

HOTAI MOTOR CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 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.

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AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2025 AND 2024
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INDEPENDENT AUDITORS' REPORT
(TRANSLATED FROM CHINESE)

PWCR25004484

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

Opinion

We have audited the accompanying parent company only balance sheets of Hotai Motor Co., Ltd. (the "Company") as at December 31, 2025 and 2024, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2025 and 2024, and its parent company only financial performance and its cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

The key audit matters of the parent company only financial statements are stated as follows:

Evaluation of provision for impairment of accounts receivable of Hotai Finance Co., Ltd., an investment accounted for using equity method

Description

Hotai Finance Co., Ltd. (“Hotai Finance”) is an investment by Hotai Motor Co., Ltd. accounted for using equity method. Its primary business is providing installment sales and leasing of vehicles. In the supply chain of motor vehicles, the role of Hotai Finance is to provide customers with flexible financing options and to streamline the vehicle delivery process. Therefore, Hotai Finance is responsible for the collections of accounts receivable and manages overdue accounts.

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

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

How our audit addressed the matter

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

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

3. Sampled and examined the supporting documents of individual evaluation made by the management to evaluate the reasonableness of the expected credit loss recognized.

Claims reserve and ceded claims reserve of Hotai Insurance Co., Ltd., an investment accounted for using equity method

Description

The claims reserve (including ceded claims) of Hotai Insurance Co., Ltd. (“Hotai Insurance”), an investment by Hotai Motor Co., Ltd. accounted for using equity method, is the reasonable amount of ultimate claims prior and after reinsurance based on the actuarial department’s historical claims development trend and experience.

Since the calculation method and assumptions selection of claims reserve (including those ceded claims) involve subjective judgment and relatively high degree of uncertainty, and the estimation results have a material impact on the financial statements, we have thus included claims reserve and ceded claims reserve as a key audit matter in our audit.

How our audit addressed the matter

The procedures that we have conducted in response to specific aspects of the key audit matter mentioned above are summarized as follows:

1. Understood and assessed Hotai Insurance’s policies, internal control, and operational procedures related to claims reserve (including those ceded). Sampled and inspected the effectiveness of controls related to claims reserve (including those ceded) calculation.
2. Sampled and examined the consistency of financial values used in calculating claims reserve (including those prior to and after reinsurance) with the recorded amounts in the books in order to confirm the accuracy and completeness.
3. Used the work of actuarial expert to assist us in assessing the reasonableness of the claims reserve (including those prior to and after reinsurance). This included the following procedures:
 - (1) Examined the reasonableness of the assessment method for the reserves;
 - (2) Examined the reasonableness of the assumptions used by Hotai Insurance;
 - (3) Recalculated unreported and unsettled claims reserve using assumptions adopted by Hotai Insurance Co., Ltd. in order to confirm the accuracy and the reasonableness of the allowances.
4. Examined those significant incurred but not paid cases on a sample basis and assessed the reasonableness of the estimated claims amount.

Other matter – Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investees, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$9,697,252 thousand and NT\$8,888,005 thousand, constituting 8.80% and 8.73% of the total assets as at December 31, 2025 and 2024, respectively, and the comprehensive income amounted to

NT\$490,310 thousand and NT\$526,408 thousand, constituting 2.58% and 2.27% of the total comprehensive income for the years then ended, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Hsiao, Chun-Yuan

Hsu, Sheng-Chung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,133,963	4	\$ 608,902	1
1110	Financial assets at fair value through profit or loss - current	6(2)	1,840,677	2	1,562,882	1
1150	Notes receivable, net	6(4)	1,961	-	-	-
1170	Accounts receivable, net	6(4)	83,063	-	15,961	-
1180	Accounts receivable - related parties, net	6(4) and 7	898,451	1	1,178,876	1
1200	Other receivables	7	1,350,421	1	991,569	1
130X	Inventories, net	6(5)	9,617,702	9	9,069,108	9
1410	Prepayments		417,797	-	580,386	1
11XX	Total current assets		<u>18,344,035</u>	<u>17</u>	<u>14,007,684</u>	<u>14</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss-non-current	6(2)	500,000	-	500,000	-
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	12,694,369	12	12,532,056	12
1550	Investments accounted for using equity method	6(6)	69,750,825	63	66,694,942	66
1600	Property, plant and equipment	6(7)	4,333,053	4	4,001,603	4
1755	Right-of-use assets, net	6(8)	6,964	-	12,549	-
1760	Investment property, net	6(10)	2,610,773	2	2,473,201	2
1780	Intangible assets		229,322	-	70,619	-
1840	Deferred income tax assets	6(25)	1,189,725	1	1,081,278	1
1900	Other non-current assets		532,860	1	541,052	1
15XX	Total non-current assets		<u>91,847,891</u>	<u>83</u>	<u>87,907,300</u>	<u>86</u>
1XXX	Total assets		<u>\$ 110,191,926</u>	<u>100</u>	<u>\$ 101,914,984</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2025		December 31, 2024		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term loans	6(11)	\$ 2,600,000	3	\$ 2,593,680	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	7,048	-	-	-
2170	Accounts payable	6(12)	2,467,118	2	3,571,074	4
2180	Accounts payable - related parties	6(12) and 7	4,900,314	4	6,236,940	5
2200	Other payables	6(13) and 7	3,565,402	3	3,068,585	3
2230	Current income tax liabilities		2,523,430	2	1,153,214	1
2250	Provisions for liabilities - current	6(15)	766,554	1	713,194	1
2280	Current lease liabilities		5,658	-	5,546	-
2300	Other current liabilities		31,089	-	41,879	-
21XX	Total current liabilities		<u>16,866,613</u>	<u>15</u>	<u>17,384,112</u>	<u>17</u>
Non-current liabilities						
2550	Provisions for liabilities - non-current	6(15)	5,508,121	5	4,531,288	4
2570	Deferred income tax liabilities	6(25)	1,656,698	2	1,707,785	2
2580	Non-current lease liabilities		1,433	-	7,100	-
2600	Other non-current liabilities		882	-	882	-
25XX	Total non-current liabilities		<u>7,167,134</u>	<u>7</u>	<u>6,247,055</u>	<u>6</u>
2XXX	Total liabilities		<u>24,033,747</u>	<u>22</u>	<u>23,631,167</u>	<u>23</u>
Equity						
Share capital						
3110	Common stock	6(16)	5,571,028	5	5,571,028	5
Capital surplus						
3200	Capital surplus	6(17)	2,919,185	3	2,871,305	3
Retained earnings						
3310	Legal reserve	6(18)	19,892,318	18	17,836,393	18
3320	Special reserve		381,843	-	381,843	-
3350	Unappropriated earnings		50,684,894	46	44,928,842	44
Other equity						
3400	Other equity		6,708,911	6	6,694,406	7
3XXX	Total equity		<u>86,158,179</u>	<u>78</u>	<u>78,283,817</u>	<u>77</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 110,191,926</u>	<u>100</u>	<u>\$ 101,914,984</u>	<u>100</u>

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

HOTAI MOTOR CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31				
		2025		2024		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19) and 7	\$ 160,379,156	100	\$ 160,057,276	100
5000	Operating costs	6(5) and 7	(145,249,736)	(90)	(144,797,104)	(91)
5900	Gross profit before realized (unrealized) profit from sales to subsidiaries and associates		15,129,420	10	15,260,172	9
5910	Unrealized profit from sales		(184,272)	-	(640,585)	-
5920	Realized profit from sales		640,585	-	434,201	-
5950	Gross profit		15,585,733	10	15,053,788	9
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(2,828,002)	(2)	(2,776,306)	(2)
6200	General and administrative expenses		(1,997,468)	(1)	(1,920,931)	(1)
6000	Total operating expenses		(4,825,470)	(3)	(4,697,237)	(3)
6900	Operating profit		10,760,263	7	10,356,551	6
	Non-operating income and expenses					
7100	Interest income	6(20) and 7	127,554	-	120,879	-
7010	Other income	6(21) and 7	1,665,126	1	1,453,500	1
7020	Other gains and losses	6(22)	607,305	-	1,017,935	1
7050	Finance costs		(120,107)	-	(267,163)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	8,728,614	6	8,942,104	6
7000	Total non-operating income and expenses		11,008,492	7	11,267,255	8
7900	Profit before income tax		21,768,755	14	21,623,806	14
7950	Income tax expense	6(25)	(2,868,302)	(2)	(1,156,780)	(1)
8200	Profit for the year		\$ 18,900,453	12	\$ 20,467,026	13
	Other comprehensive income (loss) for the year, net of tax					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gain from investments in equity instruments measured at fair value through other comprehensive income	6(3)	\$ 162,313	-	\$ 1,853,860	1
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		74,612	-	146,415	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		236,925	-	2,000,275	1
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,754	-	411,732	1
8380	Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using equity method		(170,595)	-	346,422	-
8360	Total components of other comprehensive (loss) income that will be reclassified to profit or loss		(168,841)	-	758,154	1
8300	Other comprehensive income for the year, net of tax		\$ 68,084	-	\$ 2,758,429	2
8500	Total comprehensive income for the year		\$ 18,968,537	12	\$ 23,225,455	15
	Basic earnings per share	6(26)				
9750	Total basic earnings per share		\$ 33.93		\$ 36.74	
	Diluted earnings per share	6(26)				
9850	Total diluted earnings per share		\$ 33.90		\$ 36.71	

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

HOTAI MOTOR CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings					Other equity interest			Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gains on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	
<u>For the year ended December 31, 2024</u>										
Balance at January 1, 2024		\$ 5,571,028	\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 37,794,757	(\$ 673,527)	\$ 4,711,563	(\$ 9,834)	\$ 66,226,484
Profit of the year		-	-	-	-	20,467,026	-	-	-	20,467,026
Other comprehensive income (loss) for the year		-	-	-	-	92,225	590,185	2,123,940	(47,921)	2,758,429
Total comprehensive income (loss)		-	-	-	-	20,559,251	590,185	2,123,940	(47,921)	23,225,455
Appropriation and distribution of retained earnings:	6(18)									
Legal reserve		-	-	2,283,111	-	(2,283,111)	-	-	-	-
Cash dividends		-	-	-	-	(11,142,055)	-	-	-	(11,142,055)
Reorganization	6(6)	-	(26,566)	-	-	-	-	-	-	(26,566)
Changes in equity of associates and joint ventures accounted for using equity method		-	499	-	-	-	-	-	-	499
Balance at December 31, 2024		\$ 5,571,028	\$ 2,871,305	\$ 17,836,393	\$ 381,843	\$ 44,928,842	(\$ 83,342)	\$ 6,835,503	(\$ 57,755)	\$ 78,283,817
<u>For the year ended December 31, 2025</u>										
Balance at January 1, 2025		\$ 5,571,028	\$ 2,871,305	\$ 17,836,393	\$ 381,843	\$ 44,928,842	(\$ 83,342)	\$ 6,835,503	(\$ 57,755)	\$ 78,283,817
Profit of the year		-	-	-	-	18,900,453	-	-	-	18,900,453
Other comprehensive income (loss) for the year		-	-	-	-	53,579	(24,565)	8,496	30,574	68,084
Total comprehensive income (loss)		-	-	-	-	18,954,032	(24,565)	8,496	30,574	18,968,537
Appropriation and distribution of retained earnings:	6(18)									
Legal reserve		-	-	2,055,925	-	(2,055,925)	-	-	-	-
Cash dividends		-	-	-	-	(11,142,055)	-	-	-	(11,142,055)
Difference between consideration and carrying amount of subsidiaries disposed	6(6)	-	47,833	-	-	-	-	-	-	47,833
Changes in ownership interests in subsidiaries		-	47	-	-	-	-	-	-	47
Balance at December 31, 2025		\$ 5,571,028	\$ 2,919,185	\$ 19,892,318	\$ 381,843	\$ 50,684,894	(\$ 107,907)	\$ 6,843,999	(\$ 27,181)	\$ 86,158,179

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

HOTAI MOTOR CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2025	2024
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 21,768,755	\$ 21,623,806
Adjustments to reconcile profit (loss) before tax to net cash provided by operating activities			
Income and expense having no effect on cash flows			
Depreciation	6(23)	103,544	105,674
Amortization	6(23)	10,206	4,413
Net loss (gain) on financial assets at fair value through profit or loss	6(22)	23,381	(842,974)
Interest expense		120,107	267,163
Interest income	6(20)	(127,554)	(120,879)
Dividend income		(421,344)	(376,343)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(8,728,614)	(8,942,104)
Net gain on disposal of property, plant and equipment	6(22)	(1,170)	(219)
Loss on abandonment of property, plant and equipment	6(22)	-	2
Unrealized profit from sales		184,272	640,585
Realized profit from sales		(640,585)	(434,201)
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating operating activities			
Financial instruments at fair value through profit or loss		(294,128)	(237,793)
Notes receivable		(1,961)	(2,518)
Accounts receivable		213,323	2,206,485
Other receivables		(357,894)	(110,694)
Inventories, net		(548,594)	(2,194,589)
Prepayments		162,597	(193,852)
Net changes in liabilities relating operating activities			
Notes and accounts payable		(2,440,582)	(589,822)
Other payables		500,125	(59,627)
Other current liabilities		(10,790)	4,153
Other non-current liabilities		1,030,193	949,802
Cash inflow generated from operations		10,543,287	11,701,504
Interest received		126,596	120,879
Cash dividends received		6,504,039	7,071,956
Interest paid		(123,423)	(268,570)
Income tax paid		(1,657,621)	(571,530)
Net cash flows from operating activities		<u>15,392,878</u>	<u>18,054,239</u>
<u>Cash flows from investing activities</u>			
Increase in financial assets at fair value through other comprehensive income		-	(196,141)
Acquisition of investments accounted for using equity method	6(6)	-	(324,000)
Acquisition of property, plant and equipment	6(7)	(568,477)	(528,576)
Proceeds from disposal of property, plant and equipment	6(7)	2,652	3,569
Acquisition of intangible assets		(168,910)	(29,232)
Acquisition of investment property	6(10)	-	(980)
Decrease (increase) in other non-current assets		8,193	(36,753)
Net cash flows used in investing activities		<u>(726,542)</u>	<u>(1,112,113)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term loans	6(27)	6,320	1,710,244
Repayments of long-term loans	6(27)	-	(15,000,000)
Repayments of principal portion of lease liability	6(27)	(5,540)	(5,538)
Cash dividends paid	6(18)(27)	(11,142,055)	(11,142,055)
Net cash flows used in financing activities		<u>(11,141,275)</u>	<u>(24,437,349)</u>
Net increase (decrease) in cash and cash equivalents		3,525,061	(7,495,223)
Cash and cash equivalents at beginning of year		608,902	8,104,125
Cash and cash equivalents at end of year		<u>\$ 4,133,963</u>	<u>\$ 608,902</u>

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

HOTAI MOTOR CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 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.) on April 25, 1955. The Company is primarily engaged in assembling, trading, import of vehicles, automobile air conditioners and their parts.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on March 11, 2026.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by the FSC and became 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 Company’s financial condition and financial performance based on the Company’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 Company

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
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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’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 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
IFRS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

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

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

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 applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

- A. Except for the following items, the parent company only 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.
- 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollar (“NTD”), which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within “other gains and losses”.

B. Translation of foreign operations

- (a) The operating results and financial position of all the entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or jointly arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, when the Company retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets that are held primarily for the purpose of trading;
 - (c) Assets that are expected to be realized within twelve months after the reporting period;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities for at least twelve months after the reporting period.

- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities that are held primarily for the purpose of trading;
 - (c) Liabilities that are due to be settled within twelve months after the reporting period;
 - (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures the financial assets at fair value and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including account receivables, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangement (lessor) – lease receivable/operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of company's interest in that subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.

- D. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- E. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- F. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- G. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- K. Pursuant to the “Regulations Governing the Preparation of Financial Statements by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate using IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 60 years
Utility equipment	8 ~ 15 years
Office equipment	2 ~ 25 years
Other equipment	5 ~ 8 years
Rental assets	7 ~ 15 years

(15) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include fixed payments.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model.

Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 5~50 years.

(17) Intangible assets

A. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

B. Other intangible assets

The Company's other intangible assets are stated at cost and amortized on a straight-line basis over 5~13 years.

(18) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. Intangible assets with indefinite useful lives are regularly estimated for their recoverable amount. When the recoverable amount is lower than its book value, an impairment loss is recognized.

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(20) Accounts and notes payable

- A. Liabilities for purchases of raw materials, goods or services and notes payables resulting from operating and non-operating activities.
- B. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures the financial liabilities at fair value with any gain or loss recognized in profit or loss.

(22) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Provisions

Provisions (warranties) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(26) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(27) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are approved by the Board of Directors; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance in the Company's financial statements in the period in which they are approved by the Company's shareholders.

(28) Revenue recognition

Sales of goods

- A. The Company sells cars and related products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- B. Sales revenue was recognized based on the contract price net of sales discount. Accumulated experience and other known reason is used to estimate and provide for the sales discounts and allowances, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.
- C. The Company's obligation to provide a refund or maintenance for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

The preparation of the parent company only financial statements requires management to make critical judgements in applying the Company'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 Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

The Company estimates sales discounts 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 Company reassesses the reasonableness of estimates of discounts and returns periodically. Please refer to Note 6(19) for the information of sales of goods.

B. Provisions for warranty

To enhance customer's confidence on product quality, 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(15) "Provisions" for more information.

6. Detail of Significant Accounts

(1) Cash and cash equivalents

	December 31,	
	2025	2024
Cash on hand and revolving funds	\$ 330	\$ 330
Checking accounts and demand deposits	2,988,790	608,572
Cash equivalents		
Short-term notes and bills	748,825	-
Time deposits	396,018	-
	<u>\$ 4,133,963</u>	<u>\$ 608,902</u>

The Company 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.

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

Items	December 31,	
	2025	2024
Financial assets at fair value through profit or loss		
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 1,315,354	\$ 1,003,976
Valuation adjustment	387,217	313,083
Derivative instruments	138,106	245,823
	<u>\$ 1,840,677</u>	<u>\$ 1,562,882</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Corporate bonds	\$ 500,000	\$ 500,000
Financial liabilities at fair value through profit or loss		
Current items:		
Financial liabilities held for trading		
Derivative instruments	\$ 7,048	\$ -

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

Items	Years ended December 31,	
	2025	2024
Financial instruments mandatorily measured at fair value through profit or loss		
Derivative instruments	(\$ 114,765)	\$ 653,550
Beneficiary certificates	-	370
Corporate bonds	17,250	21,563
Foreign stocks	74,134	167,491
	<u>(\$ 23,381)</u>	<u>\$ 842,974</u>

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

Derivative instruments	December 31, 2025	
	Contract amount (Notional principal) (in thousand)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD 326,700</u>	2025/7/24~2026/4/9
		<u>December 31, 2024</u>
	Contract amount (Notional principal) (in thousand)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD 459,940</u>	2024/8/23~2025/5/8

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

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

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2)C.

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

Items	December 31,	
	2025	2024
Equity instruments		
Listed stocks and unlisted stocks	\$ 6,678,593	\$ 6,678,593
Valuation adjustment	<u>6,015,776</u>	<u>5,853,463</u>
	<u>\$ 12,694,369</u>	<u>\$ 12,532,056</u>

A. The Company 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 \$12,694,369 and \$12,532,056, respectively, as of December 31, 2025 and 2024.

B. 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	Years ended December 31,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	<u>\$ 162,313</u>	<u>\$ 1,853,860</u>

C. The Company has no financial assets at fair value through other comprehensive income pledged to others.

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

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

	December 31,	
	2025	2024
Notes receivable	\$ 1,961	\$ -
Accounts receivable	<u>981,514</u>	<u>1,194,837</u>
	<u>\$ 983,475</u>	<u>\$ 1,194,837</u>

A. The Company has no past due accounts receivable during December 31, 2025 and 2024.

B. As of December 31, 2025, December 31, 2024 and January 1, 2024, the balances of receivables (including notes receivable) from contracts with customers amounted to \$983,475, \$1,194,837, and \$3,403,840, respectively.

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

(5) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Vehicles	\$ 7,440,651	\$ -	\$ 7,440,651
Parts	792,213	(98,422)	693,791
Inventory in transit	1,483,260	-	1,483,260
	<u>\$ 9,716,124</u>	<u>(\$ 98,422)</u>	<u>\$ 9,617,702</u>

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Vehicles	\$ 7,466,350	\$ -	\$ 7,466,350
Parts	816,605	(92,801)	723,804
Inventory in transit	878,954	-	878,954
	<u>\$ 9,161,909</u>	<u>(\$ 92,801)</u>	<u>\$ 9,069,108</u>

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

B. Expenses and losses incurred on inventories were as follows:

Items	Years ended December 31,	
	2025	2024
Cost of goods sold	\$ 145,200,968	\$ 144,795,240
Loss on (gain on reversal) market value decline of inventories	5,621	(3,971)
	<u>\$ 145,206,589</u>	<u>\$ 144,791,269</u>

(6) Investments accounted for using equity method

A. Details of investments accounted for using equity method are as follows:

	Years ended December 31,	
	2025	2024
Subsidiary:		
Hozan Investment Co., Ltd.	\$ 19,872,065	\$ 19,584,575
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	8,614,505	8,826,043
Chang Yuan Motor Co., Ltd.	4,640,355	4,180,635
Ho Tai Development Co., Ltd.	4,515,644	4,213,196
Hotai Insurance Co., Ltd.	6,786,882	5,017,504
Carmax Co., Ltd.	2,293,732	2,158,053
Toyota Material Handling Taiwan Ltd.	1,390,129	1,337,292
Hotai Connected Co., Ltd.	844,731	769,423
Others	<u>1,747,222</u>	<u>1,688,238</u>
	50,705,265	47,774,959
Associates:		
Kuozui Motors, Ltd.	6,688,551	6,915,444
Central Motor Co., Ltd.	2,997,607	2,942,561
Tau Miao Motor Co., Ltd.	2,072,122	1,994,716
Kau Du Automobile Co., Ltd.	1,560,177	1,537,072
Kuotu Motor Co., Ltd.	1,754,029	1,687,419
Taipei Toyota Motor Co., Ltd.	1,530,940	1,485,855
Nan Du Motor Co., Ltd.	1,436,257	1,356,434
Others	<u>1,005,877</u>	<u>1,000,482</u>
	<u>19,045,560</u>	<u>18,919,983</u>
	<u>\$ 69,750,825</u>	<u>\$ 66,694,942</u>

B. Please refer to Note 4(3) of the 2025 and 2024 consolidated financial statements for related information about subsidiaries of the Company.

C. The share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method were \$8,728,614 and \$8,942,104, which were valued based on the investees' financial statements audited by auditors for the years ended December 31, 2025 and 2024, respectively.

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

The individually immaterial associates of the Company for the years ended December 31, 2025 and 2024 amounted to \$19,045,560 and \$18,919,983, respectively.

	Years ended December 31,	
	2025	2024
Comprehensive income for the year	<u>\$ 9,556,013</u>	<u>\$ 11,474,310</u>

E. On June 11, 2024, the Company subsidiaries Hotai Insurance Co., Ltd, reduced capital to cover for losses of \$26,000,000.

- F. On September 26, 2024, the Company participated in the capital increase of He Jun Energy Co., Ltd. The amount of investment and shareholding ratio are \$324,000 and 18%, respectively.
- G. In August 2024, the Company's subsidiary Hotai Finance Co., Ltd., sold 50.82% of equity interests in Hoing Mobility Service Co., Ltd. to Hotai Leasing Co., Ltd. for an amount of \$413,849. The Company incurred the changes in capital surplus amounting to (\$26,566).

(7) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Utility equipment</u>		<u>Office equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
			<u>Owner- occupied</u>	<u>Lease</u>				
<u>At January 1, 2025</u>								
Cost	\$ 2,891,965	\$ 1,436,686	\$ 126,913	\$ 78,809	\$ 576,778	\$ 21,281	\$ 537,414	\$ 5,669,846
Accumulated depreciation and impairment	(26,850)	(972,211)	(115,552)	(78,562)	(460,885)	(14,183)	-	(1,668,243)
	<u>\$ 2,865,115</u>	<u>\$ 464,475</u>	<u>\$ 11,361</u>	<u>\$ 247</u>	<u>\$ 115,893</u>	<u>\$ 7,098</u>	<u>\$ 537,414</u>	<u>\$ 4,001,603</u>
<u>2025</u>								
Opening net book amount as at January 1	\$ 2,865,115	\$ 464,475	\$ 11,361	\$ 247	\$ 115,893	\$ 7,098	\$ 537,414	\$ 4,001,603
Additions	-	5,323	874	-	19,561	1,410	541,309	568,477
Disposals	-	-	-	-	(1,482)	-	-	(1,482)
Reclassifications	-	709,213	-	-	107,170	416	(980,357)	(163,558)
Depreciation charge	-	(37,383)	(1,176)	(57)	(31,633)	(1,738)	-	(71,987)
Closing net book amount as at December 31	<u>\$ 2,865,115</u>	<u>\$ 1,141,628</u>	<u>\$ 11,059</u>	<u>\$ 190</u>	<u>\$ 209,509</u>	<u>\$ 7,186</u>	<u>\$ 98,366</u>	<u>\$ 4,333,053</u>
<u>At December 31, 2025</u>								
Cost	\$ 2,891,965	\$ 2,151,140	\$ 127,787	\$ 78,809	\$ 695,639	\$ 23,107	\$ 98,366	\$ 6,066,813
Accumulated depreciation and impairment	(26,850)	(1,009,512)	(116,728)	(78,619)	(486,130)	(15,921)	-	(1,733,760)
	<u>\$ 2,865,115</u>	<u>\$ 1,141,628</u>	<u>\$ 11,059</u>	<u>\$ 190</u>	<u>\$ 209,509</u>	<u>\$ 7,186</u>	<u>\$ 98,366</u>	<u>\$ 4,333,053</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Utility equipment</u>		<u>Office equipment</u>	<u>Others</u>	<u>Construction in progress</u>	<u>Total</u>
			<u>Owner- occupied</u>	<u>Lease</u>				
<u>At January 1, 2024</u>								
Cost	\$ 2,891,965	\$ 1,384,626	\$ 117,706	\$ 78,612	\$ 554,528	\$ 15,609	\$ 125,956	\$ 5,169,002
Accumulated depreciation and impairment	(26,850)	(936,559)	(114,646)	(78,516)	(454,361)	(11,787)	-	(1,622,719)
	<u>\$ 2,865,115</u>	<u>\$ 448,067</u>	<u>\$ 3,060</u>	<u>\$ 96</u>	<u>\$ 100,167</u>	<u>\$ 3,822</u>	<u>\$ 125,956</u>	<u>\$ 3,546,283</u>
<u>2024</u>								
Opening net book amount as at January 1	\$ 2,865,115	\$ 448,067	\$ 3,060	\$ 96	\$ 100,167	\$ 3,822	\$ 125,956	\$ 3,546,283
Additions	-	33,502	9,207	197	48,984	3,294	433,392	528,576
Disposals	-	-	-	-	(3,352)	-	-	(3,352)
Reclassifications	-	18,558	-	-	913	2,463	(21,934)	-
Depreciation charge	-	(35,652)	(906)	(46)	(30,819)	(2,481)	-	(69,904)
Closing net book amount as at December 31	<u>\$ 2,865,115</u>	<u>\$ 464,475</u>	<u>\$ 11,361</u>	<u>\$ 247</u>	<u>\$ 115,893</u>	<u>\$ 7,098</u>	<u>\$ 537,414</u>	<u>\$ 4,001,603</u>
<u>At December 31, 2024</u>								
Cost	\$ 2,891,965	\$ 1,436,686	\$ 126,913	\$ 78,809	\$ 576,778	\$ 21,281	\$ 537,414	\$ 5,669,846
Accumulated depreciation and impairment	(26,850)	(972,211)	(115,552)	(78,562)	(460,885)	(14,183)	-	(1,668,243)
	<u>\$ 2,865,115</u>	<u>\$ 464,475</u>	<u>\$ 11,361</u>	<u>\$ 247</u>	<u>\$ 115,893</u>	<u>\$ 7,098</u>	<u>\$ 537,414</u>	<u>\$ 4,001,603</u>

(8) Leasing arrangements - lessee

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 3 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>December 31, 2025</u>	<u>December 31, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 6,573	\$ 11,846
Buildings	391	703
	<u>\$ 6,964</u>	<u>\$ 12,549</u>

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,259	\$ 5,293
Buildings	312	316
	<u>\$ 5,571</u>	<u>\$ 5,609</u>

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

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 214	\$ 227
Expense on short-term lease contracts and leases of low-value assets	55,537	65,827

- D. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for lease amounted to \$61,291 and \$71,592, respectively.
- E. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were \$0 and \$16,746, respectively.

(9) Leasing arrangements - lessor

- A. The Company leases various assets including land and buildings. 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. For the years ended December 31, 2025 and 2024, the Company recognized rent income in the amount of \$241,193 and \$233,406, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	December 31,	
	2025	2024
Less than 1 year	\$ 160,316	\$ 163,437
Between 1 and 2 years	917	163,710
Between 2 and 3 years	917	917
Between 3 to 4 years	917	917
More than 5 years	917	917
More than 6 years	8,916	9,846
	<u>\$ 172,900</u>	<u>\$ 339,744</u>

(10) Investment property

	Land	Buildings and Structures	Total
<u>At January 1, 2025</u>			
Cost	\$ 1,681,005	\$ 1,390,025	\$ 3,071,030
Accumulated depreciation	-	(597,829)	(597,829)
	<u>\$ 1,681,005</u>	<u>\$ 792,196</u>	<u>\$ 2,473,201</u>
<u>2025</u>			
Opening net book amount as at January 1	\$ 1,681,005	\$ 792,196	\$ 2,473,201
Additions	-	-	-
Disposals	-	-	-
Reclassifications	-	163,558	163,558
Depreciation charge	-	(25,986)	(25,986)
Closing net book amount as at December 31	<u>\$ 1,681,005</u>	<u>\$ 929,768</u>	<u>\$ 2,610,773</u>
<u>At December 31, 2025</u>			
Cost	\$ 1,681,005	\$ 1,553,583	\$ 3,234,588
Accumulated depreciation	-	(623,815)	(623,815)
	<u>\$ 1,681,005</u>	<u>\$ 929,768</u>	<u>\$ 2,610,773</u>

	<u>Land</u>	<u>Buildings and Structures</u>	<u>Total</u>
<u>At January 1, 2024</u>			
Cost	\$ 1,681,005	\$ 1,389,045	\$ 3,070,050
Accumulated depreciation	-	(567,668)	(567,668)
	<u>\$ 1,681,005</u>	<u>\$ 821,377</u>	<u>\$ 2,502,382</u>
<u>2024</u>			
Opening net book amount as at January 1	\$ 1,681,005	\$ 821,377	\$ 2,502,382
Additions	-	980	980
Disposals	-	-	-
Reclassifications	-	-	-
Depreciation charge	-	(30,161)	(30,161)
Closing net book amount as at December 31	<u>\$ 1,681,005</u>	<u>\$ 792,196</u>	<u>\$ 2,473,201</u>
<u>At December 31, 2024</u>			
Cost	\$ 1,681,005	\$ 1,390,025	\$ 3,071,030
Accumulated depreciation	-	(597,829)	(597,829)
	<u>\$ 1,681,005</u>	<u>\$ 792,196</u>	<u>\$ 2,473,201</u>

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

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rental income from investment property	<u>\$ 241,193</u>	<u>\$ 233,406</u>
Direct operating expenses arising from the investment property that generated rental income during the year (including depreciation charge)	<u>\$ 25,986</u>	<u>\$ 30,161</u>

B. The fair value of the investment property held by the Company was \$4,240,849 and \$4,615,907 as at December 31, 2025 and 2024, respectively. These values were determined using the comparative method by considering recent transaction prices of similar targets in the areas where each investment property is located, adjusted for individual factors such as location, scale and use. The appraisal belonged to the third level of fair value.

(11) Short-term borrowings

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Unsecured borrowings	<u>\$ 2,600,000</u>	<u>\$ 2,593,680</u>
Interest rate range	<u>1.79%~1.84%</u>	<u>1.84%~5.4%</u>

Interest expense recognised in profit or loss amounted to \$99,765 and \$96,670 for the years ended December 31, 2025 and 2024, respectively.

(12) Accounts payable (including related parties)

	December 31,	
	2025	2024
Accounts payable	\$ 3,113,636	\$ 4,440,598
Accounts payable - foreign currencies	4,200,283	5,302,035
	7,313,919	9,742,633
Valuation adjustment	53,513	65,381
	<u>\$ 7,367,432</u>	<u>\$ 9,808,014</u>

(13) Other payables

	December 31,	
	2025	2024
Year-end bonus payable	\$ 894,825	\$ 933,067
Dealer premium bonus payable	583,440	576,971
Advertisement expense payable	272,693	196,134
Remuneration payable to directors	448,840	445,852
Remuneration payable to employees	224,420	222,926
Others	1,141,184	693,635
	<u>\$ 3,565,402</u>	<u>\$ 3,068,585</u>

(14) Pensions

Effective July 1, 2005, the Company has 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 contributes 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. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2025 and 2024 were \$37,848 and \$34,499, respectively.

(15) Provisions

	2025	2024
At January 1	\$ 5,244,482	\$ 4,294,240
Additional provisions	1,938,244	1,668,238
Restored during the year	(105,135)	(33,660)
Used during the year	(802,916)	(684,336)
At December 31	<u>\$ 6,274,675</u>	<u>\$ 5,244,482</u>

Analysis of total provisions:

	December 31,	
	2025	2024
Current	\$ 766,554	\$ 713,194
Non-current	<u>\$ 5,508,121</u>	<u>\$ 4,531,288</u>

The Company provides warranties on vehicles and related products sold. Provision for warranty is estimated based on historical warranty data of vehicles and related products.

(16) Share capital

- A. As of December 31, 2025, the Company's authorized 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.
- B. The total number of shares outstanding at the beginning and ending of the company was 557,102,768 shares.

(17) 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 Law 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.

(18) 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 at least 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 in excess of 25% of the Company's paid-in capital.

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

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

D. On June 13, 2025 and May 30, 2024, the stockholders resolved that total dividends for the distribution of earnings for the years 2024 and 2023, respectively, is as follows:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 2,055,925		\$ 2,283,111	
Cash dividend	11,142,055	\$ 20.0	11,142,055	\$ 20.0

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

(19) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers		
Sales revenue	\$ 159,610,734	\$ 158,567,895
Service revenue	768,422	1,489,381
	<u>\$ 160,379,156</u>	<u>\$ 160,057,276</u>

The Company derives revenue from the transfer of goods and services at a point in time.

(20) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 28,304	\$ 9,318
Interest from short-term notes	19,361	32,531
Other interest income	79,889	79,030
	<u>\$ 127,554</u>	<u>\$ 120,879</u>

(21) Other income

	Years ended December 31,	
	2025	2024
Rental income	\$ 241,193	\$ 233,406
Others	1,423,933	1,220,094
	<u>\$ 1,665,126</u>	<u>\$ 1,453,500</u>

(22) Other gains and losses

	Years ended December 31,	
	2025	2024
Net (loss) gain on financial assets at fair value through profit or loss	(\$ 23,381)	\$ 842,974
Gain on disposal of property, plant and equipment	1,170	219
Loss on abandonment of property, plant and equipment	-	(2)
Net currency exchange gain	655,709	206,546
Miscellaneous disbursements	(26,193)	(31,802)
	<u>\$ 607,305</u>	<u>\$ 1,017,935</u>

(23) Expenses by nature (shown as operating expenses)

	Years ended December 31,	
	2025	2024
Employee benefit expense	\$ 2,499,289	\$ 2,465,613
Depreciation charge	103,544	105,674
Amortisation charges	10,206	4,413
	<u>\$ 2,613,039</u>	<u>\$ 2,575,700</u>

(24) Employee benefit expense (shown as operating expenses)

	Years ended December 31,	
	2025	2024
Wages and salaries	\$ 1,773,313	\$ 1,754,734
Labor and health insurance fees	88,514	82,986
Pension costs	37,848	34,499
Directors' remuneration	470,299	463,066
Other personnel expenses	129,315	130,328
	<u>\$ 2,499,289</u>	<u>\$ 2,465,613</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 years ended December 31, 2025 and 2024, employees' remuneration was accrued at \$224,420 and \$222,926, respectively; while directors' remuneration was accrued at \$448,840 and \$445,852, respectively. The aforementioned amounts were recognized in salary expenses.

For the year 2025, a provision of 1% and 2% was made based on the profit situation up to the current period. On March 11, 2026, the employees' remuneration and directors' remuneration that were resolved at the meeting of Board of Directors amounted to \$224,420 and \$448,840, respectively. The employees' remuneration will be distributed in the form of cash.

Information about employees' remuneration 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.

(25) Income tax

A. Income tax expense

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current tax:		
Current tax expense recognized in the current year	\$ 2,679,067	\$ 930,151
Tax on undistributed surplus earnings	368,064	470,297
Prior year income tax (over) under estimation	(19,295)	6,301
Total current tax	<u>3,027,836</u>	<u>1,406,749</u>
Deferred tax:		
Origination and reversal of temporary differences	(159,534)	(249,969)
Total deferred tax	<u>(159,534)</u>	<u>(249,969)</u>
Income tax expense	<u>\$ 2,868,302</u>	<u>\$ 1,156,780</u>

B. Reconciliation between income tax expense and accounting profit

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Income tax expense at the statutory rate	\$ 4,353,751	\$ 4,324,761
Effects from adjustments based on regulation	(1,834,218)	(1,910,012)
Realized investment losses	-	(1,734,567)
Tax on undistributed surplus earnings	368,064	470,297
Prior year income tax (over) under estimation	(19,295)	6,301
Income tax expense	<u>\$ 2,868,302</u>	<u>\$ 1,156,780</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2025		
	January 1	Recognized in Profit or loss	December 31
<u>Deferred tax assets:</u>			
Allowance for inventory obsolescence	\$ 18,561	\$ 1,124	\$ 19,685
Warranty provision	851,299	203,564	1,054,863
Unrealized gain on inter-affiliate accounts	154,741	(91,263)	63,478
Others	56,677	(4,978)	51,699
	<u>1,081,278</u>	<u>108,447</u>	<u>1,189,725</u>
<u>Deferred tax liabilities:</u>			
Gain on investment accounted for using equity method	(1,032,243)	43,490	(988,753)
Land value increment tax	(509,365)	-	(509,365)
Others	(166,177)	7,597	(158,580)
	<u>(1,707,785)</u>	<u>51,087</u>	<u>(1,656,698)</u>
	<u>(\$ 626,507)</u>	<u>\$ 159,534</u>	<u>(\$ 466,973)</u>
	2024		
	January 1	Recognized in Profit or loss	December 31
<u>Deferred tax assets:</u>			
Allowance for inventory obsolescence	\$ 19,355	(\$ 794)	\$ 18,561
Warranty provision	672,396	178,903	851,299
Unrealized gain on inter-affiliate accounts	113,464	41,277	154,741
Others	11,778	44,899	56,677
	<u>816,993</u>	<u>264,285</u>	<u>1,081,278</u>
<u>Deferred tax liabilities:</u>			
Gain on investment accounted for using equity method	(1,153,732)	121,489	(1,032,243)
Land value increment tax	(509,365)	-	(509,365)
Others	(30,372)	(135,805)	(166,177)
	<u>(1,693,469)</u>	<u>(14,316)</u>	<u>(1,707,785)</u>
	<u>(\$ 876,476)</u>	<u>\$ 249,969</u>	<u>(\$ 626,507)</u>

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

E. On June 11, 2024, the Company's subsidiary Hotai Insurance Co., Ltd. reduced its capital to write off accumulated losses. Thus, the Company recognized tax benefit of \$1,734,567.

(26) Earnings per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstand (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 18,900,453</u>	<u>557,103</u>	<u>\$ 33.93</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	18,900,453	557,103	
Assumed conversion of all dilutive potential ordinary shares employees' bonus	-	480	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 18,900,453</u>	<u>557,583</u>	<u>\$ 33.90</u>
	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstand (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	<u>\$ 20,467,026</u>	<u>557,103</u>	<u>\$ 36.74</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 20,467,026	557,103	
Assumed conversion of all dilutive potential ordinary shares employees' bonus	-	431	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 20,467,026</u>	<u>557,534</u>	<u>\$ 36.71</u>

(27) Changes in liabilities from financing activities

	Short-term borrowings	Dividend payable	Lease liabilities	Long-term borrowings	Liabilities from financing activities-gross
January 1, 2025	\$ 2,593,680	\$ 6,199	\$ 12,646	\$ -	\$ 2,612,525
Changes in cash flow from financing activities	6,320	(11,142,055)	(5,540)	-	(11,141,275)
Changes in other non-cash items	-	11,142,053	(15)	-	11,142,038
December 31, 2025	<u>\$ 2,600,000</u>	<u>\$ 6,197</u>	<u>\$ 7,091</u>	<u>\$ -</u>	<u>\$ 2,613,288</u>
	Short-term borrowings	Dividend payable	Lease liabilities	Long-term borrowings	Liabilities from financing activities-gross
January 1, 2024	\$ 883,436	\$ 6,201	\$ 1,438	\$ 15,000,000	\$ 15,891,075
Changes in cash flow from financing activities	1,710,244	(11,142,055)	(5,538)	(15,000,000)	(24,437,349)
Changes in other non-cash items	-	11,142,053	16,746	-	11,158,799
December 31, 2024	<u>\$ 2,593,680</u>	<u>\$ 6,199</u>	<u>\$ 12,646</u>	<u>\$ -</u>	<u>\$ 2,612,525</u>

7. Related Party Transaction

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Toyota Motor Asia (Singapore) Pte., Ltd. (TMA-Singapore)	Entity controlled by key management
Toyota-Motor-Europe-Nv/Sa(TME)	Entity controlled by key management
Toyota-Motor-Sales-USA(TMS)	Entity controlled by key management
HINO MOTORS (THAILAND) LTD	Entity controlled by key management
TOYOTA DO BRASIL LTD	Entity controlled by key management
Toyota Kirloskar Motor PVT.Ltd	Entity controlled by key management
Toyota Motor Manufacturing Turkey Inc.	Entity controlled by key management
Toyota Motor Asia (Thailand) Co., Ltd.	Entity controlled by key management
TOYOTA New Zealand LTD	Entity controlled by key management
TOYOTA AUTO BODY CO LTD	Entity controlled by key management
Toyota Motor Corporation Australia Ltd.	Entity controlled by key management
Toyota South Africa Motor	Entity controlled by key management
Hino Motors, Ltd.	Entity controlled by key management
Toyota Motor Corporation (TMC)	Entity controlled by key management
Ho Chuang Insurance Agency Co., Ltd.	Entity controlled by key management
Ho An Insurance Agency Co., Ltd.	Entity controlled by key management
Ho Yu Investment Co., Ltd. (Ho Yu)	Entity controlled by key management
Triple S Digital Co., Ltd.	Entity controlled by key management
Toyota Motor (China) Investment Co., Ltd.	Entity controlled by key management
Toyota Material Handling Taiwan Ltd.	Subsidiary
Carmax Co., Ltd.	Subsidiary
HE JING CO., Ltd.	Subsidiary

Names of related parties	Relationship with the Company
He Jun Energy Co., Ltd.	Subsidiary
Hozan Investment Co., Ltd.	Subsidiary
Ho Tai Service & Marketing Co., Ltd.	Subsidiary
Hotai Insurance Co., Ltd. (Hotai Insurance)	Subsidiary
Ho Tai Development Co., Ltd.	Subsidiary
Hotai Connected Co., Ltd. (Hotai Connected)	Subsidiary
Hotong Motor Investment Co., Ltd.	Subsidiary
Hoing Mobility Service Co., Ltd.	Subsidiary
Hotai Leasing Co., Ltd.	Subsidiary
Hotai Finance Co., Ltd.	Subsidiary
Eastern Motor Co., Ltd.	Subsidiary
Chang Yuan Motor Co., Ltd. (Chang Yuan)	Subsidiary
Smart Design Technology Co., Ltd.	Subsidiary
Carmax Racing International Co., Ltd.	Subsidiary
Hotai Mobility Service Co., Ltd.	Subsidiary
Hotai Auto Body Manufacturing Co., Ltd. (Hotai Auto Body Manufacturing)	Subsidiary
Hotai Auto Body Sales Co., Ltd. (Hotai Auto Body Sales)	Subsidiary
Ho Young Travel Agency Co., Ltd.	Subsidiary
Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Subsidiary
Tianjin Ho-Yu Toyota Motor Sales & Service Co.,Ltd.	Subsidiary
Ho Tai Parts & Accessories Co., Ltd.	Subsidiary
Doroman Autoparts Corporation	Subsidiary
Ho Tai Transportation Co., Ltd.	Subsidiary
Hejun Electricity Co., Ltd.	Subsidiary
Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Subsidiary
Wei Tien Energy Storage Co., Ltd.	Subsidiary
ChyuanAn Transport Co., Ltd.	Subsidiary
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Subsidiary
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Subsidiary
Long Hao Removal Transport Services Co., Ltd.	Subsidiary
YuCheng Transport Co., Ltd.	Subsidiary
Shanghai Heling Motor Service Co., Ltd.	Subsidiary
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Subsidiary
Tianjin Heling Lexus Motor Sales & Service Co., Ltd	Subsidiary
Tianjin Hozhan Motor Service Co., Ltd.	Subsidiary
Chongqing Heling Motor Service Co., Ltd.	Subsidiary
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Subsidiary

Names of related parties	Relationship with the Company
Formosa Flexible Packaging Corp.	Associate
Yokohama Tire Taiwan Co., Ltd.	Associate
Kuozui Motors, Ltd. (Kuozui)	Associate
Kuotu Motor Co., Ltd. (Kuotu)	Associate
Taipei Toyota Motor Co., Ltd. (Taipei Motor)	Associate
Tau Miao Motor Co., Ltd. (Tau Miao)	Associate
Central Motor Co., Ltd. (Central Motor)	Associate
Nan Du Motor Co., Ltd. (Nan Du)	Associate
Kau Du Automobile Co., Ltd. (Kau Du)	Associate
Lang Yang Toyota Motor Co., Ltd.	Associate
Fan Tai Transportation Co., Ltd. (Fan Tai)	Associate
Yi Tai Transportation Co., Ltd. (Yi Tai)	Associate
Hua Tai Transportation Co., Ltd.	Associate
AIM Technology Corp.	Associate
New Auto Parts Co., Ltd.	Associate
Heng Yun Investment Co., Ltd.	Associate
Shi-Ho Screw Industrial Co., Ltd.	Associate
Zhongyang Motor Co., Ltd.	Associate
Tung Yu Motor Co., Ltd.	Associate
Wang Fu Co., Ltd.	Associate
Kao Jin Co., Ltd.	Associate
Hozao Enterprise Co., Ltd.	Associate
Kuai Shun Transportation Co., Ltd.	Associate
Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Associate
Gochabar Co., Ltd.	Associate
New Auto Parts Co., Ltd.	Associate

(2) Significant related party transactions

A. Operating revenue

(a) Sales of merchandise

	Years ended December 31,	
	2025	2024
-Associates		
Central Motor	\$ 31,157,335	\$ 31,471,659
Tau Miao	28,791,368	29,108,155
Taipei Motor	23,423,737	22,925,498
Kuotu	22,487,717	21,044,924
Kau Du	21,634,398	21,954,430
Nan Du	19,190,865	19,383,947
Others	3,140,928	3,222,372
-Subsidiaries	8,798,395	8,734,509
	<u>\$ 158,624,743</u>	<u>\$ 157,845,494</u>

Sales from the Company to related parties are based on the price lists in force and terms that would be available to third parties. Terms are provided in Item (d) of Note 13(A) significant

transactions information.

(b) Service revenue:

	Years ended December 31,	
	2025	2024
Service sales:		
-Associates	\$ 7,053	\$ 3,654
-Subsidiaries		
Chang Yuan	737,884	1,459,466
Others	64	46
Contracted operating revenue:		
-Associates	23,421	26,215
	<u>\$ 768,422</u>	<u>\$ 1,489,381</u>

(c) Interest income:

	Years ended December 31,	
	2025	2024
-Associates		
Central Motor	\$ 15,933	\$ 15,886
Tau Miao	14,733	14,717
Others	45,957	44,788
-Subsidiaries	3,304	3,488
	<u>\$ 79,927</u>	<u>\$ 78,879</u>

Interest income is interest between transaction dates and collection dates due to the collection of sales transaction is based on agreed collection period. The annual interest rates for 2025 and 2024 were 2.900% and 3.025%, respectively.

(d) Rental revenue:

	Years ended December 31,	
	2025	2024
-Associates		
Kuotu	\$ 121,034	\$ 112,778
Others	43,520	39,296
-Subsidiaries		
Chang Yuan	90,555	89,070
Others	25,602	24,665
-Entities controlled by key management	3,791	3,938
	<u>\$ 284,502</u>	<u>\$ 269,747</u>

The Company entered into rental contracts based on normal conditions with related parties and collects rental revenue monthly based on the contracts.

(e) Warranty revenue (shown as deductions to warranty costs):

	Years ended December 31,	
	2025	2024
-Associates		
Kuozui	\$ 259,450	\$ 243,332
-Subsidiaries	39,434	46,524
-Entities controlled by key management		
TMA-Singapore	602,721	420,148
Others	108	-
	<u>\$ 901,713</u>	<u>\$ 710,004</u>

(f) Advertisement subsidy and sales promotion revenue (shown as deductions to advertisement expense):

	Years ended December 31,	
	2025	2024
-Associates		
Kuotu	\$ 204,607	\$ 195,488
Others	153,501	155,325
-Subsidiaries	41,812	6,149
-Entities controlled by key management		
TMC	49,256	39,366
Others	5	52
	<u>\$ 449,181</u>	<u>\$ 396,380</u>

(g) Miscellaneous income:

	Years ended December 31,	
	2025	2024
-Associates		
Kuotu	\$ 129,517	\$ 144,814
Kuozui	94,400	95,893
Others	117,263	122,591
-Subsidiaries	230,099	257,380
-Entities controlled by key management		
TMC	232,577	26,386
Others	6,126	7,253
	<u>\$ 809,982</u>	<u>\$ 654,317</u>

B. Expenditures

(a) Interest expense:

	Years ended December 31,	
	2025	2024
-Associates		
Kuozui	<u>\$ 19,426</u>	<u>\$ 20,625</u>

The interest expense is paid for interest arising from purchases between transaction dates and payment dates. The annual interest rates for 2025 and 2024 were 2.500% and 2.625%, respectively.

(b) Purchase of goods:

	Years ended December 31,	
	2025	2024
-Associates		
Kuozui	\$ 48,971,924	\$ 52,017,538
Others	1,259,724	1,217,730
-Subsidiaries	2,277,576	2,517,114
-Entities controlled by key management		
TMC	56,253,622	54,709,415
Others	<u>5,893,900</u>	<u>5,475,608</u>
	<u>\$ 114,656,746</u>	<u>\$ 115,937,405</u>

The Company sold domestic cars which were purchased from Kuozui and imported cars and parts which were purchased from Toyota Motor Corporation (“TMC”), Toyota Motor Asia (Singapore) Pte., Ltd. (“TMA-Singapore”), Toyota Motor Europe-Nv/Sa (“TME”) and Toyota Motor Sales USA (“TMS”). Payment terms are provided in Item d of Note 13(A) significant transactions information.

(c) Warranty cost:

	Years ended December 31,	
	2025	2024
-Associates		
Central Motor	\$ 162,125	\$ 135,522
Kuotu	145,698	128,627
Tau Miao	144,917	124,788
Kau Du	112,788	92,965
Others	211,731	182,170
-Subsidiaries		
Chang Yuan	315,419	232,555
Others	28,424	14,806
	<u>\$ 1,121,102</u>	<u>\$ 911,433</u>

(d) Advertisement expense:

	Years ended December 31,	
	2025	2024
-Associates	\$ 26,668	\$ 25,342
-Subsidiaries		
Hotai Connected	442,371	392,234
Others	75,891	45,362
-Entities controlled by key management	3,915	2,842
	<u>\$ 548,845</u>	<u>\$ 465,780</u>

(e) Freight:

	Years ended December 31,	
	2025	2024
-Associates		
Fan Tai	\$ 260,613	\$ 242,992
Yi Tai	73,849	104,782
Others	2,062	1,843
-Subsidiaries	1,220	1,479
	<u>\$ 337,744</u>	<u>\$ 351,096</u>

C. Receivables from (payables to) related parties

(a) Receivables from related parties:

	December 31,	
	2025	2024
-Associates		
Tau Miao	\$ 154,666	\$ 154,090
Central Motor	151,192	171,463
Kau Du	107,799	114,964
Taipei Motor	93,970	129,949
Nan Du	93,111	114,969
Kuotu	82,139	103,918
Others	17,876	19,684
-Subsidiaries		
Chang Yuan	92,109	226,515
Others	105,589	143,324
	<u>\$ 898,451</u>	<u>\$ 1,178,876</u>

(b) Other receivables from related parties:

	December 31,	
	2025	2024
-Associates	\$ 229,198	\$ 211,224
-Subsidiaries	61,622	62,026
-Entities controlled by key management	516	792
	<u>\$ 291,336</u>	<u>\$ 274,042</u>

(c) Payables to related parties:

	December 31,	
	2025	2024
-Associates		
Kuozui	\$ 330,075	\$ 427,535
Others	115,704	111,579
-Subsidiaries	152,061	278,671
-Entities controlled by key management		
TMC	3,893,788	5,018,602
Others	408,686	400,553
	<u>\$ 4,900,314</u>	<u>\$ 6,236,940</u>

(d) Other payables

	December 31,	
	2025	2024
-Associates	\$ 423,853	\$ 221,941
-Subsidiaries	413,002	249,170
-Entities controlled by key management	288	97
	<u>\$ 837,143</u>	<u>\$ 471,208</u>

D. Property transactions

(a) Acquisition of property, plant and equipment:

	Years ended December 31,	
	2025	2024
-Associates	\$ -	\$ 17,083
-Subsidiaries	93,866	43,774
	<u>\$ 93,866</u>	<u>\$ 60,857</u>

(b) Acquisition of intangible assets:

	Years ended December 31,	
	2025	2024
-Subsidiaries	\$ 168,910	\$ 29,232

(c) Disposal of property, plant and equipment:

	Years ended December 31,	
	2025	2024
-Associates	\$ 2,571	\$ 1,524
-Subsidiaries	28	30
	<u>\$ 2,599</u>	<u>\$ 1,554</u>

(d) Acquisition of financial assets (Not applicable for 2025)

	Account items	Number of shares Traded	Object of transaction	2024
				Acquisition price
-Subsidiary He Jun Energy	Investment accounted for using equity method	32,400 thousand shares	He Jun Energy	<u>\$ 324,000</u>

(3) Endorsements and guarantees provided to related parties:

	December 31, 2025	December 31, 2024
-Subsidiaries		
Others	<u>\$ 600,000</u>	<u>\$ 600,000</u>

(4) Key management remuneration

	Years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 539,534	\$ 548,081

8. Pledged assets

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

Pledged asset	December 31, 2025	December 31, 2024	Purpose
Guarantee deposits paid	\$ 820	\$ 360	Contract guarantee deposits

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Details of operating lease agreements are shown in Note 6(9).

(2) Significant contracts signed by the Company as of December 31, 2025 are summarized as follows:

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.
Contracted operating contracts	Kuotu Motor Co., Ltd. Kuozui Motors, Ltd. Chang Yuan Motor Co., Ltd.	Starting from July 1, 2009 Starting from June 1, 2002 Starting from January 1, 2003	The Company was designated to conduct affairs such as sales, supply chain management, pre-sale services, after-sale services and promotion management.
		Except for termination signed by both parties, contracts remain effective.	

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

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

For the appropriation of retained earnings of 2025, please refer to Note 6(18).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and considering future capital requirements and long-term capital plan in order to support operations and maximize returns for shareholders.

(2) Financial instruments

A. Financial instruments by category

	December 31,	
	2025	2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,340,677	\$ 2,062,882
Financial assets at fair value through other comprehensive income		
Equity instrument	12,694,369	12,532,056
Financial assets at amortized cost		
Cash and cash equivalents	4,133,963	608,902
Notes receivable (including related parties)	1,961	-
Accounts receivable (including related parties)	981,514	1,194,837
Other receivables	1,350,421	991,569
Guarantee deposits paid (shown as "other non-current assets")	481,277	192,449
	<u>\$ 21,984,182</u>	<u>\$ 17,582,695</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 7,048	\$ -
Financial liabilities at amortized cost		
Short-term borrowings	2,600,000	2,593,680
Accounts payable (including related parties)	7,367,432	9,808,014
Other payables	3,565,402	3,068,585
Guarantee deposits received (shown as "other non-current liabilities")	882	882
	<u>\$ 13,540,764</u>	<u>\$ 15,471,161</u>
Lease liability	<u>\$ 7,091</u>	<u>\$ 12,646</u>

B. Financial risk management policies

- (a) The Company'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. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance. The Company uses derivative financial instruments to hedge

certain risk exposures, please refer to Note 6(2).

- (b) Risk management is carried out by the Company's finance departments under policies approved by the Board of Directors. Finance departments identify, evaluate and hedge financial risks in close cooperation with the Company'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. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company 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 management of foreign exchange risk against its functional currency. The Company is required to hedge its entire foreign exchange risk exposure with the finance department. To manage the foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, the Company enters into forward exchange contracts, through finance department. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	USD 13,788	31.4300	\$ 433,359
JPY:NTD	JPY 10,336,202	0.2008	2,075,509
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	USD 134,932	31.4300	\$ 4,240,916
JPY:NTD	JPY 72,413	0.2008	14,540

				December 31, 2024		
				Foreign currency		
				amount	Exchange	Book value
				(In thousands)	rate	(NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	USD	1,325	32.7850	\$		43,447
JPY:NTD	JPY	159,511	0.2099			33,481
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	USD	211,407	32.7850	\$		6,930,978
JPY:NTD	JPY	56,235	0.2099			11,804

- iv. The total exchange gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to \$655,709 and \$206,546, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

				Year ended December 31, 2025		
				Sensitivity analysis		
				Degree	Effect on	Effect on other
				of variation	profit or loss	comprehensive
						income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD		1%	\$	4,334	\$	-
JPY:NTD		1%		20,755		-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD		1%		42,409		-
JPY:NTD		1%		145		-

	Year ended December 31, 2024		
	Sensitivity analysis		
	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%	\$ 434	-
JPY:NTD	1%	335	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	69,310	-
JPY:NTD	1%	118	-

Price risk

The Company's 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.

Interest rate risk

- A. The Company's borrowings are measured at amortized cost, and the borrowings will be re-priced because of the interest rates according to the contract. Therefore, the Company is exposed to the risk of future changes in market interest rates.
- B. There were no floating rate loans at the end of 2024 and 2025, so it was not exposed to interest rate risks caused by changes in interest expenses due to the fluctuation of borrowing interest rates.

(b) Credit risk

- i. 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 based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. The Company establishes its credit risk management. For banks and financial institutions, only independently rated parties with good rating are accepted. According to the Company's credit policy, each local entity in the Company 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 Company 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.
 - iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are uncollectable and transferred to overdue receivables.
 - v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer 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;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- (c) Liquidity risk
- i. Cash flow forecasting is performed in the Company's finance department. Finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.
 - ii. As of December 31, 2025 and 2024, the Company's undrawn committed borrowing facilities amounted to \$24,466,900 and \$22,594,720, respectively.
 - iii. 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 nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<u>Up to 1 year</u>	<u>1 to 2 years</u>	<u>Over 2 years</u>
<u>Non-derivative financial liabilities:</u>			
December 31, 2025			
Short-term borrowings	\$ 2,600,000	\$ -	\$ -
Accounts payable	7,367,432	-	-
Other payables	3,565,402	-	-
Lease liability	5,754	1,439	-
 <u>Non-derivative financial liabilities:</u>			
December 31, 2024			
Short-term borrowings	\$ 2,593,680	\$ -	\$ -
Accounts payable	9,808,014	-	-
Other payables	3,068,585	-	-
Lease liability	5,754	5,754	1,439
 <u>Derivative financial liabilities:</u>			
December 31, 2025			
Forward exchange contracts	\$ 7,048	\$ -	\$ -

(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 Company's investment in listed stocks and beneficiary 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 Company's investment in corporate bonds and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's equity investments with no active markets is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables, short-term borrowings, accounts payable (including related parties), and other payables, 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:

<u>December 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				
Bond investment	\$ -	\$ 500,000	\$ -	\$ 500,000
Forward exchange contracts	-	138,107	-	138,107
Equity securities	1,702,570	-	-	1,702,570
Financial assets at fair value through other comprehensive income				
Equity securities	<u>12,020,151</u>	<u>-</u>	<u>674,218</u>	<u>12,694,369</u>
	<u>\$13,722,721</u>	<u>\$ 638,107</u>	<u>\$ 674,218</u>	<u>\$15,035,046</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 7,048</u>	<u>\$ -</u>	<u>\$ 7,048</u>
<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				
Bond investment	\$ -	\$ 500,000	\$ -	\$ 500,000
Forward exchange contracts	-	245,823	-	245,823
Equity securities	1,317,059	-	-	1,317,059
Financial assets at fair value through other comprehensive income				
Equity securities	<u>11,823,119</u>	<u>-</u>	<u>708,937</u>	<u>12,532,056</u>
	<u>\$13,140,178</u>	<u>\$ 745,823</u>	<u>\$ 708,937</u>	<u>\$14,594,938</u>

E. The methods and assumptions the Company used to measure fair value are as follows:

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

	<u>Listed stocks</u>	<u>Open-end fund</u>
Market quoted price	Closing price	Net asset value

- (b) Except for financial instruments with active markets, 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 parent company only balance sheet date.
- (c) 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 Company 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.
- (d) The Company 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 Company's credit quality.
- F. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- G. The following chart is the movement of Level 3 for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 708,937	\$ 410,084
Current period purchases	-	181,500
Recorded as unrealized (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	(34,719)	117,353
At December 31	<u>\$ 674,218</u>	<u>\$ 708,937</u>

- H. Financial segment 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.
- I. 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 December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 674,218	Asset liability method, Market comparable companies method, income approach	Net asset value, price to earnings ratio multiple, discounted cash flow	-	The higher the multiple, present value and control premium, the higher the fair value.
	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 stocks	\$ 708,937	Asset liability method, Market comparable companies method, income approach	Net asset value, price to earnings ratio multiple, discounted cash flow	-	The higher the multiple and control premium, the higher the fair value.

J. The Company 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 December 31, 2025 and 2024.

13. Supplementary Disclosures

Related information of significant transactions is as follows (Information on investees is based solely on the reports of other auditors. Inter-company transactions are eliminated in the preparation of the parent company only financial statements.):

A. 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 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 periods: Please refer to table 6.

B. Information on investees

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

C. 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:

- i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None.
- ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: None.
- iii. The amount of property transactions and the amount of the resulting gains or losses: None.
- iv. 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.
- v. 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.
- vi. 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. Operating Segment Information

Not applicable.

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

Table 1

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 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	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Shanghai Heling Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	\$ 548,783	\$ 449,565	\$ -	1.60%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 583,371	\$ 1,166,743	Note 1
2	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	228,659	179,826	-	1.60%	Short-term financing	-	Operations	-	None	-	244,179	488,358	Note 1
3	Shanghai Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	112,391	112,391	-	1.60%	Short-term financing	-	Operations	-	None	-	192,744	385,487	Note 1
4	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	320,123	269,739	93,734	1.60%	Short-term financing	-	Operations	-	None	-	443,338	886,677	Note 1
5	Shanghai Ho Mian Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	457,319	449,565	212,914	1.60%	Short-term financing	-	Operations	-	None	-	1,035,191	2,070,382	Note 1
6	Shanghai Guangxin Cultural Media Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	9,146	8,991	-	1.60%	Short-term financing	-	Operations	-	None	-	13,508	27,015	Note 1
7	Shanghai Hoxin Motor Service Consulting Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	26,974	26,974	26,704	1.60%	Short-term financing	-	Operations	-	None	-	44,922	89,843	Note 1
8	Shanghai HoChen Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	134,870	-	1.60%	Short-term financing	-	Operations	-	None	-	261,023	522,046	Note 1
9	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	228,659	157,348	121,742	1.60%	Short-term financing	-	Operations	-	None	-	281,774	563,549	Note 1
10	Shanghai Hotai Toyota Forklift Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	157,348	18,972	1.60%	Short-term financing	-	Operations	-	None	-	214,848	429,696	Note 1
11	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	274,391	224,783	-	1.60%	Short-term financing	-	Operations	-	None	-	286,195	572,390	Note 1
12	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	320,123	269,739	123,091	1.60%	Short-term financing	-	Operations	-	None	-	378,126	756,252	Note 1
13	Tianjin Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	160,062	157,348	63,838	1.60%	Short-term financing	-	Operations	-	None	-	319,397	638,795	Note 1
14	Tianjin Hoyi International Trading Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	100,610	98,904	7,777	1.60%	Short-term financing	-	Operations	-	None	-	137,686	275,371	Note 1
15	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	44,957	44,957	-	1.60%	Short-term financing	-	Operations	-	None	-	91,401	182,803	Note 1
16	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	242,379	202,304	165,395	1.60%	Short-term financing	-	Operations	-	None	-	273,220	546,440	Note 1
17	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	297,257	224,783	129,565	1.60%	Short-term financing	-	Operations	-	None	-	277,128	554,256	Note 1
18	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	137,196	134,870	-	1.60%	Short-term financing	-	Operations	-	None	-	237,313	474,625	Note 1
19	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	40,461	40,461	40,461	1.60%	Short-term financing	-	Operations	-	None	-	53,071	106,142	Note 1
20	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,439	26,974	8,991	1.60%	Short-term financing	-	Operations	-	None	-	35,323	70,647	Note 1
21	Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	20,579	17,983	-	1.60%	Short-term financing	-	Operations	-	None	-	34,713	69,427	Note 3
22	Shanghai Fengyi Construction Decoration Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,439	26,974	26,974	1.60%	Short-term financing	-	Operations	-	None	-	54,167	108,333	Note 3
23	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	22,478	22,478	22,119	1.60%	Short-term financing	-	Operations	-	None	-	45,147	90,294	Note 3
24	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Other receivables	Y	674,348	674,348	490,341	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Other receivables	Y	182,928	179,826	57,499	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	Other receivables	Y	337,174	337,174	50,441	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	274,391	269,739	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	Other receivables	Y	45,732	44,957	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Guangxin Cultural Media Co., Ltd.	Other receivables	Y	9,146	8,991	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 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	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
24	Hotong Motor Investment Co., Ltd.	Shanghai Hoxin Motor Service Consulting Co., Ltd.	Other receivables	Y	\$ 13,720	\$ 13,487	\$ -	2.10%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 8,458,595	\$ 16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	Other receivables	Y	182,928	179,826	128,755	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Other receivables	Y	182,928	179,826	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Hotai Toyota Forklift Co., Ltd.	Other receivables	Y	137,196	134,870	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	274,391	269,739	107,716	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	228,659	224,783	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Other receivables	Y	137,196	134,870	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Other receivables	Y	182,928	179,826	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Other receivables	Y	365,855	359,652	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Other receivables	Y	134,870	134,870	51,295	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	274,391	224,783	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	228,659	224,783	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Other receivables	Y	160,062	157,348	128,576	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Other receivables	Y	45,732	44,957	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Other receivables	Y	45,732	44,957	-	2.10%	Short-term financing	-	Operations	-	None	-	8,458,595	16,917,190	Note 2
24	Hotong Motor Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd.	Other receivables	Y	160,062	157,348	109,919	2.10%	Short-term financing	-	Operations	-	None	-	1,691,719	3,383,438	Note 4
24	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	Other receivables	Y	224,783	224,783	137,702	2.10%	Short-term financing	-	Operations	-	None	-	1,691,719	3,383,438	Note 4
24	Hotong Motor Investment Co., Ltd.	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Other receivables	Y	137,196	134,870	-	2.10%	Short-term financing	-	Operations	-	None	-	1,691,719	3,383,438	Note 4
24	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co., Ltd.	Other receivables	Y	914,638	854,174	854,174	2.60%	Short-term financing	-	Operations	-	None	-	1,691,719	3,383,438	Note 4
24	Hotong Motor Investment Co., Ltd.	Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	137,196	134,870	134,870	2.60%	Short-term financing	-	Operations	-	None	-	1,691,719	3,383,438	Note 4
25	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Other receivables	Y	914,638	899,130	-	3.55%	Short-term financing	-	Operations	-	None	-	6,388,788	12,777,576	Note 5
25	Hoyun International Leasing Co. Ltd.	Homei International Trade (Suzhou) Co., Ltd.	Other receivables	Y	457,319	449,565	-	3.55%	Short-term financing	-	Operations	-	None	-	6,388,788	12,777,576	Note 5
26	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y	80,000	50,000	50,000	2.48%	Short-term financing	-	Operations	-	None	-	279,392	558,784	Note 6
26	He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Other receivables	Y	10,000	-	-	-%	Short-term financing	-	Operations	-	None	-	279,392	558,784	Note 6
26	He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Other receivables	Y	13,000	-	-	-%	Short-term financing	-	Operations	-	None	-	279,392	558,784	Note 6
27	He Jing Co., Ltd.	D	Accounts receivable	N	70,000	62,358	62,358	6%-10%	Short-term financing	-	Operations	861	Real estate	64,690	656,749	1,313,498	Note 7
27	He Jing Co., Ltd.	E	Accounts receivable	N	30,000	-	-	-%	Short-term financing	-	Operations	-	None	-	656,749	1,313,498	Note 7
27	He Jing Co., Ltd.	F	Accounts receivable	N	30,000	-	-	-%	Short-term financing	-	Operations	-	None	-	656,749	1,313,498	Note 7

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2025	Balance at December 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	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
27	He Jing Co., Ltd.	G	Accounts receivable	N	\$ 300,000	\$ -	\$ -	-%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 656,749	\$ 1,313,498	Note 7
27	He Jing Co., Ltd.	H	Accounts receivable	N	300,000	256,886	256,886	4.5%-10%	Short-term financing	-	Operations	3,545	Stock	368,400	656,749	1,313,498	Note 7
27	He Jing Co., Ltd.	I	Accounts receivable	N	100,000	100,000	-	6.5%-10%	Short-term financing	-	Operations	-	Real estate	70,413	656,749	1,313,498	Note 7
28	Hotai Finance Development Co., Ltd.	A	Accounts receivable	N	70,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	B	Accounts receivable	N	15,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N	95,857	47,343	47,343	5%-10%	Short-term financing	-	Operations	379	Golf club membership	43,200	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	F	Accounts receivable	N	250,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	G	Accounts receivable	N	60,000	59,395	59,395	5%-10%	Short-term financing	-	Operations	475	Stock	77,280	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	90,000	87,719	87,719	5%-10%	Short-term financing	-	Operations	702	Real estate	66,000	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	I	Accounts receivable	N	26,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	J	Accounts receivable	N	55,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	K	Accounts receivable	N	50,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	L	Accounts receivable	N	150,000	149,992	149,992	5%-10%	Short-term financing	-	Operations	1,200	Stock	370,400	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	M	Accounts receivable	N	25,000	-	-	-%	Short-term financing	-	Operations	-	None	-	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	N	Accounts receivable	N	120,000	91,095	91,095	5%-10%	Short-term financing	-	Operations	729	Real estate	100,000	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	O	Accounts receivable	N	300,000	256,886	256,886	4.5%-10%	Short-term financing	-	Operations	2,055	Stock	368,400	606,119	1,212,238	Note 8
28	Hotai Finance Development Co., Ltd.	P	Accounts receivable	N	100,000	100,000	100,000	4.5%-10%	Short-term financing	-	Operations	800	Stock	100,000	606,119	1,212,238	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., Shanghai Fengyi Construction Decoration Co., Ltd. and Qingdao Heling Lexus Automobile Sales Service 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 20% 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 year ended December 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 year ended December 31, 2025	Outstanding endorsement/ guarantee amount at December 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 6	\$ 25,847,454	\$ 600,000	\$ 600,000	\$ 353,000	\$ -	0.70%	\$ 43,079,090	Y	N	N	Note 2
1	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commerical Factoring Co., Ltd.	Note 6	38,486,095	1,338,151	1,123,517	134,525	-	2.92%	38,486,095	Y	N	Y	Note 3
1	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Note 6	38,486,095	3,000,000	3,000,000	20,000	-	7.80%	38,486,095	Y	N	N	"
1	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Note 6	38,486,095	15,720,000	15,200,000	8,300,000	-	39.49%	38,486,095	Y	N	N	"
2	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Vehicle Leasing Ltd.	Note 6	3,066,618	137,196	134,870	59,343	-	2.11%	3,194,394	Y	N	Y	Note 4
3	Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Note 6	1,887,331	10,000	10,000	-	-	0.16%	3,145,551	Y	N	N	Note 5

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

1. The Company is '0'.

2. The subsidiaries are numbered in order starting from '1'.

Note 2: Limit on the Company's accumulated endorsement/guarantee is 50% of the Company's stockholders' equity; limit on endorsement/guarantee to a single party is 30% of the Company's stockholders' equity.

Note 3: For Hotai Financial Co., Ltd., the limit on total endorsement is no more than 100% of its total equity; the limit on endorsement for any single entity is no more than 100% of the Company's total equity.

The net asset value is based on the latest financial statements reviewed by auditors.

Note 4: For Hoyun International Leasing Co. Ltd., the limit on total endorsement is no more than 50% of its total equity; the limit on endorsement for any single entity is no more than 48% of the Company's total equity.

Note 5: For Hotai Leasing Co., Ltd., the limit on total endorsement is no more than 50% of its total equity; the limit on endorsement for any single entity is no more than 30% of the Company's total equity.

Note 6: The Company owns directly or indirectly more than 50% of the voting shares.

Hotai Motor Co., Ltd.
Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				
				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	\$ 895,906	0.15%	\$ 895,906	
Hotai Motor Co., Ltd.	Listed stocks - Toyota Motor Corporation	Entity controlled by the Company's key management	Financial assets at fair value through other comprehensive income - non-current	15,956,000	10,752,506	0.10%	10,752,506	
Hotai Motor Co., Ltd.	Listed stocks - Shihlin Electric & Engineering Corporation Etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	371,739	0.00%~0.42%	371,739	
Hotai Motor Co., Ltd.	Unlisted stocks - Taian Insurance Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	674,218	0.42%~9.02%	674,218	
Hotai Motor Co., Ltd.	Corporate bonds - Nan Shan Life Insurance Perpetual Subordinated Bonds	None	Financial assets at fair value through profit or loss - non-current	-	500,000	-	500,000	
Hotai Motor Co., Ltd.	Listed stocks - Toyota Motor Corporation	Entity controlled by the Company's key management	Financial assets at fair value through profit or loss - current	2,526,500	1,702,570	0.02%	1,702,570	
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	-	502,553	-	502,553	
He Jun Energy Co., Ltd.	Unlisted stocks - Green Impact Impact Creator Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	2,675,131	134,024	17.56%	134,024	
Hotai Connected Co., Ltd	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	53,036,261	580,694	-	580,694	
Hotai Connected Co., Ltd	Beneficiary certificates - Mega Diamond Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	27,075,675	359,492	-	359,492	
He Jing Co., Ltd.	Beneficiary right of real estate trust - Chaofu Real Estate Management Co., Ltd.	None	Financial assets at amortized cost - current	-	104,906	-	104,906	
Hotai Finance Development Co., Ltd.	Beneficiary right of real estate trust - Chaofu Real Estate Management Co., Ltd.	None	Financial assets at amortized cost - current	-	282,540	-	282,540	
Hotai Finance Development Co., Ltd.	Beneficiary right of real estate trust - Chaofu Real Estate Management Co., Ltd.	None	Financial assets at amortized cost - non-current	-	400,547	-	400,547	

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 year ended December 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	\$ 56,253,622	39%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(\$ 3,893,788)	53%	
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	48,971,924	34%	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	(330,075)	4%	
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	31,157,335	20%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	151,192	15%	
Hotai Motor Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Sales	28,791,368	18%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	154,666	16%	
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Sales	23,423,737	15%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	93,970	10%	
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Sales	22,487,717	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	82,139	8%	
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Sales	21,634,398	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	107,799	11%	
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Sales	19,190,865	12%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	93,111	9%	
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Sales	3,930,831	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	92,109	9%	
Hotai Motor Co., Ltd.	Toyota Motor Asia (Singapore) Pte., Ltd.	Entity controlled by the Company's key management	Purchases	3,496,949	2%	Pays its accounts 15 days after the end of each month	Major supplier of parts, so it is not applicable.	Normal	(285,972)	4%	
Hotai Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	3,128,920	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	15,725	2%	
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Subsidiary	Sales	2,885,786	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	18,562	2%	

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-Sales-USA	Entity controlled by the Company's key management	Purchases	\$ 1,868,053	1%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(\$ 73,155)	1%	
Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Subsidiary	Sales	1,370,369	1%	Collection at sight	Normal	Normal	9,585	1%	
Hotai Motor Co., Ltd.	Yokohama Tire Taiwan Co., Ltd.	Associates	Purchases	1,249,713	1%	Pays its accounts 16 days after the end of each month	Major supplier of vehicle tires, so it is not applicable.	Normal	(114,918)	2%	
Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Subsidiary	Sales	653,084	-	Collection at sight	Normal	Normal	65,443	7%	
Hotai Motor Co., Ltd.	Hino Motors, Ltd.	Entity controlled by the Company's key management	Purchases	468,402	-	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(14,472)	-	
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Subsidiary	Sales	127,292	-	Collects its accounts 16 days after the end of each month	Normal	Normal	9,992	1%	
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	985,385	85%	Payment in advance	Normal	Normal	-	-	
Tianjin Hozhan Motor Service Co., Ltd.		Associates	Sales	282,952	21%	Collection in advance	Normal	Normal	-	-	
Tianjin Hozhan Motor Service Co., Ltd.	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd. Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	124,564	9%	Payment in advance	Normal	Normal	-	-	
Shanghai Hozhan Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	310,290	12%	Payment in advance	Normal	Normal	-	-	
Shanghai Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Associates	Sales	180,568	8%	Collection 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	1,948,551	87%	Payment in advance	Normal	Normal	-	-	
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	905,124	80%	Payment in advance	Normal	Normal	-	-	
	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	1,379,068	95%	Payment in advance	Normal	Normal	-	-	
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.											
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	1,062,010	89%	Payment in advance	Normal	Normal	-	-	

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)	
Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	\$ 1,433,466	88%	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	955,970	77%	Payment in advance	Normal	Normal	-	-	
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	104,891	7%	Payment in advance	Normal	Normal	-	-	
Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Associates	Sales	226,573	17%	Collection in advance	Normal	Normal	-	-	
Chang Yuan Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	5,315,490	51%	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	(81,754)	19%	
Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	624,301	4%	Collection at sight	Normal	Normal	29,205	2%	
Chang Yuan Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	159,768	1%	Collects its accounts on the next Monday and Wednesday after the end of each week	Normal	Normal	8,115	1%	
Toyota Material Handling Taiwan Ltd.	Toyota Industries Corporation	Entity controlled by the Company's key management	Purchases	410,831	55%	Pays its accounts 15 days after the end of each month	The imported large vehicles and parts are sold to the company,	Not applicable	(21,626)	8%	
Eastern Motor Co., Ltd	Hotai Leasing Co., Ltd.	Associates	Sales	409,588	12%	Collects its accounts 30 days after the end of each month	Normal	Normal	5,598	7%	
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Sales	2,130,238	22%	Collects its accounts 30 days after the end of each month	Normal	Normal	146,172	10%	
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Sales	1,463,155	15%	Collects its accounts 40 days after the end of each month	Normal	Normal	297,861	21%	
Carmax Co., Ltd.	AIM Technology Corp.	Associates	Purchases	1,233,833	18%	Pays its accounts 21 days after the end of each month	Normal	Normal	(100,067)	11%	
Carmax Co., Ltd.	Wang Fu Co., Ltd.	Associates	Sales	159,959	2%	Collects its accounts 35 days after next monthly billings	Normal	Normal	35,333	2%	
Carmax Co., Ltd.	Zhonghao Automobile Co., Ltd.	Associates	Sales	143,511	1%	Collects its accounts 10 days after the end of each month	Normal	Normal	40,906	3%	
Carmax Co., Ltd.	Tau Jin Enterprise Co., Ltd.	Associates	Sales	143,279	1%	Collects its accounts 10 days after the end of each month	Normal	Normal	39,030	3%	

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)	
Carmax Co., Ltd.	Zhongyang Motor Co., Ltd.	Associates	Sales	\$ 139,361	1%	Collects its accounts 35 days after next monthly billings	Normal	Normal	\$ 39,520	3%	
Carmax Co., Ltd.	New Auto Parts Co., Ltd.	Associates	Sales	123,186	1%	Collects its accounts after the end of each month	Normal	Normal	33,942	2%	
Carmax Co., Ltd.	Innovation Auto Parts Co., Ltd.	Associates	Sales	122,515	1%	Collects its accounts 25 days after next monthly billings	Normal	Normal	14,419	1%	
Carmax Co., Ltd.	Kao Jin Co., Ltd.	Associates	Sales	109,047	1%	Collects its accounts after the end of each month	Normal	Normal	13,704	1%	
Carmax Co., Ltd.	Nantian Technology Co., Ltd.	Associates	Sales	106,346	1%	Collects its accounts after the end of each month	Normal	Normal	26,584	2%	
Carmax Co., Ltd.	Shye Shing Enterprise Co., Ltd.	Associates	Sales	104,817	1%	Collects its accounts after the end of each month	Normal	Normal	15,700	1%	
Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	385,825	58%	Collects its accounts 30 days after the end of each month	Normal	Normal	59,236	62%	
Carmax Autotech (Shanghai) Co., Ltd.	Hotong Motor Investment Co., Ltd.	Associates	Sales	149,260	22%	Collects its accounts 30 days after the end of each month	Normal	Normal	16,305	17%	
Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	823,766	87%	Collects its accounts 10 days after the end of each month	Normal	Normal	94,712	73%	
Smart Design Technology Co., Ltd.	Chang Yuan Motor Co., Ltd.	Associates	Sales	102,583	11%	Collects its accounts 45 days after the end of each month	Normal	Normal	30,239	23%	
Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Subsidiary	Sales	190,030	2%	Collection at sight	Normal	Normal	27,694	1%	
Hotai Connected Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	107,073	17%	Collects its accounts after the end of each month	Normal	Normal	6,572	5%	
Hotai Connected Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Sales	101,166	16%	Collects its accounts after the end of each month	Normal	Normal	5,280	4%	
Hotai Connected Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Sales	101,127	16%	Collects its accounts after the end of each month	Normal	Normal	4,322	3%	
Ho Tai Parts & Accessories Co., Ltd	Ho Tai Development Co., Ltd	Parent company	Sales	324,828	99%	Collects its accounts 26 days after next monthly billings	Normal	Normal	31,508	100%	

Table 4 Page 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)	
Ho Tai Transportation Co., Ltd.	Ho Tai Development Co., Ltd	Parent company	Sales	\$ 110,280	100%	Collects its accounts 26 days after next monthly billings	Normal	Normal	\$ 13,186	100%	
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Subsidiary	Sales	272,453	67%	Collects its accounts 180 days after the end of each month	Normal	Normal	66,698	52%	
Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Sales	622,000	90%	Collects its accounts 180 days after the end of each month	Normal	Normal	300,271	100%	
Hotai Leasing Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Purchases	3,968,983	20%	Payment at sight	Normal	Normal	(131,973)	32%	
Hotai Leasing Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Purchases	726,316	4%	Payment at sight	Normal	Normal	(1,032)	-	Note
Hotai Leasing Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Purchases	2,091,328	10%	Payment at sight	Normal	Normal	(48,073)	12%	"
Hotai Leasing Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Purchases	166,741	1%	Payment at sight	Normal	Normal	-	-	"
Hotai Leasing Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Purchases	1,533,607	8%	Payment at sight	Normal	Normal	-	-	"
Hotai Leasing Co., Ltd.	Kau Du Automobile Co., Ltd	Associates	Purchases	1,164,880	6%	Payment at sight	Normal	Normal	-	-	"
Hotai Leasing Co., Ltd.	Central Motor Co., Ltd.	Associates	Purchases	1,597,309	8%	Payment at sight	Normal	Normal	(3,241)	-	"
Hotai Leasing Co., Ltd.	Chang Yuan Motor Co., Ltd.	Associates	Purchases	619,222	3%	Payment at sight	Normal	Normal	(107)	-	"
Hotai Leasing Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Purchases	1,294,039	6%	Payment at sight	Normal	Normal	(149)	-	"
Hotai Leasing Co., Ltd.	Eastern Motor Co., Ltd.	Associates	Purchases	119,184	1%	Payment at sight	Normal	Normal	(2,927)	1%	"
Hoing Mobility Service Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Purchases	611,140	70%	Payment at sight	Normal	Normal	-	-	"

Note: Hotai Leasing Co., Ltd., Hoing Mobility Service Co., Ltd. and Hoyun International Leasing Co., Ltd., purchase vehicles from parent company and associates for renting services, the related assets are reported under property, plant, and equipment.

Hotai Motor Co., Ltd.
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
December 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 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.	Tau Miao Motor Co., Ltd.	Associates	Accounts receivable \$ 154,666	186.50	\$ -	-	\$ 154,666	\$ -
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Accounts receivable 107,799	194.24	-	-	107,799	-
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Accounts receivable 151,192	193.13	-	-	151,192	-
Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	Associates	Accounts receivable 300,271	4.14	-	-	300,271	-
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Accounts receivable 297,861	4.78	-	-	297,861	-
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Accounts receivable 146,172	10.40	-	-	146,172	-

Hotai Motor Co., Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 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	\$ 3,930,831	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	737,884	Closes its accounts 16 days after the end of following two months	-
0	Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	1	Sales revenue	2,885,786	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.	Carmax Co., Ltd.	1	Accounts payable	148,004	Pays its accounts 30 days after the end of each month	-
0	Hotai Motor Co., Ltd.	Carmax Co., Ltd.	1	Sales revenue	127,292	Collects its accounts 16 days after the end of each month	-
0	Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	1	Sales revenue	1,370,369	Collection at sight	-
0	Hotai Motor Co., Ltd.	Hoing Mobility Service Co., Ltd.	1	Sales revenue	653,084	Collection at sight	-
1	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	123,091	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	3	Other receivables	490,341	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	3	Other receivables	107,716	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	165,395	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	129,565	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	3	Other receivables	128,576	Collects 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	212,914	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	128,755	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	121,742	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	137,702	Collects its accounts 30 days after the end of each month	-

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	
1	Hotong Motor Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	3	Other receivables	\$ 109,919	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co. Ltd.Hoyun International Leasing Co. Ltd.	3	Other receivables	854,174	Collects its accounts 30 days after the end of each month	-
2	Tianjin Hozhan Motor Service Co., Ltd.	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	3	Sales revenue	282,952	Collection in advance	-
3	Shanghai Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	3	Sales revenue	180,568	Collection in advance	-
4	Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	3	Sales revenue	226,573	Collection in advance	-
5	Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	624,301	Collection at sight	-
6	Eastern Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	409,588	Collects its accounts 30 days after the end of each month	-
7	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Sales revenue	2,130,238	Collects its accounts 30 days after the end of each month	1%
7	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Service revenue	404,254	Collects its accounts 30 days after the end of each month	-
7	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Other receivables	158,992	Collects its accounts 30 days after the end of each month	-
7	Carmax Autotech (Shanghai) Co., Ltd.	Hotong Motor Investment Co., Ltd.	3	Sales revenue	149,260	Collects its accounts 30 days after the end of each month	-
8	Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	385,825	Collects its accounts 30 days after the end of each month	-
8	Smart Design Technology Co., Ltd.	Chang Yuan Motor Co., Ltd.	3	Sales revenue	102,583	Collects its accounts 45 days after the end of each month	-
9	Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	823,766	Collects its accounts 10 days after the end of each month	-
9	Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	3	Sales revenue	190,030	Collection at sight	-
10	Hotai Connected Co., Ltd.	Hotai Motor Co., Ltd.	2	Service revenue	260,969	Collects its accounts after the end of next month	-
11	Ho Tai Service & Marketing Co., Ltd.	Ho Tai Development Co., Ltd.	3	Sales revenue	232,129	Collects its accounts 60 days after the end of each month	-
12	Ho Tai Parts & Accessories Co., Ltd.	Ho Tai Development Co., Ltd.	3	Sales revenue	324,828	Collects its accounts 26 days after next monthly billings	-
13	Ho Tai Transportation Co., Ltd.	Ho Tai Development Co., Ltd.	3	Sales revenue	110,280	Collects its accounts 26 days after next monthly billings	-
14	Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Sales revenue	272,453	Collects its accounts 180 days after the end of each month	-
15	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Sales revenue	622,000	Collects its accounts 180 days after the end of each month	-

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	
16	Hotai Auto Body Sales Co., Ltd.	Hotai Bus Sales Co., Ltd.	3	Accounts receivable	\$ 300,271	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 year ended December 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 December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 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	\$ 3,422,644	\$ 3,422,644	108,897,360	100.00	\$ 8,614,505	(\$ 213,293)	(\$ 213,293)	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	4,640,355	505,464	505,464	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	1,390,129	206,540	206,544	Subsidiary
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	80,000	80,000	51,929,840	100.00	578,796	17,928	17,928	Subsidiary
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Taiwan	Trading of vehicle products/accessories	153,030	153,030	22,950,000	51.00	2,293,732	1,717,223	875,783	Subsidiary
Hotai Motor Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	10,763	10,763	960,961	20.00	44,292	52,666	10,533	Subsidiary
Hotai Motor Co., Ltd.	Hozan Investment Co., Ltd.	Taiwan	General investment	12,004,622	12,004,622	254,032	100.00	19,872,065	2,383,889	2,383,889	Subsidiary
Hotai Motor Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar energy business	504,000	504,000	50,400,000	18.00	503,079	78,340	14,101	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	6,786,882	2,445,177	1,905,661	Subsidiary
Hotai Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	615,342	615,342	79,100,000	70.00	844,731	107,582	75,308	Subsidiary
Hotai Motor Co., Ltd.	Ho Tai Development Co., Ltd.	Taiwan	Agent for sales of air conditioning system and	73,787	73,787	24,710,856	45.01	4,515,644	891,742	401,355	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	500,000	500,000	50,000,000	50.00	549,179	48,177	24,089	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Taiwan	Sales of vehicle bodies	37,010	37,010	5,428,025	100.00	71,876	16,009	16,009	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	1,754,029	838,684	169,246	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	112,990	91,295	22,824	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	1,436,257	760,813	180,084	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	1,530,940	527,635	183,670	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Taiwan	Sales of vehicles and parts and manufacturing of vehicles	4,390,907	4,390,907	103,800,000	30.00	6,688,551	5,026,498	1,509,949	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	124,582	15,020	3,175	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	327,089	81,821	15,682	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	2,072,122	840,521	163,430	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	1,560,177	501,565	94,110	Investee company accounted for using the equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 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	\$ 416,302	\$ 16,882	\$ 7,502	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	2,997,607	794,370	155,800	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	18,340	8,139	1,221	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	12,000	12,000	1,200,000	10.00	6,574	(14,513)	(1,451)	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	110,005	110,005	3,500,000	70.00	121,498	(22,897)	-	Sub-subsiary
Chang Yuan Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	200,000	200,000	20,000,000	20.00	219,894	48,177	-	Subsidiary
Eastern Motor Co., Ltd.	Doroman Autoparts Corporation	Taiwan	Wholesale and retail of vehicles parts and accessories	500	500	138,718	100.00	7,814	1,732	-	Sub-subsiary
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	807	212	-	Sub-subsiary
Eastern Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	5,650	5,650	565,000	0.50	5,650	107,582	-	Subsidiary
Eastern Motor Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	3,000	3,000	300,000	0.68	3,000	5,057	-	Sub-subsiary
Carmax Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	33,242	33,242	2,968,016	61.77	139,001	52,666	-	Subsidiary
Carmax Co., Ltd.	Carmax Racing International Co., Ltd.	Taiwan	Trading of vehicle products/accessories	30,000	-	3,000,000	100.00	27,969	(2,031)	-	Sub-subsiary
Carmax Co., Ltd.	AIM Technology Corp.	Taiwan	Trading of vehicle products/accessories	38,500	38,500	3,850,000	35.00	42,794	8,139	-	Investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Hotai Leasing Co., Ltd.	Taiwan	Leasing of vehicles	181,907	181,907	126,153,159	65.52	4,142,466	886,631	-	Sub-subsiary
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	12,950,496	3,375,930	-	Sub-subsiary
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	1,920,610	2,445,177	-	Subsidiary
Hozan Investment Co., Ltd.	Hozao Enterprise Co., Ltd.	Taiwan	Installment trading of various vehicles	34,756	34,756	3,823,128	18.29	486,307	43,778	-	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	-	143	527,635	-	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	372,962	168,021	-	Subsidiary's investee company accounted for using the equity method
Hotai Leasing Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	413,849	413,849	35,810,824	50.82	251,100	(79,817)	-	Sub-subsiary
Hotai Leasing Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,244,628	1,244,628	39,600,000	49.50	3,162,225	40,514	-	Sub-subsiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment trading of various vehicles	2,430,000	2,430,000	253,831,919	81.00	2,659,833	135,134	-	Sub-subsiary
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar power business	2,240,000	2,240,000	224,000,000	80.00	2,235,905	78,340	-	Subsidiary
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Taiwan	Installment trading of various equipments	3,000,000	3,000,000	500,000,000	100.00	3,030,595	65,845	-	Sub-subsiary
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,269,772	1,269,772	40,400,000	50.50	3,226,965	40,514	-	Sub-subsiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	74,311	5,057	-	Sub-subsiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Financing and leasing business	\$ 1,190,845	\$ 534,310	10,560,000	66.00	\$ 1,228,187	\$ 9,348	\$ -	Sub-subsi-dary
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Taiwan	Energy storage business	22,000	22,000	2,200,000	100.00	5,350	(8,622)	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar power business	32,781	32,781	3,200,000	96.97	33,121	984	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Taiwan	Solar power business	20,816	20,816	2,079,000	99.00	21,653	802	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Taiwan	Solar power business	27,706	27,706	2,673,000	99.00	23,515	(964)	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity sales related business	10,000	1,000	1,000,000	100.00	12,548	2,900	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Taiwan	Solar power business	42,227	42,227	4,000,000	100.00	41,617	1,212	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Taiwan	Solar power business	88,685	88,685	9,200,000	100.00	95,488	3,290	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Taiwan	Solar power business	163,017	163,017	10,000,000	100.00	161,668	8,266	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Taiwan	Solar power business	474,783	474,783	5,000,000	100.00	443,521	31,294	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Taiwan	Solar power business	81,202	81,202	4,000,000	100.00	80,278	4,437	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Taiwan	Solar power business	162,216	162,216	94,011	100.00	165,983	12,459	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar power business	97,015	78,400	9,701,455	86.62	97,181	1,249	-	Sub-subsi-dary
He Jun Energy Co., Ltd.	Zheng Ren Energy Co., Ltd.	Taiwan	Solar power business	168,980	154,980	16,898,000	35.00	142,676	(19,283)	-	Sub-subsi-dary'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	389,466	(76,031)	-	Sub-subsi-dary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Gochabar Co., Ltd.	Taiwan	Charging system technical service	36,000	36,000	3,600,000	30.00	19,758	(14,513)	-	Investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Grimnodot Inc.	Taiwan	Solar power business	360,000	360,000	36,000,000	40.00	353,326	(18,260)	-	Sub-subsi-dary'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	31,735	8,622	-	Sub-subsi-dary
Hotai Connected Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	300,000	300,000	34,655,635	49.18	245,137	(79,817)	-	Sub-subsi-dary
Hotai Connected Co., Ltd.	Ho Young Travel Agency Co., Ltd.	Taiwan	Tourism industry	10,000	10,000	2,400,000	100.00	34,752	9,038	-	Sub-subsi-dary
Hotai Connected Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	180,000	180,000	18,000,000	41.10	109,396	5,057	-	Sub-subsi-dary
Hotai Mobility Service Co., Ltd.	ChyuanAn Transport Co., Ltd.	Taiwan	Taxi service	9,748	9,748	3,400,000	100.00	37,082	774	-	Sub-subsi-dary
Hotai Mobility Service Co., Ltd.	YuCheng Transport Co., Ltd.	Taiwan	Taxi service	39,225	39,225	7,000,000	100.00	99,607	1,757	-	Sub-subsi-dary
Ho Tai Development Co., Ltd.	Air Master International Co., Ltd.	Taiwan	General investment	94,290	94,290	3,000,000	100.00	84,432	(9,590)	-	Sub-subsi-dary
Ho Tai Development Co., Ltd.	Ho Tai Service & Marketing Co., Ltd.	Taiwan	Repairing of air conditioning equipment and trading of their	100,000	100,000	27,190,239	100.00	918,259	101,275	-	Sub-subsi-dary
Ho Tai Development Co., Ltd.	Ho Tai Parts & Accessories Co., Ltd.	Samoa	Trading of air conditioning equipment and their parts	50,000	50,000	5,000,000	100.00	112,131	11,527	-	Sub-subsi-dary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2025			Net profit (loss) of the investee for the year ended December 31, 2025	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Footnote
				Balance as at December 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Ho Tai Development Co., Ltd.	3A Express Co., Ltd.	Taiwan	Freight forwarders	\$ 51,000	\$ 51,000	5,100,000	51.00	\$ 170,636	\$ 39,074	\$ -	Sub-subsiidiary
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	34,456	(1,728)	-	Sub-subsiidiary's investee company accounted for using the equity method
3A Express Co., Ltd.	Long Hao Removal Transport Services Co., Ltd.	Taiwan	Freight forwarders	10,000	10,000	1,000,000	100.00	20,587	5,730	-	Sub-subsiidiary
3A Express Co., Ltd.	Ho Tai Transportation Co., Ltd.	Taiwan	Freight forwarders	25,000	25,000	2,500,000	100.00	77,458	34,416	-	Sub-subsiidiary
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Taiwan	Trading of buses	40,000	40,000	40,000,000	100.00	73,008	31,801	-	Sub-subsiidiary

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

Table 8

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	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Book value of investment in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Hotong Motor Investment Co., Ltd.	Operation decision making, capital using and financial management, information services, employee trainings and other services	\$ 4,024,454	Note(2)	\$ 452,372	\$ -	\$ -	\$ 452,372	(\$ 196,990)	100.00	(\$ 196,990)	\$ 8,458,595	\$ 1,549,567	Note 2.1
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Sales and repairing of vehicles	105,919	Note(2)	105,919	-	-	105,919	(32,094)	100.00	(32,094)	244,179	-	Note 2.1
ChongQing Yudu Toyota Automobile Sales & Service Co., Ltd.	Sales and repairing of vehicles	134,870	Note(2)	11,551	-	-	11,551	-	10.48	-	11,551	-	Note 2.2
Beijing Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	94,290	Note(2)	31,430	-	-	31,430	-	40.00	-	-	-	Note 2.2
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	188,580	Note(2)	188,580	-	-	188,580	(17,806)	100.00	(17,806)	286,195	-	Note 2.1
Shanghai Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	94,290	Note(2)	94,290	-	-	94,290	26,185	100.00	26,185	192,744	-	Note 2.1
Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	157,150	Note(2)	110,005	-	-	110,005	(22,897)	70.00	(16,028)	121,497	-	Note 2.1
Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	110,005	Note(3)	82,504	-	-	82,504	(39,913)	100.00	(39,913)	583,371	-	Note 2.1
ChongQing Yurun Toyota Automobile Service Co., Ltd.	Sales and repairing of vehicles	134,870	Note(2)	12,376	-	-	12,376	-	10.48	-	12,376	26,106	Note 2.2
Shanghai Hotai Toyota Forklift Co., Ltd.	Sales of vehicles and parts for industry use	188,580	Note(2)	188,580	-	-	188,580	796	100.00	796	214,850	-	Note 2.1
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	429,020	Note(2)	292,299	-	-	292,299	(8,336)	100.00	(8,336)	237,313	-	Note 2.1
Zaozhong Ho-Wan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	44,957	Note(3)	-	-	-	-	1,161	100.00	1,161	53,071	-	Note 2.1
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	182,294	Note(2)	182,294	-	-	182,294	(7,419)	100.00	(7,419)	273,220	-	Note 2.1

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	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Book value of investment in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Nanchang Heling Lexus Motors Sales & Service Co., Ltd.	Sales and repairing of vehicles	\$ 204,295	Note(2)	\$ 204,295	\$ -	\$ -	\$ 204,295	(\$ 27,409)	100.00	(\$ 27,409)	\$ 277,128	\$ -	Note 2.1
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	2,514,400	Note(2)	2,514,400	-	-	2,514,400	40,514	55.61	22,530	3,553,116	514,959	Note 2.1
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring services	899,130	Note(3)	-	-	-	-	72,926	55.61	40,554	614,686	-	Note 2.1
Hoyun (Shanghai) Vehicle Leasing Ltd.	Leasing of cars	674,348	Note(3)	-	-	-	-	69,082	55.61	38,416	423,063	-	Note 2.1
Hangzhou Yiyou Network Technology Co., Ltd.	Leasing of licence plate	-	Note(3)	-	-	-	-	-	-	-	-	-	Note 3
Hangzhou Wangyou Network Technology Co., Ltd.	Leasing of licence plate	-	Note(3)	-	-	-	-	-	-	-	-	-	Note 3
Homei International Trade (Suzhou) Co., Ltd.	Goods trading business	224,783	Note(3)	-	-	-	-	8,557	55.61	4,759	129,461	-	Note 2.1
He Zhan Development Co., Ltd.	Trading of air conditioning equipment	94,290	Note(2)	94,290	-	-	94,290	(9,590)	45.01	(4,316)	38,206	-	Note 2.2
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	377,160	Note(3)	-	-	-	-	(20,128)	100.00	(20,128)	378,126	-	Note 2.1
Tianjin Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	308,402	Note(3)	-	-	-	-	20,554	100.00	20,554	319,397	-	Note 2.1
Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	89,913	Note (3)	-	-	-	-	2,428	100.00	2,428	91,401	-	Note 2.1
Linyi Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	377,160	Note(3)	-	-	-	-	(32,877)	35.00	(11,507)	33,965	-	Note 2.2
Carmax Autotech (Shanghai) Co., Ltd.	Trading of vehicle products/accessories	41,802	Note(1)	41,802	-	-	41,802	54,648	51.00	27,870	212,722	-	Note 2.2
Guangzhou Gac Changho Autotech Corporation	Trading of vehicle products/accessories	100,366	Note(1)	45,165	-	-	45,165	43,472	22.95	9,977	43,042	286,798	Note 2.2
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	314,300	Note(3)	-	-	-	-	2,642	35.00	925	177,138	-	Note 2.2

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	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Book value of investment in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Taizhou Zhongdu Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	\$ 471,450	Note(3)	\$ -	\$ -	\$ -	\$ -	\$ 8,442	35.00	\$ 2,955	\$ 232,226	\$ -	Note 2.3
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	377,160	Note(3)	-	-	-	-	(11,418)	35.00	(3,996)	223,654	-	Note 2.2
Jinzhong Central Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	440,020	Note(3)	-	-	-	-	(23,914)	35.00	(8,370)	9,792	-	Note 2.3
Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	-	Note(3)	-	-	-	-	-	-	-	-	-	Note 6
Shanghai Guangxin Cultural Media Co., Ltd.	Design and production of advertisements	4,496	Note(3)	-	-	-	-	649	100.00	649	13,508	-	Note 2.1
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	480,589	Note(3)	-	-	-	-	(46,418)	100.00	(50,529)	493,066	-	Note 2.1
Shanghai Ho-Mian Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	1,034,000	Note(3)	-	-	-	-	8,703	100.00	8,703	1,035,191	-	Note 2.1
Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Consulting service	13,487	Note(3)	-	-	-	-	8,035	100.00	8,035	44,922	-	Note 2.1
Tianjin Heyi International Trading Co., Ltd.	Sales of imported vehicles	89,913	Note(3)	-	-	-	-	5,115	100.00	5,115	137,686	-	Note 2.1
Chongqing Taikang Heling Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	44,957	Note(3)	-	-	-	-	(801)	50.00	(401)	(41,256)	-	Note 2.1
Shanghai HoChen Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	314,300	Note(3)	-	-	-	-	(9,762)	100.00	(9,762)	261,023	-	Note 2.1
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	330,015	Note(3)	-	-	-	-	(19,411)	100.00	(19,411)	281,774	-	Note 2.1
Tianjin Binhai Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	134,870	Note(3)	-	-	-	-	(12,612)	35.00	(4,414)	33,010	-	Note 2.2
Tianjin Yongda Communication Technology Co., Ltd.	Trading of vehicle products / accessories and property management	264,254	Note(3)	-	-	-	-	423	35.00	(4,415)	157,885	-	Note 2.2
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Sales and repairing of vehicles	134,870	Note(3)	-	-	-	-	(16,121)	70.00	(11,285)	64,534	-	Note 2.1

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	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2025	Net income of investee for the year ended December 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2025	Book value of investment in Mainland China as of December 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Taiyuan Zhongdu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	\$ 135,149	Note(3)	\$ -	\$ -	\$ -	\$ -	(\$ 3,771)	35.00	(\$ 1,320)	\$ 20,151	\$ -	Note 2.3
Shanghai Zhongxin Means of Transportation Engineering Co.,Ltd.	Property management	22,478	Note(3)	-	-	-	-	1,135	100.00	(11,974)	454,436	-	Note 2.1
Shanghai Fengyi Construction Decoration Co., Ltd.	Property management	251,756	Note(3)	-	-	-	-	383	70.00	(13,568)	602,051	-	Note 2.1
Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Sales and repairing of vehicles	314,696	Note(3)	-	-	-	(16,213)	70.00	(11,349)	158,014	-	-	Note 2.1
Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	764,261	Note(3)	-	-	-	-	15,752	100.00	15,752	810,795	-	Note 2.1
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
Hoyun International Leasing Co., Ltd. The first phase of Hoyun Tongying asset-backed notes trust in 2025	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 year ended December 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\$.

Note 6: The company was dissolved and liquidated in August 2025.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 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.	\$ 1,874,133	\$ 5,253,289	\$ 74,253,527

HOTAI MOTOR CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Petty cash		\$ 330
Checking accounts		197,109
Demand deposits		
- NTD		678,831
- USD	USD 1,188 thousand, conversion rate 31.430	37,341
- JPY	JPY 10,336,202 thousand, conversion rate 0.2008	2,075,509
Time deposits		
- USD	USD 12,600 thousand, conversion rate 31.430	396,018
Cash equivalents		
- Short-term notes and bills		748,825
		<u>\$ 4,133,963</u>

HOTAI MOTOR CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars)

Statement 2

Item	Amount		Footnote
	Cost	Net Realizable Value	
Vehicles	\$ 7,440,651	\$ 7,440,651	
Parts	792,213	693,791	
Inventory in transit	1,483,260	1,483,260	
	9,716,124	\$ 9,617,702	
Less: Allowance for inventory obsolescence	(98,422)		
	\$ 9,617,702		

HOTAI MOTOR CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 3

Investee	Balance at January 1, 2025		Addition		Deductions		Balance at December 31, 2025			Market Value or Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ownership (%)	Amount	Unit Price (In dollars)	Total amount (In thousands)	Collateral pledged
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	108,897,360	\$ 8,826,043	-	\$ 1,754	-	(\$ 213,292)	108,897,360	100.00%	\$ 8,614,505	\$ 79	\$ 8,608,342	None
Chang Yuan Motor Co., Ltd.	313,500,000	4,180,635	-	1,054,868	-	(595,148)	313,500,000	100.00%	4,640,355	15	4,754,983	"
Toyota Material Handling Taiwan Ltd.	94,602,868	1,337,292	-	206,840	-	(154,003)	94,602,868	100.00%	1,390,129	15	1,390,129	"
Eastern Motor Co., Ltd.	49,889,053	559,276	2,040,787	26,948	-	(7,428)	51,929,840	100.00%	578,796	11	588,260	"
Carmax Co., Ltd.	22,950,000	2,158,053	-	876,083	-	(740,404)	22,950,000	51.00%	2,293,732	100	2,284,686	"
Smart Design Technology Co., Ltd.	960,961	39,201	-	10,533	-	(5,442)	960,961	20.00%	44,292	46	44,154	"
Hozan Investment Co., Ltd.	254,032	19,584,575	-	2,469,551	-	(2,182,061)	254,032	100.00%	19,872,065	78,269	19,882,881	"
Hotai Insurance Co., Ltd.	155,867,346	5,017,504	-	1,906,394	-	(137,016)	155,867,346	77.93%	6,786,882	43	6,732,486	"
Hotai Connected Co., Ltd.	79,100,000	769,423	-	75,308	-	-	79,100,000	70.00%	844,731	11	841,897	"
Ho Tai Development Co., Ltd.	24,710,856	4,213,196	-	401,573	-	(99,125)	24,710,856	45.01%	4,515,644	183	4,527,554	"
Hotai Auto Body Manufacturing Co.,Ltd	50,000,000	545,090	-	24,089	-	(20,000)	50,000,000	50.00%	549,179	11	549,742	"
Hotai Auto Body Sales Co.,Ltd	4,000,000	55,867	1,428,025	16,009	-	-	5,428,025	100.00%	71,876	13	71,876	"
He Jun Energy Co., Ltd.	50,400,000	488,804	-	14,275	-	-	50,400,000	18.00%	503,079	10	502,906	"
Kuotu Motor Co., Ltd.	17,553,761	1,687,419	-	179,374	-	(112,764)	17,553,761	20.18%	1,754,029	101	1,764,956	"
Yokohama Tire Taiwan Co., Ltd.	3,000	115,168	-	22,824	-	(25,002)	3,000	25.00%	112,990	38,903	116,710	"
Nan Du Motor Co., Ltd.	14,806,073	1,356,434	-	199,342	-	(119,519)	14,806,073	23.67%	1,436,257	98	1,445,031	"
Taipei Toyota Motor Co., Ltd.	25,438,987	1,485,855	-	204,031	-	(158,946)	25,438,987	34.81%	1,530,940	69	1,751,598	"
Kuozui Motors, Ltd.	103,800,000	6,915,444	-	1,576,660	-	(1,803,553)	103,800,000	30.00%	6,688,551	65	6,704,776	"
Shi-Ho Screw Industrial Co., Ltd.	211,433	126,413	-	3,175	-	(5,006)	211,433	21.14%	124,582	570	120,621	"
Lang Yang Toyota Motor Co., Ltd.	2,000,000	317,520	-	18,814	-	(9,245)	2,000,000	20.00%	327,089	101	201,410	"
Tau Miao Motor Co., Ltd.	15,153,573	1,994,716	-	177,779	-	(100,373)	15,153,573	20.00%	2,072,122	110	1,666,350	"
Kau Du Automobile Co., Ltd.	22,161,150	1,537,072	-	108,700	-	(85,595)	22,161,150	20.00%	1,560,177	50	1,111,145	"
Formosa Flexible Packaging Corp.	1,295,108	415,203	-	7,568	-	(6,469)	1,295,108	44.44%	416,302	329	426,427	"
Central Motor Co., Ltd.	15,000,000	2,942,561	-	172,097	-	(117,051)	15,000,000	20.00%	2,997,607	144	2,167,400	"
AIM Technology Corp.	1,650,000	18,153	-	1,221	-	(1,034)	1,650,000	15.00%	18,340	11	18,340	"
Gochabar Co., Ltd.	1,200,000	8,025	-	-	-	(1,451)	1,200,000	10.00%	6,574	5	6,574	"
		<u>\$ 66,694,942</u>		<u>\$ 9,755,810</u>		<u>(\$ 6,699,927)</u>			<u>\$ 69,750,825</u>			

HOTAI MOTOR CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 4

Item	Balance as of January, 1, 2025	Additions	Deductions	Reclassifications	Balance as of December 31, 2025	Guaranteed or Pledged as collateral
Land						None
Cost	\$ 2,891,965	\$ -	\$ -	\$ -	\$ 2,891,965	
Less: Accumulated impairment	(26,850)	-	-	-	(26,850)	
	2,865,115	-	-	-	2,865,115	
Buildings and structures	1,436,686	5,323	(82)	709,213	2,151,140	"
Utility equipment	126,913	874	-	-	127,787	"
Office equipment	576,778	19,561	(7,870)	107,170	695,639	"
Others	21,281	1,410	-	416	23,107	"
Rental assets	78,809	-	-	-	78,809	"
Construction in progress	537,414	541,309	-	(980,357)	98,366	"
	<u>\$ 5,642,996</u>	<u>\$ 568,477</u>	<u>(\$ 7,952)</u>	<u>(\$ 163,558)</u>	<u>\$ 6,039,963</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Balance as of January, 1, 2025	Additions	Deductions	Reclassifications	Balance as of December 31, 2025	Footnote
Buildings and structures	\$ 972,211	\$ 37,383	(\$ 82)	\$ -	\$ 1,009,512	
Utility equipment	115,552	1,176	-	-	116,728	
Office equipment	460,885	31,633	(6,388)	-	486,130	
Others	14,183	1,738	-	-	15,921	
Rental assets	78,562	57	-	-	78,619	
	<u>\$ 1,641,393</u>	<u>\$ 71,987</u>	<u>(\$ 6,470)</u>	<u>\$ -</u>	<u>\$ 1,706,910</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF CHANGES IN INVESTMENT PROPERTY - COST
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 6

Item	Balance as of January 1, 2025	Additions	Deductions	Reclassifications	Balance as of December 31, 2025	Guaranteed or Pledged as collateral
Land	\$ 1,681,005	\$ -	\$ -	\$ -	\$ 1,681,005	None
Buildings and structures	1,390,025	-	-	163,558	1,553,583	"
	<u>\$ 3,071,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,558</u>	<u>\$ 3,234,588</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF CHANGES IN INVESTMENT PROPERTY - ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 7

Item	Balance as of January 1, 2025	Additions	Deductions	Reclassifications	Balance as of December 31, 2025	Footnote
Buildings and structures	\$ 597,829	\$ 25,986	\$ -	\$ -	\$ 623,815	

HOTAI MOTOR CO., LTD.
STATEMENT OF SHORT-TERM LOANS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 8

Nature	Description	December 31, 2025	Contract Period	Range of Interest Rate(%)	Loans Commitment	Pledges or collaterals
Unsecured borrowings	Citibank Taiwan Ltd., Business Department	\$ 950,000	2025/10/31~2026/1/30	1.79%	\$ 1,049,120	None
Unsecured borrowings	E.SUN COMMERCIAL BANK, LTD. Taipei Branch	650,000	2025/12/26~2026/1/26	1.82%	3,000,000	None
Unsecured borrowings	Yuanta Commercial Bank Co., Ltd., Business Department	<u>1,000,000</u>	2025/11/14~2026/1/30	1.84%	2,000,000	None
		<u>\$ 2,600,000</u>				

HOTAI MOTOR CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 9

Items	Quantity	Amount	Footnote
Sales revenue of vehicles			
Sedan	132,988 cars	\$ 141,852,862	
Others	1,475 cars	2,594,988	
Sales revenue of parts		16,476,401	
Others		809,264	
		161,733,515	
Sales returns and allowance		(1,354,359)	
		<u>\$ 160,379,156</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 10

Items	Description	Amount	Footnote
Initial inventories		\$ 9,161,909	
Add: Merchandise purchase		144,462,555	
Inventory valuation losses		5,621	
Others		1,352,861	
Less: Ending inventories		(9,716,124)	
Others		(17,086)	
Operating costs		<u>\$ 145,249,736</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 11

Items	Description	Amount	Footnote
Wages and salaries		\$ 709,041	Including pension costs
Advertisement		928,304	
Freight		383,168	
Others		807,489	The amount of each item in others does not exceed 5% of the account balance.
		<u>\$ 2,828,002</u>	

HOTAI MOTOR CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 12

Items	Description	Amount	Footnote
Wages and salaries		\$ 1,102,120	Including pension costs
Directors' remuneration		470,299	
Others		<u>425,049</u>	The amount of each item in others does not exceed 5% of the account balance.
		<u>\$ 1,997,468</u>	

HOTAI MOTOR CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 13

By function	Years ended December 31,					
	2025			2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
By nature						
Employee benefit expense						
Wages and salaries	\$ -	\$ 1,773,313	\$ 1,773,313	\$ -	\$ 1,754,734	\$ 1,754,734
Labour and health insurance fees	-	88,514	88,514	-	82,986	82,986
Pension costs	-	37,848	37,848	-	34,499	34,499
Directors' remuneration	-	470,299	470,299	-	463,066	463,066
Other employee benefit expenses	-	129,315	129,315	-	130,328	130,328
	-	2,499,289	2,499,289	-	2,465,613	2,465,613
Depreciation	-	103,544	103,544	-	105,674	105,674
Amortization	-	10,206	10,206	-	4,413	4,413

Note:

A. As at December 31, 2025 and 2024, the Company had 599 and 591 employees, including 12 and 12 non-employee directors, respectively.

B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :

(a) Average employee benefit expense in current year was \$3,457 ((Total employee benefit expense in current year–Total directors' compensation in current year) / (Number of employees in current year–Number of non-employee directors in current year)).

Average employee benefit expense in previous year was \$3,459 ((Total employee benefit expense in previous year–Total directors' compensation in previous year) / (Number of employees in previous year – Number of non-employee directors in previous year)).

HOTAI MOTOR CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Statement 13

- (b) Average employee salaries in current year was \$3,021 (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year)). Average employee salaries in previous year was \$3,031 (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).
- (c) Adjustments of average employee salaries was (0.33)% ((Average employee salaries in current year- Average employee salaries in previous year)/ Average employee salaries in previous year).
- (d) The Company has no supervisors' remuneration as it had set up an audit committee.
- (e) The Company's salary and remuneration policy includes salary, bonus and employees' compensation. Salary shall be paid according to the Company's compensation regulation for employees. Bonus and employees' compensation are assessed according to the performance assessment regulation for employee. Different grades of performance appraisal are assessed by taking into account the overall operating performance of the Company, the future operational risks and development trends of the industry as well as the achievement rate of individual performance to link the performance bonus and employees' compensation. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall be distributed as employees' compensation in 1%.
- (f) The emolument of the managers of the Company shall be reviewed by the remuneration committee and the Board of Directors of the Company, and the emolument system was reviewed timely based on the actual operating situation and relevant laws and regulations to balance the Company's sustainable operation and risk management.
- (g) In accordance with the Articles of Incorporation of the Company, the Board of Directors shall be authorized to determine the emolument according to the general pay levels in the industry. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall be distributed as directors' remuneration not higher than 2%, while independent directors shall not participate in the distribution of remuneration. The attendance fee shall be paid according to the attendance of the Board of Directors.