as of January 1, 2026, based on the assessment outlined above for converting from IFRS 4 to IFRS 17.

B. Amendments to IFRS 17, 'Insurance contracts'

The amendments to IFRS 17 include the deferral of effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses and other amendments, and they are not intended to change the fundamental principles of the standard.

C. Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

D. 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 2024. 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.

B. The consolidated financial report should be read in conjunction with the consolidated financial report for the fiscal year 2024.

(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) The insurance liabilities and reinsurance reserve assets 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, 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. From January 1, 2024 to March 31, 2024, the subsidiaries of the individual financial reports included in this consolidated financial statements, except for Hozan Investment Co., Ltd., Hotai Finance Co., Ltd., Hotai Leasing Co., Ltd., Hotai Insurance Co., Ltd., Hoyun International Limited, Hoyun International Leasing Co., Ltd., Hoing Mobility Service Corporation 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 (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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

Investor	Investee	Main business activities	Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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
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., Ltd.	Sales and repairing of vehicles	100.00	100.00	100.00	
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	

Investor	Investee	Main business activities	Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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	-	Note 7
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	23.81	23.81	Note 1
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	52.38	52.38	Note 1, 5
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	23.81	23.81	Note 1
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	66.04	66.04	66.04	
Hozan Investment Co., Ltd.	Hotai Finance Co., Ltd.	Installment trading and leasing of various vehicles	45.39	45.39	45.39	Note 2
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	-	Note 8
Hotai Finance Co., Ltd.	Hoing Mobility Service Co., Ltd.	Leasing of vehicles	-	-	50.82	Note 8

Investor	Investee	Main business activities	Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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	Note3
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	Note 4
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Solar power	100.00	100.00	100.00	Note 4
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Solar power	70.00	70.00	-	Note 6
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.	Hangzhou Yiyou Network Technology Co., Ltd.	Leasing business	-	100.00	100.00	Note 10
Hoyun International Leasing Co., Ltd.	Hangzhou Wangyou Technology Co., Ltd.	Leasing business	-	100.00	100.00	Note 10
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	
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	

Investor	Investee	Main business activities	Ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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	
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.	Leasing of vehicles	100.00	100.00	-	Note 9
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 11

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 January, 2024.

Note 4: The subsidiary was acquired in March, 2024.

Note 5: In March, 2024, the subsidiary, Shanghai Heling Motor Co., Ltd. acquired 28.57% shares of Shanghai Hede Used Vehicle Co., Ltd. for RMB 1,400 thousand. After the acquisition, the shareholding ratio increased from 23.81% to 52.38%.

Note 6: The subsidiary was acquired in April 2024.

Note 7: The subsidiary was established in July 2024.

Note 8: In August 2024, the subsidiary, Hotai Finance Co., Ltd., sold 50.82% equity interests in Hoing Mobility Service Corporation to the subsidiary, Hotai Leasing Co.,Ltd, for a transaction amount of \$413,849.

Note 9: The subsidiary was established in September, 2024.

Note 10: The subsidiary was deregistered in February, 2025.

Note 11: 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. 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, 2025, December 31, 2024 and March 31, 2024, the non-controlling interest amounted to \$35,517,741, \$35,838,179 and \$34,240,881, respectively. The information of non-controlling interests that are material to the Group and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		March 31, 2025		December 31, 2024	
		Amount	Ownership (%)	Amount	Ownership (%)
Hotai Finance Co., Ltd. (Note)	Taiwan	\$ 23,989,756	54.610%	\$ 24,837,381	54.610%
Hotai Leasing Co., Ltd.	Taiwan	2,249,257	33.958%	2,145,902	33.958%

Name of subsidiary	Principal place of business	Non-controlling interest	
		March 31, 2024	
		Amount	Ownership (%)
Hotai Finance Co., Ltd. (Note)	Taiwan	\$ 23,444,748	54.610%
Hotai Leasing Co., Ltd.	Taiwan	2,062,781	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, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 299,159,417	\$ 302,835,328	\$ 291,597,334
Non-current assets	25,355,222	25,344,062	29,078,598
Current liabilities	(280,517,860)	(283,713,332)	(279,144,753)
Non-current liabilities	(3,787,144)	(2,799,475)	(2,520,524)
Total net assets	<u>\$ 40,209,635</u>	<u>\$ 41,666,583</u>	<u>\$ 39,010,655</u>

	Hotai Leasing Co., Ltd.		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 4,410,509	\$ 6,960,163	\$ 5,093,908
Non-current assets	55,699,541	52,149,075	45,524,398
Current liabilities	(34,762,481)	(34,961,919)	(28,613,566)
Non-current liabilities	(18,723,925)	(17,828,036)	(15,930,234)
Total net assets	<u>\$ 6,623,644</u>	<u>\$ 6,319,283</u>	<u>\$ 6,074,506</u>

Statements of comprehensive income

	Hotai Finance Co., Ltd.	
	Three months ended March 31,	
	2025	2024
Revenue	\$ 6,085,734	\$ 7,783,711
Profit before income tax	1,036,934	1,270,621
Income tax expense	(264,550)	(368,713)
Profit for the period	772,384	901,908
Other comprehensive income for the period, net of tax	75,119	100,465
Total comprehensive income for the period	<u>\$ 847,503</u>	<u>\$ 1,002,373</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 410,836</u>	<u>\$ 477,667</u>

	Hotai Leasing Co., Ltd.	
	Three months ended March 31,	
	2025	2024
Revenue	\$ 7,367,564	\$ 6,148,431
Profit before income tax	332,711	356,198
Income tax expense	(82,002)	(83,175)
Profit for the period	250,709	273,023
Other comprehensive income for the period, net of tax	50,326	65,528
Total comprehensive income for the period	<u>\$ 301,035</u>	<u>\$ 338,551</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 103,355</u>	<u>\$ 114,965</u>

Statements of cash flows

		Hotai Finance Co., Ltd.	
		Three months ended March 31,	
		2025	2024
Net cash provided by (used in) operating activities	\$	4,882,879	(\$ 3,356,509)
Net cash used in investing activities	(	515,215)	(1,163,839)
Net cash (used in) provided by financing activities	(	4,447,244)	6,936,895
Net effect of changes in foreign currency exchange rates		100,616	79,404
Increase in cash and cash equivalents		21,036	2,495,951
Cash and cash equivalents, beginning of period		4,985,831	2,878,184
Cash and cash equivalents, end of period	\$	5,006,867	\$ 5,374,135

		Hotai Leasing Co., Ltd.	
		Three months ended March 31,	
		2025	2024
Net cash provided by operating activities	\$	5,287,820	\$ 4,509,283
Net cash used in investing activities	(	5,965,524)	(5,481,237)
Net cash provided by financing activities		741,686	992,752
Increase in cash and cash equivalents		63,982	20,798
Cash and cash equivalents, beginning of period		368,589	114,943
Cash and cash equivalents, end of period	\$	432,571	\$ 135,741

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

None.

(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 liabilities

The estimates and significant assumptions of Hotai Insurance Co., Ltd.'s insurance contracts are used for claim reserve liabilities and claim reserve assets ceded.

The claim reserve liabilities are estimated through adoption of internationally accepted actuarial methods, nature or location of insurance risks, claim payment development module, experience data, and etc., which resulted in a reasonable ultimate claims paid amount and expected loss ratio. The calculation for reported but not paid claims are based on the experience of claim handling experts by each case and the remaining shall be incurred but not reported reserve.

For claim reserve assets ceded, the amounts recoverable from reinsurers for reported but not paid claims are estimated by each insurance case, and the amounts recoverable from reinsurers for incurred but not reported claims are estimated based on the difference between the reserve for incurred but not reported claims and the reserve for incurred but not reported claims for retention business.

Hotai Insurance Co., Ltd.'s significant assumptions for claims reserve include:

- (a) Loss development factors properly chosen loss development factors based on experience over the past few years.
- (b) Expected loss ratio for each insurance line of business and accident year: the expected loss ratio is selected based on the historical loss trends of each insurance line of business and accident years.

The above-mentioned assumptions exclude earthquake insurances, compulsory automobile insurances and nuclear insurances, while their reserves are provided in accordance with the regulatory requirements.

Analysis of insurance risk sensitivity is provided in Note 12(6) B.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and revolving funds	\$ 15,848	\$ 14,158	\$ 15,127
Checking accounts and demand deposits	16,275,732	14,068,313	13,861,827
Cash equivalents			
Time deposits	2,058,255	1,600,794	1,835,406
Short-term notes and bills	4,839,599	3,285,460	5,589,637
	<u>\$ 23,189,434</u>	<u>\$ 18,968,725</u>	<u>\$ 21,301,997</u>

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, 2025, December 31, 2024 and March 31, 2024, the Group presented its long-term time deposits of \$3,506,832, \$3,712,585 and \$3,125,439, 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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets at fair value through profit or loss</u>			
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Domestic and foreign beneficiary certificates	\$ 1,936,702	\$ 1,666,404	\$ 2,424,613
Derivative instruments	205,459	245,823	293,779
Financial instruments	1,000,000	1,000,000	734,327
Listed stocks	1,950,192	2,410,788	1,684,737
Listed preference share	59,980	59,980	59,980
Exchange Traded Funds	1,694,412	1,423,333	1,242,079
Valuation adjustment	345,281	948,027	1,041,717
	<u>\$ 7,192,026</u>	<u>\$ 7,754,355</u>	<u>\$ 7,481,232</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Corporate bonds	<u>\$ 1,006,453</u>	<u>\$ 1,006,453</u>	<u>\$ 1,011,886</u>

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

Items	Three months ended March 31,	
	2025	2024
Financial instruments mandatorily measured at fair value through profit or loss		
Derivative instruments	(\$ 40,364)	\$ 701,506
Domestic and foreign beneficiary certificates	(5,414)	21,628
Financial instruments	-	501
Listed stocks	(407,037)	469,535
Listed preference share	956	926
Exchange Traded Funds	(166,371)	169,253
Corporate bonds	8,519	12,878
	<u>(\$ 609,711)</u>	<u>\$ 1,376,227</u>

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

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

Derivative instruments	December 31, 2024	
	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD 459,940</u>	2024/08/23~2025/05/08

Derivative instruments	March 31, 2024	
	Contract amount (Notional principal) (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD 419,620</u>	2024/01/10~2024/09/16

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. On March 31, 2025, December 31, 2024 and March 31, 2024, such financial assets designated using overlay approach are as follows:

Items	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through profit or loss designated using overlay approach			
Listed stocks	\$ 946,216	\$ 1,406,813	\$ 940,487
Listed preference shares	59,980	59,980	59,980
Exchange Traded Funds	1,694,413	1,423,333	1,242,079
Beneficiary certificates	450,000	260,000	130,000
Foreign beneficiary certificates	160,152	160,152	160,152
Corporate bonds	500,000	500,000	500,000
Valuation adjustment	171,050	623,390	506,478
	<u>\$ 3,981,811</u>	<u>\$ 4,433,668</u>	<u>\$ 3,539,176</u>

For the three months ended March 31, 2025 and 2024, the reclassifications between profit or loss and other comprehensive income of such financial assets designated using overlay approach are as follows:

	Three months ended March 31,	
	2025	2024
(Losses) gains recognized in profit or loss under IFRS 9	(\$ 384,516)	\$ 308,595
Less: Gains recognized in profit or loss under IAS 39	67,824	197,116
(Losses) gains reclassified under overlay approach	(\$ 452,340)	\$ 111,479
Effect from change in tax	\$ 1,241	(\$ 402)

E. 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, 2025	Book value at December 31, 2024	Book value at March 31, 2024	Description
Real estate private placement fund	<u>\$ 122,009</u>	<u>\$ 115,801</u>	<u>\$ 147,411</u>	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 for more information.

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Debt instrument			
Government bonds	\$ 804,281	\$ 804,192	\$ 704,419
Corporate bonds	100,000	-	-
	904,281	804,192	704,419
Valuation adjustment (including loss allowance)	(7,204)	(10,692)	(5,813)
Less: Operation bonds	(300,000)	(300,000)	(398,200)
	597,077	493,500	300,406
Equity instruments			
Listed stocks and unlisted stocks	6,741,189	6,740,868	6,740,267
Valuation adjustment	4,531,209	5,873,383	8,304,810
	11,272,398	12,614,251	15,045,077
	\$ 11,869,475	\$ 13,107,751	\$ 15,345,483

- 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 value of such investments amounted to \$11,272,398, \$12,614,251 and \$15,045,077, respectively, as of March 31, 2025, December 31, 2024 and March 31, 2024.
- 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, 2025, December 31, 2024 and March 31, 2024, government bonds with par value of \$300,000, \$300,000 and \$398,200; cash of \$0, \$0 and \$3,802,100, 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,	
	2025	2024
Debt instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	\$ 3,488	(\$ 7,250)
Interest income recognized in profit or loss	\$ 2,649	\$ 2,262

Items	Three months ended March 31,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	(\$ 1,342,174)	\$ 4,287,885

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, 2025		December 31, 2024		March 31, 2024	
	Current assets	Current liabilities	Current assets	Current liabilities	Current assets	Current liabilities
Cash flow hedges						
<u>Exchange rate risk and interest rate risk</u>						
Cross currency swaps	\$ 360,012	(\$ 230,965)	\$ 260,887	(\$ 855,551)	\$ 530,868	(\$ 1,459,441)

A. Hedge accounting is applied to remove the accounting inconsistency between the hedging instrument and the hedged item. As the Group's USD, JPY, EUR denominated 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:

Hedging instruments	March 31, 2025					Three months ended March 31, 2025			
	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 :									
<u>Exchange rate risk and Interest rate risk</u>									
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		-

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

Hedging instruments	December 31, 2024						Year ended December 31, 2024			
	Notional amount		Contract	Assets	Liabilities	Changes in fair	Average	Average	Gains (losses) on valuation of	
	(in thousand									carrying	carrying	value in relation	exchange	interest
	dollars)		period	amount	amount	to recognizing	rates	rates		ineffective hedge that will be
recognized in financial										
assets/liabilities at fair value										
through profit or loss										
Cash flow hedges :										
<u>Exchange rate risk and</u>										
<u>Interest rate risk</u>										
Cross currency swaps transactions	USD	31,250	2022/1/12~2025/1/13	\$ 124,918	\$ -	\$ -	6.37~6.38	4.11~4.19	\$ -	
	USD	102,000	2024/3/28~2026/3/27	67,899	-	-	31.96~32.50	1.84~1.93	-	
	JPY	51,529,948	2023/5/2~2026/2/12	-	(473,522)	-	0.21~0.23	1.92~2.36	-	
	JPY	24,028,000	2023/10/23 2027/12/7	68,070	(382,029)	-	0.05	3.71~4.20	-	

		December 31, 2024	
		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 \$ 20,668,117 (\$ 494,313)

Hedging instruments	March 31, 2024					Three months ended March 31, 2024			
	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 :									
<u>Exchange rate risk and</u>									
<u>Interest rate risk</u>									
Cross currency swaps transactions	USD	66,800	2022/1/12~ 2025/1/13	\$ 231,430	\$ -	\$ -	6.33~6.55	4.11~5.30	\$ -
	USD	60,000	2023/9/7~ 2026/3/27	5,472	(7,506)	-	31.96~31.97	1.84~1.85	-
	JPY	69,900,000	2021/9/30~ 2026/2/12	-	(1,354,145)	-	0.21~0.25	0.83~2.32	-
	JPY	6,000,000	2023/10/23~ 2027/3/10	-	(97,790)	-	0.05	3.83~4.20	-
	EUR	75,000	2022/9/12~ 2024/9/12	293,966	-	-	30.60	2.04	-

		March 31, 2024	
		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 \$ 23,534,754 (\$ 873,748)

C. Cash flow hedges

	2025	2024
<u>Other equity- cash flow hedges reserve</u>		
At January 1	(\$ 102,049)	(\$ 11,922)
Losses on hedge effectiveness-amount recognized in other comprehensive income	(22,834)	(44,793)
Reclassified to profit or loss as the hedged item has affected profit or loss	(31,793)	(5,221)
Income tax relating to the hedge effectiveness-amount recognized in other comprehensive income	7,225	7,815
At March 31	(\$ 149,451)	(\$ 54,121)

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, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 1,362,676	\$ 2,274,957	\$ 2,017,307
Installment notes receivable	15,404,112	14,985,193	12,034,502
Accounts receivable	5,967,992	6,043,400	7,833,455
Installment accounts receivable	291,478,946	296,133,713	294,122,892
Lease payments and notes receivable	40,427,739	41,351,292	37,413,827
Premiums receivable	643,607	473,315	550,763
Overdue receivable	13,589	60,796	22,183
Less: Unrealized interest revenue	(33,115,156)	(34,763,857)	(39,107,217)
Unearned finance income of finance lease	(3,948,201)	(4,190,761)	(3,627,026)
	318,235,304	322,368,048	311,260,686
Less: Allowance for doubtful accounts	(6,059,056)	(5,900,054)	(5,673,113)
Notes and accounts receivable, net	\$ 312,176,248	\$ 316,467,994	\$ 305,587,573
	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ 299,996,863	\$ 303,321,708	\$ 291,593,657
Non-current (shown as other assets)	\$ 12,179,385	\$ 13,146,286	\$ 13,993,916

A. As of March 31, 2025, December 31, 2024 and March 31, 2024, the subsidiary - Hotai Finance Co., Ltd.'s notes receivable were pledged as collateral amounting to \$17,942,094, \$20,083,670 and \$11,930,121, 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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Not past due	\$ 311,948,144	\$ 315,793,370	\$ 304,877,449
Up to 30 days	845,161	973,291	1,113,635
31 to ~ 90 days	2,933,725	2,892,841	2,736,876
91 to ~ 180 days	2,130,761	2,303,707	2,182,406
Over 181 days	377,513	404,839	350,320
	<u>\$ 318,235,304</u>	<u>\$ 322,368,048</u>	<u>\$ 311,260,686</u>

The above aging analysis was based on past due date.

C. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$7,325,932, \$8,243,583 and \$9,384,619, respectively.

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Up to 12 months	\$ 107,894,973	\$ 107,356,647	\$ 99,309,439
Over 12 months	198,988,085	203,834,399	206,847,955
	<u>\$ 306,883,058</u>	<u>\$ 311,191,046</u>	<u>\$ 306,157,394</u>

E. Lease payments receivable

(a) In 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 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 were divided into senior tranches amounting to RMB 1.11 billion and subordinated tranches amounting to RMB 390 million. The subsidiary, Hoyun International Leasing Co., Ltd., subscribed to all of the subordinated asset-backed securities, thereby receiving RMB 1.11 billion in cash, which was recognized as short-term borrowings.

The key characteristics of the issued asset-backed securities are as follows:

<u>Class of asset-backed securities</u>	<u>Issue amount (In thousands)</u>	<u>Expected due date</u>	<u>Interest rate</u>	<u>Payment frequency</u>
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.

(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 derivatives and reverse repurchase agreement held by the Group do not conform to 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, 2025						
Financial assets						
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)	Not set off in the balance sheets		Net amount (f)=(c)-(d)-(e)
				Financial instruments (d)	Collateral received (e)	
Reverse repurchase agreement	\$ 3,324,587	\$ -	\$ 3,324,587	\$ -	\$ 3,321,101	\$ 3,486
December 31, 2024						
Financial assets						
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)	Not set off in the balance sheets		Net amount (f)=(c)-(d)-(e)
				Financial instruments (d)	Collateral received (e)	
Reverse repurchase agreement	\$ 2,660,568	\$ -	\$ 2,660,568	\$ -	\$ 2,644,669	\$ 15,899

March 31, 2024						
Financial assets						
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)	Not set off in the balance sheets		Net amount (f)=(c)-(d)-(e)
				Financial instruments (d)	Collateral received (e)	
Reverse repurchase agreement	\$ 3,017,229	\$ -	\$ 3,017,229	\$ -	\$ 2,969,012	\$ 48,217

(7) Inventories

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
	<u>\$ 19,780,674</u>	<u>(\$ 680,259)</u>	<u>\$ 19,100,415</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Vehicles and parts	\$ 14,852,013	(\$ 235,347)	\$ 14,616,666
Air conditioners and parts	3,736,149	(431,242)	3,304,907
Other goods	783,864	(7,199)	776,665
Inventory in transit	1,193,705	-	1,193,705
	<u>\$ 20,565,731</u>	<u>(\$ 673,788)</u>	<u>\$ 19,891,943</u>
March 31, 2024			
	Cost	Allowance for valuation loss	Book value
Vehicles and parts	\$ 8,827,760	(\$ 279,787)	\$ 8,547,973
Air conditioners and parts	3,831,043	(433,054)	3,397,989
Other goods	537,092	(6,705)	530,387
Inventory in transit	1,921,367	-	1,921,367
	<u>\$ 15,117,262</u>	<u>(\$ 719,546)</u>	<u>\$ 14,397,716</u>

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,	
	2025	2024
Cost of goods sold	\$ 51,082,628	\$ 48,997,970
Loss (gain) on reversal of market value decline of inventories	6,471 (	288)
	<u>\$ 51,089,099</u>	<u>\$ 48,997,682</u>

(8) Prepayments

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments to commissions	\$ 1,473,202	\$ 1,689,857	\$ 2,477,689
Prepayments to suppliers	3,837,294	3,914,068	3,296,590
Offset against business tax payable	716,025	637,042	251,005
Prepaid insurance premiums	703,921	757,769	731,650
Other prepayments	1,571,646	1,413,639	1,442,182
	<u>\$ 8,302,088</u>	<u>\$ 8,412,375</u>	<u>\$ 8,199,116</u>

(9) Reinsurance contract assets and insurance liabilities

A. Details of reinsurance contract assets are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Claims recoverable from reinsurers	\$ 391,631	\$ 519,418	\$ 391,676
Due from reinsurance and ceding companies	101,166	172,229	118,454
Reinsurance reserve assets			
-Ceded unearned premium reserve	2,085,459	1,856,541	2,021,738
-Ceded claims reserve	4,879,854	4,807,979	3,257,937
-Ceded premium deficiency reserve	2,002	454	-
Due from reinsurance and ceding companies-overdue	59,728	37,309	31,229
	<u>7,519,840</u>	<u>7,393,930</u>	<u>5,821,034</u>
Less: Loss allowance	(44,671)	(31,669)	(31,661)
	<u>\$ 7,475,169</u>	<u>\$ 7,362,261</u>	<u>\$ 5,789,373</u>
	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 5,146,407</u>	<u>\$ 5,082,534</u>	<u>\$ 4,147,756</u>
Non-current (shown as other assets)	<u>\$ 2,328,762</u>	<u>\$ 2,279,727</u>	<u>\$ 1,641,617</u>

For the credit risk of reinsurance contract assets, please refer to Note 12(5).

B. Movements of loss allowance/allowance for bad debts of reinsurance contract assets are as follows:

	2025	2024
At January 1	\$ 31,669	\$ 22,299
Provision during the period	13,002	9,362
At March 31	<u>\$ 44,671</u>	<u>\$ 31,661</u>

C. Details of insurance liabilities are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Unearned premium reserve	\$ 7,908,762	\$ 7,201,014	\$ 7,035,142
Claims reserve	9,902,298	9,542,327	8,365,753
Special reserve	1,792,555	1,791,302	1,714,873
Premium deficiency reserve	16,604	10,397	7,959
	<u>\$ 19,620,219</u>	<u>\$ 18,545,040</u>	<u>\$ 17,123,727</u>

	March 31, 2025	December 31, 2024	March 31, 2024
Current (shown as other current liabilities)	<u>\$ 13,059,393</u>	<u>\$ 12,187,003</u>	<u>\$ 11,561,464</u>
Non-current (shown as provisions)	<u>\$ 6,560,826</u>	<u>\$ 6,358,037</u>	<u>\$ 5,562,263</u>

D. Movements of ceded unearned premium reserve and unearned premium reserve are as follows:

	2025		
	Gross amount	Ceded amount	Net amount
At January 1	\$ 7,201,014	\$ 1,856,541	\$ 5,344,473
Provision during the period	7,908,762	2,085,459	5,823,303
Recovery during the period	(7,201,014)	(1,856,541)	(5,344,473)
At March 31	<u>\$ 7,908,762</u>	<u>\$ 2,085,459</u>	<u>\$ 5,823,303</u>

	2024		
	Gross amount	Ceded amount	Net amount
At January 1	\$ 6,728,243	\$ 2,060,022	\$ 4,668,221
Provision during the period	7,035,142	2,021,738	5,013,404
Recovery during the period	(6,728,243)	(2,060,022)	(4,668,221)
At March 31	<u>\$ 7,035,142</u>	<u>\$ 2,021,738</u>	<u>\$ 5,013,404</u>

E. Details of claims reserve and movements of ceded claims reserve and claims reserve are as follows:

(a) As of March 31, 2025, December 31, 2024 and March 31, 2024, details of claims reserve and ceded claims reserve are as follows:

	March 31, 2025		
	Gross amount	Ceded amount	Net amount
Reported but not paid	\$ 5,273,231	\$ 3,085,510	\$ 2,187,721
Incurred but not reported	4,629,067	1,794,344	2,834,723
	<u>\$ 9,902,298</u>	<u>\$ 4,879,854</u>	<u>\$ 5,022,444</u>
	December 31, 2024		
	Gross amount	Ceded amount	Net amount
Reported but not paid	\$ 5,109,676	\$ 2,981,994	\$ 2,127,682
Incurred but not reported	4,432,651	1,825,985	2,606,666
	<u>\$ 9,542,327</u>	<u>\$ 4,807,979</u>	<u>\$ 4,734,348</u>
	March 31, 2024		
	Gross amount	Ceded amount	Net amount
Reported but not paid	\$ 3,631,127	\$ 1,643,849	\$ 1,987,278
Incurred but not reported	4,734,626	1,614,088	3,120,538
	<u>\$ 8,365,753</u>	<u>\$ 3,257,937</u>	<u>\$ 5,107,816</u>

(b) Movements of claims reserve and ceded claims reserve are as follows:

	2025		
	Gross amount	Ceded amount	Net amount
At January 1	\$ 9,542,327	\$ 4,807,979	\$ 4,734,348
Provision during the period	9,902,298	4,879,854	5,022,444
Recovery during the period	(9,542,327)	(4,807,979)	(4,734,348)
At March 31	<u>\$ 9,902,298</u>	<u>\$ 4,879,854</u>	<u>\$ 5,022,444</u>
	2024		
	Gross amount	Ceded amount	Net amount
At January 1	\$ 8,927,366	\$ 3,608,658	\$ 5,318,708
Provision during the period	8,365,753	3,257,937	5,107,816
Recovery during the period	(8,927,366)	(3,608,658)	(5,318,708)
At March 31	<u>\$ 8,365,753</u>	<u>\$ 3,257,937</u>	<u>\$ 5,107,816</u>

F. Movement of ceded unearned premium reserve and unearned premium reserve are as follows:

	2025		
	Gross amount	Ceded amount	Net amount
At January 1	\$ 10,397	\$ 454	\$ 9,943
Provision during the period	16,604	2,002	14,602
Recovery during the period	(10,397)	(454)	(9,943)
At March 31	<u>\$ 16,604</u>	<u>\$ 2,002</u>	<u>\$ 14,602</u>

G. Movement of special reserve is as follows:

	2025	2024
At January 1	\$ 1,791,302	\$ 1,695,059
Provision during the period	1,253	19,814
At March 31	<u>\$ 1,792,555</u>	<u>\$ 1,714,873</u>

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.

H. Pursuant to Jin-Guan-Pao-Tsai Letter No. 10102515061, “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.

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, 2025	December 31, 2024	March 31, 2024
Decrease in special reserve under liability	\$ 33,450	\$ 33,450	\$ 33,450
Increase in special reserve under retained earnings	38,334	38,334	38,334

- I. 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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
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, 2025 and 2024.

(10) Investments accounted for using the equity method

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Kuozui Motors, Ltd.	\$ 7,190,441	\$ 6,915,444	\$ 7,156,020
Central Motor Co., Ltd.	2,989,480	2,942,561	2,958,343
Tau Miao Motor Co., Ltd.	2,046,320	1,994,716	2,056,038
Kau Du Automobile Co., Ltd.	1,570,177	1,537,072	1,575,071
Kuotu Motor Co., Ltd.	1,744,922	1,687,419	1,690,905
Taipei Toyota Motor Co., Ltd.	1,547,119	1,485,995	1,537,606
Nan Du Motor Co., Ltd.	1,409,289	1,356,434	1,367,293
Lang Yang Toyota Motor Co.,Ltd.	322,232	317,520	315,304
HFC (Cambodia) Microfinance PLC.(Note)	564,309	559,387	552,142
Heng Fong Energy Co., Ltd.	398,361	400,500	404,279
Formosa Flexible Packaging Corp.	417,229	415,203	403,743
Yokohama Tire Taiwan Co., Ltd., etc.	2,872,522	2,820,326	2,306,772
	<u>\$ 23,072,401</u>	<u>\$ 22,432,577</u>	<u>\$ 22,323,516</u>

Note: In order to expand new business, Ly Hour Leasing PLC changed its name to HFC (Cambodia) Microfinance PLC. in August 2024.

- 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, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$23,072,401, \$22,432,577 and \$22,323,516, respectively.

	Three months ended March 31,	
	2025	2024
Comprehensive income for the period	\$ 661,324	\$ 738,163

- B. The Group's investments have no quoted market price. The share of profit of investments accounted for using the equity method amounted to \$640,070 and \$765,473 for the three months ended March 31, 2025 and 2024, respectively, and were valued based on the investees' financial statements that were not reviewed by independent auditors.

(11) Property, plant and equipment

2025											
	Land	Buildings and structures	Utility equipment		Office equipment		Machinery and equipment		Leasehold improvements	Construction in progress	Total
			Owner-occupied	Lease	Owner-occupied	Lease (Note)	Owner-occupied	Lease (Note)			
<u>At January 1,</u>											
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)
	<u>\$ 11,721,276</u>	<u>\$ 4,763,832</u>	<u>\$ 14,449</u>	<u>\$ 246</u>	<u>\$ 4,675,424</u>	<u>\$ 319,791</u>	<u>\$ 272,249</u>	<u>\$ 47,766,215</u>	<u>\$ 269,819</u>	<u>\$ 2,392,074</u>	<u>\$ 72,195,375</u>
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 (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	<u>\$ 11,721,276</u>	<u>\$ 5,981,263</u>	<u>\$ 13,907</u>	<u>\$ 232</u>	<u>\$ 4,768,595</u>	<u>\$ 305,223</u>	<u>\$ 261,284</u>	<u>\$ 48,354,832</u>	<u>\$ 256,112</u>	<u>\$ 1,597,359</u>	<u>\$ 73,260,083</u>
<u>At March 31</u>											
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)
	<u>\$ 11,721,276</u>	<u>\$ 5,981,263</u>	<u>\$ 13,907</u>	<u>\$ 232</u>	<u>\$ 4,768,595</u>	<u>\$ 305,223</u>	<u>\$ 261,284</u>	<u>\$ 48,354,832</u>	<u>\$ 256,112</u>	<u>\$ 1,597,359</u>	<u>\$ 73,260,083</u>

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.

2024

			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	\$ 11,647,483	\$ 7,397,775	\$ 128,252	\$ 59,990	\$ 5,004,159	\$ 733,181	\$ 673,513	\$ 64,166,956	\$ 846,694	\$ 1,349,860	\$ 92,007,863
Accumulated depreciation and impairment	(26,850)	(2,716,529)	(121,389)	(59,894)	(1,821,585)	(367,818)	(405,757)	(19,856,566)	(613,572)	-	(25,989,960)
	<u>\$ 11,620,633</u>	<u>\$ 4,681,246</u>	<u>\$ 6,863</u>	<u>\$ 96</u>	<u>\$ 3,182,574</u>	<u>\$ 365,363</u>	<u>\$ 267,756</u>	<u>\$ 44,310,390</u>	<u>\$ 233,122</u>	<u>\$ 1,349,860</u>	<u>\$ 66,017,903</u>
Opening net book amount as at January 1	\$ 11,620,633	\$ 4,681,246	\$ 6,863	\$ 96	\$ 3,182,574	\$ 365,363	\$ 267,756	\$ 44,310,390	\$ 233,122	\$ 1,349,860	\$ 66,017,903
Additions	-	10,614	2,444	-	190,609	18,225	8,754	6,061,821	19,428	380,070	6,691,965
Acquired through business combination	-	-	-	-	363,860	-	-	-	-	-	363,860
Disposals	- (56)	-	-	- (5,539)	(361)	(387)	(11,648)	-	-	(17,991)	
Reclassifications	170,841	228,750	-	- (13,041)	(4,334)	2,463	(1,871,281)	-	(71,178)	(1,557,780)	
Reclassification to property held for sale	(91,625)	(7,582)	-	-	-	-	-	-	-	(99,207)	
Depreciation charge	- (60,677)	(419)	(11)	(111,674)	(39,544)	(11,111)	(2,983,944)	(15,620)	-	(3,223,000)	
Reversal gain	-	-	-	-	-	891	-	-	-	-	891
Net exchange differences	-	16,030	78	-	8,616	1,628	754	20,834	521	-	48,461
Closing net book amount as at March 31	<u>\$ 11,699,849</u>	<u>\$ 4,868,325</u>	<u>\$ 8,966</u>	<u>\$ 85</u>	<u>\$ 3,615,405</u>	<u>\$ 341,868</u>	<u>\$ 268,229</u>	<u>\$ 45,526,172</u>	<u>\$ 237,451</u>	<u>\$ 1,658,752</u>	<u>\$ 68,225,102</u>
At March 31,											
Cost	\$ 11,726,699	\$ 7,647,062	\$ 130,887	\$ 59,990	\$ 5,600,316	\$ 720,453	\$ 687,234	\$ 66,019,482	\$ 867,231	\$ 1,658,752	\$ 95,118,106
Accumulated depreciation and impairment	(26,850)	(2,778,737)	(121,921)	(59,905)	(1,984,911)	(378,585)	(419,005)	(20,493,310)	(629,780)	-	(26,893,004)
	<u>\$ 11,699,849</u>	<u>\$ 4,868,325</u>	<u>\$ 8,966</u>	<u>\$ 85</u>	<u>\$ 3,615,405</u>	<u>\$ 341,868</u>	<u>\$ 268,229</u>	<u>\$ 45,526,172</u>	<u>\$ 237,451</u>	<u>\$ 1,658,752</u>	<u>\$ 68,225,102</u>

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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Land	\$ 2,238,148	\$ 2,262,147	\$ 1,928,063
Buildings and structures	1,494,808	1,566,432	1,595,957
Machinery and equipment	-	-	822
Office equipment	1,966	3,135	6,779
	<u>\$ 3,734,922</u>	<u>\$ 3,831,714</u>	<u>\$ 3,531,621</u>

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation Charge</u>	<u>Depreciation Charge</u>
Land	\$ 47,320	\$ 41,564
Buildings and structures	106,715	104,080
Machinery and equipment	-	274
Office equipment	1,170	1,203
	<u>\$ 155,205</u>	<u>\$ 147,121</u>

C. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets amounted to \$31,979 and \$156,597, respectively.

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

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 13,624	\$ 11,910
Expense on short-term lease contracts and leases of low-value assets	30,088	43,813
Gain on lease modification	167	15

E. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for lease amounted to \$170,860 and \$176,362, 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:

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Finance income from the net investment in the finance lease	<u>\$ 959,592</u>	<u>\$ 952,703</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Less than 1 year	\$ 24,937,672	\$ 25,954,604	\$ 24,160,556
Between 1 and 2 years	9,227,223	10,074,246	9,251,686
Between 2 and 3 years	3,249,373	3,390,024	2,576,250
Between 3 to 4 years	1,345,879	1,263,227	848,078
Between 4 to 5 years	653,255	546,400	488,330
More than 6 years	211,334	115,939	37,232
	<u>\$ 39,624,736</u>	<u>\$ 41,344,440</u>	<u>\$ 37,362,132</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Undiscounted lease payments	\$ 39,624,736	\$ 41,344,440	\$ 37,362,132
Unearned finance income	(3,948,201)	(4,190,761)	(3,627,026)
Net investment in the lease	<u>\$ 35,676,535</u>	<u>\$ 37,153,679</u>	<u>\$ 33,735,106</u>

- E. For the three months ended March 31, 2025 and 2024, the Group recognized rent income in the amounts of \$5,337,130 and \$5,041,678, 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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Less than 1 year	\$ 14,956,158	\$ 14,278,094	\$ 13,963,392
Between 1 and 2 years	9,682,406	9,478,681	9,073,129
Between 2 and 3 years	4,693,609	4,609,001	4,550,791
Between 3 to 4 years	1,671,624	1,679,968	1,615,417
Between 4 to 5 years	531,063	536,028	531,780
More than 6 years	26,394	27,040	24,926
	<u>\$ 31,561,254</u>	<u>\$ 30,608,812</u>	<u>\$ 29,759,435</u>

(14) Investment property

	2025		
	Land	Buildings and structures	Total
<u>At January 1</u>			
Cost	\$ 943,836	\$ 1,313,292	\$ 2,257,128
Accumulated depreciation	-	(290,882)	(290,882)
	<u>\$ 943,836</u>	<u>\$ 1,022,410</u>	<u>\$ 1,966,246</u>
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	<u>\$ 943,836</u>	<u>\$ 1,021,877</u>	<u>\$ 1,965,713</u>
<u>At March 31</u>			
Cost	\$ 943,836	\$ 1,314,227	\$ 2,258,063
Accumulated depreciation	-	(292,350)	(292,350)
	<u>\$ 943,836</u>	<u>\$ 1,021,877</u>	<u>\$ 1,965,713</u>
	2024		
	Land	Buildings and structures	Total
<u>At January 1</u>			
Cost	\$ 1,161,867	\$ 1,462,420	\$ 2,624,287
Accumulated depreciation	-	(283,588)	(283,588)
	<u>\$ 1,161,867</u>	<u>\$ 1,178,832</u>	<u>\$ 2,340,699</u>
Opening net book amount as at January 1	\$ 1,161,867	\$ 1,178,832	\$ 2,340,699
Additions	-	85	85
Disposals	-	(85)	(85)
Reclassifications	(247,621)	(161,614)	(409,235)
Depreciation	-	(5,235)	(5,235)
Net exchange differences	-	244	244
Closing net book amount as at March 31	<u>\$ 914,246</u>	<u>\$ 1,012,227</u>	<u>\$ 1,926,473</u>
<u>At March 31</u>			
Cost	\$ 914,246	\$ 1,291,796	\$ 2,206,042
Accumulated depreciation	-	(279,569)	(279,569)
	<u>\$ 914,246</u>	<u>\$ 1,012,227</u>	<u>\$ 1,926,473</u>

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

	Three months ended March 31,	
	2025	2024
Rental income from investment property	\$ 39,475	\$ 36,568
Direct operating expenses arising from the investment property that generated rental income during the period (including depreciation)	\$ 9,284	\$ 7,716

- B. The fair value of the investment properties held by the Group was \$3,014,351, \$3,127,421 and \$2,808,136 as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. 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 2024. 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

	2025		
	Goodwill	Other intangible assets	Total
<u>At January 1</u>			
Cost	\$ 731,920	\$ 1,197,799	\$ 1,929,719
Accumulated amortization and impairment	(662,323)	(501,656)	(1,163,979)
	<u>\$ 69,597</u>	<u>\$ 696,143</u>	<u>\$ 765,740</u>
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	<u>\$ 69,597</u>	<u>\$ 675,799</u>	<u>\$ 745,396</u>
<u>At March 31</u>			
Cost	\$ 731,920	\$ 1,204,108	\$ 1,936,028
Accumulated amortization and impairment	(662,323)	(528,309)	(1,190,632)
	<u>\$ 69,597</u>	<u>\$ 675,799</u>	<u>\$ 745,396</u>

	2024		
	Goodwill	Other intangible assets	Total
<u>At January 1</u>			
Cost	\$ 719,130	\$ 1,005,355	\$ 1,724,485
Accumulated amortization and impairment	(662,323)	(389,298)	(1,051,621)
	<u>\$ 56,807</u>	<u>\$ 616,057</u>	<u>\$ 672,864</u>
Opening net book amount as at January 1	\$ 56,807	\$ 616,057	\$ 672,864
Additions-acquired separately	-	10,892	10,892
Acquired through business combinations	-	133,307	133,307
Amortization	-	(27,676)	(27,676)
Reclassifications	-	4,464	4,464
Net change differences	-	736	736
Closing net book amount as at March 31	<u>\$ 56,807</u>	<u>\$ 737,780</u>	<u>\$ 794,587</u>
<u>At March 31</u>			
Cost	\$ 719,130	\$ 1,200,442	\$ 1,919,572
Accumulated amortization and impairment	(662,323)	(462,662)	(1,124,985)
	<u>\$ 56,807</u>	<u>\$ 737,780</u>	<u>\$ 794,587</u>

Details of amortization of intangible assets are as follows:

	Three months ended March 31,		
	2025	2024	
Administrative expenses	\$ 29,875	\$ 27,676	
(16) <u>Other assets</u>			
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Long-term accounts receivable (Including long-term notes and accounts receivable)	\$ 14,197,654	\$ 14,558,204	\$ 15,144,808
Reinsurance contract assets	2,328,762	2,279,727	1,641,617
Operation bonds	300,000	300,000	4,200,300
Guarantee deposits paid	708,624	733,644	685,208
Prepayments for business facilities	572,842	442,435	450,697
Others	2,901,996	2,503,160	2,347,378
	<u>\$ 21,009,878</u>	<u>\$ 20,817,170</u>	<u>\$ 24,470,008</u>

(17) Short-term borrowings

Type of loans	March 31, 2025	December 31, 2024	March 31, 2024
Bank borrowings			
Unsecured borrowings	\$ 73,091,060	\$ 83,301,557	\$ 71,992,196
Mortgage borrowings	2,500,000	2,500,000	7,100,678
Mid-term syndicated loans for working capital	52,940,664	45,390,498	38,686,496
Securitised asset-backed notes borrowings	1,563,989	2,892,728	-
Other short-term borrowings	66,540	67,352	-
	<u>\$ 130,162,253</u>	<u>\$ 134,152,135</u>	<u>\$ 117,779,370</u>
Annual interest rate	<u>0.50%~4.83%</u>	<u>0.49%~5.11%</u>	<u>0.49%~6.33%</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 0.50%~4.30%, 0.50%~4.30% and 0.83%~4.40%, respectively.
- B. 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.
- C. 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.
- D. 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.
- E. 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.
- F. 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. 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.

- G. The subsidiary, He Jing Co., Ltd., has entered into a mid-term syndicated contract for a credit line of \$ 10 million 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.
 - H. 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.
 - I. 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.
 - J. 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.
 - K. The subsidiary, Hotai Finance Co., Ltd., 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.
 - L. The subsidiary, Hotai Finance Co., Ltd., has entered into a mid-term syndicated contract for a credit line of JPY 30 billion with 19 financial institutions including Mizuho Bank, Ltd., in order to fulfil its working capital. The duration is 36 months (from September 9, 2021 to September 9, 2024). The loan can be drawn several times but is non-revolving. The payment term is to repay the full drawn amounts 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 500 million with 6 financial institutions including CTBC Bank Co., Ltd., in order to fulfil its working capital. The duration is 36 months (from March 31, 2021 to March 29, 2024). The loan can be drawn several times but is non-revolving. The payment term is to repay the drawn amounts in installments within the contract period.
 - N. 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, 2025, the Group has not breached the financial commitments.

(18) Short-term notes and bills payable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Commercial paper payable	\$ 140,323,400	\$ 139,663,400	\$ 139,013,400
Less: Unamortized discount	(240,257)	(161,425)	(176,468)
	<u>\$ 140,083,143</u>	<u>\$ 139,501,975</u>	<u>\$ 138,836,932</u>
Annual interest rate	<u>1.75% ~ 2.23%</u>	<u>1.61% ~ 2.24%</u>	<u>0.70% ~ 2.19%</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Bonds payable	<u>\$ 28,200,000</u>	<u>\$ 31,200,000</u>	<u>\$ 31,200,000</u>

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 second secured ordinary corporate bonds was issued in 2023. The total amount was \$5,000,000, the coupon rate was 1.49% 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.
- B. The first unsecured ordinary corporate bonds was 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.
- C. The second secured ordinary corporate bonds was 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.
- D. The first secured ordinary corporate bonds was issued in 2022. The total amount was \$3,000,000, the coupon rate was 0.57% 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.
- E. The second unsecured ordinary corporate bonds was issued in 2021. The total amount was \$3,000,000, the coupon rate was 0.56% 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.
- F. The first unsecured ordinary corporate bonds was issued in 2021. The total amount was \$2,200,000, the coupon rate was 0.55% 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.
- G. The first unsecured ordinary corporate bonds was issued in 2020. The total amount was \$7,000,000, the coupon rate was 0.70% 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.

(20) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	March 31, 2025	December 31, 2024	March 31, 2024
Long-term bank borrowings					
Credit borrowings	Borrowing period is from August 2022 to December 2026; interest is repayable monthly	1.58%~2.26%	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
"	Borrowing period is from December 2023 to December 2029; interest and principal are repayable monthly	2.43%~2.48%	466,761	-	-
"	Borrowing period is from December 2023 to December 2029; interest and principal are repayable monthly	2.29%~2.48%	-	425,045	-
"	Borrowing period is from January 2023 to December 2028; interest and principal are repayable monthly	2.24%~2.61%	-	-	234,159
"	Borrowing period is from May 2023 to December 2024; interest is repayable monthly	1.81%~2.07%	-	-	6,000,000
"	USD 4,800 thousand; borrowing period is from October 2021 to October 2024; interest is repayable quarterly	1.20%~6.47%	-	-	150,880
Commercial papers payable	From March 2025 to March 2026	1.91%~1.91%	699,136	-	-
"	From July 2022 to March 2025	1.14%~2.04%	-	1,298,047	-
"	From June 2021 to March 2025	0.65%~1.97%	-	-	3,096,743
Secured borrowings(Note)	Borrowing period is from October 2020 to December 2031; interest and principal are repayable monthly	1.67%~2.68%	1,253,161	-	-
"	Borrowing period is from October 2021 to August 2031; interest and principal are repayable monthly	1.67%~2.68%	-	1,280,085	-
"	Borrowing period is from July 2019 to December 2030; interest and principal are repayable monthly	2.27%~2.81%	-	-	1,465,504
Mid-term syndicated contract	Borrowing period is from March 2025 to March 2028; interest and principal are repayable monthly	2.41%	970,811	-	-
Less: long-term liabilities, current portion			\$ 7,389,869	\$ 7,003,177	\$ 14,947,286
			(503,692)	(1,829,050)	(3,513,471)
			\$ 6,886,177	\$ 5,174,127	\$ 11,433,815

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

As of March 31, 2025, the maturities of long-term loans are as follows:

Duration of maturity	Loan amount
Up to 1 year	\$ 503,692
1 to 2 years	4,731,931
2 to 3 years	1,237,455
3 to 4 years	420,415
4 to 5 years	496,376
	<u>\$ 7,389,869</u>

(21) Accrued expenses

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Wages and salaries payable	\$ 2,684,405	\$ 2,970,101	\$ 2,704,274
Dealer bonus payable	492,464	576,971	299,391
Remuneration payable to employees	973,752	1,027,629	956,496
Remuneration payable to directors	548,317	445,852	610,754
Interest payable	467,070	464,653	488,172
Others	1,787,025	2,327,689	2,166,034
	<u>\$ 6,953,033</u>	<u>\$ 7,812,895</u>	<u>\$ 7,225,121</u>

(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, 2025 and 2024, were \$125,820 and \$103,939, respectively.

(23) Provisions

	<u>2025</u>	<u>2024</u>
At January 1	\$ 6,509,943	\$ 5,691,364
Additional provisions during the period	545,578	478,815
Used during the period	(227,952)	(220,538)
Unused amounts reversed	(35,846)	(94,395)
At March 31	<u>\$ 6,791,723</u>	<u>\$ 5,855,246</u>

Analysis of provision for warranty is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current (shown as other current liabilities)	<u>\$ 1,052,045</u>	<u>\$ 1,081,331</u>	<u>\$ 1,081,329</u>
Non-current	<u>\$ 5,739,678</u>	<u>\$ 5,428,612</u>	<u>\$ 4,773,917</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Deposits received for car rentals	\$ 20,414,005	\$ 20,171,559	\$ 18,915,463
Others	90,128	86,347	95,103
	<u>\$ 20,504,133</u>	<u>\$ 20,257,906</u>	<u>\$ 19,010,566</u>

Analysis of guarantee deposits received for warranty is as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current (shown as other current liabilities)	\$ 8,540,188	\$ 8,433,385	\$ 9,196,824
Non-current	<u>\$ 11,963,945</u>	<u>\$ 11,824,521</u>	<u>\$ 9,813,742</u>

(25) Share capital

As of March 31, 2025, 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 by the adoption of a resolution by a majority voting of the directors present at a meeting of its Board of Directors attended by two-thirds of the directors of the Company, and report to the shareholders' meeting, to which the aforementioned provision should be resolved by the shareholders' meeting shall not be applied.

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 May 30, 2024, the stockholders of the Company resolved those total dividends for the distribution of earnings for the year of 2023 was \$11,142,055 consisting of \$20 in dollars of cash dividend per share.
- E. On March 12, 2025, the Board of Directors 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.
- 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, 2025

	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Other segments	Total
Segments	\$ 43,662,529	\$ 335,347	\$ 2,253,694	\$ 16,327,674	\$ 62,579,244
Inter segments	(2,106,935)	(35)	(52,891)	(2,515,026)	(4,674,887)
Revenue from external customer contracts	<u>\$ 41,555,594</u>	<u>\$ 335,312</u>	<u>\$ 2,200,803</u>	<u>\$ 13,812,648</u>	<u>\$ 57,904,357</u>
Timing of revenue recognition					
At a point in time	\$ 41,555,594	\$ 300,514	\$ 2,200,803	\$ 13,321,267	\$ 57,378,178
Over time	-	34,798	-	491,381	526,179
	<u>\$ 41,555,594</u>	<u>\$ 335,312</u>	<u>\$ 2,200,803</u>	<u>\$ 13,812,648</u>	<u>\$ 57,904,357</u>

Three months ended March 31, 2024

	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Other segments	Total
Segments	\$ 41,829,612	\$ 439,940	\$ 2,510,571	\$ 15,417,603	\$ 60,197,726
Inter segments	(2,189,769)	(87)	(104,092)	(2,042,387)	(4,336,335)
Revenue from external customer contracts	<u>\$ 39,639,843</u>	<u>\$ 439,853</u>	<u>\$ 2,406,479</u>	<u>\$ 13,375,216</u>	<u>\$ 55,861,391</u>
Timing of revenue recognition					
At a point in time	\$ 39,639,843	\$ 398,965	\$ 2,406,479	\$ 12,838,991	\$ 55,284,278
Over time	-	40,888	-	536,225	577,113
	<u>\$ 39,639,843</u>	<u>\$ 439,853</u>	<u>\$ 2,406,479</u>	<u>\$ 13,375,216</u>	<u>\$ 55,861,391</u>

B. Contract assets and liabilities

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Contract assets:			
Contract assets - construction contracts	\$ <u>53,477</u>	\$ <u>67,725</u>	\$ <u>97,922</u>
Contract liabilities:			
Contract liabilities - sales of goods	\$ 1,804,619	\$ 1,360,692	\$ 1,494,869
Contract liabilities -customer loyalty programs	<u>3,552</u>	<u>2,545</u>	<u>2,508</u>
	<u>\$ 1,808,171</u>	<u>\$ 1,363,237</u>	<u>\$ 1,497,377</u>

For the three months ended March 31, 2025 and 2024, revenue recognized that was included in the contract liability balance at the beginning of the period amounted to \$180,680 and \$849,557, respectively.

(29) Interest income

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Installment revenue	\$ 4,451,206	\$ 4,845,906
Finance leasing revenue	959,592	952,703
Interest from deposits and short-term notes	92,076	89,968
Other interest income	<u>16,601</u>	<u>27,030</u>
	<u>\$ 5,519,475</u>	<u>\$ 5,915,607</u>

(30) Premium

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Written premium	\$ 4,138,584	\$ 3,361,565
Reinsurance premium	180,946	136,902
Less: Reinsurance expense	(1,534,249)	(1,122,924)
Net change in unearned premiums reserve	<u>(478,830)</u>	<u>(345,184)</u>
	<u>\$ 2,306,451</u>	<u>\$ 2,030,359</u>

(31) Expenses by nature

	<u>Three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Employee benefit expense	\$ 3,149,303	\$ 3,083,292
Depreciation	3,595,105	3,375,356
Amortization	<u>38,701</u>	<u>35,172</u>
	<u>\$ 6,783,109</u>	<u>\$ 6,493,820</u>

(32) Employee benefit expense

	Three months ended March 31,	
	2025	2024
Wages and salaries	\$ 2,652,417	\$ 2,635,459
Labor and health insurance fees	219,080	189,795
Pension costs	125,820	103,939
Other personnel expenses	151,986	154,099
	<u>\$ 3,149,303</u>	<u>\$ 3,083,292</u>

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 a company has accumulated deficit, earnings should be channelled to cover losses.

B. For the three months ended March 31, 2025 and 2024, employees' remuneration were accrued at \$51,233 and \$68,871, respectively; while directors' remuneration were accrued at \$102,465 and \$137,743, respectively. The aforementioned amounts were recognized in salary expenses.

For the three months ended March 31, 2025 and 2024, 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 12, 2025, the employees' compensation and directors' remuneration that were resolved at the meeting of Board of Directors amounted to \$222,926 and \$445,852, respectively. The amount is consistent with the financial statements recognized in 2024. 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,	
	2025	2024
Current tax:		
Current tax expense recognized in the current period	\$ 1,265,834	\$ 1,375,189
Total current tax	<u>1,265,834</u>	<u>1,375,189</u>
Deferred tax:		
Origination and reversal of temporary differences	(52,831)	202,325
Total deferred tax	<u>(52,831)</u>	<u>202,325</u>
Income tax expense	<u>\$ 1,213,003</u>	<u>\$ 1,577,514</u>

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

	Three months ended March 31,	
	2025	2024
Cash flow hedges	(\$ 7,225)	(\$ 7,815)
Changes in fair value of financial assets designated using overlay approach	\$ 1,241	\$ 402

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, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent	\$ 4,307,781	557,103	\$ 7.73
<u>Diluted earnings per share</u>			
Profit attributable to common shareholders of the parent	\$ 4,307,781	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	\$ 4,307,781	557,481	\$ 7.73
Three months ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to common shareholders of the parent	\$ 5,885,107	557,103	\$ 10.56
<u>Diluted earnings per share</u>			
Profit attributable to common shareholders of the parent	\$ 5,885,107	557,103	
Assumed conversion of all dilutive potential common shares			
Employees' compensation	-	391	
Profit attributable to common shareholders of the parent plus assumed conversion of all dilutive potential common shares	\$ 5,885,107	557,494	\$ 10.56

(35) Changes in liabilities from financing activities

	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	<u>\$ 130,162,253</u>	<u>\$ 140,083,143</u>	<u>\$ 28,703,692</u>	<u>\$ 6,886,177</u>
	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	<u>\$ 20,504,133</u>	<u>\$ 2,525,675</u>	<u>\$ 12,595,198</u>	<u>\$ 341,460,271</u>
	2024			
	Short-term loans	Short-term notes and bills payable	Long-term liabilities- current portion	Long-term loans
January 1, 2024	\$ 101,464,701	\$ 148,116,089	\$ 35,392,090	\$ 20,436,199
Changes in cash flow from financing activities	16,676,130	(9,279,157)	-	(9,684,935)
Impact of changes in foreign exchange rate	-	-	3,671	4,142
Changes in other non-cash items	(361,461)	-	(682,290)	678,409
March 31, 2024	<u>\$ 117,779,370</u>	<u>\$ 138,836,932</u>	<u>\$ 34,713,471</u>	<u>\$ 11,433,815</u>
	Guarantee deposits received	Lease liabilities	Dividend payable	Liabilities from financing activities-gross
January 1, 2024	\$ 18,507,222	\$ 2,206,958	\$ 6,201	\$ 326,129,460
Changes in cash flow from financing activities	503,344	(120,639)	-	(1,905,257)
Impact of changes in foreign exchange rate	-	21,448	-	29,261
Changes in other non-cash items	-	156,235	12,357,124	12,148,017
March 31, 2024	<u>\$ 19,010,566</u>	<u>\$ 2,264,002</u>	<u>\$ 12,363,325</u>	<u>\$ 336,401,481</u>

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)	Entities controlled by key management
Toyota South Africa Motors (Pty) Ltd.	Entities controlled by key management
Toyota-Motor-Europe-Nv/Sa (TME)	Entities controlled by key management
Toyota-Motor-Sales-USA(TMS)	Entities controlled by key management
Toyota Motor Asia (Thailand) Co., Ltd.	Entities controlled by key management
San Xing (Shanghai) Business Management Consulting Co., Ltd.	Entities controlled by key management
Triple S Digital Co., Ltd.	Entities controlled by key management
Hino Motors, Ltd. (HINO)	Entities controlled by key management
Toyota Motor Corporation (TMC)	Entities controlled by key management
Ho Chuang Insurance Agency Co., Ltd.	Entities controlled by key management
Ho An Insurance Agency Co., Ltd. (Ho An)	Entities controlled by key management
Ho Yu Investment Co., Ltd. (Ho Yu)	Entities controlled by key management
Toyota Motor (China) Investment Co., Ltd. (TMCI)	Entities controlled by key management
Formosa Flexible Packaging Corp.	Associates
Zhongyang Motor Co., Ltd.	Associates
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	Associates
Beijing Hoyu Toyota Motor Sales and Service Co., Ltd.	Associates
Yokohama Tire Taiwan Co., Ltd.	Associates
Shi-Ho Screw Industrial Co., Ltd.	Associates
Kuai Shun Transportation Co., Ltd.	Associates
Wang Fu Co., Ltd.	Associates
Nan I Motor Co., Ltd.	Associates
ChongQing Yudu Toyota Automobile Sales and Service Co., Ltd.	Associates
ChongQing Yurun Toyota Automobile Service Co., Ltd.	Associates
ChongQing Taikang Heling Lexus Motor Sales & Service Co, Ltd. (ChongQing Taikang Heling)	Associates
Taiyuan Zhongdu Heling LEXUS Motor Sales & Service Co., Ltd.	Associates
Jinzhong Central Toyota Motor Sale Service Co., Ltd.	Associates
Taizhou Zhongdu Lexus Motor Sale & Service Co., Ltd.	Associates

Names of related parties	Relationship with the Group
Tung Tai Asset Management Co., Ltd.	Associates
Tung Yu Motor Co., Ltd.	Associates
Innovation Auto Parts Co., Ltd.	Associates
Guangzhou Gac Changho Autotech Corporation	Associates
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	Associates
Nitto Precision Screw Industrial (Zhejiang) Co., Ltd.	Associates
Tianjin Yongda Communication Technology Co., Ltd.	Associates
Zheng-Ren Energy Co., Ltd.	Associates
Linyi Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Associates
Tianjin Binhai Heling LEXUS Motor Service Co., Ltd. (Tianjin Binhai Heling)	Associates
Kuozui Motors, Ltd. (Kuozui)	Associates
Kuotu Motor Co., Ltd. (Kuotu)	Associates
Taipei Toyota Motor Co., Ltd. (Taipei Motor)	Associates
Tau Miao Motor Co., Ltd. (Tau Miao)	Associates
Central Motor Co., Ltd. (Central Motor)	Associates
Nan Du Motor Co., Ltd. (Nan Du)	Associates
Kau Du Automobile Co., Ltd. (Kau Du)	Associates
Lang Yang Toyota Motor Co., Ltd.	Associates
Ho Cheng Auto Parts Co., Ltd.	Associates
Hozao Enterprise Co., Ltd.	Associates
Hohung Motors Co., Ltd.	Associates
Horung Motors Co., Ltd.	Associates
Zhong Cheng Motors Co., Ltd.	Associates
Heng Yun Investment Co., Ltd.	Associates
Fan Tai Transportation Co., Ltd. (Fan Tai)	Associates
Yi Tai Transportation Co., Ltd. (Yi Tai)	Associates
Hua Tai Transportation Co., Ltd.	Associates
AIM Technology Corp.	Associates
Guanguan Machinery CO., Ltd.	Associates
Kao Jin Co., Ltd.	Associates
Tau Jin Enterprise Co., Ltd.	Associates
Nantian Technology Co., Ltd.	Associates
He Ru Co, Ltd.	Associates
New Auto Parts Co., Ltd.	Associates

Names of related parties	Relationship with the Group
Shye Shing Enterprise Co., Ltd.	Associates
Zhonghao Automobile Co., Ltd.	Associates
Gochabar Co., Ltd.	Associates
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,	
	2025	2024
(a) Sales revenue:		
-Associates		
Central Motor	\$ 8,589,753	\$ 8,288,136
Tau Miao	7,800,574	7,670,244
Taipei Motor	6,470,860	6,104,509
Kau Du	5,960,692	5,825,216
Kuotu	6,439,378	5,548,357
Nan Du	5,220,668	5,142,087
Others	1,570,009	1,576,600
-Entities controlled by key management	32,280	29,801
	<u>\$ 42,084,214</u>	<u>\$ 40,184,950</u>

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,	
	2025	2024
(b) Rental revenue:		
-Associates	\$ 39,044	\$ 36,923
-Entities controlled by key management	971	1,064
	<u>\$ 40,015</u>	<u>\$ 37,987</u>

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,	
	2025	2024
(c) Service revenue:		
Service sales:		
-Associates	\$ 19,898	\$ 20,183
-Entities controlled by key management	20	9,714
Contracted operating revenue:		
-Associates	5,787	7,030
	<u>\$ 25,705</u>	<u>\$ 36,927</u>

	Three months ended March 31,	
	2025	2024
(d) Subsidy income for price difference from installments:		
-Associates	\$ 94,071	\$ 58,320
	Three months ended March 31,	
	2025	2024
(e) Warranty revenue:		
-Associates		
Kuozei	\$ 36,797	\$ 50,962
-Entities controlled by key management		
TMA-Singapore	167,181	97,450
Others	50	20
	\$ 204,028	\$ 148,432
	Three months ended March 31,	
	2025	2024
(f) Advertisement subsidy and sales promotion revenue (shown as deductions to advertisement expense):		
-Associates		
Kuotu	\$ 79,021	\$ 68,588
Others	35,469	35,164
-Entities controlled by key management	14,834	26,058
	\$ 129,324	\$ 129,810
	Three months ended March 31,	
	2025	2024
(g) Miscellaneous income:		
-Associates		
Kuotu	\$ 31,491	\$ 38,095
Others	45,291	41,778
-Entities controlled by key management	20,260	21,480
	\$ 97,042	\$ 101,353

B. Expenditures

		Three months ended March 31,	
		2025	2024
(a) Purchases of goods:			
-Associates			
Kuozui	\$	13,040,338	\$ 15,465,905
Others		662,777	677,624
-Entities controlled by key management			
TMC		16,584,034	12,699,326
Others		3,319,780	3,289,244
	\$	<u>33,606,929</u>	<u>\$ 32,132,099</u>

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,	
		2025	2024
(b) Warranty cost:			
-Associates			
Central Motor	\$	29,875	\$ 28,914
Kuotu		33,031	27,441
Tau Miao		27,640	25,921
Kau Du		24,770	20,878
Nan Du		20,935	16,048
Taipei Motor		19,850	15,025
Others		3,371	3,067
-Entities controlled by key management		9	-
	\$	<u>159,481</u>	<u>\$ 137,294</u>

		Three months ended March 31,	
		2025	2024
(c) Freight:			
-Associates			
Fan Tai	\$	63,974	\$ 59,677
Yi Tai		34,011	38,657
Others		557	548
	\$	<u>98,542</u>	<u>\$ 98,882</u>

	Three months ended March 31,	
	2025	2024
(d) Commission expense:		
-Associates	\$ 49,127	\$ 44,124
-Entities controlled by key management Ho An	394,457	364,936
	<u>\$ 443,584</u>	<u>\$ 409,060</u>

	Three months ended March 31,	
	2025	2024
(e) Others:		
-Associates		
Kuotu	\$ 2,228,154	\$ 1,773,377
Kau Du	1,131,734	1,000,796
Tau Miao	749,856	963,683
Taipei Motor	623,318	615,537
Nan Du	359,084	323,723
	<u>\$ 5,092,146</u>	<u>\$ 4,677,116</u>

As described in Note 4(43) in the consolidated financial statements for the year ended December 31, 2024, 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, 2025	December 31, 2024	March 31, 2024
(a) Receivables from related parties:			
-Associates	\$ 1,575,148	\$ 1,536,780	\$ 3,007,071
-Entities controlled by key management	12,623	19,013	26,562
	<u>\$ 1,587,771</u>	<u>\$ 1,555,793</u>	<u>\$ 3,033,633</u>
	March 31, 2025	December 31, 2024	March 31, 2024
(b) Other receivables from related parties:			
-Associates	\$ 196,004	\$ 231,278	\$ 218,300
-Entities controlled by key management	2,627	3,047	4,494
	<u>\$ 198,631</u>	<u>\$ 234,325</u>	<u>\$ 222,794</u>

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
(c) Accounts payable:			
-Associates			
Kuo-zui	\$ 602,597	\$ 497,552	\$ 1,392,843
Others	758,264	747,531	698,002
-Entities controlled by key management			
TMC	5,739,309	5,018,602	4,374,421
Others	492,185	434,343	551,176
	<u>\$ 7,592,355</u>	<u>\$ 6,698,028</u>	<u>\$ 7,016,442</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
(d) Accrued expenses and other payables:			
-Associates	\$ 183,968	\$ 343,790	\$ 277,624
-Entities controlled by key management	593	97	1,105
	<u>\$ 184,561</u>	<u>\$ 343,887</u>	<u>\$ 278,729</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
(e) Commissions payable:			
-Entities controlled by key management			
Ho An	\$ 174,207	\$ 162,646	\$ 119,841
D. <u>Prepayments to suppliers</u>			
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
-Entities controlled by key management	<u>\$ 150,451</u>	<u>\$ 116,519</u>	<u>\$ 158,107</u>
E. <u>Property transactions</u>			
(a) Acquisition of rental assets and equipment			
	<u>Three months ended March 31,</u>		
	<u>2025</u>	<u>2024</u>	
-Associates			
Kuotu	\$ 1,142,395	\$ 1,245,160	
Taipei Motor	636,104	686,842	
Central Motor	493,847	395,710	
Tau Miao	489,204	419,913	
Others	620,997	459,990	
-Entities controlled by key management	3,106	-	
	<u>\$ 3,385,653</u>	<u>\$ 3,207,615</u>	

(b) Disposal of property, plant and equipment:

	Three months ended March 31,			
	2025		2024	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
-Associates				
Others	\$ 2,571	\$ 1,099	\$ 1,524	\$ 215
-Entities controlled by key management				
Ho An	-	-	685,000	406,620
	<u>\$ 2,571</u>	<u>\$ 1,099</u>	<u>\$ 686,524</u>	<u>\$ 406,835</u>

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.

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Lease liabilities:			
-Entities controlled by key management			
Ho Yu	\$ 62,905	\$ 68,367	\$ 45,986
-Associates	60,550	69,034	931
	<u>\$ 123,455</u>	<u>\$ 137,401</u>	<u>\$ 46,917</u>

G. Loans to related parties

Loans to related parties

Ending balance:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
-Associates			
Chongqing Taikang Heling	\$ 137,196	\$ 134,703	\$ 132,911

(3) Key management remuneration

	Three months ended March 31,	
	2025	2024
	<u></u>	<u></u>
Salaries and other short-term employee benefits	<u>\$ 133,740</u>	<u>\$ 161,050</u>

8. Pledged Assets

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

Pledged asset	March 31, 2025	December 31, 2024	March 31, 2024	Purpose
Notes and accounts receivable	\$ 17,942,094	\$ 20,083,670	\$ 11,930,121	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	398,200	Operation bonds
Guarantee deposits paid	708,624	733,644	4,487,308	Operation bonds and performance bonds
Restricted assets (Note 2)				
-Demand and time deposits	580,310	510,677	904,882	Credit line for short-term borrowings, performance guarantee and issuance of L/C (Note 3)
-Property, plant and equipment	968,385	983,176	1,829,723	Long-term borrowings
	<u>\$ 20,499,413</u>	<u>\$ 22,611,167</u>	<u>\$ 19,550,234</u>	

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, 2025, December 31, 2024 and March 31, 2024, the certificates of deposit amounting to \$12,678, \$12,518 and \$11,737, 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, 2025, are summarised 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)	
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.

Type of contracts	Party involved	Contract period	Main contents
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	Sales of imported Toyota vehicles and parts for industrial and industry use in Taiwan.

B. As of March 31, 2025, 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 \$1,420,049, \$691,810 and \$254,150, respectively.

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(12).

(Remainder of page intentionally left blank)

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 8,198,479	\$ 8,760,808	\$ 8,493,118
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	11,272,398	12,614,251	15,045,077
Qualifying debt instrument	597,077	493,500	300,406
Financial assets at amortized cost/Loans and receivables			
Cash and cash equivalents	23,189,434	18,968,725	21,301,997
Notes receivable	17,374,604	17,125,715	14,271,382
Accounts receivable	282,622,259	286,195,993	277,322,275
Long-term notes and accounts receivable	12,179,385	13,146,286	13,993,916
Other receivables	2,669,640	2,656,405	2,778,970
Guarantee deposits paid	1,008,624	1,033,644	4,885,508
Other financial assets	4,101,344	4,348,448	4,028,716
Financial assets for hedging	360,012	260,887	530,868
	<u>\$ 363,573,256</u>	<u>\$ 365,604,662</u>	<u>\$ 362,952,233</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term loans	\$ 130,162,253	\$ 134,152,135	\$ 117,779,370
Short-term notes and bills payable	140,083,143	139,501,975	138,836,932
Notes payable	1,231,537	1,377,202	1,695,814
Accounts payable	13,110,510	12,985,248	12,548,523
Accrued expenses	6,953,033	7,812,895	7,225,121
Other payables	15,053,362	2,541,234	14,579,905
Commission payable	309,273	287,549	279,034
Corporate bonds payable			
(including current portion)	28,200,000	31,200,000	31,200,000
Long-term borrowings			
(including current portion)	7,389,869	7,003,177	14,947,286
Guarantee deposits received	20,504,133	20,257,906	19,010,566
Other financial liabilities	23,305	24,664	28,213
Lease liabilities	2,525,675	2,598,213	2,264,002
Financial liabilities for hedging	230,965	855,551	1,459,441
	<u>\$ 365,777,058</u>	<u>\$ 360,597,749</u>	<u>\$ 361,854,207</u>

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 Notes 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, 2025			December 31, 2024		
	Foreign currency amount	Exchange rate	Book value	Foreign currency amount	Exchange rate	Book value
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	USD 22,778	33.2050	\$ 756,343	USD 23,714	32.7850	\$ 777,463
JPY:NTD	JPY 1,018,255	0.2227	226,765	JPY 990,349	0.2099	207,874
RMB:NTD	CNY 3,779	4.5732	17,282	CNY 6,285	4.4901	28,220
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	USD 218,768	33.2050	\$ 7,264,191	USD 224,309	32.7850	\$ 7,353,971
JPY:NTD	JPY 158,591	0.2227	35,318	JPY 205,658	0.2099	43,168
RMB:NTD	CNY 19,159	4.5732	87,618	CNY 12,876	4.4901	57,815

March 31, 2024				
		Foreign currency Exchange		
		amount	rate	Book value
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	USD	30,390	32.0000	\$ 972,480
JPY:NTD	JPY	869,547	0.2115	183,909
RMB:NTD	CNY	7,284	4.4304	32,271
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	191,532	32.0000	\$ 6,129,024
JPY:NTD	JPY	204,869	0.2115	43,330
RMB:NTD	CNY	17,744	4.4304	78,613

- 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, 2025 and 2024 amounted to \$172,986 and (\$211,474), 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, 2025			Three months ended March 31, 2024		
		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)							
<u>Financial assets</u>							
<u>Monetary items</u>							
USD:NTD	1%	\$ 7,563	\$ -		1%	\$ 9,725	\$ -
JPY:NTD	1%	2,268	-		1%	1,839	-
RMB:NTD	1%	173	-		1%	323	-
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD:NTD	1%	\$ 72,642	\$ -		1%	\$ 61,290	\$ -
JPY:NTD	1%	353	-		1%	433	-
RMB:NTD	1%	876	-		1%	786	-

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, 2025 and 2024 would have increased/decreased by \$765,574 and \$827,048, 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 amortised 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, 2025, December 31, 2024 and March 31, 2024, HFC has financial instruments with off-balance-sheet credit risk amounting to \$1,827,047, \$2,010,675 and \$2,490,633, respectively, and HFC has collected notes for installment payment on behalf of the banks amounting to \$15,550, \$19,227 and \$25,972, 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 \$141,763.
- 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:

	12 months expected credit loss	Lifetime			Total
		Significant increase in credit risk	Impairment of credit	Simplified approach	
<u>March 31, 2025</u>					
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
	<u>\$ 302,307,625</u>	<u>\$ 1,454,201</u>	<u>\$ 3,343,979</u>	<u>\$ 78,891</u>	<u>\$ 307,184,696</u>
<u>December 31, 2024</u>					
Neither past due nor impaired	\$ 305,806,564	\$ -	\$ -	\$ 74,665	\$ 305,881,229
Past due or case assessment	-	1,535,826	3,294,028	-	4,829,854
	<u>\$ 305,806,564</u>	<u>\$ 1,535,826</u>	<u>\$ 3,294,028</u>	<u>\$ 74,665</u>	<u>\$ 310,711,083</u>
<u>March 31, 2024</u>					
Neither past due nor impaired	\$ 293,907,238	\$ -	\$ -	\$ 237,199	\$ 294,144,437
Past due or case assessment	-	1,455,754	2,922,983	-	4,378,737
	<u>\$ 293,907,238</u>	<u>\$ 1,455,754</u>	<u>\$ 2,922,983</u>	<u>\$ 237,199</u>	<u>\$ 298,523,174</u>

- 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, 2025 and 2024, the movements of the loss allowance of trade receivables were as follows:

	Three months ended March 31, 2025			
	Lifetime			Total
	12 months expected credit loss	Significant increase in credit risk	Impairment of credit	
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
	<u>\$ 3,481,537</u>	<u>\$ 507,058</u>	<u>\$ 1,913,594</u>	<u>\$ 5,902,189</u>
	Three months ended March 31, 2024			
	Lifetime			Total
	12 months expected credit loss	Significant increase in credit risk	Impairment of credit	
At January 1	\$ 3,373,672	\$ 520,169	\$ 1,510,069	\$ 5,403,910
Transfer and measurement stages	(35,970)	(223,966)	259,936	-
Provision for impairment	75,664	214,047	1,175,180	1,464,891
Write-offs	-	-	(1,309,533)	(1,309,533)
Effect of foreign exchange	17,433	1,567	7,936	26,936
	<u>\$ 3,430,799</u>	<u>\$ 511,817</u>	<u>\$ 1,643,588</u>	<u>\$ 5,586,204</u>

For the three months ended March 31, 2025 and 2024, gain on recoverable bad debts amounted to \$398,436 and \$288,516, respectively, presented as a deduction item to expected credit loss.

- x. As of March 31, 2025, December 31, 2024 and March 31, 2024, 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:

<u>March 31, 2025</u>	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
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	6,953,033	-	-
Other payables	15,053,362	-	-
Commission payable	309,273	-	-
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

Non-derivative financial liabilities:

<u>December 31, 2024</u>	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
Short-term loans	\$ 110,636,641	\$ 11,155,425	\$ 13,372,148
Short-term notes and bills payable	112,977,936	10,034,447	18,029,325
Notes payable	1,377,202	-	-
Accounts payable	12,985,248	-	-
Accrued expenses	7,812,895	-	-
Other payables	2,541,234	-	-
Commission payable	287,549	-	-
Lease liabilities	557,822	484,850	1,788,280
Bonds payable	22,211,262	5,272,824	4,074,466
Long-term loans (including current portion)	1,955,704	4,136,155	1,213,373

Non-derivative financial liabilities:

<u>March 31, 2024</u>	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
Short-term loans	\$ 93,800,733	\$ 22,463,201	\$ 2,402,021
Short-term notes and bills payable	101,425,255	17,928,608	19,483,069
Notes payable	1,695,814	-	-
Accounts payable	12,548,523	-	-
Accrued expenses	7,225,121	-	-
Other payables	14,579,905	-	-
Commission payable	279,034	-	-
Lease liabilities	507,964	427,180	1,547,270
Bonds payable	3,337,994	19,153,990	9,325,370
Long-term loans (including current portion)	3,513,471	424,402	11,009,413

Derivative financial liabilities:

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

Derivative financial liabilities:

<u>December 31, 2024</u>	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
Cross currency swaps	\$ 468,646	\$ 107,010	\$ 279,895

Derivative financial liabilities:

<u>March 31, 2024</u>	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
Cross currency swaps	\$ 1,278,171	\$ 83,479	\$ 97,791

- 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:

<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
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	<u>10,511,795</u>	<u>-</u>	<u>760,603</u>	<u>11,272,398</u>
	<u>\$16,376,353</u>	<u>\$ 3,469,001</u>	<u>\$ 882,612</u>	<u>\$20,727,966</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging	<u>\$ -</u>	<u>\$ 230,965</u>	<u>\$ -</u>	<u>\$ 230,965</u>
Note: Including operation bonds.				

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Domestic and foreign beneficiary certificates	\$ 1,546,809	\$ -	\$ 115,801	\$ 1,662,610
Forward exchange contracts	-	245,823	-	245,823
Bond investment	-	1,006,453	-	1,006,453
Equity securities	2,949,217	-	-	2,949,217
Exchange traded funds	1,896,705	-	-	1,896,705
Financial instruments	-	1,000,000	-	1,000,000
Derivative financial assets for hedging	-	260,887	-	260,887
Financial assets at fair value through other comprehensive income				
Bond investment (Note)	-	793,500	-	793,500
Equity securities	<u>11,825,187</u>	<u>-</u>	<u>789,064</u>	<u>12,614,251</u>
	<u>\$18,217,918</u>	<u>\$ 3,306,663</u>	<u>\$ 904,865</u>	<u>\$22,429,446</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging	<u>\$ -</u>	<u>\$ 855,551</u>	<u>\$ -</u>	<u>\$ 855,551</u>
Note: Including operation bonds.				
<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Domestic and foreign beneficiary certificates	\$ 2,295,365	\$ -	\$ 147,411	\$ 2,442,776
Bond investment	-	293,779	-	293,779
Equity securities	-	1,011,886	-	1,011,886
Exchange traded funds	2,396,013	-	-	2,396,013
Financial instruments	1,613,685	-	-	1,613,685
Derivative financial assets for hedging	-	734,979	-	734,979
Financial assets at fair value through other comprehensive income	-	530,868	-	530,868
Bond investment (Note)	-	698,606	-	698,606
Equity securities	<u>14,319,282</u>	<u>-</u>	<u>725,795</u>	<u>15,045,077</u>
	<u>\$20,624,345</u>	<u>\$ 3,270,118</u>	<u>\$ 873,206</u>	<u>\$24,767,669</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Derivative financial liabilities for hedging	<u>\$ -</u>	<u>\$ 1,459,441</u>	<u>\$ -</u>	<u>\$ 1,459,441</u>
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:

	<u>Listed stocks</u>	<u>Beneficiary certificates</u>	<u>Open-end fund</u>	<u>Exchange traded funds</u>
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, 2025 and 2024:

	<u>2025</u>	
	<u>Beneficiary certificates</u>	<u>Equity securities</u>
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	<u>\$ 122,009</u>	<u>\$ 760,603</u>

	2024	
	Beneficiary certificates	Equity securities
At January 1	\$ 145,402	\$ 469,254
Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	-	224,541
Recorded as losses on financial assets at fair value through profit or loss	2,009	-
Acquired during the period	-	32,000
At March 31	<u>\$ 147,411</u>	<u>\$ 725,795</u>
F. For the three months ended March 31, 2025 and 2024, 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, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity 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

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 789,064	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	115,801	Net assets value	Not applicable	Not applicable	Not applicable

		Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative instrument:						
Unlisted shares	\$	725,795	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		147,411	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, 2025, December 31, 2024 and March 31, 2024.

(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, 2025	December 31, 2024	March 31, 2024
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	50,000	50,000
Engineering insurance	100,000	100,000	100,000
Fidelity insurance	90,000	60,000	60,000
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

The insurance contracts of the subsidiary, Hotai Insurance Co., Ltd., are all short-term policies and the reserves are not discounted; therefore, there is no significant impact in the interest rate risk.

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:
- 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.
 - 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:
- 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.
 - 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.
 - 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.

As of March 31, 2025, December 31, 2024 and March 31, 2024, 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, 2025				
		Significant increase in credit risk	Impairment of credit	
	12 months			
	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%	0%	
Total book value	\$ 1,131,052	\$ -	\$	-
Allowance for losses	9,000	-		-
December 31, 2024				
		Significant increase in credit risk	Impairment of credit	
	12 months			
	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%	0%	
Total book value	\$ 935,704	\$ -	\$	-
Allowance for losses	9,000	-		-

March 31, 2024					
	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
	0%		0%		0%
Expected loss rate	0%		0%		0%
Total book value	\$	961,916	\$	-	\$ -
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, 2025 and 2024, the movements of allowance for loss are as follows:

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	\$ -	\$ -	\$ -	22,305	\$ 22,305
Amounts reversed during the period	-	-	-	(782)	(782)
At March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>21,523</u>	<u>\$ 21,523</u>
2024					
	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	\$ -	\$ -	\$ -	21,445	\$ 21,445
Amounts reversed during the period	-	-	-	(1,432)	(1,432)
At March 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,013</u>	<u>\$ 20,013</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the allowance for loss of abovementioned financial assets was \$21,523, \$22,305 and \$20,013, respectively, and the maximum exposure to credit risk was \$1,109,529, \$913,399 and \$941,903, respectively.

- (e) As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$2,673,273, \$2,673,761 and \$2,472,365, respectively, and are all classified as investment grade. The external credit risk rating are as follows:

Credit risk rating	March 31, 2025	December 31, 2024	March 31, 2024
tw AAA	\$ 911,048	\$ 908,507	\$ 708,882
tw AA	295,471	396,077	349,881
tw AA-	352,110	250,983	111,109
tw A+	252,010	278,164	322,914
tw A	862,634	840,030	979,579
	<u>\$ 2,673,273</u>	<u>\$ 2,673,761</u>	<u>\$ 2,472,365</u>

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 \$443, \$466 and \$569, respectively, and the maximum exposure amounts were \$2,672,830, \$2,673,315 and \$2,467,796, 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, 2025 and 2024, the movements of allowance for loss are as follows:

	2025	2024
At January 1	\$ 446	\$ 569
Provisions during the period	(3)	-
At March 31	<u>\$ 443</u>	<u>\$ 569</u>

(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, 2025 and 2024, 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, 2025

Credit rating levels (S&P)	Reinsurance premiums ceded	Percentage
AA+	\$ 345,466	23.78
AA-	74,039	5.10
A+	490,228	33.74
A	32,430	2.23
A-	47	-
Unrated	510,693	35.15
Total	<u>\$ 1,452,903</u>	<u>100.00</u>

Three months ended March 31, 2024

Credit rating levels (S&P)	Reinsurance premiums ceded	Percentage
AA	\$ 158,404	15.18
AA-	38,091	3.65
A+	614,490	58.88
A	31,855	3.05
A-	360	0.03
BBB+	2,845	0.27
Unrated	197,654	18.94
Total	\$ 1,043,699	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.

Non-derivative financial liabilities

	Contractual undiscounted cash flows			
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
<u>March 31, 2025</u>				
Insurance liabilities	\$ 13,059,393	\$ 4,459,280	\$ 308,551	\$ 1,792,995
Payables	2,600,524	-	-	-
Deposits-in	988	867	-	-
Lease liabilities	62,907	68,352	-	-

	Contractual undiscounted cash flows			
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
<u>December 31, 2024</u>				
Insurance liabilities	\$ 12,187,003	\$ 4,270,671	\$ 295,664	\$ 1,791,702
Payables	2,449,345	-	-	-
Deposits-in	985	822	-	-
Lease liabilities	63,126	81,657	-	-

	Contractual undiscounted cash flows			
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
<u>March 31, 2024</u>				
Insurance liabilities	\$ 11,561,464	\$ 3,631,543	\$ 215,062	\$ 1,715,658
Payables	2,604,434	-	-	-
Deposits-in	320	1,487	-	-
Lease liabilities	61,719	111,376	-	-

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, 2025	
		Change of variables	Change in other comprehensive income
Listed stocks, ETF and domestic and foreign beneficiary certificates	Increase in price	10%	\$ 347,536
	Decrease in price	10%	(347,536)
		March 31, 2024	
		Change of variables	Change in other comprehensive income
Listed stocks, ETF and domestic and foreign beneficiary certificates	Increase in price	10%	\$ 302,729
	Decrease in price	10%	(302,729)

(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, 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
		March 31, 2024	
		Change of variables	Change in fair value
Fixed-income investments	Increase in interest rate	100 basis point	(\$ 51,274)
	Decrease in interest rate	100 basis point	51,274

(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, 2025	December 31, 2024	March 31, 2024
Foreign exchange rate	33.21	32.79	32.01

The US dollar assets and liabilities are shown as below:

	March 31, 2025	December 31, 2024	March 31, 2024
USD Assets	USD 6,963 thousand	USD 7,306 thousand	USD 11,125 thousand
USD Liabilities	USD 1,524 thousand	USD 736 thousand	USD 1,413 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, 2025		
	Change on variable	Impact on net (loss) income
USD assets, net	Appreciate 5% against NTD (\$	9,031)
	Depreciate 5% against NTD	9,031

March 31, 2024		
	Change on variable	Impact on net (loss) income
USD assets, net	Appreciate 5% against NTD (\$	15,542)
	Depreciate 5% against NTD	15,542

(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, 2025 and 2024, 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, 2025		
Line of Business	Premiums revenue	Retention premiums
Fire insurance	\$ 581,657	\$ 142,345
Engineering insurance	542,073	126,121

Three months ended March 31, 2024		
Line of Business	Premiums revenue	Retention premiums
Fire insurance	\$ 426,415	\$ 151,247
Engineering insurance	113,505	34,977

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, 2025 and 2024 and the result is shown below:

Line of Business	Three months ended March 31, 2025			
	Expected loss ratio increased by 5%		Expected loss ratio decreased by 5%	
	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	\$ 57,591	\$ 72,124	\$ 57,591
Automobile third party liability insurance	42,834	34,113	42,834	34,113
Personal property insurance	915	848	915	848
Commercial property insurance	23,024	2,357	23,024	2,357
Liability insurance	11,898	7,446	11,898	7,446
Marine cargo insurance	4,113	2,081	4,113	2,081
Engineering insurance	12,718	2,643	12,718	2,643
Personal accident insurance	8,899	8,229	8,899	8,229
Credit insurance	-	98	-	98
Health insurance	2,273	2,275	2,273	2,275
Foreign inward reinsurance	269	263	269	263

Line of Business	Three months ended March 31, 2024			
	Expected loss ratio increased by 5%		Expected loss ratio decreased by 5%	
	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	\$ 67,367	\$ 47,762	\$ 67,367	\$ 47,762
Automobile third party liability insurance	39,125	28,420	39,125	28,420
Personal property insurance	875	812	875	812
Commercial property insurance	20,864	7,512	20,864	7,512
Liability insurance	13,155	8,876	13,155	8,876
Marine cargo insurance	3,440	1,925	3,440	1,925
Engineering insurance	4,331	1,008	4,331	1,008
Personal accident insurance	9,541	8,709	9,541	8,709
Credit insurance	4	4	4	4
Health insurance	2,593	2,335	2,593	2,335
Foreign inward reinsurance	66	58	66	58

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, 2025 and 2024.

C. Loss development pattern

As of March 31, 2025, December 31, 2024 and March 31, 2024, the loss development pattern of the subsidiary, Hotai Insurance Co., Ltd., are as follows:

(a) Direct business

March 31, 2025	Accident Year					Total
Development Year	Before 2021	2022	2023	2024	Three months ended March 31, 2025	
End of underwriting year	\$ 41,388,352	\$ 41,070,594	\$ 11,472,535	\$ 9,397,030	\$ 2,608,255	
One year after underwriting year	40,565,921	41,730,838	10,167,743	9,192,208	-	
Two years after underwriting year	40,449,878	41,609,044	10,089,679	-	-	
Three years after underwriting year	39,633,491	41,551,653	-	-	-	
Four years after underwriting year	39,355,500	-	-	-	-	
Estimated ultimate losses	39,355,500	41,551,653	10,089,679	9,192,208	2,608,255	
Paid losses	(38,533,143)	(40,341,372)	(8,614,011)	(5,500,317)	(444,728)	
Total reserve	\$ 822,357	\$ 1,210,281	\$ 1,475,668	\$ 3,691,891	\$ 2,163,527	\$ 9,363,724
Adjustment item (Note)						538,574
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						\$ 9,902,298

December 31, 2024	Accident Year					Total
Development Year	Before 2020	2021	2022	2023	2024	
End of underwriting year	\$ 35,678,037	\$ 5,817,499	\$ 41,070,594	\$ 11,472,535	\$ 9,397,030	
One year after underwriting year	35,570,853	5,627,586	41,730,838	10,167,743	-	
Two years after underwriting year	34,938,335	5,429,797	41,609,044	-	-	
Three years after underwriting year	35,020,081	5,162,747	-	-	-	
Four years after underwriting year	34,470,744	-	-	-	-	
Estimated ultimate losses	34,470,744	5,162,747	41,609,044	10,167,743	9,397,030	
Paid losses	(34,050,264)	(4,460,685)	(40,250,119)	(8,570,332)	(4,411,554)	
Total reserve	\$ 420,480	\$ 702,062	\$ 1,358,925	\$ 1,597,411	\$ 4,985,476	\$ 9,064,354
Adjustment item (Note)						477,973
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						\$ 9,542,327

March 31, 2024

<u>Development Year</u>	<u>Accident Year</u>					<u>Total</u>
	<u>Before 2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Three months ended March 31, 2024</u>	
End of underwriting year	\$ 35,678,037	\$ 5,817,499	\$ 41,070,594	\$ 11,472,535	\$ 1,901,831	
One year after underwriting year	35,570,853	5,627,586	41,730,838	10,702,337	-	
Two years after underwriting year	34,938,335	5,429,797	41,685,624	-	-	
Three years after underwriting year	35,020,081	5,424,031	-	-	-	
Four years after underwriting year	34,869,041	-	-	-	-	
Estimated ultimate losses	34,869,041	5,424,031	41,685,624	10,702,337	1,901,831	
Paid losses	(34,028,521)	(4,283,887)	(40,047,108)	(7,961,700)	(442,996)	
Total reserve	<u>\$ 840,520</u>	<u>\$ 1,140,144</u>	<u>\$ 1,638,516</u>	<u>\$ 2,740,637</u>	<u>\$ 1,458,835</u>	\$ 7,818,652
Adjustment item (Note)						547,101
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						<u>\$ 8,365,753</u>

Note: Adjustment items include estimated claims for earthquake insurance, compulsory automobile insurance, nuclear insurance, and the total sum of non-distributable claim reserve fund.

(b) Retention business

March 31, 2025

<u>Development Year</u>	<u>Accident Year</u>					<u>Total</u>
	<u>Before 2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Three months ended March 31, 2025</u>	
End of underwriting year	\$ 30,303,765	\$ 39,328,137	\$ 9,335,805	\$ 5,438,841	\$ 1,600,658	
One year after underwriting year	29,637,777	39,909,114	8,422,129	5,478,079	-	
Two years after underwriting year	29,378,367	39,825,689	8,377,473	-	-	
Three years after underwriting year	28,568,957	39,784,500	-	-	-	
Four years after underwriting year	28,446,885	-	-	-	-	
Estimated ultimate losses	28,446,885	39,784,500	8,377,473	5,478,079	1,600,658	
Paid losses	(28,027,811)	(39,146,897)	(7,407,901)	(4,094,582)	(363,088)	
Total reserve	<u>\$ 419,074</u>	<u>\$ 637,603</u>	<u>\$ 969,572</u>	<u>\$ 1,383,497</u>	<u>\$ 1,237,570</u>	\$ 4,647,316
Adjustment item (Note)						375,128
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						<u>\$ 5,022,444</u>

December 31, 2024

<u>Development Year</u>	<u>Accident Year</u>					<u>Total</u>
	<u>Before 2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	
End of underwriting year	\$ 25,748,795	\$ 4,565,572	\$ 39,828,137	\$ 9,335,805	\$ 5,438,841	
One year after underwriting year	25,738,193	4,386,827	39,909,114	8,422,129	-	
Two years after underwriting year	25,250,950	4,242,107	39,825,689	-	-	
Three years after underwriting year	25,136,260	4,017,641	-	-	-	
Four years after underwriting year	24,551,316	-	-	-	-	
Estimated ultimate losses	24,551,316	4,017,641	39,825,689	8,422,129	5,438,841	
Paid losses	(24,293,418)	(3,714,175)	(39,160,859)	(7,404,139)	(3,296,517)	
Total reserve	<u>\$ 257,898</u>	<u>\$ 303,466</u>	<u>\$ 664,830</u>	<u>\$ 1,017,990</u>	<u>\$ 2,142,324</u>	\$ 4,386,508
Adjustment item (Note)						347,840
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						<u>\$ 4,734,348</u>

March 31, 2024

<u>Development Year</u>	<u>Accident Year</u>					<u>Total</u>
	<u>Before 2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Three months ended March 31, 2024</u>	
End of underwriting year	\$ 25,748,794	\$ 4,565,572	\$ 39,328,137	\$ 9,335,805	\$ 1,213,796	
One year after underwriting year	25,738,193	4,386,827	39,909,114	8,941,515	-	
Two years after underwriting year	25,250,950	4,242,107	39,884,508	-	-	
Three years after underwriting year	25,136,260	4,240,445	-	-	-	
Four years after underwriting year	24,754,110	-	-	-	-	
Estimated ultimate losses	24,754,110	4,240,445	39,884,508	8,941,515	1,213,795	
Paid losses	(24,277,141)	(3,686,381)	(39,072,346)	(6,955,306)	(320,986)	
Total reserve	<u>\$ 476,969</u>	<u>\$ 554,064</u>	<u>\$ 812,162</u>	<u>\$ 1,986,209</u>	<u>\$ 892,809</u>	\$ 4,722,213
Adjustment item (Note)						385,603
Realized amount in balance sheet (Shown as claims reserve for insurance liabilities)						<u>\$ 5,107,816</u>

Note: Adjustment items include estimated claims for earthquake insurance, compulsory automobile insurance, nuclear insurance, and the total sum of non-distributable claim reserve fund.

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:

<u>March 31, 2025</u>	<u>Book value</u>	<u>Within 12 months</u>	<u>Over 12 months</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 7,207,731	\$ 7,207,731	\$ -
Receivables	1,040,790	1,040,790	-
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
Reinsurance contract assets	7,475,169	5,146,407	2,328,762
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
<u>Liabilities</u>			
Payables	\$ 2,600,524	\$ 2,600,524	\$ -
Current income tax liabilities	3,191	3,191	-
Insurance liabilities	19,620,219	13,059,393	6,560,826
Lease liabilities	124,390	62,907	61,483
Deferred income tax liabilities	43,344	-	43,344
Other liabilities	442,312	441,445	867

<u>December 31, 2024</u>	<u>Book value</u>	<u>Within 12 months</u>	<u>Over 12 months</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 6,479,058	\$ 6,479,058	\$ -
Receivables	837,857	837,857	-
Current income tax assets	7,718	-	7,718
Financial assets at fair value through profit or loss	4,433,668	3,927,214	506,454
Financial assets at fair value through other comprehensive income	493,500	-	493,500
Other financial assets	1,843,354	1,743,354	100,000
Right-of-use assets	136,974	-	136,974
Investment property	384,435	-	384,435
Reinsurance contract assets	7,362,261	5,082,534	2,279,727
Property and equipment	4,147,934	-	4,147,934
Intangible assets	110,949	-	110,949
Deferred income tax assets	1,055,930	-	1,055,930
Other assets	787,302	385,432	401,870
<u>Liabilities</u>			
Payables	\$ 2,449,345	\$ 2,449,345	\$ -
Current income tax liabilities	2,037	2,037	-
Insurance liabilities	18,545,040	12,187,003	6,358,037
Lease liabilities	140,275	63,126	77,149
Deferred income tax liabilities	42,854	-	42,854
Other liabilities	532,960	532,138	822

	Book value	Within 12 months	Over 12 months
<u>March 31, 2024</u>			
<u>Assets</u>			
Cash and cash equivalents	\$ 6,035,375	\$ 6,035,375	\$ -
Receivables	861,529	861,529	-
Current income tax assets	13,481	-	13,481
Financial assets at fair value through profit or loss	3,539,176	3,027,290	511,886
Financial assets at fair value through other comprehensive income	300,406	-	300,406
Other financial assets	1,738,231	1,738,231	-
Right-of-use assets	164,023	-	164,023
Investment property	394,318	-	394,318
Reinsurance contract assets	5,789,373	4,147,756	1,641,617
Property and equipment	3,962,873	-	3,962,873
Intangible assets	113,048	-	113,048
Deferred income tax assets	1,311,210	-	1,311,210
Other assets	4,724,635	410,983	4,313,652
<u>Liabilities</u>			
Short-term borrowings	\$ 3,500,000	\$ 3,500,000	\$ -
Payables	2,604,434	2,604,434	-
Current income tax liabilities	371	371	-
Insurance liabilities	17,123,727	11,561,464	5,562,263
Lease liabilities	165,882	61,719	104,163
Deferred income tax liabilities	46,726	-	46,726
Other liabilities	431,735	430,248	1,487

(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, 2025, December 31, 2024 and March 31, 2024, the fund amounts were \$1,900,000, \$1,900,000 and \$1,700,000, respectively.

(9) The subsidiary-Hotai Insurance Co., Ltd.’s calculation of retention earned premiums is shown below:

Three months ended March 31, 2025						
Category of insurance	Written premiums (1)	Reinsurance premiums (2)	Reinsurance premiums ceded (3)	Retention premiums (4)=(1)+(2)-(3)	Net change in unearned premium (5)	Retention earned premiums (6)=(4)-(5)
Compulsory insurance	\$ 144,733	\$ 53,894	\$ 58,305	\$ 140,322	\$ 2,249	\$ 138,073
Elective insurance	4,190,082	127,052	1,475,944	2,841,190	476,581	2,364,609
	4,334,815	180,946	1,534,249	2,981,512	478,830	2,502,682
Discount	-	-	-	-	-	-
	<u>\$ 4,334,815</u>	<u>\$ 180,946</u>	<u>\$ 1,534,249</u>	<u>\$ 2,981,512</u>	<u>\$ 478,830</u>	<u>\$ 2,502,682</u>
Three months ended March 31, 2024						
Category of insurance	Written premiums (1)	Reinsurance premiums (2)	Reinsurance premiums ceded (3)	Retention premiums (4)=(1)+(2)-(3)	Net change in unearned premium (5)	Retention earned premiums (6)=(4)-(5)
Compulsory insurance	\$ 138,400	\$ 51,096	\$ 56,105	\$ 133,391	\$ 2,023	\$ 131,368
Elective insurance	3,477,777	85,806	1,066,819	2,496,764	343,161	2,153,603
	3,616,177	136,902	1,122,924	2,630,155	345,184	2,284,971
Discount	3	-	-	3	-	3
	<u>\$ 3,616,180</u>	<u>\$ 136,902</u>	<u>\$ 1,122,924</u>	<u>\$ 2,630,158</u>	<u>\$ 345,184</u>	<u>\$ 2,284,974</u>

(10) The subsidiary-Hotai Insurance Co., Ltd.’s calculation of retention claim expenditures is shown below:

Three months ended March 31, 2025				
<u>Category of insurance</u>	Claim expenditures (1)	Reinsurance claim expenditures (2)	Reinsurance claims recovery (3)	Retention claim expenditures (4)=(1)+(2)-(3)
Compulsory insurance	\$ 67,575	\$ 44,930	\$ 41,008	\$ 71,497
Elective insurance	1,623,508	95,937	520,249	1,199,196
	<u>\$ 1,691,083</u>	<u>\$ 140,867</u>	<u>\$ 561,257</u>	<u>\$ 1,270,693</u>
Three months ended March 31, 2024				
<u>Category of insurance</u>	Claim expenditures (1)	Reinsurance claim expenditures (2)	Reinsurance claims recovery (3)	Retention claim expenditures (4)=(1)+(2)-(3)
Compulsory insurance	\$ 81,524	\$ 43,377	\$ 47,714	\$ 77,187
Elective insurance	1,512,688	2,942	570,178	945,452
	<u>\$ 1,594,212</u>	<u>\$ 46,319</u>	<u>\$ 617,892</u>	<u>\$ 1,022,639</u>

(11) 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, 2025, December 31, 2024 and March 31, 2024, balance sheets for compulsory automobile liability insurance are as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Assets			
Cash and cash equivalents	\$ 1,977,223	\$ 1,958,621	\$ 1,863,577
Notes receivable	3,790	5,511	4,145
Premiums receivable	8,047	10,083	8,100
Claims recoverable from reinsurers	14,408	14,546	20,483
Due from reinsurance and ceding companies	17,695	17,453	16,553
Ceded unearned premium reserve	123,115	122,002	117,975
Ceded claim reserve	163,401	130,133	161,497
Temporary payments and suspense accounts	-	34	-
Total assets	<u>\$ 2,307,679</u>	<u>\$ 2,258,383</u>	<u>\$ 2,192,330</u>
Liabilities			
Claims payable	\$ 497	\$ 199	\$ 300
Due to reinsurance and ceding companies	23,103	33,037	19,236
Unearned premium reserve	322,170	318,808	306,449
Claims reserve	423,592	364,106	408,691
Special reserve	1,535,211	1,533,958	1,457,529
Temporary payments and suspense accounts	3,106	8,275	125
Total liabilities	<u>\$ 2,307,679</u>	<u>\$ 2,258,383</u>	<u>\$ 2,192,330</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the subsidiary, Hotai Insurance Co., Ltd., has long-term time deposits amounting to \$1,736,800, \$1,716,800 and \$1,711,800, 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, 2025 and 2024 are as follows:

	Three months ended March 31,	
	2025	2024
Operating revenues		
Written premiums	\$ 97,175	\$ 93,506
Reinsurance premiums	53,894	51,096
Less: Reinsurance premiums ceded	(58,305)	(56,105)
Net change in unearned premium reserve	(2,249)	(2,023)
Retention earned premiums	90,515	86,474
Interest income	6,519	5,661
Total	<u>\$ 97,034</u>	<u>\$ 92,135</u>
Operating costs		
Claim expenditures	\$ 67,575	\$ 81,524
Reinsurance claim expenditures	44,930	43,377
Less: Reinsurance claims recovery	(41,008)	(47,714)
Retention claim expenditures	71,497	77,187
Net change in claims reserve	26,218	(1,333)
Net change in special reserve	1,253	19,814
Total	<u>\$ 98,968</u>	<u>\$ 95,668</u>

(12) 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, 2025, December 31, 2024 and March 31, 2024 were 20.92%, 22.68% and 17.53%, respectively.

(13) 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

<u>March 31, 2025</u>	<u>Book value</u>	<u>Within 12 months</u>	<u>Over 12 months</u>
<u>Assets</u>			
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	-
<u>Liabilities</u>			
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	-

December 31, 2024	Book value	Within 12 months	Over 12 months
<u>Assets</u>			
Cash and cash equivalents	\$ 4,985,831	\$ 4,985,831	\$ -
Current financial assets for hedging	260,887	237,073	23,814
Accounts and notes receivable, net	259,678,812	91,391,884	168,286,928
Operating lease receivables, net	5,546	5,546	-
Finance lease receivable, net	32,130,469	21,718,217	10,412,342
Other receivables	85,171	85,171	-
Inventories	3,036	3,036	-
Prepayments	5,527,649	4,451,078	1,076,571
Other current financial assets	157,927	157,927	-
<u>Liabilities</u>			
Short-term borrowings	\$ 120,843,955	\$ 95,992,880	\$ 24,851,075
Short-term notes and bills payable	119,849,017	92,379,006	27,470,011
Current financial liabilities for hedging	855,551	468,646	386,905
Notes payable	1,224,979	1,224,979	-
Accounts payable (including related parties)	757,488	757,488	-
Other payables	3,492,067	3,492,067	-
Current income tax liabilities	655,273	655,273	-
Lease liabilities-current	88,065	88,065	-
Bonds payable	31,200,000	22,000,000	9,200,000
Financial guarantee liabilities-current	24,664	24,664	-
Guarantee deposits received-current	4,426,509	2,020,754	2,405,755
Other current liabilities, others	64,761	64,761	-

<u>March 31, 2024</u>	<u>Book value</u>	<u>Within 12 months</u>	<u>Over 12 months</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 5,374,135	\$ 5,374,135	\$ -
Current financial assets for hedging	530,868	530,868	-
Accounts and notes receivable, net	249,390,014	82,642,897	166,747,117
Operating lease receivables, net	163,088	163,088	-
Finance lease receivable, net	29,389,952	20,204,506	9,185,446
Other receivables	77,630	77,630	-
Inventories	5,259	5,259	-
Prepayments	5,864,750	4,364,802	1,499,948
Other current financial assets	583,565	583,565	-
<u>Liabilities</u>			
Short-term borrowings	\$ 107,348,970	\$ 83,684,936	\$ 23,664,034
Short-term notes and bills payable	125,263,553	87,851,876	37,411,677
Current financial liabilities for hedging	1,459,411	1,278,171	181,240
Notes payable	1,622,201	1,622,201	-
Accounts payable (including related parties)	530,534	530,534	-
Other payables	5,474,386	5,474,386	-
Current income tax liabilities	1,199,868	1,199,868	-
Lease liabilities-current	141,675	141,675	-
Bonds payable	31,200,000	3,000,000	28,200,000
Financial guarantee liabilities-current	28,213	28,213	-
Guarantee deposits received-current	4,407,506	1,952,204	2,455,302
Other current liabilities, others	51,678	51,678	-

13. Supplementary Disclosures

Related information of significant transactions for the three months ended March 31, 2025 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, 2025, the Company's self-owned capital ratio was 67%.

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, 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	\$ 2,675,436
Inter-segment revenue (Note)	3,263,190	159,086	207,951	196,231
Total segment revenue	<u>\$ 45,559,775</u>	<u>\$ 4,959,180</u>	<u>\$ 8,833,209</u>	<u>\$ 2,871,667</u>
Segment income (Note)	<u>\$ 4,969,556</u>	<u>\$ 992,969</u>	<u>\$ 459,301</u>	<u>\$ 140,689</u>
Segment assets	<u>\$ 103,898,937</u>	<u>\$ 287,912,673</u>	<u>\$ 102,080,072</u>	<u>\$ 28,876,428</u>
Items	Overseas sales agent segments	Other segments	Reconciliation and elimination	Total
Revenue from external customers	\$ 4,671,775	\$ 9,991,569	\$ -	\$ 73,060,717
Inter-segment revenue (Note)	440,416	2,741,218	(7,008,092)	-
Total segment revenue	<u>\$ 5,112,191</u>	<u>\$ 12,732,787</u>	<u>(\$ 7,008,092)</u>	<u>\$ 73,060,717</u>
Segment income (loss) (Note)	<u>(\$ 58,275)</u>	<u>\$ 1,577,793</u>	<u>(\$ 1,792,524)</u>	<u>\$ 6,289,509</u>
Segment assets	<u>\$ 20,968,621</u>	<u>\$ 83,276,414</u>	<u>(\$ 116,447,621)</u>	<u>\$ 510,565,524</u>
Three months ended March 31, 2024				
Items	Distributor of Toyota and Hino products segments	Installment trading segments	Leasing segments	Property insurance segments
Revenue from external customers	\$ 41,393,409	\$ 5,318,537	\$ 8,431,769	\$ 2,545,494
Inter-segment revenue (Note)	4,227,790	119,368	277,448	254,615
Total segment revenue	<u>\$ 45,621,199</u>	<u>\$ 5,437,905</u>	<u>\$ 8,709,217</u>	<u>\$ 2,800,109</u>
Segment income (Note)	<u>\$ 6,680,525</u>	<u>\$ 1,181,343</u>	<u>\$ 538,094</u>	<u>\$ 842,605</u>
Segment assets	<u>\$ 104,043,940</u>	<u>\$ 277,097,043</u>	<u>\$ 95,976,349</u>	<u>\$ 28,949,043</u>
Items	Overseas sales agent segments	Other segments	Reconciliation and elimination	Total
Revenue from external customers	\$ 4,260,172	\$ 8,417,013	\$ -	\$ 70,366,394
Inter-segment revenue (Note)	254,416	2,655,507	(7,789,144)	-
Total segment revenue	<u>\$ 4,514,588</u>	<u>\$ 11,072,520</u>	<u>(\$ 7,789,144)</u>	<u>\$ 70,366,394</u>
Segment income (loss) (Note)	<u>(\$ 98,147)</u>	<u>\$ 2,263,962</u>	<u>(\$ 2,887,062)</u>	<u>\$ 8,521,320</u>
Segment assets	<u>\$ 21,364,756</u>	<u>\$ 78,056,104</u>	<u>(\$ 109,386,858)</u>	<u>\$ 496,100,377</u>

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.

Hotai Motor Co., Ltd.
Loans to others
For the three months ended March 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 1

														Collateral					
Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three months ended March 31, 2025	Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote		
1	Shanghai Heling Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	\$ 548,783	\$ 548,783	\$ -	2.15%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 635,532	\$ 1,271,065	Note 1		
2	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	228,659	228,659	-	2.15%	Short-term financing	-	Operations	-	None	-	282,243	564,485	Note 1		
3	Shanghai Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	105,183	105,183	-	2.15%	Short-term financing	-	Operations	-	None	-	168,449	336,898	Note 1		
4	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	320,123	320,123	112,775	2.15%	Short-term financing	-	Operations	-	None	-	499,946	999,891	Note 1		
5	Shanghai Ho Mian Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	457,319	457,319	192,531	2.15%	Short-term financing	-	Operations	-	None	-	1,043,865	2,087,731	Note 1		
6	Shanghai Guangxin Cultural Media Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	9,146	9,146	4,436	2.15%	Short-term financing	-	Operations	-	None	-	13,056	26,113	Note 1		
7	Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	25,153	25,153	21,128	2.15%	Short-term financing	-	Operations	-	None	-	37,221	74,442	Note 1		
8	Shanghai HoChen Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	160,062	-	2.15%	Short-term financing	-	Operations	-	None	-	275,821	551,643	Note 1		
9	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	228,659	228,659	113,872	2.15%	Short-term financing	-	Operations	-	None	-	307,108	614,216	Note 1		
10	Shanghai Hotai Toyota Forklift Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	160,062	51,768	2.15%	Short-term financing	-	Operations	-	None	-	217,714	435,428	Note 1		
11	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	274,391	274,391	-	2.15%	Short-term financing	-	Operations	-	None	-	309,912	619,824	Note 1		
12	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	320,123	320,123	152,424	2.15%	Short-term financing	-	Operations	-	None	-	405,879	811,757	Note 1		
13	Tianjin Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	160,062	47,515	2.15%	Short-term financing	-	Operations	-	None	-	303,226	606,452	Note 1		
14	Tianjin Heyi International Trading Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	100,610	100,610	23,826	2.15%	Short-term financing	-	Operations	-	None	-	134,665	269,330	Note 1		
15	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	242,379	242,379	172,318	2.15%	Short-term financing	-	Operations	-	None	-	285,757	571,514	Note 1		
16	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	297,257	297,257	123,476	2.15%	Short-term financing	-	Operations	-	None	-	310,818	621,637	Note 1		
17	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	137,196	137,196	-	2.15%	Short-term financing	-	Operations	-	None	-	250,198	500,397	Note 1		
18	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	36,586	36,586	13,720	2.15%	Short-term financing	-	Operations	-	None	-	52,762	105,524	Note 1		
19	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,439	27,439	9,146	2.15%	Short-term financing	-	Operations	-	None	-	34,735	69,470	Note 1		
20	Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	20,579	20,579	-	2.15%	Short-term financing	-	Operations	-	None	-	40,142	80,285	Note 3		
21	Shanghai Fengyi Construction Decoration Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,439	27,439	27,439	2.15%	Short-term financing	-	Operations	-	None	-	55,020	110,040	Note 3		
22	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Other receivables	Y	663,112	663,112	527,489	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Other receivables	Y	182,928	182,928	48,750	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	Other receivables	Y	274,391	274,391	188,278	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	274,391	274,391	-	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	Other receivables	Y	45,732	45,732	-	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Guangxin Cultural Media Co., Ltd.	Other receivables	Y	9,146	9,146	-	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		
22	Hotong Motor Investment Co., Ltd.	Shanghai Hoxin Motor Service Consulting Co., Ltd.	Other receivables	Y	13,720	13,720	-	2.45%	Short-term financing	-	Operations	-	None	-	8,812,260	17,624,520	Note 2		

														Collateral								
Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the three months ended		Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote				
					March 31, 2025	March 31, 2025																
22	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	Other receivables	Y	\$	182,928	\$	182,928	\$	133,446	2.45%	Short-term financing	\$	-	None	\$	-	\$	8,812,260	\$	17,624,520	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Other receivables	Y		182,928		182,928	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Shanghai Hotai Toyota Forklift Co., Ltd.	Other receivables	Y		137,196		137,196	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y		274,391		274,391	25,930		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y		228,659		228,659	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Other receivables	Y		137,196		137,196	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Other receivables	Y		182,928		182,928	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Other receivables	Y		365,855		365,855	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y		274,391		274,391	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y		228,659		228,659	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Other receivables	Y		160,062		160,062	39,787		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Other receivables	Y		45,732		45,732	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Other receivables	Y		45,732		45,732	-		2.45%	Short-term financing	-	None	-			8,812,260		17,624,520	Note 2	
22	Hotong Motor Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd.	Other receivables	Y		160,062		160,062	74,589		2.45%	Short-term financing	-	None	-			1,762,452		3,524,904	Note 4	
22	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	Other receivables	Y		137,196		137,196	127,409		2.45%	Short-term financing	-	None	-			1,762,452		3,524,904	Note 4	
22	Hotong Motor Investment Co., Ltd.	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Other receivables	Y		137,196		137,196	-		2.45%	Short-term financing	-	None	-			1,762,452		3,524,904	Note 4	
22	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co., Ltd.	Other receivables	Y		914,638		914,638	914,638		2.95%	Short-term financing	-	None	-			1,762,452		3,524,904	Note 4	
22	Hotong Motor Investment Co., Ltd.	Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y		137,196		137,196	137,196		2.95%	Short-term financing	-	None	-			1,762,452		3,524,904	Note 4	
23	Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Other receivables	Y		914,638		914,638	-		3.55%	Short-term financing	-	None	-			6,517,054		13,034,108	Note 5	
23	Hoyun International Leasing Co., Ltd.	Homei International Trade (Suzhou) Co., Ltd.	Other receivables	Y		457,319		457,319	-		3.55%	Short-term financing	-	None	-			6,517,054		13,034,108	Note 5	
24	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y		30,000		30,000	15,000		2.48%	Short-term financing	-	None	-			271,558		543,116	Note 6	
24	He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Other receivables	Y		10,000		10,000	-		1.85%	Short-term financing	-	None	-			271,558		543,116	Note 6	
24	He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Other receivables	Y		13,000		13,000	-		1.85%	Short-term financing	-	None	-			271,558		543,116	Note 6	
25	He Jing Co., Ltd.	D	Accounts receivable	N		70,000		70,000	59,183	6%~10%		Short-term financing	-		Real estate	49,500		317,033		1,268,130	Note 7	
25	He Jing Co., Ltd.	E	Accounts receivable	N		30,000	-	-	-	-		Short-term financing	-		None	-		317,033		1,268,130	Note 7	
25	He Jing Co., Ltd.	F	Accounts receivable	N		30,000		30,000	-	5%~10%		Short-term financing	-		Stock	24,180		317,033		1,268,130	Note 7	
25	He Jing Co., Ltd.	G	Accounts receivable	N		300,000		300,000	-	5%~10%		Short-term financing	-		Stock	421,800		317,033		1,268,130	Note 7	
25	He Jing Co., Ltd.	H	Accounts receivable	N		300,000		300,000	251,006	5%~10%		Short-term financing	-		Stock	421,800		317,033		1,268,130	Note 7	
26	Hotai Finance Development Co., Ltd.	A	Accounts receivable	N		70,000		70,000	63,768	6%~10%		Short-term financing	-		Real estate	99,160		592,950		1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	B	Accounts receivable	N		15,000		15,000	-	4%~11%		Short-term financing	-		Guarantee	3,000		592,950		1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N		48,237		47,650	47,650	5%~10%		Short-term financing	-		Golf club membership card	42,600		592,950		1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	F	Accounts receivable	N		250,000		237,607	237,607	5%~10%		Short-term financing	-		Real estate	297,000		592,950		1,185,900	Note 8	

													Collateral					
			General ledger account	Related party	Maximum outstanding balance during the three months ended March 31, 2025	Balance at March 31, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Item	Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote	
Number	Creditor	Borrower			March 31, 2025	March 31, 2025												
26	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	\$ 60,000	\$ 60,000	\$ -	5%~10%	Short-term financing	\$ -	Operations	\$ -	Real estate	\$ 74,000	\$ 592,950	\$ 1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	I	Accounts receivable	N	26,000	19,680	19,680	5%~10%	Short-term financing	-	Operations	138	Real estate	21,000	592,950	1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	J	Accounts receivable	N	55,000	55,000	-	5%~10%	Short-term financing	-	Operations	-	Stock	69,857	592,950	1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	K	Accounts receivable	N	50,000	45,968	45,968	5%~10%	Short-term financing	-	Operations	322	Stock	69,825	592,950	1,185,900	Note 8	
26	Hotai Finance Development Co., Ltd.	L	Accounts receivable	N	119,976	119,896	119,896	5%~10%	Short-term financing	-	Operations	839	Stock	186,300	592,950	1,185,900	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, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding balance during the three months ended March 31, 2025	Outstanding endorsement/ guarantee amount at March 31, 2025	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
		Company name	Relationship with the endorser/guarantor											
0	Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Note 5	\$ 20,961,702	\$ 600,000	\$ 600,000	\$ 461,000	\$ -	0.86%	\$ 34,936,171	Y	N	N	Note 2
1	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commerical Factoring Co., Ltd.	Note 5	35,804,351	1,338,152	1,338,152	460,829	-	3.74%	35,804,351	Y	N	Y	Note 3
1	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Note 5	35,804,351	3,000,000	3,000,000	791,478	-	8.38%	35,804,351	Y	N	N	"
1	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Note 5	35,804,351	15,370,000	15,370,000	4,870,000	-	42.93%	35,804,351	Y	N	N	"
2	Hoyun International Leasing Co., Ltd.	Hoyun (Shanghai) Vehicle Leasing Ltd.	Note 5	3,128,186	137,196	137,196	68,598	-	2.11%	3,258,527	Y	N	Y	Note 4

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 it's 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 it's total equity; the limit on endorsement for any single entity is no more than 48% of the Company's total equity.

Note 5: 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, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

				As of March 31, 2025				
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	\$ 893,667	0.15%	\$ 893,667	
	Listed stocks - Toyota Motor Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,956,000	9,295,698	0.10%	9,295,698	
	Listed stocks - Shihlin Electric & Engineering Corporation Etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	320,393	0.00%-0.42%	320,393	
	Unlisted stocks - Taian Insurance Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	678,555	0.42%-9.50%	678,555	
	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	
	Listed stocks - Toyota Motor Corporation	-	Financial assets at fair value through profit or loss - current	1,994,500	1,161,962	0.01%	1,161,962	
Hozan Investment Co., Ltd.	Beneficiary certificates - CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	47,963,633	552,503	-	552,503	
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	-	1,000,000	-	1,000,000	
Hotai Connected Co., Ltd	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	34,658,638	375,107	-	375,107	
	Beneficiary certificates - Mega Diamond Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	18,015,334	236,536	-	236,536	

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, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 4

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hotai Motor Co., Ltd.	Toyota Motor Corporation	Entity controlled by the Company's key management	Purchases	\$ 16,584,034	43%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(\$ 5,739,309)	57%	
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	11,821,065	31%	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	(560,923)	6%	
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	8,563,804	20%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	201,353	15%	
Hotai Motor Co., Ltd.	Tau Miau Motor Co., Ltd.	Associates	Sales	7,777,343	18%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	205,657	15%	
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Sales	6,451,691	15%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	120,112	9%	
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Sales	6,414,182	15%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	91,275	7%	
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Sales	5,942,102	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	156,900	12%	
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Sales	5,206,158	12%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	176,274	13%	
Hotai Motor Co., Ltd.	Toyota Motor Asia (Singapore) Pte., Ltd.	Entity controlled by the Company's key management	Purchases	959,897	2%	Pays its accounts 15 days after the end of each month	Major supplier of parts, so it is not applicable.	Normal	(327,593)	3%	
Hotai Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	889,371	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	19,327	1%	
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Sales	819,707	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	229,373	17%	
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Subsidiary	Sales	756,627	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	27,384	2%	
Hotai Motor Co., Ltd.	Yokohama Tire Taiwan Co., Ltd.	Associates	Purchases	306,184	1%	Pays its accounts 16 days after the end of each month	Major supplier of vehicle tires, so it is not applicable.	Normal	(103,405)	1%	
Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Subsidiary	Sales	295,736	1%	Collection at sight	Normal	Normal	3,311	-	
Hotai Motor Co., Ltd.	Hino Motors, Ltd.	Entity controlled by the Company's key management	Purchases	120,644	-	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(21,638)	-	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	\$ 224,737	84%	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	449,652	88%	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	188,843	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	299,575	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	234,732	91%	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	342,384	86%	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	222,608	80%	Payment in advance	Normal	Normal	-	-	
Chang Yuan Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	1,219,273	46%	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	(41,673)	10%	
Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	151,679	4%	Collection at sight	Normal	Normal	75,869	6%	
Eastern Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	117,579	13%	Collection at sight	Normal	Normal	27,842	26%	
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Sales	539,073	25%	Collects its accounts 30 days after the end of each month	Normal	Normal	189,009	16%	
Carmax Co., Ltd.	AIM Technology Corp.	Associates	Purchases	302,268	19%	Pays its accounts 21 days after the end of each month	Normal	Normal	(128,868)	18%	
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Sales	299,609	14%	Collects its accounts 40 days after the end of each month	Normal	Normal	214,114	18%	
Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	116,086	63%	Collects its accounts 30 days after the end of each month	Normal	Normal	52,708	64%	
Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	191,544	87%	Collects its accounts 10 days after the end of each month	Normal	Normal	73,875	70%	
Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Sales	158,004	87%	Collects its accounts 180 days after the end of each month	Normal	Normal	154,331	70%	
Hotai Leasing Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Purchases	1,111,032	20%	Payment at sight	Normal	Normal	(234,973)	45%	Note
Hotai Leasing Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Purchases	207,033	4%	Payment at sight	Normal	Normal	-	-	#
Hotai Leasing Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Purchases	621,488	11%	Payment at sight	Normal	Normal	(93,603)	18%	#

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hotai Leasing Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Purchases	\$ 464,844	9%	Payment at sight	Normal	Normal	\$ -	-	Note
Hotai Leasing Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Purchases	343,235	6%	Payment at sight	Normal	Normal	(827)	-	"
Hotai Leasing Co., Ltd.	Central Motor Co., Ltd.	Associates	Purchases	491,981	9%	Payment at sight	Normal	Normal	(770)	-	"

Note: Hotai Leasing Co., Ltd., Hoing Mobility Service Corporation 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, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2025	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Accounts receivable \$ 176,274	143.01	\$ -	—	\$ 176,274	\$ -
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Accounts receivable 120,112	206.40	-	—	120,112	-
Hotai Motor Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Accounts receivable 205,657	172.95	-	—	205,657	-
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Accounts receivable 156,900	174.85	-	—	156,900	-
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Accounts receivable 201,353	183.76	-	—	201,353	-
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Accounts receivable 229,373	14.38	-	—	229,373	-
Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Accounts receivable 154,331	8.19	-	—	154,331	-
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Accounts receivable 214,114	4.53	-	—	214,114	-
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Accounts receivable 189,009	9.53	-	—	189,009	-

Hotai Motor Co., Ltd.
Significant inter-company transactions during the reporting period
For the three months ended March 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 6

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount (Note 3)	Transaction terms	
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Sales revenue	\$ 819,707	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	236,305	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	229,373	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	756,627	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.	Hotai Leasing Co., Ltd.	1	Sales revenue	295,736	Collection at sight	-
1	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	152,424	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	3	Other receivables	188,278	Collects 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	527,489	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	112,775	Pays 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	172,318	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	123,476	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	192,531	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	133,446	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	3	Other payables	113,872	Pays 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	127,409	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co., Ltd.	3	Other receivables	914,638	Collects its accounts 30 days after the end of each month	-
2	Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	151,679	Collection at sight	-
3	Eastern Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	117,579	Collection at sight	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount (Note 3)	Transaction terms	
4	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Sales revenue	\$ 539,073	Collects its accounts 30 days after the end of each month	1%
4	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Accounts receivable	189,009	Collects its accounts 30 days after the end of each month	-
5	Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	116,086	Collects its accounts 30 days after the end of each month	-
6	Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	191,544	Collects its accounts 10 days after the end of each month	-
7	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Sales revenue	158,004	Collects its accounts 180 days after the end of each month	-
7	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Accounts receivable	154,331	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, 2025
(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, 2025			Net profit (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Shanghai Ho-Yu (BVI) Investment Co., Ltd.	British Virgin Islands	General investment	\$ 3,615,937	\$ 3,615,937	108,897,360	100.00	\$ 8,955,546	(\$ 33,413)	(\$ 33,413)	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	4,301,026	73,639	73,639	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	1,376,566	35,340	35,340	Subsidiary
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	80,000	80,000	49,889,053	100.00	567,022	8,735	8,735	Subsidiary
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Taiwan	Trading of vehicle products/accessories	153,030	153,030	22,950,000	51.00	2,350,199	368,712	188,043	Subsidiary
Hotai Motor Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	10,763	10,763	960,961	20.00	40,975	8,871	1,774	Subsidiary
Hotai Motor Co., Ltd.	Hozan Investment Co., Ltd.	Taiwan	General investment	12,004,622	12,004,622	254,032	100.00	18,934,575	546,487	546,487	Subsidiary
Hotai Motor Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar energy business	504,000	504,000	50,400,000	18.00	487,826	(5,110)	(920)	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	4,762,153	122,427	95,423	Subsidiary
Hotai Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	615,342	615,342	79,100,000	70.00	792,133	32,443	22,710	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	4,283,744	154,659	69,609	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	500,000	500,000	50,000,000	50.00	552,645	15,109	7,554	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Taiwan	Sales of vehicle bodies	37,010	37,010	4,000,000	100.00	55,972	105	105	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	1,744,922	301,173	60,777	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	120,323	20,617	5,154	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	1,409,289	227,098	53,754	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	1,546,974	193,468	67,346	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	7,190,441	907,116	274,998	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	127,370	4,528	957	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	322,232	25,804	4,990	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Tau Miao Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	1,324,655	1,324,655	15,153,573	20.00	2,046,320	280,413	54,914	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	1,570,177	186,911	35,832	Investee company accounted for using the equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Formosa Flexible Packaging Corp.	Taiwan	Production and marketing of packaging products	\$ 87,520	\$ 87,520	1,295,108	44.44	\$ 417,229	\$ 4,557	\$ 2,025	Investee company accounted for using the equity method
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	2,989,480	262,374	51,706	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	18,574	2,807	422	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	7,330 (	6,951) (	695)	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	116,218	116,218	3,500,000	70.00	138,871 (	2,298)	-	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	221,178	15,109	-	Subsidiary
Eastern Motor Co., Ltd.	Doroman Autoparts Corporation	Taiwan	Wholesale and retail of vehicles parts and accessories	500	500	138,718	100.00	9,155	608	-	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	674	33	-	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	32,443	-	Subsidiary
Eastern Motor Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	3,000	3,000	300,000	0.68	3,000 (	1,618)	-	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	133,118	8,871	-	Subsidiary
Carmax Co., Ltd.	AIM Technology Corp.	Taiwan	Trading of vehicle products/accessories	38,500	38,500	3,850,000	35.00	43,339	2,807	-	Investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Hotai Leasing Co., Ltd.	Taiwan	Leasing of vehicles	181,907	181,907	127,150,159	66.04	4,394,954	254,035	-	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	12,087,630	727,089	-	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	1,347,631	122,427	-	Subsidiary
Hozan Investment Co., Ltd.	Hozao Enterprise Co., Ltd.	Taiwan	Installment trading of various vehicles	34,756	34,756	3,823,128	18.29	461,338	401	-	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	-	145	193,468	-	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	386,678	48,746	-	Subsidiary's investee company accounted for using the equity method
Hotai Leasing Co., Ltd.	Hoing Mobility Service Corporation	Taiwan	Leasing of vehicles	413,849	413,849	35,810,824	50.82	290,438 (	6,763)	-	Sub-subsidiary
Hotai Leasing Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,314,918	1,314,918	39,600,000	49.50	3,225,718	85,672	-	Sub-subsidiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment trading of various vehicles	2,430,000	2,430,000	244,610,118	81.00	2,567,964	21,715	-	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	2,168,115 (	5,110)	-	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	2,974,082	9,332	-	Sub-subsidiary
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,341,482	1,341,482	40,400,000	50.50	3,291,740	85,672	-	Sub-subsidiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	72,482 (	1,618)	-	Sub-subsidiary
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Leasing of vehicles	564,485	564,485	5,600,000	35.00	564,309	5,362	-	Sub-subsidiary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Taiwan	Energy storage business	22,000	22,000	2,200,000	100.00	11,956 (	2,016)	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar power business	32,781	32,781	3,200,000	96.97	32,807 (	147)	-	Sub-subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Taiwan	Solar power business	\$ 20,816	\$ 20,816	2,079,000	99.00	\$ 21,410	(\$ 114)	\$ -	Sub-subsidiary
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Taiwan	Solar power business	27,706	27,706	2,673,000	99.00	24,158	(414)	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity sales related business	10,000	1,000	1,000,000	100.00	9,580	(68)	-	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	40,571	(177)	-	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	93,712	22	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Taiwan	Solar power business	163,017	163,017	10,000,000	100.00	162,621	1,055	-	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	456,267	5,979	-	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	80,047	540	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Taiwan	Solar power business	162,216	162,216	94,011	100.00	164,593	2,145	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar power business	78,400	78,400	7,840,000	70.00	78,060	(689)	-	Sub-subsidiary
He Jun Energy Co., Ltd.	Zheng Ren Energy Co., Ltd.	Taiwan	Solar power business	154,980	154,980	15,498,000	35.00	133,875	(4,429)	-	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	398,361	(13,399)	-	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	21,990	(6,951)	-	Investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Grinnodot Inc.	Taiwan	Solar power business	149,092	149,092	3,046,679	20.00	148,183	840	-	Sub-subsidiary's 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	360,300	(935)	-	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	31,346	1,889	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	300,000	300,000	34,655,635	49.18	281,065	(6,763)	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Ho Young Travel Agency Co., Ltd.	Taiwan	Tourism industry	10,000	10,000	1,600,000	100.00	27,782	1,518	-	Sub-subsidiary
Hotai Connected Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	180,000	180,000	18,000,000	41.10	106,653	(1,618)	-	Sub-subsidiary
Hotai Mobility Service Co., Ltd.	ChyuanAn Transport Co., Ltd.	Taiwan	Taxi service	9,748	9,748	3,400,000	100.00	36,479	172	-	Sub-subsidiary
Hotai Mobility Service Co., Ltd.	YuCheng Transport Co., Ltd.	Taiwan	Taxi service	39,225	39,225	7,000,000	100.00	99,177	571	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	Air Master International Co., Ltd.	Samoa	General investment	99,615	99,615	3,000,000	100.00	93,578	(2,853)	-	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	955,072	29,328	-	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	110,732	2,629	-	Sub-subsidiary
Ho Tai Development Co., Ltd.	3A Express Co., Ltd.	Taiwan	Freight forwarders	51,000	51,000	5,100,000	51.00	160,654	8,503	-	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	36,120	(190)	-	Subsidiary 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	23,180	1,558	-	Sub-subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2025			Net profit (loss) of the investee for the three months ended March 31, 2025	Investment income (loss) recognized by the Company for the three months ended March 31, 2025		Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value				
3A Express Co., Ltd.	Ho Tai Transportation Co., Ltd.	Taiwan	Freight forwarders	\$ 25,000	\$ 25,000	2,500,000	100.00	\$ 94,160	\$ 7,007	\$ -	Sub-subsidiary	
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Taiwan	Trading of buses	40,000	40,000	4,000,000	100.00	60,955	8,883	-	Sub-subsidiary	

Hotai Motor Co., Ltd.
Information on investments in Mainland China-Basic information
For the three months ended March 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 8

			Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2025										
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, 2025	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income (loss) of investee for the three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Book value of investment in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Hotong Motor Investment Co., Ltd.	Operation decision making, capital using and financial management, information services, employee trainings and other services	\$ 4,251,734	Note(2)	\$ 477,920	\$ -	\$ -	\$ 477,920	(\$ 31,788)	100.00	(\$ 31,788)	\$ 8,780,082	\$ 1,549,567	Note 2.3
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Sales and repairing of vehicles	111,901	Note(2)	111,901	-	-	111,901	(5,190)	100.00	(5,190)	276,989	-	Note 2.3
ChongQing Yudu Toyota Automobile Sales & Service Co., Ltd.	Sales and repairing of vehicles	137,196	Note(2)	12,203	-	-	12,203	-	10.48	-	12,203	-	Note 2.3
Beijing Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	99,615	Note(2)	33,205	-	-	33,205	-	40.00	-	-	-	Note 2.3
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	199,230	Note(2)	199,230	-	-	199,230	11,023	100.00	11,023	321,070	-	Note 2.3
Shanghai Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	99,615	Note(2)	99,615	-	-	99,615	(720)	100.00	(720)	167,720	-	Note 2.3
Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	166,025	Note(2)	116,218	-	-	116,218	(2,298)	70.00	(1,608)	198,386	-	Note 2.3
Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	116,218	Note(3)	87,163	-	-	87,163	(6,805)	100.00	(6,805)	628,643	-	Note 2.3
ChongQing Yurun Toyota Automobile Service Co., Ltd.	Sales and repairing of vehicles	137,196	Note(2)	13,074	-	-	13,074	-	10.48	-	13,074	26,106	Note 2.3
Shanghai Hotai Toyota Forklift Co., Ltd.	Sales of vehicles and parts for industry use	199,230	Note(2)	199,230	-	-	199,230	(1,772)	100.00	(1,772)	215,921	-	Note 2.3
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	453,248	Note(2)	308,807	-	-	308,807	(3,944)	100.00	(3,944)	246,206	-	Note 2.3
Zaozhong Ho-Wan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	45,732	Note(3)	-	-	-	-	246	100.00	246	53,011	-	Note 2.3
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	192,589	Note(2)	192,589	-	-	192,589	(4,854)	100.00	(4,854)	280,843	-	Note 2.3
Nanchang Heling Lexus Motors Sales & Service Co., Ltd.	Sales and repairing of vehicles	215,833	Note(2)	215,833	-	-	215,833	2,255	100.00	2,255	313,101	-	Note 2.3
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	2,656,400	Note(2)	2,656,400	-	-	2,656,400	85,672	55.61	47,643	3,624,449	514,959	Note 2.1
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring services	914,638	Note(3)	-	-	-	-	21,717	55.61	12,077	594,736	-	Note 2.3
Hoyun (Shanghai) Vehicle Leasing Ltd.	Leasing of cars	685,978	Note(3)	-	-	-	-	20,108	55.61	11,182	401,199	-	Note 2.3
Hangzhou Yiyou Network Technology Co., Ltd.	Leasing of licence plate	-	Note(3)	-	-	-	-	-	55.61	-	-	-	Note 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, 2025	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income (loss) of investee for the three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Book value of investment in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Hangzhou Wangyou Network Technology Co., Ltd.	Leasing of licence plate	\$ -	Note(3)	\$ -	\$ -	\$ -	\$ -	\$ -	55.61	\$ -	\$ -	\$ -	Note 3
Homei International Trade (Suzhou) Co., Ltd.	Goods trading business	228,659	Note(3)	-	-	-	-	2,306	55.61	1,283	127,972	-	Note 2.3
He Zhan Development Co., Ltd.	Trading of air conditioning equipment	99,615	Note(2)	99,615	-	-	99,615	(2,853)	45.01	(1,284)	42,118	-	Note 2.3
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	398,460	Note(3)	-	-	-	-	(391)	100.00	(391)	405,483	-	Note 2.3
Tianjin Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	313,721	Note(3)	-	-	-	-	674	100.00	674	303,909	-	Note 2.3
Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	91,464	Note (3)	-	-	-	-	519	100.00	519	90,942	-	Note 2.3
Linyi Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	398,460	Note(3)	-	-	-	-	(4,532)	35.00	(1,586)	45,082	-	Note 2.3
Carmax Autotech (Shanghai) Co., Ltd.	Trading of vehicle products/accessories	44,163	Note(1)	44,163	-	-	44,163	13,675	51.00	6,974	217,438	-	Note 2.3
Guangzhou Gac Changho Autotech Corporation	Trading of vehicle products/accessories	106,035	Note(1)	47,716	-	-	47,716	12,498	22.95	2,868	55,064	253,818	Note 2.3
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	332,050	Note(3)	-	-	-	-	552	35.00	193	179,414	-	Note 2.3
Taizhou Zhongdu Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	498,075	Note(3)	-	-	-	-	4,255	35.00	1,489	234,623	-	Note 2.3
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	398,460	Note(3)	-	-	-	-	(6,890)	35.00	(2,412)	229,285	-	Note 2.3
Jinzhong Central Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	464,870	Note(3)	-	-	-	-	(2,947)	35.00	(1,032)	17,745	-	Note 2.3
Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	19,207	Note(3)	-	-	-	-	(1)	100.00	(1)	3,531	-	Note 2.3
Shanghai Guangxin Cultural Media Co., Ltd.	Design and production of advertisements	4,573	Note(3)	-	-	-	-	37	100.00	37	13,094	-	Note 2.3
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	488,877	Note(3)	-	-	-	-	(9,211)	100.00	(10,282)	544,459	-	Note 2.3
Shanghai Ho-Mian Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	1,051,833	Note(3)	-	-	-	-	1,915	100.00	1,915	1,045,803	-	Note 2.3
Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Consulting service	13,720	Note(3)	-	-	-	-	(1,166)	100.00	(1,166)	36,041	-	Note 2.3
Tianjin Heyi International Trading Co., Ltd.	Sales of imported vehicles	91,464	Note(3)	-	-	-	-	485	100.00	485	135,156	-	Note 2.3
Chongqing Taikang Heling Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	45,732	Note(3)	-	-	-	-	19,939	50.00	9,969	(31,453)	-	Note 2.3
Shanghai HoChen Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	332,050	Note(3)	-	-	-	-	(2,597)	100.00	(2,597)	273,192	-	Note 2.3
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	348,653	Note(3)	-	-	-	-	(1,731)	100.00	(1,731)	305,356	-	Note 2.3
Tianjin Binhai Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	137,196	Note(3)	-	-	-	-	(3,376)	35.00	(1,181)	37,039	-	Note 2.3
Tianjin Yongda Communication Technology Co., Ltd.	Trading of vehicle products / accessories and property management	268,812	Note(3)	-	-	-	-	92	35.00	(1,156)	164,093	-	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, 2025	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income (loss) of investee for the three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2025	Book value of investment in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Sales and repairing of vehicles	\$ 137,196	Note(3)	\$ -	\$ -	\$ -	\$ -	(\$ 16,272)	70.00	(\$ 11,391)	\$ 66,020	\$ -	Note 2.3
Taiyuan Zhongdu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	142,782	Note(3)	-	-	-	-	3,988	35.00	1,396	23,304	-	Note 2.3
Shanghai Zhongxin Means of Transportation Engineering Co.,Ltd.	Sales and repairing of vehicles	22,866	Note(3)	-	-	-	-	(551)	100.00	(3,966)	470,889	-	Note 2.3
Shanghai Fengyi Construction Decoration Co., Ltd.	Sales and repairing of vehicles	256,099	Note(3)	-	-	-	-	6,576	70.00	999	627,757	-	Note 2.3
Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Sales and repairing of vehicles	320,123	Note(3)	-	-	-	-	211	70.00	148	172,860	-	Note 2.3
Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	777,442	Note(3)	-	-	-	-	2,944	100.00	2,944	811,144	-	Note 2.3
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(3)	-	-	-	-	-	-	-	-	-	Note 4

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, 2025 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 companies completed dissolution and liquidation in February 2025.

Note 4: The trust that conforms to the definition of a structured entity is summarized in detail in Note 6(5).

Note 5: 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, 2025	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.	\$ 1,979,975	\$ 5,549,967	\$ 63,234,050