

**HOTAI MOTOR CO., LTD.**  
**PARENT COMPANY ONLY FINANCIAL**  
**STATEMENTS AND INDEPENDENT AUDITORS’**  
**REPORT**  
**DECEMBER 31, 2024 AND 2023**

---

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

HOTAI MOTOR CO., LTD.  
PARENT COMPANY ONLY FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2024 AND 2023  
TABLE OF CONTENTS

Contents	Page/Number/Index
1. Cover Page	1
2. Table of Contents	2 ~ 4
3. Independent Auditors' Report	5 ~ 11
4. Parent Company Only Balance Sheets	12 ~ 13
5. Parent Company Only Statements of Comprehensive Income	14
6. Parent Company Only Statements of Changes in Equity	15
7. Parent Company Only Statements of Cash Flows	16
8. Notes to the Parent Company Only Financial Statements	17 ~ 65
(1) History and Organization	17
(2) The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation	17
(3) Application of New Standards, Amendments and Interpretations	17 ~ 18
(4) Summary of Material Accounting Policies	18 ~ 28
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	28

Contents	Page/Number/Index
(6) Detail of Significant Accounts	28 ~ 46
(7) Related Party Transaction	47 ~ 54
(8) Pledged assets	55
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	55
(10) Significant Disaster Loss	55
(11) Significant Events after the Balance Sheet Date	55
(12) Others	55 ~ 64
(13) Supplementary Disclosures	64 ~ 65
(14) Segment Information	65
9. Statements of Major Accounting Items	
Statement of Cash and Cash Equivalents	Statement 1
Statement of Inventories	Statement 2
Statement of Changes in Investments Accounted for Using the Equity Method	Statement 3
Statement of Changes in Property, Plant and Equipment	Statement 4
Statement of Changes in Property, Plant and Equipment - Accumulated Depreciation	Statement 5
Statement of Changes In Investment Property - Cost	Statement 6
Statement of Changes in Investment Property - Accumulated Depreciation	Statement 7
Statement of Short-Term Loans	Statement 8
Statement of Operating Revenue	Statement 9

<u>Contents</u>	<u>Page/Number/Index</u>
Statement of Operating Costs	Statement 10
Statement of Selling Expenses	Statement 11
Statement of Administrative Expenses	Statement 12
Summary of Employee Benefits Expenses, Depreciation and Amortization	Statement 13
Expenses By Function	

INDEPENDENT AUDITORS' REPORT  
(TRANSLATED FROM CHINESE)

PWCR24004604

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, 2024 and 2023, 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, 2024 and 2023, 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 judgement, 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 reports 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 judgement 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 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 assists 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 assumption adopted by Hotai Insurance Co., Ltd. in order to confirm the accuracy of the allowances and the reasonableness of the epidemic prevention insurance products for the reserves.
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\$ 8,888,005 thousand and NT\$8,193,785 thousand, constituting 8.73% and 8.00% of the total assets as at December 31, 2024 and 2023, respectively, and the comprehensive income amounted to NT\$ 526,408 thousand and NT\$ 709,946 thousand, constituting 2.27% and 2.78% 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 which had based on 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 judgement and maintain professional skepticism throughout the audit. We also:

- A. 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.
- B. 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.

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.
- E. 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.
- F. 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 12, 2025

-----  
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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 608,902	1	\$ 8,104,125	8
1110	Financial assets at fair value through profit or loss - current	6(2)	1,562,882	2	889,842	1
1150	Notes receivable, net	6(4)	-	-	2,518	-
1170	Accounts receivable, net	6(4)	15,961	-	24,837	-
1180	Accounts receivable - related parties, net	6(4) and 7	1,178,876	1	3,376,485	3
1200	Other receivables	7	819,269	1	805,216	1
130X	Inventories, net	6(5)	9,069,108	9	6,874,519	7
1410	Prepayments		580,386	-	386,695	-
11XX	Total current assets		13,835,384	14	20,464,237	20
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)	12,532,056	12	10,482,055	10
1550	Investments accounted for using equity method	6(6)	66,694,942	66	63,452,333	63
1600	Property, plant and equipment	6(7)	4,001,603	4	3,546,283	3
1755	Right-of-use assets, net	6(8)	12,549	-	1,412	-
1760	Investment property, net	6(10)	2,473,201	2	2,502,382	2
1780	Intangible assets		70,619	-	45,800	-
1840	Deferred income tax assets	6(26)	946,002	1	816,993	1
1900	Other non-current assets		713,352	1	579,958	1
15XX	Total non-current assets		87,944,324	86	81,927,216	80
1XXX	Total assets		\$ 101,779,708	100	\$ 102,391,453	100

(Continued)

HOTAI MOTOR CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term loans	6(11)	\$ 2,593,680	3	\$ 883,436	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	407,727	-
2170	Accounts payable	6(12)	3,571,074	4	3,002,202	3
2180	Accounts payable - related parties	6(12) and 7	6,236,940	5	7,395,634	7
2200	Other payables	6(13) and 7	3,068,585	3	3,129,780	3
2230	Current income tax liabilities		1,153,214	1	317,995	-
2250	Provisions for liabilities - current	6(16)	713,194	1	694,276	1
2280	Current lease liabilities		5,546	-	1,438	-
2300	Other current liabilities		41,879	-	37,726	-
21XX	Total current liabilities		17,384,112	17	15,870,214	15
Non-current liabilities						
2540	Long-term loans	6(14)	-	-	15,000,000	15
2550	Provisions for liabilities - non-current	6(16)	4,531,288	4	3,599,964	3
2570	Deferred income tax liabilities	6(26)	1,572,509	2	1,693,469	2
2580	Non-current lease liabilities		7,100	-	-	-
2600	Other non-current liabilities		882	-	1,322	-
25XX	Total non-current liabilities		6,111,779	6	20,294,755	20
2XXX	Total liabilities		23,495,891	23	36,164,969	35
Equity						
	Share capital	6(17)				
3110	Common stock		5,571,028	5	5,571,028	6
	Capital surplus	6(18)				
3200	Capital surplus		2,871,305	3	2,897,372	3
	Retained earnings	6(19)				
3310	Legal reserve		17,836,393	18	15,553,282	15
3320	Special reserve		381,843	-	381,843	-
3350	Unappropriated earnings		44,928,842	44	37,794,757	37
	Other equity					
3400	Other equity		6,694,406	7	4,028,202	4
3XXX	Total equity		78,283,817	77	66,226,484	65
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after balance sheet date	11				
3X2X	Total liabilities and equity		\$ 101,779,708	100	\$ 102,391,453	100

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, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	\$ 160,057,276	100	\$ 161,317,924	100
5000	Operating costs	6(5) and 7	( 144,797,104 )	( 91 )	( 145,792,244 )	( 91 )
5900	Gross profit before realized (unrealized) profit from sales to subsidiaries and associates		15,260,172	9	15,525,680	9
5910	Unrealized profit from sales		( 640,585 )	-	( 434,201 )	-
5920	Realized profit from sales		434,201	-	192,945	-
5950	Gross profit		15,053,788	9	15,284,424	9
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		( 2,776,306 )	( 2 )	( 2,662,104 )	( 2 )
6200	General and administrative expenses		( 1,920,931 )	( 1 )	( 1,992,008 )	( 1 )
6000	Total operating expenses		( 4,697,237 )	( 3 )	( 4,654,112 )	( 3 )
6900	Operating profit		10,356,551	6	10,630,312	6
	Non-operating income and expenses					
7100	Interest income	6(21) and 7	120,879	-	111,969	-
7010	Other income	6(22) and 7	1,453,500	1	1,252,843	1
7020	Other gains and losses	6(23)	1,017,935	1	595,368	-
7050	Finance costs		( 267,163 )	-	( 376,579 )	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	8,942,104	6	10,727,118	7
7000	Total non-operating income and expenses		11,267,255	8	12,310,719	8
7900	Profit before income tax		21,623,806	14	22,941,031	14
7950	Income tax expense	6(26)	( 1,156,780 )	( 1 )	( 83,356 )	-
8200	Profit for the year		\$ 20,467,026	13	\$ 22,857,675	14
	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)	\$ 1,853,860	1	\$ 2,636,608	2
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method		146,415	-	( 12,363 )	-
8310	Total components of other comprehensive income that will not be reclassified to profit or loss		2,000,275	1	2,624,245	2
	Components of other comprehensive income that may be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		411,732	1	( 262,260 )	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method		346,422	-	334,867	-
8360	Total Components of other comprehensive income that will be reclassified to profit or loss		758,154	1	72,607	-
8300	Other comprehensive income for the year, net of tax		\$ 2,758,429	2	\$ 2,696,852	2
8500	Total comprehensive income for the year		\$ 23,225,455	15	\$ 25,554,527	16
	Basic earnings per share	6(27)				
9750	Total basic earnings per share		\$ 36.74		\$ 41.03	
	Diluted earnings per share	6(27)				
9850	Total diluted earnings per share		\$ 36.71		\$ 41.00	

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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Retained earnings					Other equity			
	Notes	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 (loss) on hedging instruments	Total equity
For the year ended December 31, 2023										
Balance at January 1, 2023		\$ 5,461,792	\$ 2,898,044	\$ 15,553,282	\$ 381,843	\$ 16,165,239	(\$ 323,552 )	\$ 1,559,256	\$ 69,083	\$ 41,764,987
Profit of the year		-	-	-	-	22,857,675	-	-	-	22,857,675
Other comprehensive income (loss) for the year		-	-	-	-	( 26,563 )	( 349,975 )	3,152,307	( 78,917 )	2,696,852
Total comprehensive income (loss)		-	-	-	-	22,831,112	( 349,975 )	3,152,307	( 78,917 )	25,554,527
Appropriation and distribution of retained earnings:	6(19)									
Cash dividends		-	-	-	-	( 1,092,358 )	-	-	-	( 1,092,358 )
Stock dividends		109,236	-	-	-	( 109,236 )	-	-	-	-
Changes in ownership interests in subsidiaries		-	( 1,221 )	-	-	-	-	-	-	( 1,221 )
Other changes in capital surplus	6(6)	-	549	-	-	-	-	-	-	549
Balance at December 31, 2023		\$ 5,571,028	\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 37,794,757	(\$ 673,527 )	\$ 4,711,563	(\$ 9,834 )	\$ 66,226,484
For the year ended December 31, 2024										
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(19)									
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

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, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 21,623,806	\$ 22,941,031
Adjustments to reconcile profit (loss) before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(24)	105,674	102,992
Amortization		4,413	-
Net (gain) loss on financial instruments at fair value through profit or loss	6(23)	( 842,974 )	87,100
Interest expense		267,163	376,579
Interest income	6(21)	( 120,879 )	( 111,969 )
Dividend income		( 376,343 )	( 278,618 )
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	( 8,942,104 )	( 10,727,118 )
Net gain on disposal of property plant, and equipment	6(23)	( 219 )	938
Loss on abandonment property, plant, and equipment	6(23)	2	5,029
Unrealized profit from sales		640,585	434,201
Realized profit from sales		( 434,201 )	( 192,945 )
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		( 237,793 )	( 193,247 )
Notes receivable		2,518	845
Accounts receivable		2,206,485	( 527,030 )
Other receivables		( 14,053 )	( 143,030 )
Inventories, net		( 2,194,589 )	( 2,419,723 )
Prepayments		( 193,852 )	44,555
Net changes in liabilities relating to operating activities			
Notes and accounts payable		( 589,822 )	1,655,477
Other payables		( 59,627 )	789,048
Other current liabilities		4,153	( 34,653 )
Other non-current liabilities		949,802	797,456
Cash inflow generated from operations		11,798,145	12,605,042
Interest received		120,879	111,969
Cash dividends received		7,071,956	3,874,972
Interest paid		( 268,570 )	( 385,379 )
Income tax paid		( 571,530 )	( 128,338 )
Net cash flows from operating activities		18,150,880	16,078,266
<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 )	( 4,812,000 )
Acquisition of property, plant and equipment	6(7)	( 528,576 )	( 164,847 )
Proceeds from disposal of property, plant and equipment	6(7)	3,569	3,481
Acquisition of intangible assets		( 29,232 )	( 22,000 )
Acquisition of investment property	6(10)	( 980 )	-
Increase in other non-current assets		( 133,394 )	( 96,957 )
Net cash flows used in investing activities		( 1,208,754 )	( 5,092,323 )
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	6(28)	1,710,244	( 13,137,818 )
Proceeds from long-term loans	6(28)	-	7,000,000
Repayments of long-term loans	6(28)	( 15,000,000 )	-
Repayments of principal portion of lease liability	6(28)	( 5,538 )	( 5,717 )
Cash dividends paid	6(19)(28)	( 11,142,055 )	( 1,092,358 )
Net cash flows used in financing activities		( 24,437,349 )	( 7,235,893 )
Net (decrease) increase in cash and cash equivalents		( 7,495,223 )	3,750,050
Cash and cash equivalents at beginning of year		8,104,125	4,354,075
Cash and cash equivalents at end of year		\$ 608,902	\$ 8,104,125

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, 2024 AND 2023

(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 12, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS<sup>®</sup>”) 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 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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 that came into effect as endorsed by the FSC but not yet adopted by the Company

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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the 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<sup>®</sup> Interpretations, and SIC<sup>®</sup> 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 transitions 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 held mainly for trading purposes;
  - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- 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 arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (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 ~ 20 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 5~60 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 5~10 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) Notes and accounts 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 notes and accounts 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

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(20) 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(16) "Provisions" for more information.

##### 6. Detail of Significant Accounts

###### (1) Cash and cash equivalents

	December 31,	
	2024	2023
Cash on hand and revolving funds	\$ 330	\$ 330
Checking accounts and demand deposits	608,572	1,564,886
Cash equivalents		
Short-term notes and bills	-	5,938,909
Time deposits	-	600,000
	<u>\$ 608,902</u>	<u>\$ 8,104,125</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,	
	2024	2023
Financial assets at fair value through profit or loss		
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 1,003,976	\$ 744,250
Valuation adjustment	313,083	145,592
Derivative instruments	245,823	-
	<u>\$ 1,562,882</u>	<u>\$ 889,842</u>
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Corporate bonds	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Financial liabilities at fair value through profit or loss

Current items:

Financial liabilities held for trading

Derivative instruments	<u>\$ -</u>	<u>\$ 407,727</u>
------------------------	-------------	-------------------

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,	
	2024	2023
Financial instruments mandatorily measured at fair value through profit or loss		
Derivative instruments	\$ 653,550	(\$ 298,654)
Beneficiary certificates	370	-
Corporate bonds	21,563	12,938
Foreign stocks	167,491	198,616
	<u>\$ 842,974</u>	<u>(\$ 87,100)</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:

		December 31, 2024	
		Contract amount (Notional principal)	
<u>Derivative instruments</u>		<u>(in thousand)</u>	<u>Contract period</u>
Current items:			
Forward foreign exchange contracts	USD	459,940	2024/8/23~2025/5/8
		December 31, 2023	
		Contract amount (Notional principal)	
<u>Derivative instruments</u>		<u>(in thousand)</u>	<u>Contract period</u>
Current items:			
Forward foreign exchange contracts	USD	383,850	2023/8/23~2024/6/6

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,	
	2024	2023
Equity instruments		
Listed stocks and unlisted stocks	\$ 6,678,593	\$ 6,482,452
Valuation adjustment	5,853,463	3,999,603
	<u>\$ 12,532,056</u>	<u>\$ 10,482,055</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 \$12,532,056 and \$10,482,055, respectively, as of December 31, 2024 and 2023.

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,	
	2024	2023
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	<u>\$ 1,853,860</u>	<u>\$ 2,636,608</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,	
	2024	2023
Notes receivable	\$ -	\$ 2,518
Accounts receivable	1,194,837	3,401,322
	<u>\$ 1,194,837</u>	<u>\$ 3,403,840</u>

A. The Company has no past due accounts receivable during December 31, 2024 and 2023 .

B. As of December 31, 2024, December 31, 2023 and January 1, 2023, the balances of receivables (including notes receivable) from contracts with customers amounted to \$1,194,837, \$3,403,840, and \$2,877,655, respectively.

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

(5) Inventories

	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>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Vehicles	\$ 3,763,939	\$ -	\$ 3,763,939
Parts	808,500	( 96,772)	711,728
Inventory in transit	2,398,852	-	2,398,852
	<u>\$ 6,971,291</u>	<u>(\$ 96,772)</u>	<u>\$ 6,874,519</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,	
	2024	2023
Cost of goods sold	\$ 144,795,240	\$ 145,774,253
(Gain on reversal) loss on market value decline of inventories	( 3,971)	2,202
	<u>\$ 144,791,269</u>	<u>\$ 145,776,455</u>

(6) Investments accounted for using equity method

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

	Years ended December 31,	
	2024	2023
Subsidiary:		
Hozan Investment Co., Ltd.	\$ 19,584,575	\$ 19,048,149
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	8,826,043	9,003,570
Chang Yuan Motor Co., Ltd.	4,180,635	4,495,922
Ho Tai Development Co., Ltd.	4,213,196	3,755,007
Hotai Insurance Co., Ltd.	5,017,504	3,375,180
Carmax Co., Ltd.	2,158,053	1,962,607
Toyota Material Handling Taiwan Ltd.	1,337,292	1,158,299
Hotai Connected Co., Ltd.	769,423	694,427
Others	<u>1,688,238</u>	<u>1,322,652</u>
	47,774,959	44,815,813
Associates:		
Kuozui Motors, Ltd.	6,915,444	6,782,034
Central Motor Co., Ltd.	2,942,561	2,905,564
Tau Miao Motor Co., Ltd.	1,994,716	2,004,989
Kau Du Automobile Co., Ltd.	1,537,072	1,544,248
Kuotu Motor Co., Ltd.	1,687,419	1,626,315
Taipei Toyota Motor Co., Ltd.	1,485,855	1,467,836
Nan Du Motor Co., Ltd.	1,356,434	1,318,219
Others	<u>1,000,482</u>	<u>987,315</u>
	<u>18,919,983</u>	<u>18,636,520</u>
	<u>\$ 66,694,942</u>	<u>\$ 63,452,333</u>

B. Please refer to Note 4(3) of the 2024 and 2023 consolidated financial statements for related information about subsidiaries of the Company.

C. Hotai Finance Co., Ltd. has quoted market price. As of December 31, 2024 and 2023, the fair value of Hotai Finance Co., Ltd. was \$21,668,571 and \$32,916,720, respectively.

D. The share of profit of subsidiaries, associates, and joint ventures accounted for using the equity method were \$8,942,104 and \$10,727,118, which were valued based on the investees' financial statements audited by auditors for the years ended December 31, 2024 and 2023, respectively.



E. 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, 2024 and 2023 amounted to \$18,919,983 and \$18,636,520, respectively.

	Years ended December 31,	
	2024	2023
Comprehensive income for the year	\$ 11,474,310	\$ 12,700,669

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

G. 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.

H. 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).

I. On May 11, 2023, the Company participated in the capital increase of the Company's subsidiary, Hozan Investment Co., Ltd. amounting to \$4,800,000. However, the shareholding ratio is still 100% after the capital increase.

J. On June 9, 2023 and June 13, 2023, the Company's subsidiaries Hotai Insurance Co., Ltd. and Hozan Investment Co., Ltd. reduced their capital to cover for losses of \$4,500,000 and \$10,076,934, respectively.

K. On June 14, 2023, the Company's subsidiary Hozan Investment Co., Ltd. participated in the capital increase of the Company's subsidiary, Hotai Insurance Co., Ltd. without following the shareholding ratio, amounting to \$4,500,000. The Company did not participate in the capital increase. Therefore, the shareholding ratio dropped to 77.93%, and incurred changes in capital surplus amounting to (\$599).

(7) Property, plant and equipment

			Utility equipment					
	Land	Buildings and structures	Owner- occupied	Lease	Office Equipment	Others	Construction in progress	Total
<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>

			Utility equipment					
	Land	Buildings and structures	Owner- occupied	Lease	Office Equipment	Others	Construction in progress	Total
<u>At January 1, 2023</u>								
Cost	\$ 2,891,965	\$ 1,396,394	\$ 128,239	\$ 78,612	\$ 595,055	\$ 15,135	\$ 400	\$ 5,105,800
Accumulated depreciation and impairment	( 26,850)	( 920,496)	( 124,749)	( 78,472)	( 489,226)	( 10,783)	-	( 1,650,576)
	<u>\$ 2,865,115</u>	<u>\$ 475,898</u>	<u>\$ 3,490</u>	<u>\$ 140</u>	<u>\$ 105,829</u>	<u>\$ 4,352</u>	<u>\$ 400</u>	<u>\$ 3,455,224</u>
<u>2023</u>								
Opening net book amount as at January 1	\$ 2,865,115	\$ 475,898	\$ 3,490	\$ 140	\$ 105,829	\$ 4,352	\$ 400	\$ 3,455,224
Additions	-	8,573	133	-	26,586	1,332	128,223	164,847
Disposals	- (	5,018)	-	-	( 2,553)	-	-	( 7,571)
Reclassifications	-	4,492	-	-	-	-	( 2,667)	1,825
Depreciation charge	-	( 35,878)	( 563)	( 44)	( 29,695)	( 1,862)	-	( 68,042)
Closing net book amount as at December 31	<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>At December 31, 2023</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>

(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, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 11,846	\$ 1,330
Buildings	703	82
	<u>\$ 12,549</u>	<u>\$ 1,412</u>

  

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,293	\$ 5,345
Buildings	316	328
	<u>\$ 5,609</u>	<u>\$ 5,673</u>

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

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 227	\$ 72
Expense on short-term lease contracts and leases of low-value assets	65,827	63,878

- D. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for lease amounted to \$71,592 and \$69,667, respectively.
- E. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$16,746 and \$0, 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, 2024 and 2023, the Company recognized rent income in the amount of \$233,406 and \$226,779, 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,	
	2024	2023
Less than 1 year	\$ 163,437	\$ 234,984
Between 1 and 2 years	163,710	161,927
Between 2 and 3 years	917	161,927
Between 3 to 4 years	917	917
Between 4 to 5 years	917	917
More than 6 years	9,846	10,779
	<u>\$ 339,744</u>	<u>\$ 571,451</u>

(10) Investment property

	Land	Buildings and Structures	Total
<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>

	Land	Buildings and Structures	Total
<u>At January 1, 2023</u>			
Cost	\$ 1,681,005	\$ 1,397,230	\$ 3,078,235
Accumulated depreciation	-	( 544,750)	( 544,750)
	<u>\$ 1,681,005</u>	<u>\$ 852,480</u>	<u>\$ 2,533,485</u>
<u>2023</u>			
Opening net book amount as at January 1	\$ 1,681,005	\$ 852,480	\$ 2,533,485
Additions	-	-	-
Disposals	-	( 1)	( 1)
Reclassifications	-	( 1,825)	( 1,825)
Depreciation charge	-	( 29,277)	( 29,277)
Closing net book amount as at December 31	<u>\$ 1,681,005</u>	<u>\$ 821,377</u>	<u>\$ 2,502,382</u>
<u>At December 31, 2023</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>

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

	Years ended December 31,	
	2024	2023
Rental income from investment property	<u>\$ 233,406</u>	<u>\$ 226,779</u>
Direct operating expenses arising from the investment property that generated rental income during the year (including depreciation charge)	<u>\$ 30,161</u>	<u>\$ 29,277</u>

B. The fair value of the investment property held by the Company was \$4,615,907 and \$4,654,718 as at December 31, 2024 and 2023, 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

	December 31,	
	2024	2023
Bank borrowings		
Unsecured borrowings	<u>\$ 2,593,680</u>	<u>\$ 883,436</u>
Interest rate range	<u>1.84%~5.4%</u>	<u>5.93%</u>

Interest expense recognised in profit or loss amounted to \$96,670 and \$188,341 for the years ended December 31, 2024 and 2023, respectively.

(12) Accounts payable (including related parties)

	December 31,	
	2024	2023
Accounts payable	\$ 4,440,598	\$ 5,165,945
Accounts payable - foreign currencies	5,302,035	5,459,828
	9,742,633	10,625,773
Valuation adjustment	65,381	( 227,937)
	<u>\$ 9,808,014</u>	<u>\$ 10,397,836</u>

(13) Other payables

	December 31,	
	2024	2023
Year-end bonus payable	\$ 933,067	\$ 934,733
Dealer premium bonus payable	576,971	347,438
Advertisement expense payable	196,134	345,360
Remuneration payable to directors	445,852	473,011
Remuneration payable to employees	222,926	236,505
Others	693,635	792,733
	<u>\$ 3,068,585</u>	<u>\$ 3,129,780</u>

(14) Long-term borrowings

Nature of loan	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024	December 31, 2023
Syndicated contract	From May 15, 2023 to December 6, 2024, and pay interest monthly	1.812%~ 2.074%	None	\$ -	\$ 15,000,000

The Company has entered into a mid-term syndicated contract for a credit line of \$30,000,000 with 10 financial institutions including CTBC Bank Co., Ltd., in order to fulfil its working capital. Of the total loan, \$15,000,000 can be drawn several times within six months from the first drawdown but is non-revolving. The remaining amount of \$15,000,000 is revolving and the payment term is to repay the full drawn at maturity date. The duration is 36 months (starting from May 14, 2023 to May 13, 2026). The Company has eliminated credit limits of \$15,000,000 and \$15,000,000 in July 2023 and December 2024, respectively. Financial commitments of the Company made for the above mentioned syndicated loans require the Company to maintain specific current ratio, interest coverage ratio and net value during the contract periods.

(15) 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, 2024 and 2023 were \$34,499 and \$33,878, respectively.

(16) Provisions

	2024	2023
At January 1	\$ 4,294,240	\$ 3,497,287
Additional provisions	1,668,238	1,497,496
Restored during the year	( 33,660)	( 9,122)
Used during the year	( 684,336)	( 691,421)
At December 31	<u>\$ 5,244,482</u>	<u>\$ 4,294,240</u>

Analysis of total provisions:

	December 31,	
	2024	2023
Current	<u>\$ 713,194</u>	<u>\$ 694,276</u>
Non-current	<u>\$ 4,531,288</u>	<u>\$ 3,599,964</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.

(17) Share capital

A. As of December 31, 2024, 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. Movements in the number of Company's ordinary shares outstanding are as follows:

	2024	2023
At January 1,	557,102,768	546,179,184
Capital surplus transferred to common shares	-	10,923,584
At December 31,	<u>557,102,768</u>	<u>557,102,768</u>

C. On June 27, 2023, the Company, through a resolution of the shareholders' meeting, decided to execute a capital increase for the issuance of new shares based on undistributed earnings of \$109,236. This involved issuing 10,923,584 new shares with a par value of \$10 per share. The capital increase was approved by the Financial Supervisory Commission and became effective on August 9, 2023.

(18) 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.



(19) Retained earnings

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

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

The Board of Directors of the Company may distribute all or part of the dividends and bonuses in cash by the adoption of a resolution by a majority voting of the directors present at a meeting of its Board of Directors attended by two-thirds of the directors of the Company, and report to the shareholders' meeting, to which the aforementioned provision should be resolved by the shareholders' meeting shall not be applied.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion 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 May 30, 2024 and June 27, 2023, the stockholders resolved that total dividends for the distribution of earnings for the years 2023 and 2022, respectively, is as follows:

	<u>Year ended December 31, 2023</u>		<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 2,283,111		\$ -	
Cash dividend	11,142,055	\$ 20.0	1,092,358	\$ 2.0
Stock dividend	-	-	109,236	0.2

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

(20) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers		
Sales revenue	\$ 158,567,895	\$ 159,690,132
Service revenue	1,489,381	1,627,792
	<u>\$ 160,057,276</u>	<u>\$ 161,317,924</u>

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

(21) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 9,318	\$ 21,213
Interest from short-term notes	32,531	15,101
Other interest income	79,030	75,655
	<u>\$ 120,879</u>	<u>\$ 111,969</u>

(22) Other income

	Years ended December 31,	
	2024	2023
Rental income	\$ 233,406	\$ 226,779
Others	1,220,094	1,026,064
	<u>\$ 1,453,500</u>	<u>\$ 1,252,843</u>

(23) Other gains and losses

	Years ended December 31,	
	2024	2023
Net gain (loss) on financial assets at fair value through profit or loss	\$ 842,974	(\$ 87,100)
Gain on disposal of property, plant and equipment	219	938
Loss on abandonment of property, plant and equipment (	2)	( 5,029)
Net currency exchange gain	206,546	715,881
Miscellaneous disbursements	( 31,802)	( 29,322)
	<u>\$ 1,017,935</u>	<u>\$ 595,368</u>

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

	Years ended December 31,	
	2024	2023
Employee benefit expense	\$ 2,465,613	\$ 2,494,675
Depreciation charge	105,674	102,992
Amortisation charges	4,413	-
	<u>\$ 2,575,700</u>	<u>\$ 2,597,667</u>

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

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 1,754,734	\$ 1,767,823
Labor and health insurance fees	82,986	73,660
Pension costs	34,499	33,878
Directors' remuneration	463,066	490,151
Other personnel expenses	130,328	129,163
	<u>\$ 2,465,613</u>	<u>\$ 2,494,675</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, 2024 and 2023, employees' remuneration was accrued at \$ 222,926 and \$236,505, respectively; while directors' remuneration was accrued at \$ 445,852 and \$473,011, respectively. The aforementioned amounts were recognized in salary expenses.

For the year 2024, a provision of 1% and 2% was made based on the profit situation up to the current period. On March 12, 2025, the employees' remuneration and directors' remuneration that were resolved at the meeting of Board of Directors amounted to \$ 222,926 and \$ 445,852, 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.

(26) Income tax

A. Income tax expense

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax expense recognized in the current year	\$ 930,151	\$ 347,722
Tax on undistributed surplus earnings	470,297	-
Prior year income tax under estimation	6,301	2,349
Total current tax	1,406,749	350,071
Deferred tax:		
Origination and reversal of temporary differences	( 249,969)	( 266,715)
Total deferred tax	( 249,969)	( 266,715)
Income tax expense	\$ 1,156,780	\$ 83,356

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Income tax expense at the statutory rate	\$ 4,324,761	\$ 4,588,206
Effects from adjustments based on regulation	( 1,910,012)	( 2,171,079)
Realized investment losses	( 1,734,567)	( 2,336,120)
Tax on undistributed surplus earnings	470,297	-
Prior year income tax under estimation	6,301	2,349
Income tax expense	\$ 1,156,780	\$ 83,356

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

	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	( 90,377)	( 78,599)
	816,993	129,009	946,002
<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)	( 529)	( 30,901)
	( 1,693,469)	120,960	( 1,572,509)
	(\$ 876,476)	\$ 249,969	(\$ 626,507)

	2023		
	January 1	Recognized in Profit or loss	December 31
<u>Deferred tax assets:</u>			
Allowance for inventory obsolescence	\$ 18,914	\$ 441	\$ 19,355
Warranty provision	533,577	138,819	672,396
Unrealized gain on inter-affiliate accounts	65,213	48,251	113,464
Others	15,999	( 4,221)	11,778
	<u>633,703</u>	<u>183,290</u>	<u>816,993</u>
<u>Deferred tax liabilities:</u>			
Gain on investment accounted for using equity method	( 1,237,687)	83,955	( 1,153,732)
Land value increment tax	( 509,365)	-	( 509,365)
Others	( 29,842)	( 530)	( 30,372)
	<u>( 1,776,894)</u>	<u>83,425</u>	<u>( 1,693,469)</u>
	<u>(\$ 1,143,191)</u>	<u>\$ 266,715</u>	<u>(\$ 876,476)</u>

D. The Company's income tax returns through 2022 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.

F. Subsidiaries, Hotai Insurance Co., Ltd., and Hozan Investment Co., Ltd., carried out capital reduction to offset losses on June 9, 2023, and June 13, 2023, respectively. As a result, the company recognized income tax benefits of \$2,336,120.

(27) Earnings per share

	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>

	Year ended December 31, 2023		
	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	\$ 22,857,675	557,103	\$ 41.03
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 22,857,675	557,103	
Assumed conversion of all dilutive potential ordinary shares employees' bonus	-	334	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 22,857,675	557,437	\$ 41.00

For the years ended December 31, 2023, the adjustment of the number of shares in circulation outside the company is retroactively adjusted based on the capital increase ratio in 2023.

(28) Changes in liabilities from financing activities

	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	\$ 2,593,680	\$ 6,199	\$ 12,646	\$ -	\$ 2,612,525
	Short-term borrowings	Dividend payable	Lease liabilities	Long-term borrowings	Liabilities from financing activities-gross
January 1, 2023	\$ 14,021,254	\$ 6,262	\$ 7,317	\$ 8,000,000	\$ 22,034,833
Changes in cash flow from financing activities	( 13,137,818)	( 1,092,358)	( 5,717)	7,000,000	( 7,235,893)
Changes in other non-cash items	-	1,092,297	( 162)	-	1,092,135
December 31, 2023	\$ 883,436	\$ 6,201	\$ 1,438	\$ 15,000,000	\$ 15,891,075

## 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
Toyota Motor Asia (Tailand) Co., Ltd.	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 Material Handling Taiwan Ltd.	Subsidiary
Carmax Co., Ltd.	Subsidiary
HE JING 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
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
He Jun Energy Co., Ltd.	Subsidiary
Ho Young Travel Agency Co., Ltd.	Subsidiary
Wei Tien Energy Storage Co., Ltd.	Subsidiary
Doroman Autoparts Corporation	Subsidiary
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
Lang Yang Toyota Motor Co., Ltd.	Associate
Kau Du Automobile Co., Ltd. (Kau Du)	Associate

Names of related parties	Relationship with the Company
Hohung Motors Co., Ltd.	Associate
Horung Motors Co., Ltd.	Associate
Zhong Cheng Motors 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

(2) Significant related party transactions

A. Operating revenue

(a) Sales of merchandise

	Years ended December 31,	
	2024	2023
-Associates		
Central Motor	\$ 31,471,659	\$ 32,091,102
Tau Miao	29,108,155	29,318,977
Taipei Motor	22,925,498	23,075,919
Kau Du	21,954,430	21,894,090
Kuotu	21,044,924	21,292,906
Nan Du	19,383,947	19,445,318
Others	3,222,372	3,182,111
-Subsidiaries	8,734,509	8,560,268
	<u>\$ 157,845,494</u>	<u>\$ 158,860,691</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 (g) of Note 13(A) significant transactions information.



(b) Service revenue:

	Years ended December 31,	
	2024	2023
Service sales:		
-Associates	\$ 3,654	\$ 3,388
-Subsidiaries		
Chang Yuan	1,459,466	1,598,360
Others	46	48
Contracted operating revenue:		
-Associates	26,215	25,996
	<u>\$ 1,489,381</u>	<u>\$ 1,627,792</u>

(c) Interest income:

	Years ended December 31,	
	2024	2023
-Associates		
Central Motor	\$ 15,886	\$ 15,471
Tau Miao	14,717	14,147
Taipei Motor	11,591	11,115
Kau Du	11,093	10,568
Kuotu	10,702	10,292
Nan Du	9,782	9,387
Others	1,620	1,521
-Subsidiaries	3,488	3,250
	<u>\$ 78,879</u>	<u>\$ 75,751</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 2024 and 2023 were 3.025% and 2.775%, respectively.

(d) Rental revenue:

	Years ended December 31,	
	2024	2023
-Associates		
Kuotu	\$ 112,778	\$ 110,109
Others	39,296	33,548
-Subsidiaries		
Chang Yuan	89,070	84,527
Others	24,665	23,322
-Entities controlled by key management	3,938	3,439
	<u>\$ 269,747</u>	<u>\$ 254,945</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,	
	2024	2023
-Associates		
Kuozi	\$ 243,332	\$ 159,414
-Subsidiaries	46,524	41,060
-Entities controlled by key management		
TMA-Singapore	420,148	315,074
Others	-	19
	<u>\$ 710,004</u>	<u>\$ 515,567</u>

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

	Years ended December 31,	
	2024	2023
-Associates		
Kuotu	\$ 195,488	\$ 242,543
Others	155,325	148,638
-Subsidiaries	6,149	10,433
-Entities controlled by key management		
TMC	39,366	27,935
Others	52	846
	<u>\$ 396,380</u>	<u>\$ 430,395</u>

(g) Miscellaneous income:

	Years ended December 31,	
	2024	2023
-Associates		
Kuotu	\$ 144,814	\$ 140,256
Kuozi	95,893	85,730
Others	122,591	110,766
-Subsidiaries		
Chang Yuan	71,385	57,920
Others	185,995	176,040
-Entities controlled by key management	33,639	32,841
	<u>\$ 654,317</u>	<u>\$ 603,553</u>

B. Expenditures

(a) Interest expense:

	Years ended December 31,	
	2024	2023
-Associates		
Kuozui	\$ 20,625	\$ 19,385

The interest expense is paid for interest arising from purchases between transaction dates and payment dates. The annual interest rates for 2024 and 2023 were 2.625% and 2.375%, respectively.

(b) Purchase of goods:

	Years ended December 31,	
	2024	2023
-Associates		
Kuozui	\$ 52,017,538	\$ 52,055,892
Others	1,217,730	1,145,976
-Subsidiaries	2,517,114	2,263,880
-Entities controlled by key management		
TMC	54,709,415	55,739,072
Others	5,475,608	5,915,619
	<u>\$ 115,937,405</u>	<u>\$ 117,120,439</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 g of Note 13(A) significant transactions information.

(Remainder of page intentionally left blank)

(c) Warranty cost:

		Years ended December 31,	
		2024	2023
-Associates			
Central Motor	\$	135,522	\$ 140,402
Tau Miao		124,788	125,361
Kuotu		128,627	135,003
Kau Du		92,965	90,537
Taipei Motor		78,396	83,983
Nan Du		87,852	81,591
Others		15,922	15,875
-Subsidiaries			
Chang Yuan		232,555	169,137
Others		14,806	13,269
	\$	<u>911,433</u>	<u>\$ 855,158</u>

(d) Advertisement expense:

		Years ended December 31,	
		2024	2023
-Associates	\$	25,342	\$ 38,963
-Subsidiaries			
Hotai Connected		392,234	340,963
Others		45,362	70,425
-Entities controlled by key management		2,842	5,503
	\$	<u>465,780</u>	<u>\$ 455,854</u>

(e) Freight:

		Years ended December 31,	
		2024	2023
-Associates			
Fan Tai	\$	242,992	\$ 216,811
Yi Tai		104,782	108,936
Others		1,843	2,654
-Subsidiaries		1,479	1,488
	\$	<u>351,096</u>	<u>\$ 329,889</u>

C. Receivables from (payables to) related parties

(a) Receivables from related parties:

	December 31,	
	2024	2023
-Associates		
Central Motor	\$ 171,463	\$ 677,885
Tau Miao	154,090	634,161
Taipei Motor	129,949	475,474
Kau Du	114,964	457,784
Nan Du	114,969	436,780
Kuotu	103,918	289,455
Others	19,684	74,773
-Subsidiaries		
Chang Yuan	226,515	182,364
Others	143,324	147,809
	<u>\$ 1,178,876</u>	<u>\$ 3,376,485</u>

(b) Other receivables from related parties:

	December 31,	
	2024	2023
-Associates		
Kuotu	\$ 70,294	\$ 78,753
Others	140,930	92,371
-Subsidiaries	62,026	50,880
-Entities controlled by key management	792	472
	<u>\$ 274,042</u>	<u>\$ 222,476</u>

(c) Payables to related parties:

	December 31,	
	2024	2023
-Associates		
Kuozui	\$ 427,535	\$ 1,518,411
Others	111,579	113,977
-Subsidiaries	278,671	482,448
-Entities controlled by key management		
TMC	5,018,602	4,812,353
Others	400,553	468,445
	<u>\$ 6,236,940</u>	<u>\$ 7,395,634</u>

(d) Other payables

	December 31,	
	2024	2023
-Associates	\$ 221,941	\$ 185,022
-Subsidiaries	249,170	276,804
-Entities controlled by key management	97	293
	<u>\$ 471,208</u>	<u>\$ 462,119</u>

D. Property transactions

(a) Acquired of leased assets:

	December 31,	
	2024	2023
-Associates	\$ 17,083	\$ 47
-Subsidiaries	73,006	71,730
	<u>\$ 90,089</u>	<u>\$ 71,777</u>

(b) Disposal of property, plant and equipment:

	December 31,	
	2024	2023
-Associates	\$ 1,524	\$ 2,495
-Subsidiaries	30	-
	<u>\$ 1,554</u>	<u>\$ 2,495</u>

(c) Acquisition of financial assets

				2024
	Account items	Number of shares Traded	Object of transaction	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, 2024	December 31, 2023
-Subsidiaries		
Hotai Insurance	\$ -	\$ 2,000,000
Others	600,000	400,000
	<u>\$ 600,000</u>	<u>\$ 2,400,000</u>

(4) Key management remuneration

	Years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	<u>\$ 548,081</u>	<u>\$ 558,568</u>

## 8. Pledged assets

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

Pledged asset	December 31, 2024	December 31, 2023	Purpose
Guarantee deposits paid	\$ 360	\$ 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, 2024 are summarized as follows:

Type of contracts	Party involved	Contract period	Main contents
Distributor agreement	Toyota Motor Corporation	January 1, 2022 to December 31, 2024 (The contract has been renewed in the year 2024, with the contract period lasting from 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 authorization, 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	Authorized 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  Except for termination signed by both parties, contracts remain effective.	The Company was designated to conduct affairs such as sales, supply chain management, pre-sale services, after-sale services and promotion management.

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

For the appropriation of retained earnings of 2024, please refer to Note 6(19).

## 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,	
	2024	2023
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 2,062,882	\$ 1,389,842
Financial assets at fair value through other comprehensive income		
Equity instrument	12,532,056	10,482,055
Financial assets at amortized cost		
Cash and cash equivalents	608,902	8,104,125
Notes receivable (including related parties)	-	2,518
Accounts receivable (including related parties)	1,194,837	3,401,322
Other receivables	819,269	805,216
Guarantee deposits paid (shown as “other non-current assets”)	192,449	89,586
	<u>\$ 17,410,395</u>	<u>\$ 24,274,664</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	\$ -	\$ 407,727
Financial liabilities at amortized cost		
Short-term borrowings	2,593,680	883,436
Accounts payable (including related parties)	9,808,014	10,397,836
Other payables	3,068,585	3,129,780
Long-term borrowings	-	15,000,000
Guarantee deposits received (shown as “other non-current liabilities”)	882	1,322
	<u>\$ 15,471,161</u>	<u>\$ 29,820,101</u>
Lease liability	<u>\$ 12,646</u>	<u>\$ 1,438</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, 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

	December 31, 2023			
	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	890	30.7050	\$ 27,321
JPY:NTD	JPY	107,754	0.2172	23,404
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	USD	198,670	30.7050	\$ 6,100,171
JPY:NTD	JPY	77,455	0.2172	16,823

- 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, 2024 and 2023, amounted to \$206,546 and \$715,881, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	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		-

Year ended December 31, 2023			
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%	\$ 273	\$ -
JPY:NTD	1%	234	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 61,002	\$ -
JPY:NTD	1%	168	-

#### 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. When the borrowing interest rate rises or falls by 0.1%, and all other factors remain unchanged. The net profit after tax of 2023 will decrease or increase by \$12,000. This is mainly due to floating interest rate borrowings causing the interest expense to change accordingly. The company has no long-term borrowings in 2024, hence no exposure to the risk.

#### (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, 2024 and 2023, the Company's undrawn committed borrowing facilities amounted to \$22,594,720 and \$30,712,364, respectively.
- iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. 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>			
<u>December 31, 2024</u>			
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>Non-derivative financial liabilities:</u>			
<u>December 31, 2023</u>			
Short-term borrowings	\$ 883,436	\$ -	\$ -
Accounts payable	10,397,836	-	-
Other payables	3,129,780	-	-
Long term borrowings	-	15,000,000	-
Lease liability	1,438	-	-

(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, accounts receivable, other receivables, short-term borrowings, accounts payable, 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, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Corporate bonds	\$ -	\$ 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	11,823,119	-	708,937	12,532,056
	<u>\$13,140,178</u>	<u>\$ 745,823</u>	<u>\$ 708,937</u>	<u>\$14,594,938</u>
<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Bond investment	\$ -	\$ 500,000	\$ -	\$ 500,000
Equity securities	889,842	-	-	889,842
Financial assets at fair value				
through other comprehensive				
income				
Equity securities	10,071,971	-	410,084	10,482,055
	<u>\$10,961,813</u>	<u>\$ 500,000</u>	<u>\$ 410,084</u>	<u>\$11,871,897</u>
Liabilities				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial liabilities at fair				
value through profit or loss				
Forward exchange contracts	\$ -	\$ 407,727	\$ -	\$ 407,727

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>
	<u>Closing price</u>	<u>Net asset value</u>

- (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, 2024 and 2023, 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, 2024 and 2023:

	2024	2023
	<u>Equity securities</u>	<u>Equity securities</u>
At January 1	\$ 410,084	\$ 350,597
Current period purchases	181,500	-
Recorded as unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	117,353	59,487
At December 31	<u>\$ 708,937</u>	<u>\$ 410,084</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, 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.

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 410,084	Asset liability method, Market comparable companies method	Net asset value, price to earnings ratio multiple	-	The higher the multiple and control premium, the higher the fair value.

- 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, 2024 and 2023.

### 13. Supplementary Disclosures

Related information of significant transactions are 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) Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- (e) Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- (f) Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 6.
- (g) 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 7.
- (h) Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please



refer to table 8.

(i) Trading in derivative instruments undertaken during the reporting periods:

The table below listed the derivative instruments undertaken but not yet expired as of December 31, 2024:

Company Name	Derivative Instruments	Contract Amount (in thousands)	Maturity Date	Book Value	Fair Value
Hotai Motor Co., Ltd.	Forward exchange contracts	USD 459,940	2025/1/3~2025/5/8	\$ 245,823	\$ 245,823
Hotai Finance Co., Ltd.	Cross currency swaps	JPY 51,529,948	2025/5/2~2026/2/12	( 473,522)	( 473,522)
Hotai Finance Co., Ltd.	Cross currency swaps	USD 102,000	2025/2/12~2026/3/27	67,899	67,899
Hoyun International Leasing Co., Ltd.	Cross currency swaps	JPY 24,028,000	2025/9/12~2027/12/7	( 313,959)	( 313,959)
Hoyun International Leasing Co., Ltd.	Cross currency swaps	USD 31,250	2025/1/10~2025/1/13	124,918	124,918

(j) Significant inter-company transactions during the reporting periods: Please refer to table 9.

B. Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 10.

C. Information on investments in Mainland China

(a) Basic information: Please refer to table 11.

(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.

D. Major shareholders information

Major shareholders information: Please refer to table 12.

14. Segment Information

Not applicable.

Hotai Motor Co., Ltd.  
Loans to others  
For the year ended December 31, 2024  
(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, 2024	Balance at December 31, 2024	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	\$ 553,794	\$ 538,813	\$ -	2.15%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 623,987	\$ 1,247,975	Note 1
2	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	227,307	224,506	-	2.15%	Short-term financing	-	Operations	-	None	-	277,115	554,231	Note 1
3	Shanghai Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	110,759	103,273	-	2.15%	Short-term financing	-	Operations	-	None	-	165,389	330,778	Note 1
4	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	318,230	314,308	105,652	2.15%	Short-term financing	-	Operations	-	None	-	490,864	981,727	Note 1
5	Shanghai Ho Mian Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	454,615	449,011	179,380	2.15%	Short-term financing	-	Operations	-	None	-	1,024,903	2,049,806	Note 1
6	Shanghai Guangxin Cultural Media Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	9,092	8,980	-	2.15%	Short-term financing	-	Operations	-	None	-	12,819	25,638	Note 1
7	Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	25,004	24,696	24,381	2.15%	Short-term financing	-	Operations	-	None	-	36,545	73,089	Note 1
8	Shanghai HoChen Motor Technology Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	159,115	157,154	-	2.15%	Short-term financing	-	Operations	-	None	-	270,811	541,622	Note 1
9	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	227,307	224,506	93,439	2.15%	Short-term financing	-	Operations	-	None	-	301,529	603,058	Note 1
10	Shanghai Hotai Toyota Forklift Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	159,115	157,154	74,446	2.15%	Short-term financing	-	Operations	-	None	-	213,759	427,518	Note 1
11	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	310,125	269,407	-	2.15%	Short-term financing	-	Operations	-	None	-	304,282	608,584	Note 1
12	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	318,230	314,308	140,181	2.15%	Short-term financing	-	Operations	-	None	-	398,505	797,011	Note 1
13	Tianjin Hozhan Motor Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	243,669	157,154	55,408	2.15%	Short-term financing	-	Operations	-	None	-	297,718	595,436	Note 1
14	Tianjin Heyi International Trading Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	100,015	98,782	1,572	2.15%	Short-term financing	-	Operations	-	None	-	132,219	264,437	Note 1
15	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	265,821	237,976	134,793	2.15%	Short-term financing	-	Operations	-	None	-	280,566	561,132	Note 1
16	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	310,125	291,857	50,604	2.15%	Short-term financing	-	Operations	-	None	-	305,172	610,344	Note 1
17	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	155,062	134,703	-	2.15%	Short-term financing	-	Operations	-	None	-	245,653	491,306	Note 1
18	ZaoZhuang Ho-Wan Motor Sales & Service Co.,Ltd	Hotong Motor Investment Co., Ltd.	Other receivables	Y	36,369	35,921	13,470	2.15%	Short-term financing	-	Operations	-	None	-	51,803	103,607	Note 1
19	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,277	26,941	8,980	2.15%	Short-term financing	-	Operations	-	None	-	34,104	68,208	Note 1
20	Tianjin Ho-Yu Toyota Motor Sales & Service Co.,Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	22,152	20,206	-	2.15%	Short-term financing	-	Operations	-	None	-	39,413	78,826	Note 3
21	Shanghai Fengyi Construction Decoration Co., Ltd.	Hotong Motor Investment Co., Ltd.	Other receivables	Y	27,277	26,941	26,941	2.15%	Short-term financing	-	Operations	-	None	-	54,020	108,041	Note 3
22	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	Other receivables	Y	659,191	651,066	588,125	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Hoyu Toyota Motor Service Co., Ltd.	Other receivables	Y	181,846	179,604	33,406	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	Other receivables	Y	272,769	269,407	192,222	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	272,769	269,407	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	Other receivables	Y	45,461	44,901	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Guangxin Cultural Media Co., Ltd.	Other receivables	Y	9,092	8,980	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Other receivables	Y	13,638	13,470	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	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
					31, 2024	31, 2024							Item	Value			
22	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	Other receivables	Y	\$ 181,846	\$ 179,604	\$ 132,458	2.45%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 8,652,178	\$ 17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Other receivables	Y	181,846	179,604	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Hotai Toyota Forklift Co., Ltd.	Other receivables	Y	136,384	134,703	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	272,769	269,407	51,232	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	227,307	224,506	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tianjin Hozhan Motor Service Co., Ltd.	Other receivables	Y	136,384	134,703	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Other receivables	Y	181,846	179,604	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tianjin Hekang Finance Leasing Co., Ltd.	Other receivables	Y	664,553	359,209	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	272,769	269,407	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	227,307	224,506	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Other receivables	Y	159,115	157,154	99,231	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	ZaoZhuang Ho-Wan Motor Sales & Service Co., Ltd.	Other receivables	Y	45,461	44,901	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Shanghai Zhongxin Means of Transportation Engineering Co., Ltd.	Other receivables	Y	45,461	44,901	-	2.45%	Short-term financing	-	Operations	-	None	-	8,652,178	17,304,356	Note 2
22	Hotong Motor Investment Co., Ltd.	Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd.	Other receivables	Y	159,115	157,154	56,935	2.45%	Short-term financing	-	Operations	-	None	-	1,730,436	3,460,871	Note 4
22	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	Other receivables	Y	136,384	134,703	133,446	2.45%	Short-term financing	-	Operations	-	None	-	1,730,436	3,460,871	Note 4
22	Hotong Motor Investment Co., Ltd.	Qingdao Heling Lexus Automobile Sales Service Co., Ltd.	Other receivables	Y	136,384	134,703	-	2.45%	Short-term financing	-	Operations	-	None	-	1,730,436	3,460,871	Note 4
22	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co., Ltd.	Other receivables	Y	909,229	898,022	898,022	2.95%	Short-term financing	-	Operations	-	None	-	1,730,436	3,460,871	Note 4
22	Hotong Motor Investment Co., Ltd.	Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.	Other receivables	Y	136,384	134,703	134,703	2.95%	Short-term financing	-	Operations	-	None	-	1,730,436	3,460,871	Note 4
23	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Other receivables	Y	898,624	898,022	44,901	3.55%	Short-term financing	-	Operations	-	None	-	6,330,471	12,660,942	Note 5
23	Hoyun International Leasing Co. Ltd.	Homei International Trade (Suzhou) Co., Ltd.	Other receivables	Y	449,011	449,011	-	3.55%	Short-term financing	-	Operations	-	None	-	6,330,471	12,660,942	Note 5
24	He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Other receivables	Y	40,000	30,000	15,000	2.68%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
24	He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Other receivables	Y	30,000	-	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
24	He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Other receivables	Y	10,000	-	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
24	He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Other receivables	Y	45,000	-	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
24	He Jun Energy Co., Ltd.	Hon Yang Energy Co., Ltd.	Other receivables	Y	20,000	-	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
24	He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Other receivables	Y	10,000	10,000	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
25	He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Other receivables	Y	13,000	13,000	-	1.85%	Short-term financing	-	Operations	-	None	-	271,558	543,116	Note 6
25	He Jing Co., Ltd.	C	Accounts receivable	N	85,000	-	-	-	Short-term financing	-	Operations	-	None	-	314,861	1,259,444	Note 7
25	He Jing Co., Ltd.	D	Accounts receivable	N	140,000	70,000	64,240	6%~10%	Short-term financing	-	Operations	887	Real estate	49,500	314,861	1,259,444	Note 7
25	He Jing Co., Ltd.	E	Accounts receivable	N	30,000	30,000	26,997	5%~10%	Short-term financing	-	Operations	373	Stock	24,000	314,861	1,259,444	Note 7
25	He Jing Co., Ltd.	F	Accounts receivable	N	30,000	30,000	-	5%~10%	Short-term financing	-	Operations	-	Stock	27,310	314,861	1,259,444	Note 7
25	He Jing Co., Ltd.	G	Accounts receivable	N	300,000	300,000	-	5%~10%	Short-term financing	-	Operations	-	Stock	414,600	314,861	1,259,444	Note 7
26	He Jing Co., Ltd.	H	Accounts receivable	N	300,000	300,000	268,642	5%~10%	Short-term financing	-	Operations	3,707	Stock	414,600	314,861	1,259,444	Note 7

Number	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Collateral		Allowance for doubtful accounts	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
												Item	Value				
26	Hotai Finance Development Co., Ltd.	A	Accounts receivable	N	\$ 70,000	\$ 70,000	\$ 65,837	6%~10%	Short-term financing	\$ -	Operations	\$ 461	Real estate	\$ 99,160	\$ 592,950	\$ 1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	B	Accounts receivable	N	15,000	15,000	4,577	4%~11%	Short-term financing	-	Operations	32	Guarantee	3,000	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	C	Accounts receivable	N	400,000	-	-	5%~10%	Short-term financing	-	Operations	-	Stock	567,200	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	D	Accounts receivable	N	50,000	48,529	48,529	5%~10%	Short-term financing	-	Operations	340	Golf club membership card	42,600	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	E	Accounts receivable	N	20,000	-	-	6%~10%	Short-term financing	-	Operations	-	Real estate	42,846	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	F	Accounts receivable	N	250,000	250,000	250,000	5%~10%	Short-term financing	-	Operations	1,750	Real estate	297,000	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	H	Accounts receivable	N	60,000	60,000	-	5%~10%	Short-term financing	-	Operations	-	Real estate	74,000	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	I	Accounts receivable	N	26,000	26,000	26,000	5%~10%	Short-term financing	-	Operations	182	Real estate	21,000	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	J	Accounts receivable	N	55,000	55,000	-	5%~10%	Short-term financing	-	Operations	-	Stock	65,110	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	K	Accounts receivable	N	50,000	50,000	50,000	5%~10%	Short-term financing	-	Operations	350	Stock	91,350	592,950	1,185,900	Note 8
26	Hotai Finance Development Co., Ltd.	L	Accounts receivable	N	120,000	120,000	100,000	5%~10%	Short-term financing	-	Operations	700	Stock	189,300	592,950	1,185,900	Note 8

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

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

Note 3: The limit on total loans to the creditor (Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd. and Shanghai Fengyi Construction Decoration Co., Ltd.) and borrower (Hotong Motor Investment Co., Ltd.) for operations short-term financing is prescribed in the Hotong Motor Investment Co., Ltd.'s

"Procedures for Provision of Loans"; the limit on loans to others is 40% of the company's net value and to a single entity is 20% of the company's net value.

Note 4: The limit on total loans to the creditor (Hotong Motor Investment Co., Ltd.) and borrower (Tianjin Ho-Yu Toyota Motor Sales and Service Co., Ltd., Nanjing HoZhan Motor Sales and Service Co., Ltd., Qingdao Heling Lexus Automobile Sales Service Co., Ltd., Hoyun International Leasing Co., Ltd.,

Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd.) for operations short-term financing is prescribed in the Hotong Motor Investment Co., Ltd.'s "Procedures for Provision of Loans"; the limit on loans to others is 40% of the company's net value and to a single entity is 20% of the company's net value.

Note 5: For loans granted by (Hoyun International Leasing Co., Ltd.) to foreign companies whose voting rights are 100% owned directly and indirectly by the parent company, ceiling on total loans granted is 200% of the total shareholders' equity and limit on loans granted to a single party is 100% of the total shareholders' equity.

Note 6: For the short-term financing granted by the creditor (He Jun Energy Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 20% of net worth and limit on loans granted to a single party is 10% of net worth as prescribed.

Note 7: For the short-term financing granted by the creditor (He Jing Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 10% of net worth as prescribed.

Note 8: For the short-term financing granted by the creditor (Hotai Finance Development Co., Ltd.) to the borrower for working capital needs, ceiling on total loans granted is 40% of net worth and limit on loans granted to a single party is 20% of net worth as prescribed.

Hotai Motor Co., Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2

Number	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding balance during the year ended December 31, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	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 Insurance Co., Ltd.	Note 5	\$ 23,485,145	\$ 2,000,000	\$ -	\$ -	\$ -	-%	\$ 39,141,909	Y	N	N	Note 2
0	Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Note 5	23,485,145	600,000	600,000	551,000	-	0.77%	39,141,909	Y	N	N	"
1	Hotai Finance Co., Ltd.	Hoyun International Leasing Co., Ltd.	Note 5	37,356,493	2,195,464	-	-	-	-%	37,356,493	Y	N	Y	Note 3
1	Hotai Finance Co., Ltd.	Hoyun (Shanghai) Commerical Factoring Co., Ltd.	Note 5	37,356,493	1,315,675	1,315,675	692,109	-	3.52%	37,356,493	Y	N	Y	"
1	Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Note 5	37,356,493	3,000,000	3,000,000	1,108,949	-	8.03%	37,356,493	Y	N	N	"
1	Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Note 5	37,356,493	5,370,000	5,370,000	3,000,000	-	14.38%	37,356,493	Y	N	N	"
2	Hoyun International Leasing Co. Ltd.	Hoyun (Shanghai) Vehicle Leasing Ltd.	Note 5	3,038,626	134,703	134,703	67,352	-	0.36%	3,165,235	Y	N	Y	Note 4

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

1. The Company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

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

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

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

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

Note 5: The Company owns directly or indirectly more than 50% of the voting shares.

Hotai Motor Co., Ltd.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

				As of December 31, 2024				
Securities held by	Type and name of securities	Relationship with the securities issuer	General ledger account	Number of shares	Book Value	Ownership (%)	Fair value	Footnote
Hotai Motor Co., Ltd.	Listed stocks - Mega Financial Holding Company	None	Financial assets at fair value through other comprehensive income - non-current	22,397,657	\$ 866,789	0.15%	\$ 866,789	
	Listed stocks - Toyota Motor Corporation	-	Financial assets at fair value through other comprehensive income - non-current	15,956,000	10,536,471	0.10%	10,536,471	
	Listed stocks - Shihlin Electric & Engineering Corporation Etc.	None	Financial assets at fair value through other comprehensive income - non-current	-	419,859	0.00%~0.42%	419,859	
	Unlisted stocks - Taian Insurance Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	708,938	0.42%~9.82%	708,938	
	Corporate bonds - Nan Shan Life Insurance Perpetual Subordinated Bonds	None	Financial assets at fair value through profit or loss - non-current	-	500,000	-	500,000	
	Listed stocks - Toyota Motor Corporation	-	Financial assets at fair value through profit or loss - current	1,994,500	1,317,059	0.01%	1,317,059	
Hozan Investment Co., Ltd.	Unlisted stocks - Ho An Insurance Agency Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	4,753	0.50%	4,753	
	Beneficiary certificates - CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	47,963,633	550,397	-	550,397	
Carmax Co., Ltd.	Unlisted stocks - Ho An Insurance Agency Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	4,872	0.06%~0.50%	4,872	
Ho Tai Development Co., Ltd.	Listed stocks - First Financial Holding Co. Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	2,068	-	2,068	
	Unlisted stocks - Ho An Insurance Agency Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	4,872	0.06%~0.50%	4,872	
	Financial instruments - PSC DSU 100% Principal Guaranteed (TWD)	Not applicable	Financial assets at fair value through profit or loss - current	-	1,000,000	-	1,000,000	
Ho Tai Service & Marketing Co., Ltd	Beneficiary certificates - BOT Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	1,853,787	23,110	-	23,110	
Hotai Finance Co., Ltd.	Unlisted stocks - Ho An Insurance Agency Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	4,753	0.50%	4,753	
He Jun Energy Co., Ltd.	Unlisted stocks - Perpetual New Energy Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,200,000	31,036	8.00%	31,036	
Hotai Leasing Co., Ltd.	Unlisted stocks - Ho An Insurance Agency Co., Ltd. Etc.	-	Financial assets at fair value through other comprehensive income - non-current	-	4,753	0.50%	4,753	
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	Unlisted stocks - YU-TU (BVI) Finance Investment Corporation	None	Financial assets at fair value through other comprehensive income - non-current	-	25,087	10.48%	25,087	
Hotai Connected Co., Ltd	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	26,323,684	283,806	-	283,806	
	Beneficiary certificates - Mega Diamond Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	18,015,334	235,650	-	235,650	
Hotai Mobility Service Co., Ltd.	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	929,671	10,023	-	10,023	
	Beneficiary certificates - Mega Diamond Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	6,468,880	84,616	-	84,616	
	Beneficiary certificates - CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	458,630	5,263	-	5,263	
ChyuanAn Transport Co.,Ltd	Beneficiary certificates - CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	2,225,036	25,533	-	25,533	
YuCheng Transport Co.,Ltd	Beneficiary certificates- CTBC Hua Win Money Market Fund	Not applicable	Financial assets at fair value through profit or loss - current	3,996,389	45,860	-	45,860	

Note: Hotai Insurance Co., Ltd. does not need to be disclosed as it is an insurance company.

Hotai Motor Co., Ltd.  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 4

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2024		Addition		Disposal				Balance as at December 31, 2024		Footnote
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount	
Hotai Motor Co., Ltd.	Unlisted stocks - He Jun Energy Co., Ltd.	Investments accounted for using equity method	He Jun Energy Co., Ltd.	Subsidiary	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	Note 2
Hotai Leasing Co., Ltd.	Unlisted stocks - Hoing Mobility Service Corporation	Investments accounted for using equity method	Hotai Finance Co., Ltd.	Associate	-	-	-	-	-	-	-	-	-	-	Note 2
Hotai Finance Co., Ltd.	Unlisted stocks - Hoing Mobility Service Corporation	Investments accounted for using equity method	Hotai Leasing Co., Ltd.	Associate	-	-	-	-	-	-	-	-	-	-	Note 2
Hotai Finance Co., Ltd.	Unlisted stocks -Hotai Finance Development Co., Ltd.	Investments accounted for using equity method	Hotai Finance Development Co., Ltd.	Subsidiary	-	-	-	-	-	-	-	-	-	-	Note 2
Hotai Finance Co., Ltd.	Unlisted stocks -He Jun Energy Co., Ltd.	Investments accounted for using equity method	He Jun Energy Co., Ltd.	Subsidiary	-	-	-	-	-	-	-	-	-	-	Note 2
He Jun Energy Co., Ltd.	Unlisted stocks -Kai Lan Power Co., Ltd	Investments accounted for using equity method	Kai Lan Power Co., Ltd	Associate	-	-	-	-	-	-	-	-	-	-	Note 2
Hozan Investment Co., Ltd.	Beneficiary certificates - CTBC Hua Win Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	99,561,136	1,126,554	44,679,882	510,000	96,277,385	1,097,000	1,083,455	13,545	47,963,633	550,397	-
Hozan Investment Co., Ltd.	Beneficiary certificates - Franklin Templeton Sinoam Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	45,879,413	487,515	-	-	45,879,413	489,630	485,000	4,630	-	-	-
Ho Tai Development Co., Ltd.	Financial instruments - PSC DSU 100% Principle Guaranteed (TWD)	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	700,000	-	3,405,986	-	3,119,254	3,105,986	13,268	-	1,000,000	-
Hotai Finance Co., Ltd.	Beneficiary certificates - CTBC Hua Win Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	26,353,470	300,000	26,353,470	300,171	300,000	171	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	68,162,938	1,000,000	68,162,938	1,000,418	1,000,000	418	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	44,116,683	700,000	44,116,683	700,196	700,000	196	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - FSITC Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	6,515,189	1,200,000	6,515,189	1,200,361	1,200,000	361	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	37,069,984	600,000	37,069,984	600,250	600,000	250	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - Hua Nan Phoenix Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	59,639,894	1,000,000	59,639,894	1,000,382	1,000,000	382	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - Hua Nan Kirin Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	40,553,145	500,000	40,553,145	500,162	500,000	162	-	-	-
Hotai Finance Co., Ltd.	Beneficiary certificates - SinoPac TWD Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	20,780,007	300,000	20,780,007	300,096	300,000	96	-	-	-
He Jing Co., Ltd.	Beneficiary certificates - Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	35,617,356	500,000	35,617,356	500,146	500,000	146	-	-	-
He Jing Co., Ltd.	Beneficiary certificates - Taishin Ta-Chong Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	68,020,971	1,000,000	68,020,971	1,000,463	1,000,000	463	-	-	-
Hotai Finance Development Co., Ltd.	Beneficiary certificates - Taishin 1699 Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	222,156,205	3,120,000	222,156,205	3,121,936	3,120,000	1,936	-	-	-
Hotai Finance Development Co., Ltd.	Beneficiary certificates - Fubon Chi-Hsiang Money Market Fund	Financial assets at fair value through profit or loss - current	Not applicable	Not applicable	-	-	888,375,397	14,377,000	888,375,397	14,381,585	14,377,000	4,585	-	-	-

Note 1 : Hotai Insurance Co., Ltd. does not need to be disclosed as it is an insurance company.

Note 2 : Please refer to Table 10 for details.

Hotai Motor Co., Ltd.  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Hotai Finance Co., Ltd.	5th floor, Units ABC and 6th floor, Units ABCD in Land Lot No. 28~30, 34~39, Zhongxing section, Sanchong Dist., New Taipei City	2023.5.4	\$ 922,360	\$ 200,440	Kuo Yang Construction Co., Ltd.	Non-related party	-	-	-	\$ -	Valuations by professional appraisers (Note 1 and Note2)	Future operation demand	None

Note 1: Based on the appraisal report and market conditions provided by Bond Real Estate Appraisal Firm (appraised value of \$926,388) and Chinese Credit Real Estate Appraisal Firm (appraised value of \$940,904).

Note 2: In May, 2023, Hotai Finance Co., Ltd. signed a real estate purchase and sale agreement with a non-related party for the purchase of land and buildings in the Zhongxing section, Sanchong District, New Taipei City.

As the ownership has not been transferred yet, it is recorded under "Other Non-current Assets - Others".

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.



Hotai Motor Co., Ltd.

Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more

For the year ended December 31, 2024

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

Table 6

Real estate disposed by	Real estate	Date of the event	Date of acquisition	Book value	Disposal amount (Note 3)	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the counterparty	Reason for disposal	Basis or reference used in setting the price	Other commitments
Ho Tai Development Co., Ltd.	9~12F., No. 143, Fuxing N. Rd., Songshan Dist., Taipei City	2024.1.8	1989.12.30	\$ 278,380	\$ 685,000	Completed	\$ 406,620	Ho An Insurance Agency Co., Ltd.	Related party	Operational development demand	Valuations by professional appraisers (Note 1)	None
Hotai Finance Co., Ltd.	No. 737, Minzu 1st Rd., Zuoying Dist., Kaohsiung City	2024.3.12	2008.12.18	218,073	706,000	Completed	476,311 (Note4)	Kau Du Automobile Co., Ltd.	Related party	Future operation demand	Valuations by professional appraisers (Note 2)	None

Note 1: Based on the appraisal report and market conditions provided by Rui Pu International Real Estate Appraisal Firm (appraised value of \$715,000).

Note 2: Based on the appraisal report and market conditions provided by V-Land International Appraisers Joint Firm (appraised value of \$704,500).

Note 3: Transaction amount is the total contract price.

Note 4: The gain or loss on disposal is calculated by deducting the book value from the transaction amount, and deducting land value increment tax and other necessary transaction costs totaling \$11,616 thousand.

Note 5: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

Hotai Motor Co., Ltd.  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 7

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	\$ 54,709,415	38%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	(\$ 5,018,602)	51%	
Hotai Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	52,017,538	36%	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	( 427,535)	4%	
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	31,471,659	20%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	171,463	14%	
Hotai Motor Co., Ltd.	Tau Miau Motor Co., Ltd.	Associates	Sales	29,108,155	18%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	154,090	13%	
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Sales	22,925,498	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	129,949	11%	
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Sales	21,954,430	14%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	114,964	10%	
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Sales	21,044,924	13%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	103,918	9%	
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Sales	19,383,947	12%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	114,969	10%	
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Sales	4,445,289	3%	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	226,515	19%	
Hotai Motor Co., Ltd.	Toyota Motor Asia (Singapore) Pte., Ltd.	Entity controlled by the Company's key management	Purchases	3,396,028	2%	Pays its accounts 15 days after the end of each month	Major supplier of parts, so it is not applicable.	Normal	( 345,858)	4%	
Hotai Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	3,211,555	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	17,923	2%	
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Subsidiary	Sales	2,948,026	2%	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	Normal	Normal	28,886	2%	
Hotai Motor Co., Ltd.	Toyota-Motor-Sales-USA	Entity controlled by the Company's key management	Purchases	1,594,336	1%	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	-	-	
Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Subsidiary	Sales	1,221,077	1%	Collection at sight	Normal	Normal	92,759	8%	
Hotai Motor Co., Ltd.	Yokohama Tire Taiwan Co., Ltd.	Associates	Purchases	1,208,913	1%	Pays its accounts 16 days after the end of each month	Major supplier of vehicle tires, so it is not applicable.	Normal	( 110,575)	1%	
Hotai Motor Co., Ltd.	Hino Motors, Ltd.	Entity controlled by the Company's key management	Purchases	413,475	-	Pays its accounts 15 days after the end of each month	Major supplier of imported cars, so it is not applicable	Normal	( 12,065)	-	

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.	Carmax Co., Ltd.	Subsidiary	Sales	\$ 160,055	-	Pays its accounts 16 days after the end of each month	Normal	Normal	\$ 16,643	1%	
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	943,046	90%	Payment in advance	Normal	Normal	-	-	
Tianjin Hozhan Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	164,240	12%	Payment in advance	Normal	Normal	-	-	
Tianjin Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Associates	Sales	150,788	10%	Collects its accounts 30 days after the end of each month	Normal	Normal	-	-	
Shanghai Hozhan Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	267,647	10%	Payment in advance	Normal	Normal	-	-	
Shanghai Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	Associates	Sales	217,134	9%	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	1,934,081	88%	Payment in advance	Normal	Normal	-	-	
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	842,379	74%	Payment in advance	Normal	Normal	-	-	
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	1,428,183	96%	Payment in advance	Normal	Normal	-	-	
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	1,021,241	93%	Payment in advance	Normal	Normal	-	-	
Nanchang Heling Lexus Motor Sales & Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	1,502,736	86%	Payment in advance	Normal	Normal	-	-	
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Toyota Motor (China) Investment Co., Ltd.	Entity controlled by the Company's key management	Purchases	889,906	80%	Payment in advance	Normal	Normal	-	-	
Chang Yuan Motor Co., Ltd.	Kuozui Motors, Ltd.	Associates	Purchases	9,682,520	65%	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	( 70,018)	14%	
Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	502,154	3%	Collection at sight	Normal	Normal	61,649	4%	
Chang Yuan Motor Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Sales	142,762	1%	Collects its accounts on the next Monday and Wednesday after the end of each week	Normal	Normal	17,612	1%	
Toyota Material Handling Taiwan Ltd.	Toyota Industries Corporation	Entity controlled by the Company's key management	Purchases	445,123	58%	Pays its accounts 15 days after the end of each month	Major supplier of large vehicles and parts, so it is not applicable.	Not applicable	( 31,104)	15%	
Eastern Motor Co., Ltd.	Hotai Leasing Co., Ltd.	Associates	Sales	392,477	11%	Collects its accounts 30 days after the end of each month	Normal	Normal	8,321	10%	
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Sales	2,359,341	26%	Collects its accounts 30 days after the end of each month	Normal	Normal	263,669	17%	

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Sales	\$ 1,480,257	16%	Collects its accounts 40 days after the end of each month	Normal	Normal	\$ 314,763	21%	
Carmax Co., Ltd.	AIM Technology Corp.	Associates	Purchases	1,281,919	19%	Pays its accounts 21 days after the end of each month	Normal	Normal	( 159,111)	17%	
Carmax Co., Ltd.	Wang Fu Co., Ltd.	Associates	Sales	152,584	2%	Collects its accounts 35 days after next monthly billings	Normal	Normal	26,577	2%	
Carmax Co., Ltd.	Zhongyang Motor Co., Ltd.	Associates	Sales	126,083	1%	Collects its accounts 35 days after next monthly billings	Normal	Normal	29,418	2%	
Carmax Co., Ltd.	Innovation Auto Parts Co., Ltd.	Associates	Sales	114,879	1%	Collects its accounts 25 days after next monthly billings	Normal	Normal	12,135	1%	
Carmax Co., Ltd.	Tau Jin Enterprise Co., Ltd.	Associates	Sales	109,883	1%	Collects its accounts 10 days after the end of each month	Normal	Normal	24,122	2%	
Carmax Co., Ltd.	Zhonghao Automobile Co., Ltd.	Associates	Sales	102,440	1%	Collects its accounts 10 days after the end of each month	Normal	Normal	28,489	2%	
Carmax Co., Ltd.	Kao Jin Co., Ltd.	Associates	Sales	100,637	1%	Collects its accounts after the end of next month	Normal	Normal	9,342	1%	
Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	398,307	62%	Collects its accounts 30 days after the end of each month	Normal	Normal	48,564	48%	
Carmax Autotech (Shanghai) Co., Ltd.	Guangzhou Gac Changho Autotech Corporation	Associates	Purchases	135,434	25%	Pays its accounts 30 days after the end of each month	Normal	Normal	-	-	
Carmax Autotech (Shanghai) Co., Ltd.	Hotong Motor Investment Co., Ltd.	Associates	Sales	109,471	17%	Collects its accounts 30 days after the end of each month	Normal	Normal	24,324	24%	
Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	Parent company	Sales	875,222	88%	Collects its accounts 10 days after the end of each month	Normal	Normal	104,375	77%	
Hotai Leasing Co., Ltd.	Hoing Mobility Service Corporation	Subsidiary	Sales	244,404	3%	Collection at sight	Normal	Normal	27,457	-	
Hotai Connected Co., Ltd.	Central Motor Co., Ltd.	Associates	Sales	100,963	17%	Collects its accounts after the end of next month	Normal	Normal	5,830	8%	
Ho Tai Parts & Accessories Co., Ltd.	Ho Tai Development Co., Ltd.	Parent company	Sales	376,229	97%	Collects its accounts 26 days after next monthly billings	Normal	Normal	28,969	100%	
Ho Tai Transportation Co., Ltd.	Ho Tai Development Co., Ltd.	Parent company	Sales	145,570	100%	Collects its accounts 26 days after next monthly billings	Normal	Normal	16,256	100%	
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Associates	Sales	187,499	32%	Collects its accounts 180 days after the end of each month	Normal	Normal	5,377	1%	
Hotai Leasing Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Purchases	4,174,062	20%	Payment at sight	Normal	Normal	( 129,898)	22%	Note

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)			Footnote
			Purchases (sales)	Amount	Percentage of total purchases(sale)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Hotai Leasing Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Purchases	\$ 571,217	3%	Payment at sight	Normal	Normal	(\$ 21,493)	4%	Note	
Hotai Leasing Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Purchases	2,051,965	10%	Payment at sight	Normal	Normal	( 44,393)	8%	"	
Hotai Leasing Co., Ltd.	Lang Yang Toyota Motor Co., Ltd.	Associates	Purchases	172,734	1%	Payment at sight	Normal	Normal	( 7,164)	1%	"	
Hotai Leasing Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Purchases	1,393,123	7%	Payment at sight	Normal	Normal	( 57,316)	10%	"	
Hotai Leasing Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Purchases	1,235,020	6%	Payment at sight	Normal	Normal	( 46,171)	8%	"	
Hotai Leasing Co., Ltd.	Central Motor Co., Ltd.	Associates	Purchases	1,606,891	8%	Payment at sight	Normal	Normal	-	-	"	
Hoing Mobility Service Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Purchases	294,905	26%	Payment at sight	Normal	Normal	( 23,272)	61%	"	

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

Hotai Motor Co., Ltd.  
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more  
December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 8

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Hotai Motor Co., Ltd.	Kuotu Motor Co., Ltd.	Associates	Accounts receivable \$ 103,918	107.00	\$ -	—	\$ 103,918	-
Hotai Motor Co., Ltd.	Nan Du Motor Co., Ltd.	Associates	Accounts receivable 114,969	70.26	-	—	114,969	-
Hotai Motor Co., Ltd.	Taipei Toyota Motor Co., Ltd.	Associates	Accounts receivable 129,949	75.73	-	—	129,949	-
Hotai Motor Co., Ltd.	Tau Miao Motor Co., Ltd.	Associates	Accounts receivable 154,090	73.86	-	—	154,090	-
Hotai Motor Co., Ltd.	Kau Du Automobile Co., Ltd.	Associates	Accounts receivable 114,964	76.66	-	—	114,964	-
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Associates	Accounts receivable 171,463	74.11	-	—	171,463	-
Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	Subsidiary	Accounts receivable 226,515	21.55	-	—	226,515	-
Carmax Co., Ltd.	Kuozui Motors, Ltd.	Associates	Accounts receivable 314,763	4.62	-	—	314,763	-
Carmax Co., Ltd.	Hotai Motor Co., Ltd.	Ultimate parent company	Accounts receivable 263,669	6.41	-	—	263,669	-
Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	Parent company	Accounts receivable 104,375	6.36	-	—	104,375	-

Hotai Motor Co., Ltd.  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 9

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	\$ 4,445,289	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	2%
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Service revenue	1,459,466	Closes its accounts 16 days after the end of following two months	1%
0	Hotai Motor Co., Ltd.	Chang Yuan Motor Co., Ltd.	1	Accounts receivable	226,515	Collects its accounts on the next Monday and Wednesday after the end of each week, interest bearing from transaction date	-
0	Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	1	Sales revenue	2,948,026	"	1%
0	Hotai Motor Co., Ltd.	Carmax Co., Ltd.	1	Sales revenue	160,055	Collects its accounts 16 days after the end of each month	-
0	Hotai Motor Co., Ltd.	Hotai Leasing Co., Ltd.	1	Sales revenue	1,221,077	Collection at sight	-
1	Hotong Motor Investment Co., Ltd.	Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	140,181	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Hozhan Motor Service Co., Ltd.	3	Other receivables	192,222	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Heling Motor Service Co., Ltd.	3	Other receivables	588,125	"	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	105,652	Pays its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	3	Other payables	134,793	"	-
1	Hotong Motor Investment Co., Ltd.	Shanghai Ho Mian Motor Technology Co., Ltd.	3	Other payables	179,380	"	-
1	Hotong Motor Investment Co., Ltd.	Shanghai HoChen Motor Technology Co., Ltd.	3	Other receivables	132,458	Collects its accounts 30 days after the end of each month	-
1	Hotong Motor Investment Co., Ltd.	Nanjing HoZhan Motor Sales and Service Co., Ltd.	3	Other receivables	133,446	"	-
1	Hotong Motor Investment Co., Ltd.	Hoyun International Leasing Co. Ltd.	3	Other receivables	898,022	"	-
2	Tianjin Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	3	Sales revenue	150,788	"	-
3	Shanghai Hozhan Motor Service Co., Ltd.	Tianjin Heyi International Trading Co., Ltd.	3	Sales revenue	217,134	Collection in advance	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets
				General ledger account	Amount (Note 3)	Transaction terms	
4	Chang Yuan Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	\$ 502,154	Collection at sight	-
5	Eastern Motor Co., Ltd.	Hotai Leasing Co., Ltd.	3	Sales revenue	392,477	Collects its accounts 30 days after the end of each month	-
6	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Sales revenue	2,359,341	"	1%
6	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Service revenue	303,034	"	-
6	Carmax Co., Ltd.	Hotai Motor Co., Ltd.	2	Accounts receivable	263,669	"	-
7	Carmax Autotech (Shanghai) Co., Ltd.	Hotong Motor Investment Co., Ltd.	3	Sales revenue	109,471	Collects its accounts 30 days after the end of each month	-
7	Carmax Autotech (Shanghai) Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	398,307	"	-
8	Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	3	Sales revenue	875,222	Collects its accounts 10 days after the end of each month	-
8	Smart Design Technology Co., Ltd.	Carmax Co., Ltd.	3	Accounts receivable	104,375	"	-
9	Hotai Leasing Co., Ltd.	Hoing Mobility Service Corporation	3	Sales revenue	244,404	Collection at sight	-
10	Hotai Insurance Co., Ltd.	Hotai Leasing Co., Ltd.	3	Notes receivable	104,437	Redeems within 2.5 months	-
11	Hotai Connected Co., Ltd.	Hotai Motor Co., Ltd.	2	Service revenue	263,567	Collects its accounts after the end of next month	-
12	Ho Tai Service & Marketing Co., Ltd.	Ho Tai Development Co., Ltd.	3	Service revenue	253,336	Collects its accounts 60 days after the end of each month	-
13	Ho Tai Parts & Accessories Co., Ltd.	Ho Tai Development Co., Ltd.	3	Sales revenue	376,229	Collects its accounts 26 days after the end of each month	-
14	Ho Tai Transportation Co., Ltd.	Ho Tai Development Co., Ltd.	3	Sales revenue	145,570	"	-
15	Hotai Auto Body Manufacturing Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	3	Sales revenue	187,499	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.



Table 10

Hotai Motor Co., Ltd.  
Names, locations and other information of investee companies (not including investees in Mainland China)  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Shanghai Ho-Yu (BVI) Investment Co., Ltd.	British Virgin Islands	General investment	\$ 3,570,200	\$ 3,570,200	108,897,360	100.00	\$ 8,826,043	(\$ 388,182)	(\$ 388,182)	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	4,108,635	533,911	533,911	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	1,337,292	171,114	171,114	Subsidiary
Hotai Motor Co., Ltd.	Eastern Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	80,000	80,000	49,889,053	100.00	559,276	22,675	22,675	Subsidiary
Hotai Motor Co., Ltd.	Carmax Co., Ltd.	Taiwan	Trading of vehicle products/accessories	153,030	153,030	22,950,000	51.00	2,158,053	1,611,785	822,010	Subsidiary
Hotai Motor Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	10,763	10,763	960,961	20.00	39,201	30,235	6,047	Subsidiary
Hotai Motor Co., Ltd.	Hozan Investment Co., Ltd.	Taiwan	General investment	12,004,622	12,004,622	254,032	100.00	19,584,575	2,759,538	2,759,238	Subsidiary
Hotai Motor Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar energy business	504,000	180,000	50,400,000	18.00	488,804	406	73	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	5,017,504	1,885,096	1,469,169	Subsidiary
Hotai Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	615,342	615,342	79,100,000	70.00	769,423	107,137	74,996	Subsidiary
Hotai Motor Co., Ltd.	Ho Tai Development Co., Ltd.	Taiwan	Agent for sales of air conditioning system and contracting of air conditioning construction	73,787	73,787	24,710,856	45.01	4,213,196	1,043,016	493,027	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	500,000	500,000	50,000,000	50.00	545,090	48,173	24,087	Subsidiary
Hotai Motor Co., Ltd.	Hotai Auto Body Sales Co., Ltd.	Taiwan	Sales of vehicle bodies	37,010	37,010	4,000,000	100.00	55,867	14,062	14,062	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	1,687,419	905,870	182,805	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	115,168	85,547	21,387	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	1,356,434	776,630	183,828	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	1,485,855	612,070	213,061	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	6,915,444	6,214,742	1,866,662	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	126,413	18,521	3,915	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	317,520	82,871	15,892	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	1,994,716	892,100	173,746	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	1,537,072	577,798	109,357	Investee company accounted for using the equity method
Hotai Motor Co., Ltd.	Formosa Flexible Packaging Corp.	Taiwan	Production and marketing of packaging products	87,520	87,520	1,295,108	44.44	415,203	25,439	11,305	Investee company accounted for using the equity method

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Hotai Motor Co., Ltd.	Central Motor Co., Ltd.	Taiwan	Sales of vehicles and parts and repairing of vehicles	\$ 2,094,293	\$ 2,094,293	15,000,000	20.00	\$ 2,942,561	\$ 808,742	\$ 158,674	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	18,153	7,656	1,149	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	8,025	( 19,039)	1,904)	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	114,748	114,748	3,500,000	70.00	137,947	22,094	-	Sub-subsiidiary
Chang Yuan Motor Co., Ltd.	Hotai Auto Body Manufacturing Co., Ltd.	Taiwan	Car assembly business	200,000	200,000	20,000,000	20.00	218,156	48,173	-	Subsidiary
Eastern Motor Co., Ltd.	Doroman Autoparts Corporation	Taiwan	Wholesale and retail of vehicles parts and accessories	500	500	138,718	100.00	8,547	2,465	-	Sub-subsiidiary
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	642	51	-	Sub-subsiidiary
Eastern Motor Co., Ltd.	Hotai Connected Co., Ltd.	Taiwan	E-commerce platform services	5,650	5,650	565,000	0.50	5,650	107,137	-	Subsidiary
Eastern Motor Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	3,000	3,000	300,000	0.68	3,000	( 22,722)	-	Sub-subsiidiary
Carmax Co., Ltd.	Smart Design Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	33,242	33,242	2,968,016	61.77	127,638	30,235	-	Subsidiary
Carmax Co., Ltd.	AIM Technology Corp.	Taiwan	Trading of vehicle products/accessories	38,500	38,500	3,850,000	35.00	42,357	7,656	-	Investee company accounted for using the equity method
Hozan Investment Co., Ltd.	Hotai Leasing Co., Ltd.	Taiwan	Leasing of vehicles	181,907	181,907	127,150,159	66.04	4,193,948	1,074,816	-	Sub-subsiidiary
Hozan Investment Co., Ltd.	Hotai Finance Co., Ltd.	Taiwan	Installment trading and leasing of various vehicles	62,025	62,010	282,879,511	45.39	12,594,795	3,055,491	-	Sub-subsiidiary
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	1,419,893	1,885,096	-	Subsidiary
Hozan Investment Co., Ltd.	Hozao Enterprise Co., Ltd.	Taiwan	Installment trading of various vehicles	34,756	34,756	3,823,128	18.29	461,264	32,564	-	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	-	140	612,070	-	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	367,185	169,556	-	Subsidiary's investee company accounted for using the equity method
Hotai Leasing Co., Ltd.	Hoing Mobility Service Corporation	Taiwan	Leasing of vehicles	413,849	-	35,810,824	50.82	293,875	( 148,627)	-	Sub-subsiidiary
Hotai Leasing Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,298,286	1,298,286	39,600,000	49.50	3,133,358	557,785	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	-	310,000	-	-	-	( 148,627)	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	He Jing Co., Ltd.	Taiwan	Installment trading of various vehicles	2,430,000	2,430,000	244,610,118	81.00	2,550,375	126,524	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	He Jun Energy Co., Ltd.	Taiwan	Solar power business	2,240,000	800,000	224,000,000	80.00	2,172,462	406	-	Subsidiary
Hotai Finance Co., Ltd.	Hotai Finance Development Co., Ltd.	Taiwan	Installment trading of various equipments	3,000,000	-	300,000,000	100.00	2,964,749	( 35,251)	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	Hoyun International Limited	British Virgin Islands	General investment	1,324,514	1,324,514	40,400,000	50.50	3,197,515	557,785	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	120,000	120,000	12,000,000	27.40	72,925	( 22,722)	-	Sub-subsiidiary
Hotai Finance Co., Ltd.	HFC (Cambodia) Microfinance PLC.	Cambodia	Leasing of vehicles	557,345	557,345	5,600,000	35.00	559,387	16,538	-	Sub-subsiidiary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Wei Tien Energy Storage Co., Ltd.	Taiwan	Energy storage business	22,000	22,000	2,200,000	100.00	13,972	( 6,996)	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Chaoyang Energy Co., Ltd.	Taiwan	Solar power business	32,781	32,781	3,200,000	96.97	32,950	889	-	Sub-subsiidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
He Jun Energy Co., Ltd.	Guang Yang Energy Co., Ltd.	Taiwan	Solar power business	\$ 20,816	\$ 20,816	2,079,000	99.00	\$ 21,523	\$ 789	\$ -	Sub-subsiidiary
He Jun Energy Co., Ltd.	XianYao Energy Co., Ltd.	Taiwan	Solar power business	27,706	27,706	2,673,000	99.00	24,568	( 900)	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Hejun Electricity Co., Ltd.	Taiwan	Electricity sales related business	1,000	1,000	100,000	100.00	648	( 213)	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Tung Ching Energy Co., Ltd.	Taiwan	Solar power business	42,227	42,227	4,000,000	100.00	40,748	379	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Tung Ching Green Energy Co., Ltd.	Taiwan	Solar power business	88,685	88,685	9,200,000	100.00	93,689	2,624	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Billion Sunpower Co., Ltd.	Taiwan	Solar power business	163,017	163,017	10,000,000	100.00	162,387	7,032	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Cheng Yo Technology Co., Ltd.	Taiwan	Solar power business	474,783	474,783	5,000,000	100.00	455,486	23,944	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Ruei Yang Guang Dian Co., Ltd.	Taiwan	Solar power business	81,202	-	4,000,000	100.00	79,882	2,818	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Pacific One Energy Ltd.	Taiwan	Solar power business	162,766	-	94,011	100.00	163,657	5,886	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Jun Te Energy Co., Ltd.	Taiwan	Solar power business	78,400	-	7,840,000	70.00	78,542	42	-	Sub-subsiidiary
He Jun Energy Co., Ltd.	Zheng Ren Energy Co., Ltd.	Taiwan	Solar power business	154,980	86,730	15,498,000	35.00	135,426	( 14,683)	-	Sub-subsiidiary'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	400,500	( 26,309)	-	Sub-subsiidiary'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	24,076	( 19,039)	-	Investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Grinnodot Inc.	Taiwan	Solar power business	149,092	-	3,046,679	20.00	148,014	( 12,979)	-	Sub-subsiidiary's investee company accounted for using the equity method
He Jun Energy Co., Ltd.	Kai Lan Power Co., Ltd.	Taiwan	Energy storage business	360,000	-	36,000,000	40.00	360,475	( 1,716)	-	Sub-subsiidiary'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	29,457	6,325	-	Sub-subsiidiary
Hotai Connected Co., Ltd.	Hoing Mobility Service Co., Ltd.	Taiwan	Leasing of vehicles	300,000	300,000	34,655,635	49.18	284,391	( 148,627)	-	Sub-subsiidiary
Hotai Connected Co., Ltd.	Ho Young Travel Agency Co., Ltd.	Taiwan	Tourism industry	10,000	10,000	1,600,000	100.00	26,263	9,499	-	Sub-subsiidiary
Hotai Connected Co., Ltd.	Hotai Mobility Service Co., Ltd.	Taiwan	Taxi dispatch service	180,000	180,000	18,000,000	41.10	107,318	( 22,722)	-	Sub-subsiidiary
Hotai Mobility Service Co., Ltd.	ChyuanAn Transport Co., Ltd.	Taiwan	Taxi service	9,748	9,748	3,400,000	100.00	36,307	481	-	Sub-subsiidiary
Hotai Mobility Service Co., Ltd.	YuCheng Transport Co., Ltd.	Taiwan	Taxi service	39,225	39,225	7,000,000	100.00	98,607	1,203	-	Sub-subsiidiary
Ho Tai Development Co., Ltd.	Air Master International Co., Ltd.	Samoa	General investment	83,040	83,040	3,000,000	100.00	94,714	( 4,789)	-	Sub-subsiidiary
Ho Tai Development Co., Ltd.	Ho Tai Service & Marketing Co., Ltd.	Taiwan	Repairing of air conditioning equipment and trading of their parts	100,000	100,000	27,190,239	100.00	925,745	127,017	-	Sub-subsiidiary
Ho Tai Development Co., Ltd.	Ho Tai Parts & Accessories Co., Ltd.	Taiwan	Trading of air conditioning equipment and their parts	50,000	50,000	5,000,000	100.00	108,103	9,217	-	Sub-subsiidiary
Ho Tai Development Co., Ltd.	3A Express Co., Ltd.	Taiwan	Freight forwarders	51,000	51,000	5,100,000	51.00	156,318	51,833	-	Sub-subsiidiary
Ho Tai Development Co., Ltd.	Daikin Applied Systems (Taiwan) Co., Ltd.	Taiwan	Manufacturing and trading of conditioning equipment	61,047	-	6,104,700	34.00	36,185	( 73,125)	-	Subsidiary accounted for using the equity method
3A Express Co., Ltd.	Long Hao Removal Transport Services Co., Ltd.	Taiwan	Freight forwarders	10,000	10,000	1,000,000	100.00	21,622	7,516	-	Sub-subsiidiary

				Initial investment amount		Shares held as at December 31, 2024			Investment income (loss)			
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership	Book value	Net profit (loss) of	recognized by the		Footnote
				December 31, 2024	December 31, 2023				the investee for the year ended December 31, 2024	Company for the year ended December 31, 2024		
3A Express Co., Ltd.	Ho Tai Transportation Co., Ltd.	Taiwan	Freight forwarders	\$ 25,000	\$ 25,000	2,500,000	100.00	\$ 87,153	\$ 49,013	\$ -	Sub-subsidiary	
Hotai Auto Body Manufacturing Co., Ltd.	Hotai Bus Sales Co., Ltd.	Taiwan	Trading of buses	40,000	-	4,000,000	100.00	52,073	12,073	-	Sub-subsidiary	

Hotai Motor Co., Ltd.  
Information on investments in Mainland China-Basic information  
For the year ended December 31, 2024  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 11

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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investment in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Maximum outstanding balance during the year ended December 31, 2024							
Hotong Motor Investment Co., Ltd.	Operation decision making, capital using and financial management, information services, employee trainings and other services	\$ 4,197,955	Note(2)	\$ 701,927	\$ -	\$ 230,051	\$ 471,876	(\$ 380,886)	100.00	(\$ 380,886)	\$ 8,652,178	\$ 1,549,567	Note 2.1
Shanghai Hoyu Toyota Motor Service Co., Ltd.	Sales and repairing of vehicles	110,485	Note(2)	110,485	-	-	110,485	( 48,041)	100.00	( 48,041)	277,115	-	Note 2.1
ChongQing Yudu Toyota Automobile Sales & Service Co., Ltd.	Sales and repairing of vehicles	134,703	Note(2)	12,048	-	-	12,048	-	10.48	-	12,048	-	Note 2.2
Beijing Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	98,355	Note(2)	32,785	-	-	32,785	-	40.00	-	-	-	Note 2.2
Chongqing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	196,710	Note(2)	196,710	-	-	196,710	( 37,981)	100.00	( 37,981)	304,282	-	Note 2.1
Shanghai Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	98,355	Note(2)	98,355	-	-	98,355	34,281	100.00	34,281	165,389	-	Note 2.1
Tianjin Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	163,925	Note(2)	114,748	-	-	114,748	( 6,152)	70.00	( 4,307)	197,066	-	Note 2.1
Shanghai Heling Motor Service Co., Ltd.	Sales and repairing of vehicles	114,748	Note(3)	86,061	-	-	86,061	( 125,916)	100.00	( 125,916)	623,987	-	Note 2.1
ChongQing Yurun Toyota Automobile Service Co., Ltd.	Sales and repairing of vehicles	134,703	Note(2)	12,909	-	-	12,909	-	10.48	-	12,909	26,106	Note 2.2
Shanghai Hotai Toyota Forklift Co., Ltd.	Sales of vehicles and parts for industry use	196,710	Note(2)	196,710	-	-	196,710	4,775	100.00	3,404	213,759	-	Note 2.1
Zaozhuang Ho-Yu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	447,515	Note(2)	304,901	-	-	304,901	( 14,016)	100.00	( 14,016)	245,653	-	Note 2.1
Zaozhung Ho-Wan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	44,901	Note(3)	-	-	-	-	953	100.00	953	51,803	-	Note 2.1
Tangshan Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	190,153	Note(2)	190,153	-	-	190,153	( 5,486)	100.00	( 5,486)	280,566	-	Note 2.1
Nanchang Heling Lexus Motors Sales & Service Co., Ltd.	Sales and repairing of vehicles	213,103	Note(2)	213,103	-	-	213,103	( 39,382)	100.00	( 39,382)	305,172	-	Note 2.1
Hoyun International Leasing Co., Ltd.	Leasing, wholesale, retail of and support service for vehicles	2,622,800	Note(2)	2,622,800	-	-	2,622,800	557,785	55.61	310,184	3,520,685	514,959	Note 2.1
Hoyun (Shanghai) Commercial Factoring Co., Ltd.	Factoring services	898,022	Note(3)	-	-	-	-	51,808	55.61	28,810	571,930	-	Note 2.1
Hoyun (Shanghai) Vehicle Leasing Ltd.	Leasing of cars	673,517	Note(3)	-	-	-	-	57,052	55.61	31,727	382,757	-	Note 2.1
Hangzhou Yiyou Network Technology Co., Ltd.	Leasing of licence plate	449	Note(3)	-	-	-	-	( 53)	55.61	( 29)	3,623	-	Note 2.1
Hangzhou Wangyou Network Technology Co., Ltd.	Leasing of licence plate	449	Note(3)	-	-	-	-	( 3)	55.61	( 2)	1,058	-	Note 2.1

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Maximum outstanding balance during the year ended December 31, 2024	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investment in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
Homei International Trade (Suzhou) Co., Ltd.	Goods trading business	\$ 224,506	Note(3)	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 73)	55.61	(\$ 41)	\$ 124,373	\$ -	Note 2.1
He Zhan Development Co., Ltd.	Trading of air conditioning equipment	98,355	Note(2)	98,355	-	-	-	98,355	( 4,789)	45.01	( 2,155)	42,629	-	Note 2.2
Tianjin Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	393,420	Note(3)	-	-	-	-	-	( 25,397)	100.00	( 25,397)	398,505	-	Note 2.1
Tianjin Hozhan Motor Service Co., Ltd.	Sales and repairing of vehicles	308,021	Note(3)	-	-	-	-	-	( 1,685)	100.00	( 1,685)	297,718	-	Note 2.1
Tianjin Hoxi Hozhan Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	89,802	Note (3)	-	-	-	-	-	( 1,022)	100.00	( 1,022)	88,774	-	Note 2.1
Linyi Hoyu Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	393,420	Note(3)	-	-	-	-	-	( 17,052)	35.00	( 5,968)	45,840	-	Note 2.2
Carmax Autotech (Shanghai) Co., Ltd.	Trading of vehicle products/accessories	43,604	Note(1)	43,604	-	-	-	43,604	55,696	51.00	28,405	206,567	-	Note 2.2
Guangzhou Gac Changho Autotech Corporation	Trading of vehicle products/accessories	104,693	Note(1)	47,112	-	-	-	47,112	80,346	22.95	18,439	51,220	253,818	Note 2.2
Linyi Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	327,850	Note(3)	-	-	-	-	-	6,578	35.00	2,302	175,962	-	Note 2.2
Taizhou Zhongdu Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	491,775	Note(3)	-	-	-	-	-	5,452	35.00	1,908	228,881	-	Note 2.3
Beijing Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	393,420	Note(3)	-	-	-	-	-	471	35.00	165	227,517	-	Note 2.2
Jinzhong Central Toyota Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	458,990	Note(3)	-	-	-	-	-	( 28,794)	35.00	( 10,078)	18,448	-	Note 2.3
Shanghai Hede Used Vehicle Co., Ltd.	Trading of used vehicles	18,858	Note(3)	-	-	-	-	-	( 73)	100.00	( 45)	3,467	-	Note 2.1
Shanghai Guangxin Cultural Media Co., Ltd.	Design and production of advertisements	4,490	Note(3)	-	-	-	-	-	526	100.00	526	12,819	-	Note 2.1
Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	479,997	Note(3)	-	-	-	-	-	( 72,857)	100.00	( 77,086)	544,787	-	Note 2.1
Shanghai Ho-Mian Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	1,032,723	Note(3)	-	-	-	-	-	6,041	100.00	( 6,041)	1,024,903	-	Note 2.1
Shanghai Hoxin Motor Service Consulting Co.,Ltd.	Consulting service	13,470	Note(3)	-	-	-	-	-	5,316	100.00	5,316	36,545	-	Note 2.1
Tianjin Heyi International Trading Co., Ltd.	Sales of imported vehicles	89,802	Note(3)	-	-	-	-	-	( 1,356)	100.00	( 1,356)	132,219	-	Note 2.1
Chongqing Taikang Heling Lexus Motor Sales & Service Co.,Ltd.	Sales and repairing of vehicles	44,901	Note(3)	-	-	-	-	-	( 40,636)	50.00	( 20,318)	( 40,790)	-	Note 2.1

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2024										Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investment in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024		
					Remitted to Mainland China	Maximum outstanding balance during the year ended December 31, 2024								
Shanghai HoChen Motor Technology Co., Ltd.	Trading of vehicle products/accessories and property management	\$ 327,850	Note(3)	\$ -	\$ -	\$ -	\$ -	(\$ 13,689)	100.00	(\$ 13,689)	\$ 270,811	\$ -	Note 2.1	
Shanghai Jiading Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	344,243	Note(3)	-	-	-	-	( 29,410)	100.00	( 29,410)	301,529	-	Note 2.1	
Tianjin Binhai Heling Lexus Motor Service Co., Ltd.	Sales and repairing of vehicles	134,703	Note(3)	-	-	-	-	( 16,064)	35.00	( 5,623)	37,541	-	Note 2.2	
Tianjin Yongda Communication Technology Co., Ltd.	Trading of vehicle products / accessories and property management	263,929	Note(3)	-	-	-	-	709	35.00	( 4,445)	162,262	-	Note 2.2	
Nanjing HoZhan Motor Sales and Service Co., Ltd.	Sales and repairing of vehicles	134,703	Note(3)	-	-	-	-	( 6,193)	70.00	( 4,335)	76,141	-	Note 2.1	
Taiyuan Zhongdu Heling Lexus Motor Sales & Service Co., Ltd.	Sales and repairing of vehicles	140,976	Note(3)	-	-	-	-	( 46,583)	35.00	( 16,304)	21,493	-	Note 2.3	
Shanghai Zhongxin Means of Transportation Engineering Co.,Ltd.	Sales and repairing of vehicles	22,451	Note(3)	-	-	-	-	( 1,154)	100.00	( 14,639)	466,276	-	Note 2.1	
Shanghai Fengyi Construction Decoration Co., Ltd.	Sales and repairing of vehicles	251,446	Note(3)	-	-	-	-	( 543)	70.00	( 14,614)	615,361	-	Note 2.1	
Qingdao Heling Lexus Automoiile Sales Service Co., Ltd.	Sales and repairing of vehicles	314,308	Note(3)	-	-	-	-	( 41,349)	70.00	( 28,944)	169,573	-	Note 2.1	
Tianjin Hekang Finance Leasing Co., Ltd.	Leasing business	763,319	Note(3)	-	-	-	-	12,348	100.00	12,348	793,483	-	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 3	

Note 1: The investmets are classified as follows:

Note(1) Direct investment in Mainland China.

Note(2) Investment in Mainland China companies through a company invested and established in a third region.

Note(3) Others.

Note 2: The amount of investment income (loss) recognized for the the year ended December 31, 2024 is based on:

(1) The financial statements were audited by R.O.C parent company's CPA.

(2) The financial statements were audited by other independent auditors in PricewaterhouseCoopers, Taiwan.

(3) Others

Note 3: The trust that conforms to the definition of a structured entity is summarized in detail in Note 6(5).

Note 4: Related amounts in the following table are expressed in NT\$.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	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.	\$ 1,954,931	\$ 5,479,767	\$ 68,473,198

Hotai Motor Co., Ltd.  
Major shareholders information  
December 31, 2024

Table 12

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Ho Yu Investment Co., Ltd.	49,234,677	8.83%
Toyota Motor Corporation	45,294,234	8.13%
Li Gang Enterprise Co., Ltd.	41,380,740	7.42%
Jin Yuan Shan Investment Co., Ltd.	36,792,950	6.60%



HOTAI MOTOR CO., LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Petty cash		\$ 330
Checking accounts		428,439
Demand deposits		
- NTD		103,205
- USD	USD 1,325 thousand, conversion rate 32.785	43,447
- JPY	JPY 159,511 thousand, conversion rate 0.2099	33,481
		<u>\$ 608,902</u>

HOTAI MOTOR CO., LTD.  
STATEMENT OF INVENTORIES  
DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

Statement 2

Item	Amount		Footnote
	Cost	Net Realizable Value	
Vehicles	\$ 7,466,350	\$ 7,466,350	
Parts	816,605	723,804	
Inventory in transit	878,954	878,954	
	9,161,909	\$ 9,069,108	
Less: Allowance for inventory obsolescence	( 92,801)		
	<u>\$ 9,069,108</u>		

HOTAI MOTOR CO., LTD.  
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 3

Investee	Balance at January 1, 2024		Addition		Deductions		Balance at December 31, 2024			Market Value or Net Assets Value		Collateral pledged
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ownership (%)	Amount	Unit Price (In dollars)	Total amount	
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	108,897,360	\$ 9,003,570	-	\$ 411,733	-	(\$ 589,260)	108,897,360	100.00%	\$ 8,826,043	\$ 81	\$ 8,819,880	None
Chang Yuan Motor Co., Ltd.	313,500,000	4,495,922	-	891,636	-	( 1,206,923)	313,500,000	100.00%	4,180,635	15	4,730,038	"
Toyota Material Handling Taiwan Ltd.	79,578,810	1,158,299	15,024,058	178,993	-	-	94,602,868	100.00%	1,337,292	14	1,337,295	"
Eastern Motor Co., Ltd.	46,550,242	558,469	3,338,811	29,827	-	( 29,020)	49,889,053	100.00%	559,276	11	570,332	"
Carmax Co., Ltd.	22,950,000	1,962,607	-	831,161	-	( 635,715)	22,950,000	51.00%	2,158,053	93	2,145,075	"
Smart Design Technology Co., Ltd.	960,961	36,518	-	6,044	-	( 3,361)	960,961	20.00%	39,201	41	39,062	"
Hozan Investment Co., Ltd.	254,032	19,048,149	-	2,973,692	-	( 2,437,266)	254,032	100.00%	19,584,575	77,137	19,595,391	"
Hotai Insurance Co., Ltd.	2,182,142,857	3,375,180	-	1,642,324	(2,026,275,511)	-	155,867,346	77.93%	5,017,504	32	4,963,152	"
Hotai Connected Co., Ltd.	79,100,000	694,427	-	74,996	-	-	79,100,000	70.00%	769,423	10	766,589	"
Ho Tai Development Co., Ltd.	24,710,856	3,755,007	-	495,255	-	( 37,066)	24,710,856	45.01%	4,213,196	171	4,225,105	"
Hotai Auto Body Manufacturing Co.,Ltd	50,000,000	521,004	-	24,086	-	-	50,000,000	50.00%	545,090	11	545,654	"
Hotai Auto Body Sales Co.,Ltd	4,000,000	41,805	-	14,062	-	-	4,000,000	100.00%	55,867	14	55,867	"
He Jun Energy Co., Ltd.	18,000,000	164,857	32,400,000	324,073	-	( 126)	50,400,000	18.00%	488,804	10	488,804	"
Kuotu Motor Co., Ltd.	17,553,761	1,626,315	-	199,404	-	( 138,300)	17,553,761	20.18%	1,687,419	97	1,697,559	"
Yokohama Tire Taiwan Co., Ltd.	3,000	121,817	-	21,386	-	( 28,035)	3,000	25.00%	115,168	39,629	118,888	"
Nan Du Motor Co., Ltd.	14,806,073	1,318,219	-	192,514	-	( 154,299)	14,806,073	23.67%	1,356,434	93	1,370,360	"
Taipei Toyota Motor Co., Ltd.	25,438,987	1,467,836	-	240,882	-	( 222,863)	25,438,987	34.81%	1,485,855	67	1,705,783	"
Kuozui Motors, Ltd.	103,800,000	6,782,034	-	1,990,324	-	( 1,856,914)	103,800,000	30.00%	6,915,444	67	6,933,668	"
Shi-Ho Screw Industrial Co., Ltd.	211,433	124,635	-	6,007	-	( 4,229)	211,433	21.14%	126,413	579	122,451	"
Lang Yang Toyota Motor Co., Ltd.	2,000,000	311,454	-	17,958	-	( 11,892)	2,000,000	20.00%	317,520	96	191,806	"
Tau Miao Motor Co., Ltd.	15,153,573	2,004,989	-	185,919	-	( 196,192)	15,153,573	20.00%	1,994,716	105	1,589,167	"
Kau Du Automobile Co., Ltd.	22,161,150	1,544,248	-	117,404	-	( 124,580)	22,161,150	20.00%	1,537,072	49	1,085,020	"
Formosa Flexible Packaging Corp.	1,295,108	401,697	-	16,158	-	( 2,652)	1,295,108	44.44%	415,203	328	425,329	"
Central Motor Co., Ltd.	15,000,000	2,905,564	-	188,124	-	( 151,127)	15,000,000	20.00%	2,942,561	141	2,116,839	"
AIM Technology Corp.	1,650,000	17,782	-	1,149	-	( 778)	1,650,000	15.00%	18,153	11	18,153	"
Gochabar Co., Ltd.	1,200,000	9,929	-	-	-	( 1,904)	1,200,000	10.00%	8,025	7	8,025	"
		<u>\$ 63,452,333</u>		<u>\$ 11,075,111</u>		<u>(\$ 7,832,502)</u>			<u>\$ 66,694,942</u>			

HOTAI MOTOR CO., LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 4

Item	Balance as of January, 1, 2024	Additions	Deductions	Reclassifications	Balance as of December 31, 2024	Guaranteed or Pledged as collateral
Land						None
Cost	\$ 2,891,965	\$ -	\$ -	\$ -	\$ 2,891,965	
Less:Accumulated impairment	( 26,850)	-	-	-	( 26,850)	
Subtotal	2,865,115	-	-	-	2,865,115	
Buildings and structures	1,384,626	33,502	-	18,558	1,436,686	"
Utility equipment	117,706	9,207	-	-	126,913	"
Office equipment	554,528	48,984	( 27,647)	913	576,778	"
Others	15,609	3,294	( 85)	2,463	21,281	"
Rental assets	78,612	197	-	-	78,809	"
Construction in progress	125,956	433,392	-	( 21,934)	537,414	"
	<u>\$ 5,142,152</u>	<u>\$ 528,576</u>	<u>(\$ 27,732)</u>	<u>\$ -</u>	<u>\$ 5,642,996</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT - ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Balance as of January, 1, 2024	Additions	Deductions	Reclassifications	Balance as of December 31, 2024	Footnote
Buildings and structures	\$ 936,559	\$ 35,652	\$ -	\$ -	\$ 972,211	
Utility equipment	114,646	906	-	-	115,552	
Office equipment	454,361	30,819	( 24,295)	-	460,885	
Others	11,787	2,481	( 85)	-	14,183	
Rental assets	78,516	46	-	-	78,562	
	<u>\$ 1,595,869</u>	<u>\$ 69,904</u>	<u>(\$ 24,380)</u>	<u>\$ -</u>	<u>\$ 1,641,393</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF CHANGES IN INVESTMENT PROPERTY - COST  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 6

Item	Balance as of January 1, 2024	Additions	Deductions	Reclassifications	Balance as of December 31, 2024	Guaranteed or Pledged as collateral
Land	\$ 1,681,005	\$ -	\$ -	\$ -	\$ 1,681,005	None
Buildings and structures	1,389,045	980	-	-	1,390,025	"
	<u>\$ 3,070,050</u>	<u>\$ 980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,071,030</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF CHANGES IN INVESTMENT PROPERTY - ACCUMULATED DEPRECIATION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 7

Item	Balance as of January 1, 2024	Additions	Deductions	Reclassifications	Balance as of December 31, 2024	Footnote
Buildings and structures	\$ <u>567,668</u>	\$ <u>30,161</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>597,829</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF SHORT-TERM LOANS  
DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 8

<u>Nature</u>	<u>Description</u>	<u>December 31, 2024</u>	<u>Contract Period</u>	<u>Range of Interest Rate(%)</u>	<u>Loans Commitment</u>	<u>Pledges or collaterals</u>
Unsecured borrowings	Citibank Taiwan Ltd., Business Department	\$ 1,020,000	2024/12/13~2025/1/13	1.84%	TWD 1,049,120	None
Unsecured borrowings	E.SUN COMMERCIAL BANK, LTD. Taipei Branch	<u>1,573,680</u>	2024/12/16~2025/1/3	5.40%	USD 49,000,000	None
		<u>\$ 2,593,680</u>				



HOTAI MOTOR CO., LTD.  
STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 9

Items	Quantity	Amount	Footnote
Sales revenue of vehicles			
Sedan	139,874 cars	\$ 140,473,570	
Others	2,030 cars	3,251,929	
Sales revenue of parts		16,091,398	
Others		<u>1,559,535</u>	
Subtotal		161,376,432	
Sales returns and allowance		( <u>1,319,156</u> )	
		<u>\$ 160,057,276</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 10

Items	Description	Amount	Footnote
Initial inventories		\$ 6,971,291	
Add: Merchandise purchase		145,823,120	
Inventory Valuation Losses		( 3,971)	
Others		1,196,034	
Less: Ending inventories		( 9,161,909)	
Others		( 27,461)	
Operating costs		<u>\$ 144,797,104</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF SELLING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 11

Items	Description	Amount	Footnote
Wages and salaries		\$ 705,675	Including pension costs
Advertisement		906,634	
Freight		393,540	
Others		<u>770,457</u>	The amount of each item in others does not exceed 5% of the account balance.
		<u>\$ 2,776,306</u>	

HOTAI MOTOR CO., LTD.  
STATEMENT OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 12

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Wages and salaries		\$ 1,083,558	Including pension costs
Directors' remuneration		463,066	
Others		<u>374,307</u>	The amount of each item in others does not exceed 5% of the account balance.
		<u>\$ 1,920,931</u>	

HOTAI MOTOR CO., LTD.  
SUMMARY OF EMPLOYEE BENEFITS EXPENSES, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 13

By function By nature	Years ended December 31,					
	2024			2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 1,754,734	\$ 1,754,734	\$ -	\$ 1,767,823	\$ 1,767,823
Labour and health insurance fees	-	82,986	82,986	-	73,660	73,660
Pension costs	-	34,499	34,499	-	33,878	33,878
Directors' remuneration	-	463,066	463,066	-	490,151	490,151
Other employee benefit expenses	-	130,328	130,328	-	129,163	129,163
Subtotal	-	2,465,613	2,465,613	-	2,494,675	2,494,675
Depreciation	-	105,674	105,674	-	102,992	102,992
Amortization	-	4,413	4,413	-	-	-

Note:

A. As at December 31, 2024 and 2023, the Company had 591 and 579 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 \$3,459 ((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 \$3,535 ((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)).

(b) Average employee salaries in current year was \$3,031 (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 \$3,118 (Total employee salaries in previous year / (Number of employees in previous year–Number of non-employee directors in previous year)).

HOTAI MOTOR CO., LTD.  
SUMMARY OF EMPLOYEE BENEFITS EXPENSES, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(Expressed in thousands of New Taiwan dollars)

Statement 13

- (c) Adjustments of average employee salaries was 2.79% ((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.