

Stock code: 2207



和泰汽車股份有限公司
Hotai Motor Co., Ltd.



和泰集團
與美好台灣同行

Handbook for the 2025 Annual General Meeting of Shareholders



June 13, 2025

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I. Agenda of the Annual General Shareholders' Meeting

Time: June 13, 2025 (Friday) at 9:00 am

Method: Physical shareholders' meeting

Meeting Place: 1F, Xinzhuang Industrial Park of the Company, located at No.10, Mingzhong St., Xinzhuang Dist., New Taipei City.

1. Chairman's Address
2. Reports:
 - (1) 2024 Business Report.
 - (2) 2024 Audit Committee Report.
 - (3) 2024 Distribution of Profits with Cash Dividends.
 - (4) 2024 Distribution of Employee and Director's Remuneration.
 - (5) Reports of Ethical Management Operating Procedures and Guidelines.
3. Ratifications:
 - (1) 2024 Business Report and Financial Statements.
 - (2) Ratification of Proposed Distribution of 2024 Profits.
4. Discussion:
 - (1) Proposal for Amending the Articles of Incorporation.
 - (2) Amendments to Procedures for Engaging in Derivative Products Transaction.
5. Elections Matters:
 - (1) Reelection of Director.
6. Other Motions:
 - (1) Proposal to release directors from participating in a competing business
7. Extemporary Motions
8. Adjournment

II. Reports

Item No.1 — 2024 Business Report is submitted for review.

Explanation: Please see Appendix 1 for the Company's 2024 Business Report (Pages 9-11).

Item No.2 — 2024 Audit Committee Report is submitted for review.

Explanation:

- (1) The Company's 2024 Business Report, Financial Statements, Proposed Profit Distribution and other important financial documents have been reviewed by the Audit Committee. Based on the review, the Audit Committee has issued a report.
- (2) Please see Appendix 2 (page 13) for the Audit Committee Report.

Item No.3 — 2024 Distribution of Profits with Cash Dividends is submitted for review.

Explanation:

- (1) The distribution shall be declared and made in accordance with Article 240, Paragraph 5 of the Company Act and Article 35 of the Company's Articles of Incorporation.
- (2) According to Article 35 of the Company's Articles of Incorporation, the decision to distribute all or part of the dividends and/or bonuses in cash shall be adopted by a resolution of the majority of the Board of Directors in a meeting attended by over two-thirds of the directors and reported to the shareholders' meeting.
- (3) The Company's 2024 profit was resolved by the 21st term of the Board of Directors at the 24th meeting to approve a dividend of NT\$20 per share, and a total of NT\$11,142,055,360 in cash dividends will be paid to shareholders; the Chairman of the Board will be authorized to decide on the ex-dividend and payment dates for cash dividends distribution and other relevant matters.

Item No.4 — 2024 Distribution of Employee and Director's Remuneration is submitted for review.

Explanation:

- (1) The distribution shall be declared and made in accordance with Article 235-1 of the Company Act and Article 34 of the Company's Articles of Incorporation.
- (2) According to Article 34 of the Articles of Incorporation of the Company, to the extent that the Company has generated annual profits, 1% of which shall be set aside for employee remuneration and no more than 2% for directors' remuneration. However, independent directors are not eligible to participate in the profit distribution of the Company.
- (3) The Company's annual profits in 2024 are NT\$22,292,583,314 (pre-tax profits prior to employee and director's remuneration deductions), 1% of which has been set aside for employee remuneration (totaling NT\$ 222,925,834), and 2% of which has been set aside for director remuneration (totaling NT\$ 445,851,666).

Item No.5 — Amendment to Ethical Management Operating Procedures and Guidelines is submitted for review.

Explanation:

- (1) The Company formulates Ethical Management Operating Procedures and Guidelines in accordance with the regulation of Anti-Corruption Ethical Management Principles in 2018, to specifically regulate what the Company's employee should pay attention to when doing their work.
- (2) Due to the amendment of the Company's "Anti-Corruption Ethical Management Principles" in 2023, in addition to comply with the adjustment of "Anti-Corruption Ethical Management Principles", it has been revised in accordance with "Ethical Management Operating Procedures and Guidelines" to make ethical management operating related regulation consistent,
- (3) For the comparison table of the revised articles, please refer to Appendix 5 (Page 41-51).

III. Ratifications

Item No.1 — (Proposed by Board of Directors) 2024 Business Report and Financial Statements are submitted for ratification.

Explanation:

- (1) The Company's 2024 Business Report and Financial Statements have been adopted by the resolution of the 21st term of the Board of Directors at the 24th meeting, audited and certified by PricewaterhouseCoopers Taiwan, and reviewed by the Audit Committee.
- (2) Please refer to Appendix 1 (Pages 9-11) and Appendix 3 (Pages 14-39) for the Company's 2024 Business Report and Financial Statements.

Resolution:

Item No.2 — (Proposed by Board of Directors) Ratification of Proposed Distribution of 2024 Profits is submitted for ratification.

Explanation:

- (1) After setting aside 10% of the 2024 profits as legal reserve, the Company, pursuant to the resolution of the 21th term of the Board of Directors at the 24th meeting, intends to distribute a cash dividend of NT\$ 20 per share.
- (2) Please refer to Appendix 4 (Page 40) for the Table of 2024 Profit Distribution.

Resolution:

IV. Discussion

Item No.1 — (Proposed by Board of Directors) Proposal for Amending the Articles of Incorporation is submitted for discussion.

Explanation:

- (1) Amendment in accordance with Paragraph 6, Article 14 of the Securities Exchange Act “A company shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees and related matters”.
- (2) For the comparison table of the revised articles, please refer to Appendix 6 (Page 52-53).

Resolution:

Item No.2 — (Proposed by Board of Directors) Summary: Amendments to Procedures for Engaging in Derivative Products Transaction is submitted for discussion.

Explanation:

- (1) In response to business needs, the Company proposes to amend the approval authority for hedging forward foreign exchange transactions."
- (2) For the comparison table of the revised articles, please refer to Appendix 7 (Page 54-55).

Resolution:

V. Elections

Item No.1 — (Proposed by Board of Directors)

Summary: Reelection of Director is submitted for discussion.

Explanation:

- (1) The term of office of the 21st term of the Company's Board of Directors will expire on 20th June 2025. The Board hereby submits to the Annual General Shareholders' Meeting the proposal to elect the Board of Directors. Pursuant to the Company's Article of Incorporation and related election regulation of the Company Act, there shall be 14 directors (including 3 independent Directors) appointed to the 22nd term of the Company's Board of Directors.
- (2) Newly elected directors shall serve effectively from 13th June 2025 after the adjournment of the shareholders' meeting and ending on 12th June 2028. The directors serve a 3-year term in total.
- (3) Pursuant to the Company's Articles of Incorporation, the election of Directors shall adopt a candidate nomination system. The shareholders shall elect the Directors from the list of nominated candidates. Please refer to Appendix 8 (page 56-61) for the candidates' education backgrounds, past work experience and other details.

Resolution:

VI. Other Motions

Item No.1 — (Proposed by Board of Directors)

Summary: Release of Director's Non-Compete Restrictions is submitted for discussion.

Explanation:

- (1) In the event that a director of the Company engages in any acts specified in Article 209 of the Company Act, it is the Company's intention to release such directors and his or her appointed representatives from noncompete restrictions on holding concurrent positions in businesses similar to those listed in the Company's scope of business (to the extent that such positions are held out of business needs, as of the date on which such directors take office, and provided that doing so will not harm the interests of the Company.
- (2) The board proposed to submit to the annual general meeting of the shareholders the proposal to release the directors from non-compete restrictions tails of the Concurrent positions held by directors of the Company can be found in Appendix 9 (Page 62-64).

Resolution:

VII. Extemporaneous Motions

VIII. Adjournment

IX. Appendixes

Appendix 1

2024 Business Report

【Taiwan's Automotive Market】

In 2024, the global economy experienced a steady recovery as inflation eased, international consumer demand rebounded, and emerging technologies such as AI continued to generate strong business momentum. The Company recorded an annual growth rate of 4.59%, representing an increase of 3.28% compared to 2023. Backed by continued government vehicle replacement incentives, ongoing promotional campaigns by various brands, and the launch of major redesigned models, Taiwan's automotive market maintained solid sales momentum, with total vehicle registrations reaching 457,830 units for the year.

【Operational Review】

In response to rapid market changes, the Company worked closely with its parent manufacturers, Toyota and Hino, to introduce new and updated models in 2024. Key launches included the all-new LEXUS LBX, as well as refreshed versions of the TOYOTA CAMRY、ALTIS GR SPORT、COROLLA CROSS、GR YARIS. Total vehicle registrations across the Company's three represented brands exceeded 159,000 units, marking the second-highest annual total in the Company's history. TOYOTA alone recorded 125,000 units, securing a 27.4% market share and maintaining its position as the No. 1 brand in Taiwan's automotive market for the 23rd consecutive year. Among individual models, the COROLLA CROSS was the best-selling vehicle in the market for the fourth straight year, while the TOWN ACE, RAV4, and YARIS CROSS ranked second through fourth, respectively—dominating the top four spots in overall market sales. Lexus registered over 28,000 units in 2024, achieving a 24.7% share of the luxury vehicle market and retaining its title as the top-selling luxury brand for the second consecutive year. The NX ranked No. 1 among all luxury models and was the only vehicle in the segment to surpass annual sales of 10,000 units. The RX and LM also secured top positions in their respective categories—luxury mid-to-large SUVs and luxury MPVs. HINO and TOYOTA commercial vehicles continued to be the preferred choices for customers. In the segment of vehicles above 3.49 tons, 6,082 units were registered, accounting for a market share of 34.3% and marking the fourth consecutive year that the Company led the overall commercial vehicle market.

Since its founding, the Company has accumulated extensive expertise in product planning, marketing, and customer service, achieving steady growth while actively engaging in diversified business development. In addition to its core automotive sales and after-sales services, the Company has, through affiliated companies within the Hotai Group, continued to expand along the automotive value chain, driving ongoing innovation and advancement. For instance, Hotai Finance Co., Ltd. and its subsidiaries maintained leadership in the automotive finance sector, with total installment contract value reaching nearly NT\$200 billion in 2024. Hotai Connected, in collaboration with Hi-MS's iRent short-term rental business, Hotai Mobility Service's yoxi ride-hailing service, and Hotai Leasing—the market leader in long-term car rentals—leveraged Group resources to establish a comprehensive mobility service platform. In addition, the Group integrated related services such as the chicTrip travel planning app, HOTAI GO Points Mall, and OpenHub EV Charging Roaming Service to build a complete Mobility as a Service (MaaS) ecosystem. Notably, chicTrip has become the No.1 travel planning app in Taiwan by number of downloads and continues to expand both domestic and international business partnerships to capture growing tourism opportunities. In the commercial vehicle sector, Hotai Auto Body Manufacturing, Hotai Auto Body Sales, and Hotai Bus Sales actively expanded their market presence by offering end-to-end solutions—from vehicle ordering to body customization—enabling customers to swiftly deploy newly acquired vehicles for operations. Carmax, the Group's automotive accessories specialist, partnered with Toyota Customizing & Development (TCD), a Toyota-affiliated company, to advance connected car technologies and develop premium automotive accessories. In 2024, Carmax's revenue exceeded NT\$9.5 billion, setting a new record. Looking ahead, the company will continue to pursue in-house product development while expanding opportunities in connected services, distribution channels, and market coverage to further strengthen its business footprint. Hotai Insurance also maintained steady operations, with premium income surpassing NT\$14 billion in 2024 and a market share of 5.3%, ranking sixth in Taiwan's non-life insurance sector. The company earned multiple corporate awards in the 26th Faith, Hope & Love Awards of Insurance.

In China, Hotai Motor has been actively engaged in business development since 1997, marking 28 years of continuous investment and market presence. Through its operational headquarters, Hotong Motor, the Group has established a robust management and operational framework that enables efficient resource integration, cost optimization, and enhanced overall competitiveness. This strategic structure has laid a solid foundation for long-term growth and the continued expansion of the Group's business footprint across the China market. In 2024, China's auto market reached a total of 31.44 million units sold, representing a 4.5% increase compared to 2023, driven by the rapid growth of the new

energy vehicle sector and various government subsidy programs such as vehicle replacement incentives. Despite facing a highly competitive business environment, Hotai Motor's investments in China continued to perform steadily by expanding into peripheral businesses such as used cars, automotive accessories, and detailing services, while aligning closely with manufacturer policies to sustain both sales and service momentum.

【Financial Performance】

In 2024, the Group's consolidated revenue totaled NT\$282.801 billion, the consolidated profit before tax was NT\$27.881 billion, and the consolidated net profit was NT\$23.95 billion; NT\$20.467 billion of the net profit was attributed to the parent company, Hotai Motor. The earnings per share was NT\$36.74.

【Management and Corporate Development】

The outlook for 2025 remains uncertain due to ongoing geopolitical tensions and unclear monetary policies among major central banks. However, with the government's vehicle replacement subsidy program entering its final year, automakers are expected to roll out aggressive promotional campaigns. As a result, total vehicle registrations are projected to exceed 450,000 units for the year. In response to the accelerating shift toward net-zero emissions and transformation across the automotive industry, the Company will continue to pursue innovation, diversification, and strategic transformation. We remain committed to promoting eco-friendly new energy vehicles, including all-electric models such as the TOYOTA bZ4X and LEXUS RZ, various hybrid and plug-in hybrid vehicles, as well as hydrogen-powered buses. At the same time, we are actively expanding into EV charging infrastructure and MaaS-related businesses, aiming to provide a wide range of products and services that exceed customer expectations. These efforts support our goal of extending our 24-year streak as the top-selling passenger car brand and maintaining our No. 1 position in commercial vehicle sales.

While pursuing operation performance growth, we are also committed to TMC's mission of "Producing Happiness for All", which promotes the idea of creating happiness on a larger scale for society. At the end, we have integrated resources from our core business and developed a variety of corporate sustainability events in the aspects of environment, society, and governance (ESG) that are centered around Mobility, Openness, Value, and Eco. The Standing by Our Beautiful Island campaign reflects our commitment sustainability. We aim to align our community efforts with local needs as we strive to become the benchmark of ESG practices in the automotive industry. We aim to align our community efforts with local needs as we strive to become the benchmark of ESG practices in the automotive industry.

Amid the transformation of the global automotive industry and rapid market changes, the Company has always prioritized customer needs. Embracing the "Think Amazing" mindset, we strive to provide consumers with the best possible customer experience, leading the Group into a new era of mobility services. We are not only committed to achieving our goal of "Do Amazing," but we also aim to "Do the Impossible." Through continuous innovation and a steadfast commitment to corporate social responsibility, we aim to further strengthen our leadership in the automotive industry and reach new heights of profitability.

Chairman: Huang, Nan-Kuang

Manager: Su, Chwen-Shing

Chief Accountant: Ji, Guan-Nian

Hotai Motor Co., Ltd.

Audit Committee Report

The Board of Directors has prepared and submitted to the Audit Committee the Company's 2024 Financial Statements (including the Consolidated Financial Statements), Business Report, and proposal for the distribution of profits. The 2024 Financial Statements (including the Consolidated Financial Statements) were audited by CPAs Hsiao, Chun-Yuan and Hsu, Sheng- Chung from PricewaterhouseCoopers Taiwan, who then issued an audit report based on their review. We have reviewed the Company's 2024 Financial Statements (including the Consolidated Financial Statements), Business Report, and proposal for the distribution of profits and found the contents to be consistent with the information shared with us. We hereby present this report pursuant to Article 219 of the Company Act of Taiwan.

Regards

The 2025 Annual General Shareholders' Meeting of Hotai Motor Co., Ltd.

Audit Committee

Independent Director: Li, Chao-Sen

Independent Director: Wu, Shih-Hao

Independent Director: Su, Chin-Huo

March 12, 2025

INDEPENDENT AUDITORS' REPORT
(TRANSLATED FROM CHINESE)

PWCR24004605

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

Opinion

We have audited the accompanying consolidated balance sheets of Hotai Motor Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated 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 the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Evaluation of provision for impairment of accounts receivable in Hotai Finance Co., Ltd., the subsidiary

Description

Refer to Note 4(11) for accounting policies on allowance for uncollectible accounts receivable, Note 5(2)C for the critical accounting estimates and assumptions on the policies of allowance for uncollectible accounts receivable and Note 6(5) for the details of accounts receivable.

Hotai Finance Co., Ltd. ("Hotai Finance"), a subsidiary of Hotai Motor Co., Ltd., is primarily engaged in the installment sales and leases 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 the subsidiary, Hotai Insurance Co., Ltd.

Description

Refer to Note 4(38) for accounting policies on claims reserve (including ceded), Note 5(2)D for the critical accounting estimates and assumptions on the policies of claims reserve (including ceded) and Note 6(9) for the details of accounting policies applied on claims reserve and ceded claims reserve.

The claims reserve (including ceded claims) of Hotai Insurance Co., Ltd. ("Hotai Insurance"), the subsidiary of Hotai Motor Co., Ltd., is derived from 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) 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 with the recorded amounts in the books in order to confirm the accuracy and completeness.
3. Used the work of actuarial expert to assist us in assessing the reasonableness of the claims reserve (including those prior to and after reinsurance). This included the following procedures:
 - (1) Examined the reasonableness of the assessment method for the reserves;
 - (2) Examined the reasonableness of the assumptions used by Hotai Insurance;
 - (3) Recalculated each assumption adopted by Hotai Insurance for incurred but not reported claims reserve 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 claim amount.

Other matter – Reference to the reports of other auditors

We did not audit the financial statements of certain subsidiary and investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, in so far as it relates to the amounts included in respect of these investees, is based solely on the reports of the other auditors. The assets of these companies amounted to NT\$ 9,208,468 thousand and NT\$8,675,047 thousand, constituting 1.80% and 1.79% of the consolidated total assets as at December 31, 2024 and 2023, respectively, the revenue of this subsidiary amounted to NT\$ 99,324 thousand and NT\$ 67,152 thousand, constituting 0.035% and 0.024% of the consolidated total revenue for the years then ended, respectively and the comprehensive income recognized from associates and joint ventures accounted for under the equity method amounted to NT\$521,427 thousand and NT\$706,378 thousand, constituting 1.94% and 2.47% of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion with an *Other matter* section on the parent company only financial statements of the Group as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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 control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated financial statements of the current period and are therefore 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 consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

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

Assets			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 18,968,725	3	\$ 23,142,893	5
1120	Financial assets at fair value through profit or loss-current	6(2)	7,754,355	2	6,324,510	1
1150	Derivative financial assets for hedging	6(4)	260,887	-	570,885	-
1190	Other financial assets-current	6(1) and 8	4,159,048	1	3,236,271	1
1195	Contract assets-current	6(28)	67,725	-	106,655	-
1201	Notes receivable	6(5), 7 and 8	17,125,715	3	13,949,300	3
1202	Accounts receivable	6(5), 7 and 8	286,195,993	56	272,178,742	56
1203	Other receivables	7	2,656,405	1	2,382,482	1
1270	Inventories	6(7)	19,891,943	4	16,979,700	3
1280	Prepayments	6(8)	8,412,375	2	8,955,709	2
1290	Assets held for sale		-	-	276,351	-
1310	Reinsurance contract assets, net	6(9)	5,082,534	1	4,312,902	1
Total current assets			370,575,705	73	352,416,400	73
Non-current assets						
1410	Financial assets at fair value through profit or loss-non-current	6(2)	1,006,453	-	1,011,886	-
1415	Financial assets at fair value through other comprehensive income-non-current	6(3)	13,107,751	3	10,850,980	2
1470	Investments accounted for using the equity method	6(10)	22,432,577	4	21,506,912	4
1480	Other financial assets-non-current	6(1) and 8	189,400	-	81,131	-
1500	Property, plant and equipment, net	6(11) and 8	72,195,375	14	66,017,903	14
1595	Right-of-use assets, net	6(12)	3,831,714	1	3,473,684	1
1600	Investment property, net	6(14)	1,966,246	-	2,340,699	-
1700	Intangible assets, net	6(15)	765,740	-	672,864	-
1800	Deferred income tax assets, net	6(33)	3,671,441	1	3,847,420	1
1900	Other assets	6(5)(9)(16)	20,817,170	4	23,660,471	5
Total non-current assets			139,983,867	27	133,463,950	27
1XXX	Total Assets		\$ 510,559,572	100	\$ 485,880,350	100

(Continued)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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						
2110	Short-term loans	6(17)	\$ 134,152,135	26	\$ 101,464,701	21
2120	Short-term notes and bills payable	6(18)	139,501,975	27	148,116,089	31
2140	Financial liabilities at fair value through profit or loss-current	6(2)	-	-	407,727	-
2150	Derivative financial liabilities for hedging	6(4)	855,551	-	1,087,983	-
2165	Contract liabilities-current	6(28)	1,363,237	-	1,449,575	-
2201	Notes payable		1,377,202	-	1,635,144	-
2202	Accounts payable	7	12,985,248	4	13,466,699	3
2203	Accrued expenses	6(21) and 7	7,812,895	2	7,612,447	2
2204	Other payables	7	2,541,234	1	2,261,442	1
2250	Commissions payable	7	287,549	-	260,926	-
2260	Due to reinsurance and ceding companies		1,566,549	-	1,567,746	-
2270	Claims payable		23,528	-	33,352	-
2310	Current income tax liabilities		2,322,803	-	1,561,696	-
2320	Advance receipts		255,186	-	198,279	-
2330	Long-term liabilities-current portion	6(19)(20)	33,029,050	7	35,392,090	7
2335	Current lease liabilities	7	614,143	-	464,216	-
2350	Other current liabilities	6(9)(23)(24)	22,382,808	4	22,264,785	5
Total current liabilities			361,071,093	71	339,244,897	70
Non-current liabilities						
2550	Long-term loans	6(20)	5,174,127	2	20,436,199	4
2600	Provisions	6(9)(23)	11,786,649	2	10,187,144	2
2620	Guarantee deposits received	6(24)	11,824,521	2	9,431,626	2
2625	Non-current lease liabilities	7	1,984,070	-	1,742,742	-
2630	Deferred income tax liabilities	6(33)	4,597,116	1	4,398,174	1
2660	Other liabilities		-	-	1,221	-
Total non-current liabilities			35,366,483	7	46,197,106	9
2XXX	Total Liabilities		396,437,576	78	385,442,003	79
Equity attributable to shareholders of the parent						
	Share capital	6(25)				
3110	Common stock		5,571,028	1	5,571,028	1
	Capital surplus	6(26)				
3200	Capital surplus		2,871,305	1	2,897,372	1
	Retained earnings	6(27)				
3310	Legal reserve		17,836,393	3	15,553,282	3
3320	Special reserve		381,843	-	381,843	-
3330	Unappropriated earnings		44,928,842	9	37,794,757	8
	Other equity					
3400	Other equity interest		6,694,406	1	4,028,202	1
31XX	Total equity attributable to shareholders of the parent		78,283,817	15	66,226,484	14
32XX	Non-controlling interest		35,838,179	7	34,211,863	7
3XXX	Total equity		114,121,996	22	100,438,347	21
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after balance sheet date	11				
Total liabilities and equity			\$ 510,559,572	100	\$ 485,880,350	100

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2024		2023	
Items		Notes	AMOUNT	%	AMOUNT	%
Revenues						
4010	Interest income	6(3)(29)	\$ 23,218,605	8	\$ 21,189,475	8
4020	Premiums revenue	6(30)	8,555,841	3	8,659,215	3
4040	Reinsurance commission revenue		959,120	-	1,195,468	-
4050	Fee income		10,329	-	10,713	-
4060	Share of profit of associates and joint ventures accounted for using the equity method	6(10)	2,959,587	1	3,441,562	1
4090	Gains on financial assets and liabilities at fair value through profit or loss	6(2)	1,395,672	-	687,646	-
4105	Realized gains on financial assets at fair value through other comprehensive income		500,956	-	324,792	-
4160	Net sales revenue	6(28)				
4161	Sales revenue		223,340,594	80	225,218,604	81
4162	Sales returns		(998,011)	-	(2,354,421)	(1)
4163	Sales discounts and allowances		(3,329,798)	(1)	(3,137,517)	(1)
4170	Rental revenue		20,495,217	7	19,248,403	7
4180	Service revenue	6(28) and 7	2,431,940	1	2,639,544	1
4210	Gains on disposals of property, plant and equipment		709,257	-	186,725	-
4230	Income from investment property	6(14)	400,024	-	141,975	-
4260	Foreign exchange gains		246,621	-	711,750	-
4270	Other income		1,918,326	1	1,337,734	1
4256	Reversal gains on expected credit of investment		124	-	228	-
4280	Unrealized profits from sales		(82,160)	-	(69,323)	-
4290	Realized profits from sales		69,323	-	44,701	-
	Total revenues		<u>282,801,567</u>	<u>100</u>	<u>279,477,274</u>	<u>100</u>
Expenses						
5010	Interest expenses		(7,165,517)	(3)	(5,741,114)	(2)
5030	Underwriting expenses		(1,397)	-	(1,988)	-
5040	Commission expenses	7	(4,474,127)	(2)	(5,064,721)	(2)
5050	Claims payment		(4,294,950)	(2)	(12,625,235)	(5)
5070	Net changes in other insurance liabilities	6(9)	485,833	-	9,413,910	3
5190	Cost of sales	6(7) and 7	(195,195,824)	(68)	(195,695,955)	(70)
5200	Cost of rental revenue		(16,166,068)	(6)	(15,039,053)	(5)
5210	Cost of services		(2,330,340)	(1)	(2,345,501)	(1)
5230	Operating expenses	6(31)(32) and 7				
5231	Selling expenses		(11,182,455)	(4)	(10,819,870)	(4)
5232	General and administrative expenses		(8,214,265)	(3)	(7,740,115)	(3)
5233	Research and development expenses		(260,692)	-	(136,125)	-
5287	Expected credit impairment losses of non-investment	12(2)	(5,566,856)	(1)	(3,446,413)	(1)
5270	Expenses and losses from investment property	6(14)	(36,226)	-	(23,874)	-
5275	Losses on reclassification under the overlay approach	6(2)	(228,391)	-	(465,757)	-
5320	Other expenses		(288,659)	-	(246,799)	-
	Total expenses		<u>(254,919,934)</u>	<u>(90)</u>	<u>(249,978,610)</u>	<u>(90)</u>
6100	Income before income tax from continuing operations		27,881,633	10	29,498,664	10
6200	Income tax expense	6(33)	(3,931,145)	(1)	(3,368,348)	(1)
6500	Profit for the year		\$ 23,950,488	9	\$ 26,130,316	9

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31			
		2024		2023	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income (loss) for the period					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
6617	Gain from investments in equity instruments measured at fair value through other comprehensive income	\$ 1,857,116	1	\$ 2,638,546	1
6625	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method-components of other comprehensive income that will not be reclassified to profit or loss	136,536	-	(50,092)	-
6610	Total components of other comprehensive income that may not be reclassified to profit or loss	1,993,652	1	2,588,454	1
Components of other comprehensive (loss) income that may be reclassified to profit or loss					
6651	Financial statement translation differences of foreign operations	745,129	-	(419,383)	-
6659	Unrealized (loss) gains from investments in debt instruments measured at fair value through other comprehensive income	(12,129)	-	73,422	-
6661	Loss on hedging instrument	(95,510)	-	(204,858)	-
6675	Other comprehensive income reclassified by using overlay approach	228,391	-	465,757	-
6665	Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method components of other comprehensive income that may be reclassified to profit or loss	44,115	-	(18,422)	-
6689	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	11,303	-	35,208	-
	Total components of other comprehensive income that will be reclassified to profit or loss	921,299	-	(68,276)	-
6600	Other comprehensive income for the year-net	<u>\$ 2,914,951</u>	<u>1</u>	<u>\$ 2,520,178</u>	<u>1</u>
6700	Total comprehensive income for the year	<u>\$ 26,865,439</u>	<u>10</u>	<u>\$ 28,650,494</u>	<u>10</u>
Profit attributable to:					
6810	Owners of parent	\$ 20,467,026	8	\$ 22,857,675	8
6820	Non-controlling interests	3,483,462	1	3,272,641	1
		<u>\$ 23,950,488</u>	<u>9</u>	<u>\$ 26,130,316</u>	<u>9</u>
Comprehensive income attributable to:					
6910	Owners of parent	\$ 23,225,455	9	\$ 25,554,527	9
6920	Non-controlling interests	3,639,984	1	3,095,967	1
		<u>\$ 26,865,439</u>	<u>10</u>	<u>\$ 28,650,494</u>	<u>10</u>
Basic earnings per share					
	6(34)	\$	36.74	\$	41.03
Diluted earnings per share					
	6(34)	\$	36.71	\$	41.00

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										Non-controlling interests	Total equity
		Retained earnings			Other equity interest								
		Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gains on financial assets at fair value through other comprehensive income	Other comprehensive income (loss) reclassified by using overlay approach	Gain (loss) on hedging instruments	Total			
For the year ended December 31, 2023													
Balance at January 1, 2023		\$ 2,898,044	\$ 15,553,282	\$ 381,843	\$ 16,165,239	\$ 323,552	\$ 1,699,344	\$ 140,088	\$ 69,083	\$ 41,764,987	\$ 27,807,076	\$ 69,572,063	
Profit for the year		-	-	-	22,857,675	-	-	-	-	22,857,675	3,272,641	26,130,316	
Other comprehensive (loss) income for the year		-	-	-	(26,563)	(349,975)	2,678,663	473,644	(78,917)	2,696,852	(176,674)	2,520,178	
Total comprehensive income (loss)		-	-	-	22,831,112	(349,975)	2,678,663	473,644	(78,917)	25,554,527	3,095,967	28,650,494	
6(27) Appropriation and distribution of retained earnings:													
Cash dividends		-	-	-	(1,092,358)	-	-	-	-	(1,092,358)	(1,872,226)	(2,964,584)	
Stock dividends		109,236	-	-	(109,236)	-	-	-	-	-	-	-	
Changes in ownership interests in subsidiaries		(1,221)	-	-	-	-	-	-	-	(1,221)	586	(635)	
Other changes in capital surplus		549	-	-	-	-	-	-	-	549	-	549	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	5,180,460	5,180,460	
Balance at December 31, 2023		\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 37,794,757	\$ 673,527	\$ 4,378,007	\$ 333,556	\$ 9,834	\$ 66,226,484	\$ 34,211,863	\$ 100,438,347	
For the year ended December 31, 2024													
Balance at January 1, 2024		\$ 2,897,372	\$ 15,553,282	\$ 381,843	\$ 37,794,757	\$ 673,527	\$ 4,378,007	\$ 333,556	\$ 9,834	\$ 66,226,484	\$ 34,211,863	\$ 100,438,347	
Profit for the year		-	-	-	20,467,026	-	-	-	-	20,467,026	3,483,462	23,950,488	
Other comprehensive income (loss) for the year		-	-	-	92,225	590,185	1,889,657	234,283	(47,921)	2,758,429	156,522	2,914,951	
Total comprehensive income (loss)		-	-	-	20,559,251	590,185	1,889,657	234,283	(47,921)	23,225,455	3,639,984	26,865,439	
6(27) Appropriation and distribution of retained earnings:													
Legal reserve		-	2,283,111	-	(2,283,111)	-	-	-	-	-	-	-	
Cash dividends		-	-	-	(11,142,055)	-	-	-	-	(11,142,055)	(2,109,834)	(13,251,889)	
Changes in equity of investment in associates and joint ventures accounted for using equity method		202	-	-	-	-	-	-	-	202	-	202	
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	
Reorganization	6(35)	(26,566)	-	-	-	-	-	-	-	(26,566)	26,566	-	
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	69,600	69,600	
Balance at December 31, 2024		\$ 2,871,305	\$ 17,836,393	\$ 381,843	\$ 44,938,842	\$ 83,342	\$ 6,267,664	\$ 567,839	\$ 57,755	\$ 78,283,817	\$ 35,838,179	\$ 114,121,996	

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

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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 tax		\$ 27,881,633	\$ 29,498,664
Adjustments to reconcile profit (loss) before tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(11)(12)(14)(31)	13,808,858	12,930,496
Amortization	6(31)	158,800	140,939
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)	(1,395,672)	(687,646)
Excepted credit impairment loss and financial guarantee expense		27,759	25,806
Expected gain on reversal of investment		(124)	(228)
Expected credit impairment loss on non-investment		5,566,856	3,446,413
Profit or loss reclassified by applying overlay approach	6(2)	228,391	465,757
Impairment loss (reversal gain) of rental assets	6(11)	80,707	(24,224)
Interest expense		7,165,517	5,741,113
Interest income	6(29)	(23,218,605)	(21,189,475)
Dividend income		(500,956)	(359,695)
Compensation cost of share-based payments		-	908
Share of profit of associates accounted for using the equity method	6(10)	(2,959,587)	(3,441,562)
Net gain on disposal of property, plant and equipment		(709,257)	(186,725)
Gains on disposals of investment property		(255,515)	-
Unrealized profit from sales		82,160	69,323
Realized profit from sales		(69,323)	(44,701)
Loss (gain) on lease modification	6(12)	56	(1,131)
Exchange gain or loss		91,249	(44,080)
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(28,740)	(1,047,182)
Contract assets		38,930	(49,634)
Notes and accounts receivable		(22,750,885)	(56,871,082)
Other receivables		(256,329)	(553,804)
Inventories		4,001,113	2,930,844
Prepayments		474,701	13,325
Reinsurance contract assets		(1,241,697)	(1,954,323)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		(407,727)	245,119
Contract liabilities		(86,339)	(68,572)
Notes and accounts payable		(800,059)	2,846,914
Accrued expenses		145,776	931,750
Other payables		279,792	596,633
Commission payable		26,623	(232,509)
Provisions		1,599,505	1,470,530
Due to reinsurance and ceding companies		(1,197)	753,238
Claims payable		(9,824)	(280,234)
Advance receipts		56,908	(39,493)
Other current liabilities		760,234	(8,734,577)
Other liabilities		(1,221)	1,185
Cash inflow (outflow) generated from operations		7,782,511	(33,701,920)
Interest received		23,201,011	21,189,071
Cash dividends received		3,376,381	1,997,372
Interest paid		(7,078,627)	(5,734,520)
Income tax paid		(2,806,430)	(2,920,907)
Net cash flows from (used in) operating activities		24,474,846	(19,170,904)

HOTAI MOTOR CO., LTD. AND SUBSIDIARIES
CONSOLIDATED 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 investing activities</u>			
(Increase) decrease in financial assets at fair value through other comprehensive income		(\$ 411,660)	\$ 482,695
Acquisition of investments accounted for using the equity method		(638,389)	(1,058,461)
Acquisition of property, plant and equipment	6(11)	(25,882,165)	(25,249,016)
Proceeds from disposal of property, plant and equipment		613,451	1,145,600
Proceeds from disposal of assets held for sale		685,000	1,172,080
Acquisition of investment properties	6(14)	(1,352)	(37,229)
Proceeds from the disposal of investment property		372,883	-
Acquisition of intangible assests	6(15)	(90,676)	(107,530)
Proceeds from disposal of intangible assets		881	-
(Increase) decrease in other financial assets		(1,031,046)	108,878
Decrease (increase) in other assets		3,137,468	(496,234)
Net cash flow from acquisition of subsidiaries		(216,578)	(600,756)
Net cash flows used in investing activities		(23,462,183)	(24,639,973)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	6(35)	32,638,908	(3,594,285)
(Decrease) increase in short-term notes and bills payable	6(35)	(8,614,114)	33,475,876
Proceeds from issuance of bonds	6(35)	-	9,000,000
Proceeds from long-term loans	6(35)	1,455,517	20,835,346
Repayments of long-term loans	6(35)	(19,367,410)	(11,200,062)
Increase in guarantee deposits received	6(35)	1,750,684	1,566,071
Cash dividends paid	6(27)(35)	(11,142,055)	(1,092,358)
Repayment of principal portion of lease liability	6(35)	(540,978)	(625,969)
Cash dividends paid from subsidiaries to non-controlling interests		(2,109,834)	(1,872,226)
Preference share issued by subsidiaries		-	4,800,000
Change in non-controlling interests		69,600	380,460
Net cash flows (used in) from financing activities		(5,859,682)	51,672,853
Net effect of changes in foreign currency exchange rates		672,851	(348,644)
Net (decrease) increase in cash and cash equivalents		(4,174,168)	7,513,332
Cash and cash equivalents at beginning of year		23,142,893	15,629,561
Cash and cash equivalents at end of year		\$ 18,968,725	\$ 23,142,893

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

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 and the reasonableness of the allowances.
4. Examined those significant incurred but not paid cases on a sample basis and assessed the reasonableness of the estimated claims amount.

Other matter – Reference to the reports of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investees, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$ 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)

	Notes	Retained earnings					Other equity			Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Financial statements translation differences of foreign operations	Unrealised gains on financial assets at fair value through other comprehensive income	Gains (loss) on hedging instruments	
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.
Table of Distribution of 2024 Profits

Unit: In NT\$

Item	Subtotal	Total
Unappropriated earnings from previous period		24,369,589,807
Earnings before income tax of current year	21,623,805,814	
Less: income tax	1,156,780,098	
Plus: Net income after tax of current year (EPS after income tax=36.74)		20,467,025,716
Plus: 2024 retained earnings adjustment		92,226,579
Net income after tax for the period and other items other than net income after tax for the period		20,559,252,295
Less: legal reserve (10%)		2,055,925,230
Unappropriated earnings at current period		18,503,327,065
Distributable Item		
Cash dividends (NT\$20.0 per share)		11,142,055,360
Unappropriated earnings at the end of period		31,730,861,512

Chairman:

Huang, Nan-Kuang

Manager:

Su, Chwen- Shing

Chief Accountant:

Ji, Guan-Nian

Hotai Motor Co., Ltd.

Comparison of Current and Amended Ethical Management Operating Procedures and Guidelines

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 1 Purpose of adoption and scope of application	The Company shall engage in business activities following principles of fairness, honesty, faithfulness, and transparency, to fully implement ethical management policies and actively prevent unethical conduct, <u>dedicate to assure product quality, customer's safety and health</u> , these Anti-Corruption Ethical Management Principles of Hotai Motor Co., Ltd. and Anti-Corruption Guide of Japan Toyota Motor Corporation are established pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for Listed Companies for Listed Companies and relevant laws, with a view to providing all Company personnel clear direction for performance of their duties.	The Company shall engage in business activities following principles of fairness, honesty, faithfulness, and transparency, to fully implement ethical management policies and actively prevent unethical conduct, these Anti-Corruption Ethical Management Principles of Hotai Motor Co., Ltd. and Anti-Corruption Guide of Japan Toyota Motor Corporation are established pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for Listed Companies and relevant laws, with a view to providing all Company personnel clear direction for performance of their duties.	1. To comply with the Company's Anti-Corruption Ethical Management Principles, the purpose is to formalize the consensus of the ethical management Workshop of the TOP (headquarters director) of our Company. 2. The "Ethical Management Operating Procedures and Guidelines for TWSE/TPEx Listed Companies" will expand the scope of application to group enterprises, but in response to the different business attributes of each company in the group, and not all group enterprises are listed companies, it is therefore to provide the Hotai version for reference to the group enterprises, and the group enterprises shall formulate their own ethical management principle that suits their company culture.

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 2 Applicable subjects	The term "Company personnel" in these Procedures and Guidelines refers to the directors, managers, employees (including regular and irregular employees, dispatched workers, workers seconded to this company and workers seconded to other companies), and mandataries of the Company ~~or its group enterprises and organizations~~ , and persons having substantial control over such Companies. Section 2 Omitted	The term "Company personnel" in these Procedures and Guidelines refers to the directors, managers, employees (including regular and irregular employees, dispatched workers, workers seconded to this company and workers seconded to other companies), and mandataries of the Company or its group enterprises and organizations, and persons having substantial control over such Companies. Section 2 Omitted	The "Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies" will expand the scope of application to group enterprises, but in response to the different business attributes of each company in the group, and not all group enterprises are listed companies, it is therefore to provide the Hotai version for reference to the group enterprises, and the group enterprises shall formulate their own ethical management principle that suits their company culture.
Article 4 Types of benefits	"Benefits" in these Procedures and Guidelines means any valuable things, including money, endowments, gift, commissions, facilitation fee, positions, rebates, services, preferential treatment, ~~financing, guarantee, dining, voucher, stock, entertainment of watching games, donation, contribution, supply, entertainment fee, gratitude, promotion fee, educational opportunity, medical opportunity, or improper sexual relationship~~ of any type or in any name, and any other item of value in whatever form or name.	"Benefits" in these Procedures and Guidelines means any valuable things, including money, endowments, commissions, facilitation fee, positions, services, preferential treatment, rebates, voucher, stock, financing, guarantee, supply, entertainment of watching games, performances, travel, donation, contribution, sponsorship fee, gratitude, promotion fee, educational opportunity, medical opportunity, or improper sexual relationship of any type or in any name, and any other item of value in whatever form or name.	To comply with the revision of "Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies".

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 5 Responsible unit and <u>and duties</u>	The Company appoints the auditing office responsible in charge of the ~~implementation~~ with respect to these Procedures and Guidelines, the recording and filing of reports, the supervision and the implementation. The audit office responsible for <u>regularly (at least once a year)</u> reporting to the board of directors; legal affairs office responsible for the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines; and <u>mainly responsible for the below matters:</u> (1) <u>Incorporate business ethics and moral values into the Company's operational strategies and adopt relevant preventive measures according to applicable laws and regulations;</u> (2) <u>Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.</u> (3) <u>Design the internal organization, system, and management, having a mutual accountability mechanism for business activities that are more susceptible to unethical behaviors;</u> (4) <u>Promote and coordinate ethical policy education and training;</u>	The Company appoints the auditing office responsible in charge of the implementation with respect to these Procedures and Guidelines, the recording and filing of reports, the supervision and the implementation. The audit office responsible for reporting to the board of directors; legal affairs office responsible for the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines,	1. To comply with the revision of Article 16 of the Company's "Anti-Corruption Ethical Management Principles" and "Ethical Management Operating Procedures and Guidelines for TWSE/TPEx Listed Companies". 2. Legal affairs office is not affiliated with Board of Directors, therefore tasks such as filing of reports and reporting to the Board of Directors will be executed by the auditing office. The legal affairs office is in charge of the other tasks.

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
	(5) <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u> (6) <u>Support the Board and management in reviewing and evaluating whether the preventive measures established for implementing ethical business management is effective, regularly conduct an evaluation on the compliance of relevant operating procedures and prepare a report accordingly.</u> (7) <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u>		
Article 11 Recusal	Section 1 Omitted Section 2 (Newly added) <u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u> Section 3 Omitted Section 4 Omitted	Section 1 Omitted Section 2 Omitted Section 3 Omitted	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.
Article 13 Prohibition against unfair competitive practice.	The company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce, and shall not engage in unfair competition.	The company shall engage in business activities in accordance with the Fair Trade Act and relevant competition laws and shall not engage in unfair competition.	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 14 Prevention of damage caused by products and services to stakeholders	Section 1 Omitted Section 2 Omitted Section 3 Omitted Section 4 (Newly added) <u>The auditing office of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</u>	Section 1 Omitted Section 2 Omitted Section 3 Omitted	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.
Article 15 <u>Prohibition against insider trading and non-disclosure</u> agreement	Omitted	Omitted	To comply with the title revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”, and no revision to other content of articles.
Article 16 Announcement of policy of ethical management	Section 1 (Newly added) <u>The Company directors and senior management shall issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u> Section 2 Omitted	Section 1 The Company shall disclose its ethical management policies in its internal rules, annual reports, on its websites, and in other promotional materials, and shall make timely announcements of said parties during events held for outside parties such as product launches and investor press conferences, so as to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.	To comply with the revision of Article 7 of the Company’s “Anti-Corruption Ethnical Management Principles”.

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 20 Stipulation of terms of ethical management in contracts	Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Company part of the terms and conditions of the contract, ~~which may~~ <u>stipulateing at the least</u> the following matters: (1) When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. Should there be resultant damage to either party, the damaged party may claim damages from the other party, and may also deduct the full amount of damages from the contract amount payable. (2) Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.	Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Company part of the terms and conditions of the contract, which may stipulate the following matters: (1) When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. Should there be resultant damage to either party, the damaged party may claim damages from the other party, and may also deduct the full amount of damages from the contract amount payable.	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
	(3) III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.	(2) Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time. (3) III. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.	
Article 21 Handling of unethical conduct by personnel of the Company	Section 1 As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant monetary rewards depending on the seriousness of the circumstance concerned. Insiders making false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. Section 2 Omitted Section 3 A whistleblower may use whistleblowing case table to record the items below and submit it to the Company, if the whistleblower does not provide the below information, the whistleblowing case will be rejected: (1) The whistleblower's name and I.D. number <u>(whistleblowing reports may be submitted anonymously)</u>, and an address, telephone number and e-mail address where it can be reached.	Section 1 As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant monetary rewards depending on the seriousness of the circumstance concerned. Insiders making false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. Section 2 Omitted Section 3 A whistleblower may use whistleblowing case table to record the items below and submit it to the Company, if the whistleblower does not provide the below information, the whistleblowing case will be rejected: (1) The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.	To comply with the revision of Article 22 of the Company's "Anti-Corruption Ethnical Management Principles" and "Ethical Management Operating Procedures and Guidelines for TWSE/TPEx Listed Companies".

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
	(2) The informed party's name or other information sufficient to distinguish its identifying features. (3) Specific facts available for investigation. Section 4 Omitted Section 5 The auditing office of the Company should handle it in accordance with the procedure below: (1) An information shall be reported to the department head if involving the rank and file and to an independent director if involving a senior management executive above a director or a manager. (2) The audit office of the Company and the department head or personnel being reported to in the preceding paragraph shall immediately verify the facts and, where necessary, with the assistance of the legal affair office or other related department after masking personal data of the whistleblower. (3) Where the case is verified to lack evidences of violating applicable laws and regulations or the Company's ethical management policy and rules, the case will be closed for filing. (4) If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, the Company shall immediately require the violator to cease	(2) The informed party's name or other information sufficient to distinguish its identifying features. (3) Specific facts available for investigation. Section 4 Omitted Section 5 The auditing office of the Company should handle it in accordance with the procedure below: (1) An information shall be reported to the department head if involving the rank and file and to an independent director if involving a senior executive above a director or a manager. (2) The audit office of the Company and the department head or personnel being reported to in the preceding paragraph shall immediately verify the facts and, where necessary, with the assistance of the legal affair office or other related department after masking personal data of the whistleblower. (3) Where the case is verified to lack evidences of violating applicable laws and regulations or the Company's ethical management policy and rules, the case will be closed for filing. (4) If a person being informed of is confirmed to have indeed violated	

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
	the conduct and shall make an appropriate disposition. When necessary, the Company will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. (5) Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation. (6) With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. (7) The auditing office of the Company shall report the event, actions taken, and subsequent reviews and corrective measures taken to the board of directors.	the applicable laws and regulations or this Corporation's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will seek damages to safeguard its reputation and its rights and interests. (5) Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation. (6) With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. (7) The auditing office of the Company shall report the event, actions taken, and subsequent reviews and corrective measures taken to the board of directors.	

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 22 Case subject to non-handling	<u>Deleted.</u>	The Company may, under any of the following circumstances, cease handling the case but shall record the case for examination: (1) Where the case lacks material contents or has no name and no contact manner or the content, the name or the contact manner is fake, anonymous or false. (2) Where a whistleblower repeatedly submits a report on a case that has been handled properly and a definite reply has been given, the case will not be accepted, but this shall not apply to that the whistleblower can supply new evidence proving that the case requires to be reinvestigated. (3) Where a whistleblower submits a report on a case that is currently under investigation and handled by the Company or by other institutions or has been reported by a third party, the case will not be accepted, but this shall not apply to that other whistleblowers can supply vital evidence beneficial more to the investigation.	Deleted to comply with revised Article 22 of the Company's "Anti-Corruption Ethnical Management Principles" and "Ethical Management Operating Procedures and Guidelines for TWSE/TPEx Listed Companies".

Article	Amended Provisions	Current Provisions (January 2018)	Commentary
Article 2423 Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures	Section 1 <u>The legal affair office shall regularly organize internal awareness sessions once a month and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.</u> ~~The Company shall organize or encourage personnel of the Company to attend internal and external trainings regarding ethical managements, to convey the importance of ethics principle.~~ Section 2 Omitted Section 3 Omitted Section 4 Omitted	Section 1 The Company shall organize or encourage personnel of the Company to attend internal and external trainings regarding ethical managements, to convey the importance of ethics principle. Section 2 Omitted Section 3 Omitted Section 4 Omitted	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.
Article 2524 Enforcement	The procedures and guidelines of the Company shall be implemented after the ~~chairman~~ board of directors grants the approval, and sends to audit committee and reports to the shareholders’ committee. The same procedure shall be followed when the procedures and guidelines have been amended. When the Company submits its Operating Procedures and Guidelines to the board of directors for discussion, the board of directors shall take into full consideration each independent director’s opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	The procedures and guidelines of the Company shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the procedures and guidelines have been amended.	To comply with the revision of “Ethical Management Operating Procedures and Guidelines for TWSE/TPEX Listed Companies”.

Hotai Motor Co., Ltd.
Comparison of Current and Amended Articles of Incorporation

Article	Amended Provisions	Current Provisions (May 30, 2024)	Commentary
Article 34	To the extent that the Company has generated annual profits, 1% of which shall be set aside for employee remuneration and no more than 2% for directors' remuneration; provided, however, independent directors are not eligible to participate in the profit distribution of the Company. provided, however, independent directors are not eligible to participate in the profit distribution of the Company.	To the extent that the Company has generated annual profits, 1% of which shall be set aside for employee remuneration and no more than 2% for directors' remuneration; provided, however, independent directors are not eligible to participate in the profit distribution of the Company. provided, however, independent directors are not eligible to participate in the profit distribution of the Company.	To comply with the amended article for paragraph 6, article 14 of Securities Exchange Act.
	<u>No less than 20% of the employee remuneration amount mentioned in the preceding paragraph shall be allocated for distribution to entry-level employees.</u> Employee remuneration may be paid in the form of stocks or cash and shall be approved by over half of the directors present at the Board meeting attended by at least two-thirds of the directors, and shall be reported at the shareholders' meeting. Employee remuneration may be paid in the form of stocks or cash and shall be approved by over half of the directors present at a Board meeting attended by at least two-thirds of the director; in addition thereto, such distribution shall be reported at the shareholders' meeting.	Employee remuneration may be paid in the form of stocks or cash and shall be approved by over half of the directors present at the Board meeting attended by at least two-thirds of the directors, and shall be reported at the shareholders' meeting. Employee remuneration may be paid in the form of stocks or cash and shall be approved by over half of the directors present at a Board meeting attended by at least two-thirds of the director; in addition thereto, such distribution shall be reported at the shareholders' meeting.	

Article	Amended Provisions	Current Provisions (May 30, 2024)	Commentary
Article 38	These Articles of Incorporation are agreed to and signed... thirty-ninth Amendment on May 30, 2024, and fortieth Amendment on June 13, 2025.	These Articles of Incorporation are agreed to and signed ... thirty-ninth Amendment on May 30, 2024.	Added the date of amendment.

**Hotai Motor Co., Ltd. Comparison of Current and Amended Procedures for
Engaging in Derivative Products Transaction**

Article	Amended Provisions	Current Provisions (June 20, 2019)	Commentary																														
Article 2	Principles and Directions of Transaction Preceding paragraph (omitted) III. Separation of Powers and Obligations (I) Financial Division 4.Approval authority of financial derivatives (1) Approval Authorization Quantum for the Forward Foreign Exchange hedging	Principles and Directions of Transaction Preceding paragraph (omitted) III. Separation of Powers and Obligations (I) Financial Division 4.Approval authority of financial derivatives (1) Approval Authorization Quantum for the Forward Foreign Exchange hedging	n response to business needs, the Company proposes to amend the approval authority for hedging forward foreign exchange transactions																														
	<table><tr><td>Authorized Person</td><td>Authorized Quantum Per Order</td><td>Authorized Quantum for Net Accumulated Position</td></tr><tr><td>Chief of Headquarters for Financial Department Affiliated with Headquarters</td><td>~~Not More Than US\$15,000,000~~ <u>Not More Than US\$25,000,000</u></td><td>~~Not More Than US\$35,000,000~~ <u>Not More Than US\$450,000,000</u></td></tr><tr><td>President</td><td>~~More Than US\$15,000,000, But Not More Than US\$25,000,000~~ <u>More Than US\$25,000,000, But Not More Than US\$35,000,000</u></td><td>~~More Than US\$35,000,000, But Not More Than US\$450,000,000~~ <u>More Than US\$450,000,000, But Not More Than US\$550,000,000</u></td></tr><tr><td>Chairman</td><td>~~More Than US\$25,000,000, But Not More Than US\$35,000,000~~ <u>More Than US\$35,000,000, But Not More Than US\$45,000,000</u></td><td>~~More Than US\$450,000,000, But Not More Than US\$500,000,000~~ <u>More Than US\$550,000,000, But Not More Than US\$650,000,000</u></td></tr><tr><td>Board of Directors</td><td>~~More Than US\$35,000,000~~ <u>More Than US\$45,000,000</u></td><td>~~More Than US\$500,000,000~~ <u>More Than US\$650,000,000</u></td></tr></table>	Authorized Person		Authorized Quantum Per Order	Authorized Quantum for Net Accumulated Position	Chief of Headquarters for Financial Department Affiliated with Headquarters	~~Not More Than US\$15,000,000~~ <u>Not More Than US\$25,000,000</u>	~~Not More Than US\$35,000,000~~ <u>Not More Than US\$450,000,000</u>	President	~~More Than US\$15,000,000, But Not More Than US\$25,000,000~~ <u>More Than US\$25,000,000, But Not More Than US\$35,000,000</u>	~~More Than US\$35,000,000, But Not More Than US\$450,000,000~~ <u>More Than US\$450,000,000, But Not More Than US\$550,000,000</u>	Chairman	~~More Than US\$25,000,000, But Not More Than US\$35,000,000~~ <u>More Than US\$35,000,000, But Not More Than US\$45,000,000</u>	~~More Than US\$450,000,000, But Not More Than US\$500,000,000~~ <u>More Than US\$550,000,000, But Not More Than US\$650,000,000</u>	Board of Directors	~~More Than US\$35,000,000~~ <u>More Than US\$45,000,000</u>	~~More Than US\$500,000,000~~ <u>More Than US\$650,000,000</u>	<table><tr><td>Authorized Person</td><td>Approval Authorized Quantum Per Order</td><td>Approval Authorized Quantum for Net Accumulated Position</td></tr><tr><td>Chief of Headquarters for Financial Department Affiliated with Headquarters</td><td>Not More Than US\$15,000,000</td><td>Not More Than US\$350,000,000</td></tr><tr><td>President</td><td>More Than US\$15,000,000, But Not More Than US\$25,000,000</td><td>More Than US\$350,000,000, But Not More Than US\$450,000,000</td></tr><tr><td>Chairman</td><td>More Than US\$25,000,000, But Not More Than US\$35,000,000</td><td>More Than US\$450,000,000, But Not More Than US\$500,000,000</td></tr><tr><td>Board of Directors</td><td>More Than US\$35,000,000</td><td>More Than US\$500,000,000</td></tr></table>	Authorized Person	Approval Authorized Quantum Per Order	Approval Authorized Quantum for Net Accumulated Position	Chief of Headquarters for Financial Department Affiliated with Headquarters	Not More Than US\$15,000,000	Not More Than US\$350,000,000	President	More Than US\$15,000,000, But Not More Than US\$25,000,000	More Than US\$350,000,000, But Not More Than US\$450,000,000	Chairman	More Than US\$25,000,000, But Not More Than US\$35,000,000	More Than US\$450,000,000, But Not More Than US\$500,000,000	Board of Directors	More Than US\$35,000,000	More Than US\$500,000,000
	Authorized Person	Authorized Quantum Per Order		Authorized Quantum for Net Accumulated Position																													
	Chief of Headquarters for Financial Department Affiliated with Headquarters	~~Not More Than US\$15,000,000~~ <u>Not More Than US\$25,000,000</u>		~~Not More Than US\$35,000,000~~ <u>Not More Than US\$450,000,000</u>																													
	President	~~More Than US\$15,000,000, But Not More Than US\$25,000,000~~ <u>More Than US\$25,000,000, But Not More Than US\$35,000,000</u>		~~More Than US\$35,000,000, But Not More Than US\$450,000,000~~ <u>More Than US\$450,000,000, But Not More Than US\$550,000,000</u>																													
	Chairman	~~More Than US\$25,000,000, But Not More Than US\$35,000,000~~ <u>More Than US\$35,000,000, But Not More Than US\$45,000,000</u>		~~More Than US\$450,000,000, But Not More Than US\$500,000,000~~ <u>More Than US\$550,000,000, But Not More Than US\$650,000,000</u>																													
	Board of Directors	~~More Than US\$35,000,000~~ <u>More Than US\$45,000,000</u>		~~More Than US\$500,000,000~~ <u>More Than US\$650,000,000</u>																													
	Authorized Person	Approval Authorized Quantum Per Order		Approval Authorized Quantum for Net Accumulated Position																													
	Chief of Headquarters for Financial Department Affiliated with Headquarters	Not More Than US\$15,000,000		Not More Than US\$350,000,000																													
	President	More Than US\$15,000,000, But Not More Than US\$25,000,000		More Than US\$350,000,000, But Not More Than US\$450,000,000																													
Chairman	More Than US\$25,000,000, But Not More Than US\$35,000,000	More Than US\$450,000,000, But Not More Than US\$500,000,000																															
Board of Directors	More Than US\$35,000,000	More Than US\$500,000,000																															
(2)~(5) omitted.																																	
(2)~(5) omitted.																																	

List of Director Candidates

Serial Number	The name of the juristic person Director Candidates	Education	Number of Shares (shares) Legal Person/Individual
1	Chun Yung Investment Co., Ltd., Huang, Nan-Kuang	Department of Chemistry, Fu Jen Catholic University	177,480 0
		Main Experience	
		Chairman, Hozan Investment Co., Ltd. Chairman, Kuotu Motor Co., Ltd. Chairman, Hotong Motor Investment Co., Ltd. Chairman, Hotai Motor Co., Ltd.	
		Main Current Position	
		Chairman, Hotai Motor Co., Ltd. Chairman, Kuotu Motor Co., Ltd. Chairman, Hotong Motor Investment Co., Ltd. Vice Chairman, YOKOHAMA TIRE TAIWAN CO., LTD. Managing Director, Hoyu Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Director, Kuozui Motors, Ltd. Director, Chang Yuan Motor Co., Ltd.	Director, Taipei Toyota Motor Co., Ltd. Director, Nan Du Motor Co., Ltd. Director, Kau Du Automobile Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd Director, Denso Taiwan Corp. Supervisor, Carmax Co., Ltd. Director, Hoyu Educational Foundation
2	Chun Yung Investment Co., Ltd., Lin Li-Hua.	Education	Number of Shares (shares) Legal Person/Individual
		Department of Money and Banking, Chengchi University	177,480 85,414
		Main Experience	
		Chairman, Hoyu Investment Co., Ltd. Managing Director, Hotai Motor Co., Ltd. Director, Chung Kuo Insurance Company, Limited Supervisor, Ho Tai Development Co., Ltd. Supervisor, Kuozui Motors, Ltd.	
		Main Current Position	
		Chairman, Hoyu Investment Co., Ltd. Chairman, Hoyu Educational Foundation Director, Hotai Motor Co., Ltd. Director, Wei-Chuan Cultural-Education Foundation Director, Bluesky Environment Foundation	

3	Chun Yung Investment Co., Ltd., Huang Chih-Cheng	Education	Number of Shares (shares) Legal Person/Individual
		School of Management, University of California MBA,	177,480 123,588
		Main Experience	
		Chairman, Taiwan Toyota Industrial Mechanical Co., Ltd. Chairman, Formosa Flexible Package Corp. Chairman, Shanghai Hotai Toyota Forklift Co., Ltd. Chairman, TECH INFORMATION CO., LTD. Managing Director, Hotai Motor Co., Ltd.	
		Main Current Position	
		Chairman, Toyota Material Handling Taiwan Ltd. Chairman, Formosa Flexible Package Corp. Director, Shanghai Ho Tai Toyota Forklifts, Ltd. Chairman, TECH INFORMATION CO., LTD. Managing Director, Hoyu Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Kuozui Motors, Ltd. Director, Ho Tai Development Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Hotong Motor Investment Co., Ltd.	Director, Linyi Hoyu Toyota Motor Sales and Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Nanjing Hozhan Motor Sales & Service Co., Ltd. Director, Shanghai Fengyi Construction Decoration Co., Ltd Director, Qingdao Heling Lexus Automobile Sale Service Co., Ltd Supervisor, Kuotu Motors, Ltd. Director, Hoyu Educational Foundation
4	Chun Yung Investment Co., Ltd, Huang Wen-Jui	Education	Number of Shares (shares) Legal Person/Individual
		Master's in Business Intelligence, Tokyo University of Information Sciences	177,480 951,655
		Main Experience	
		Chairman, Chun Yung Investment Co., Ltd. Chairman, Zhong Yi Investment Co., Ltd. Chairman, CHUN CHING CORP.	
		Main Current Position	
		Chairman, CHUN CHING CORP. Chairman, Chun Yung Investment Co., Ltd. Chairman, Zhong Yi Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, SHANGHAI HO-YU (BVI) INVESTMENT CO., LTD.	Director, TIEN JIN HO YU INVESTMENT CO., LTD. Director, HOYUN INTERNATIONAL LIMITED Director, Formosa Flexible Package Corp. Director, eTreego Co., Ltd.

5	Li Gang Enterprise Co., Ltd. Su, Chwen-Shing	Education	Number of Shares (shares) Legal Person/Individual
		MBA, Massachusetts Institute of Technology	41,380,740 0
		Main Experience	
		Chairman, Carmax Co., Ltd. Chairman, EASTERN MOTOR CO., Ltd Chairman, Hotai Connected Co., Ltd. Vice Director, Ltd. Kuozui Motors, Ltd. Managing Director, Hotai Motor Co., Ltd. Supervisor, YOKOHAMA TIRE TAIWAN CO., LTD.	
		Main Current Position	
		Chairman, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Chairman, EASTERN MOTOR CO., Ltd Chairman, Hotai Connected Co., Ltd. Vice Director, Ltd. Kuozui Motors, Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Tau Miao Motor Co., Ltd. Director, Central Motor Co., Ltd Director, Hoyu Educational Foundation Director, Hotai Finance Co., Ltd.	Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd Director, Hotong Motor Investment Co., Ltd. Director, Hoyun International Financing Leasing Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Supervisor, Denso Taiwan Corp. Supervisor, Chia Chun Investment Co., Ltd.
6	Li Gang Enterprise Co., Ltd. Su, Jean	Education	Number of Shares (shares) Legal Person/Individual
		Master's in finance, University of Southern California	41,380,740 0
		Main Experience	
		Chairman, Cheng Sun Trading Co., Ltd. Chairman, Jin Yuan Shan Investment Co., Ltd.	
		Main Current Position	
		Chairman, Cheng Sun Trading Co., Ltd. Chairman, Jin Yuan Shan Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Director, Hoyu Investment Co., Ltd.	Director, Shi-Ho Screw Industrial Co., Ltd. Director, Formosa Flexible Package Corp.
7	Toyota Motor Corporation Kazuo Naganuma	Education	Number of Shares (shares) Legal Person/Individual
		School of Commerce, Japan Waseda University	45,294,234 0
		Main Experience	
		Chairman, Kuozui Motors, Ltd.	

		Main Current Position	
		Chairman, Kuozui Motors, Ltd. Director, Hotai Motor Co., Ltd. Director, Carmax Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Supervisor, Hotai Leasing Co., Ltd. Supervisor, Hoing Mobility Service Co., Ltd.	
8	Yong Hui Development Co., Ltd. Su, Yi-Chung	Education	Number of Shares (shares) Legal Person/Individual
		MBA, St. Mary's University	10,200 0
		Main Experience	
		Chairman, Ho Tai Development Co., Ltd. Chairman, Hoan Insurance Agency Co., Ltd. Chairman, He Quan Insurance Agency Co., Ltd. Managing Director, Hotai Motor Co., Ltd.	
		Main Current Position	
		Director, Hotai Motor Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Director, He Quan Insurance Agency Co., Ltd.	
9	Yong Hui Development Co., Ltd. Soo, Leon	Education	Number of Shares (shares) Legal Person/Individual
		The Wharton School of the University of Pennsylvania	10,200 0
		Main Experience	
		Chairman, Jin Ji Investment Co., Ltd. Vice Chairman, Hoyu Investment Co., Ltd. Vice Chairman, Hotong Motor Investment Co., Ltd. Director, Hoyun International Leasing Co., Ltd.	
		Main Current Position	
		Chairman, Jin Ji Investment Co., Ltd. Vice Chairman, Hoyu Investment Co., Ltd. Vice Chairman, Hotong Motor Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Kuozui Motors, Ltd. Director, Hotai Finance Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Yong Hui Development Co., Ltd. Director, Hoyu Educational Foundation	

10	Gui Long Investment Co., Ltd. Chang, Shih-Yieng	Education	Number of Shares (shares) Legal Person/Individual
		School of Economics, Konan University	5,228,520 0
		Main Experience	
		Director, Hotai Motor Co., Ltd.	
		Main Current Position	
		Managing Director, Hoyu Investment Co., Ltd. Director, Hotai Motor Co., Ltd. Director, Hoing Mobility Service Co., Ltd Director, Hoyu Educational Foundation	
11	Yuan Tuo Investment Co., Ltd. Ko, Junn-Yuan	Education	Number of Shares (shares) Legal Person/Individual
		National Changhua University of Education The Affiliated Industrial Vocational High School	14,984,744 65,000
		Main Experience	
		Chairman, Chang Yuan Motor Co., Ltd. Chairman, Hotai Auto body Manufacturing Co., Ltd. Chairman, Yuan Tuo Investment Co., Ltd. Chairman, SUN UNION TRADING CO., LTD.	
		Main Current Position	
		Chairman, Chang Yuan Motor Co., Ltd. Chairman, Yuan Tuo Investment Co., Ltd. Chairman, SUN UNION TRADING CO., LTD. Managing Director, Hoyu Investment Co., Ltd. Director, Hoyu Educational Foundation Director, KITAHARA INDUSTRIAL CO., LTD. Director, Lang Yang Toyota Motor Co., Ltd. Supervisor, YONG CHI TRADING CO., LTD.	

List of Independent Director Candidates

Serial Number	Independent Director Candidates	Education	Experience	Current Position	Number of Shares (shares)
1	Su, Chin-Huo	Master's in Industrial Systems Engineering and Management, Asian Institute of Technology Wu, Shih-Hao	• President, Corporate Synergy Development Center • Senior Specialist, Section Chief, and Vice Division Chief, Industrial Development Bureau, MOEA • Visiting Professor, Chung Yuan Christian University	• Hotai Motor Co., Ltd.: Independent Director Committee Member, Remuneration Committee Member, Audit Committee Member, Sustainable Development Committee Member, Human Resource Development Committee	0
2	Tian, Tian-Ming	Master's in International Business, National Cheng Chi University	• Hotai Finance Co., Ltd. Chairman • Chairman, Hoyun Leasing Co., Ltd.	NA	0
3	Xiao Jin-Quan	Business Administration Section, Department of Business Administration, Chung Hsing University	• President, Kau Du Automobile Co, Ltd • Vice president, Kuo Du Motor Co, Ltd • Executive vice president, Hotai Leasing Co., Ltd.	NA	0

Note: Mr. Su, Chin-Huo has professional insights to present situation and future development of automotive industry, and he has positive and proactive aspects toward the direction of company development and operation of Board of Directors. In response to recent fast-changing industrial structure, the Company has nominated him as independent director candidates.

Details of the Release of Director's Non-Compete Restrictions

Director Candidates	Current Positions at Other Companies Director
Chun Yung Investment Co., Ltd. Huang, Nan-Kuang	Chairman, Kuotu Motor Co., Ltd. Chairman, Hotong Motor Investment Co., Ltd. Vice Chairman, YOKOHAMA TIRE TAIWAN CO., LTD. Managing Director, Hoyu Investment Co., Ltd. Director, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Director, Kuozui Motors, Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Taipei Toyota Motor Co., Ltd. Director, Nan Du Motor Co., Ltd. Director, Kau Du Automobile Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd Supervisor, Carmax Co., Ltd. Director, Denso Taiwan Corp.
Chun Yung Investment Co., Ltd. Lin, Li-Hua	Chairman, Hoyu Investment Co., Ltd.
Chun Yung Investment Co., Ltd. Huang, Chih-Cheng	Chairman, TECH INFORMATION CO., LTD. Chairman, Toyota Material Handling Taiwan Ltd. Chairman, Formosa Flexible Package Corp. Director, Shanghai Ho Tai Toyota Forklifts, Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Kuozui Motors, Ltd. Director, Ho Tai Development Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Linyi Hoyu Toyota Motor Sales and Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Nanjing Hozhan Motor Sales & Service Co., Ltd. Director, Shanghai Fengyi Construction Decoration Co., Ltd Director, Qingdao Heling Lexus Automobile Sale Service Co., Ltd Supervisor, Kuotu Motors, Ltd.

Director Candidates	Current Positions at Other Companies Director
Chun Yung Investment Co., Ltd. Huang, Wen-Jui	Chairman, Chun Yung Investment Co., Ltd. Chairman, Zhong Yi Investment Co., Ltd. Chairman, CHUN CHING CORP. Director, SHANGHAI HO-YU (BVI) INVESTMENT CO., LTD. Director, TIEN JIN HO YU INVESTMENT CO., LTD. Director, HOYUN INTERNATIONAL LIMITED Director, Formosa Flexible Package Corp. Director, eTreego Co., Ltd.
Li Gang Enterprise Co., Ltd. Su, Chwen-Shing	Chairman, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Chairman. Carmax Co., Ltd. Chairman, EASTERN MOTOR CO., Ltd Chairman, Hotai Connected Co., Ltd. Vice Director, Ltd. Kuozui Motors, Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Tau Miao Motor Co., Ltd. Director, Central Motor Co., Ltd Director, Hotai Finance Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Hoing Mobility Service Co., Ltd Director, Hotong Motor Investment Co., Ltd. Director, Hoyun International Financing Leasing Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Supervisor, Denso Taiwan Corp. Supervisor, Chia Chun Investment Co., Ltd.
Li Gang Enterprise Co., Ltd. Su, Jean	Chairman, Cheng Sun Trading Co., Ltd. Chairman, Jin Yuan Shan Investment Co., Ltd. Director, Hoyu Investment Co., Ltd. Director, Shi-Ho Screw Industrial Co., Ltd. Director, Formosa Flexible Package Corp. Director, Li Gang Enterprise Co., Ltd.

Director Candidates	Current Positions at Other Companies Director
Yong Hui Development Co., Ltd. Su, Yi-Chung	Director, Ho Tai Development Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Director, He Quan Insurance Agency Co., Ltd.
Yong Hui Development Co., Ltd. Soo, Leon	Chairman, Jin Ji Investment Co., Ltd. Vice Chairman, Hoyu Investment Co., Ltd. Vice Chairman, Hotong Motor Investment Co., Ltd. Director, Hotai Finance Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Kuozui Motors, Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Cheng Sun Trading Co., Ltd. Director, Yong Hui Development Co., Ltd.
Yuan Tuo Investment Co., Ltd. Ko, Junn-Yuan	Chairman, Chang Yuan Motor Co., Ltd. Director, Lang Yang Toyota Motor Co., Ltd. Managing Director, Hoyu Investment Co., Ltd. Chairman, Yuan Tuo Investment Co., Ltd. Chairman, SUN UNION TRADING CO., LTD. Director, KITAHARA INDUSTRIAL CO., LTD. Supervisor, YONG CHI TRADING CO., LTD.
Gui Long Investment Co., Ltd. Chang, Shih-Yieng	Managing Director, Hoyu Investment Co., Ltd. Director, He Yun Mobile Service co., ltd.
Toyota Motor Corporation Kazuo Naganuma	Chairman, Kuozui Motors, Ltd. Director, Carmax Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Supervisor, Hotai Leasing Co., Ltd. Supervisor, Hoing Mobility Service Co., Ltd.

*Release after elected in the shareholders' meeting of the Company.

X. Exhibits

Exhibit 1

Hotai Motor Co., Ltd. Articles of Incorporation

2024.5.30

Section I General Provisions

Article 1

The Company shall be incorporated, as a company limited by shares, under Company Act of the Republic of China, and its name is Hotai Motor Company Limited.

Article 2

The scope of business of the Company shall be as follows:

1. CC01070 Telecommunication Equipment and Apparatus Manufacturing.
2. CC01100 Telecommunications Radio-Frequency Devices and Materials Manufacturing.
3. CD01030 Motor Vehicles and Parts Manufacturing.
4. CD01990 Other Transport Equipment and Parts Manufacturing.
5. CE01010 General Instrument Manufacturing.
6. F108031 Wholesale of Medical Devices.
7. F113020 Wholesale of Household Appliance.
8. F113070 Wholesale of Telecommunication Apparatus.
9. F114010 Wholesale of Automobiles.
10. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
11. F114050 Wholesale of Tires.
12. F114990 Wholesale of Other Traffic Means of Transport and Component Parts Thereof.
13. F208031 Retail Sale of Medical Apparatus.
14. F213010 Retail Sale of Household Appliance.
15. F213060 Retail Sale of Telecommunication Apparatus.
16. F214010 Retail Sale of Motor Vehicles.
17. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
18. F214050 Retail Sale of Tires.
19. F214990 Retail Sale of Other Transport Equipment and Parts.
20. F401010 International Trade.
21. G801010 Warehousing.

- 22. JA01010 Automobile Repair.
- 23. JA01040 Liquefied Petroleum Gas Automobile Refitting.
- 24. JA01990 Other Automobile Services.
- 25. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3

The Company may provide endorsement and guarantee and act as a guarantor.

Article 4

The Company shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act if the Company is a shareholder with limited liability of another company.

Article 5

The Company has its head office in Taipei City, Taiwan, Republic of China, and shall be free, upon approval of Board of Director to set up, terminate or change representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Company deems it necessary or advisable to carry out any or all its activities.

Article 6

Public announcements of the Company shall be made in accordance with Article 28 of Company Act of the Republic of China.

Section II Capital Stock

Article 7

The total capital stock of the Company shall be in the amount of 6,000,000,000 New Taiwan Dollars, divided into 600,000,000 shares, at ten New Taiwan Dollars each, and may be issued in installments under approval of Board of Directors.

Article 8

The Company could ask for Large Denomination Securities if it is necessary to send the stocks to Taiwan Depository and Clearing Corporation.

Article 9

The share certificates of the Company shall be name-bearing and numbered share certificates signed by or sealed with the chop by the director representing the Company, and issued by a bank legally competent to serve as the attester for the issuance of share certificates in accordance with Company Act and relevant regulations of the Republic of China. The Company may issue shares without printing share certificate, but should ask for logging in from Taiwan Depository and Clearing Corporation.

Article 10

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Article 11

The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Article 12

The Company could charge handling fee whilst a stock certificate needs replacement because it is lost or because of other reasons.

Section III Shareholders' Meeting

Article 13

Shareholders' meetings of the Company are of two types, regular meeting and special meeting. Regular meeting is held once every year and shall be convened within six months after the close of each fiscal year. Special meeting shall be convened as necessary.

The meeting shall be convened by Board of Directors unless otherwise provided in Company Act of the Republic of China.

The Company's shareholders' meeting can be held by means of video conference or other methods promulgated by the central competent authority.

Article 14

Each share of stock shall be entitled to one vote.

Article 15

Except as otherwise provided in Company Act of the Republic of China, the chairman of shareholders' meeting should follow Article 23 of these Articles of Incorporation.

Article 16

If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a representative by a power of attorney form issued by the Company to attend it, and to exercise, on his/her behalf, under his/her permission for all rights specified in the form at the meeting, in accordance with Article 177 of Company Act of the Republic of China. The way to use proxies shall follow Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies unless there are other regulation by Company Act of the Republic of China.

Article 17

Except as otherwise provided in Company Act of the Republic of China, resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting, and shareholders' meetings may be held if attended by shareholders representing more than one half of the total issued and outstanding capital stock of the Company.

Article 18

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall record the date, place, chairman's name, the way of resolutions, meeting process and result of shareholders' meeting. Such minutes shall be signed by or sealed with the chop of the chairman of the meeting and delivered to all shareholders within 20 days and kept during the continuance of existence of the Company.

The delivery of such minutes could be a public announcement.

The minutes shall be kept permanently during the continuance of existence of the Company.

The attendance list and proxies of the meetings shall be filed and kept for at least a year, but if a shareholder raise a suit in accordance with Article 189 of Company Act of the Republic of China, the attendance list and proxies of the meetings shall be filed and kept until the suit is over.

Section IV Directors and Board of Directors

Article 19

The Company shall have thirteen to fifteen directors. The aforesaid Board of Directors shall have three independent directors, and ten to twelve non-independent directors. Directors shall be elected by adopting candidates nomination system as specified in Company Act of the Republic of China. The term of office for Directors shall be three years, and all Directors shall be eligible for re-election.

The election of independent directors and non-independent directors shall be held together; however, the number of independent directors and non-independent directors elected shall be calculated separately. The ones with more votes are the ones being independent or non-independent directors.

Article 20

The directors shall elect from among themselves a Chairman of Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Company shall elect a Vice Chairman through the same way if necessary. The Company shall elect a Vice Chairman through the same way if necessary.

Article 21

The Chairman of Board of Directors shall have the authority to represent the Company and execute all Company management in compliance with the relevant regulations, Articles of Incorporation, Resolutions of shareholders' meeting and Board of Directors.

Article 22

In the case that vacancies on Board of Directors exceed, for any reason, one third of the total number of the Directors, then Board of Directors shall convene a special shareholders' meeting to elect new Directors to fill such vacancies within 60 days.

Article 23

Except the first Board meeting of every term of the newly elected Board of Directors, which shall be convened by the Director who has received the largest number of votes after such new election, meetings of Board of Directors shall be convened by the Chairman of Board of Directors.

The Chairman of Board of Directors shall have the authority to represent the Company and shall chair the of shareholders' meeting and Board of Directors' meeting. In case the Chairman of the Board of Directors is on leave or unable to exercise his power and authority for any cause, the Vice Chairman shall act on his behalf. In case there is no Vice Chairman, or the Vice Chairman is also on leave or absent or unable to exercise his power and authority for any cause, the Chairman of Board of Directors shall designate one of the directors to act on his behalf; if the Chairman of Board of Directors has not designated anyone to act on his behalf, the directors shall designate one among themselves.

Notices of Board of Directors' meetings could be through writing, fax or electronic.

Article 24

Except as otherwise provided in Company Act of the Republic of China, a meeting of Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

Article 25

A Director shall attend the meetings of Board of Directors in person, if he/she may not attend, he/she shall by written authorization, appoint another Director to attend on his/her behalf the meetings of the

Board of Directors, and to vote for him/her on matters presented at such meeting as specified on the authorization, but no Director may act as proxy for more than one other Director.

Article 26

The resolutions of Board meetings shall be recorded in the minutes, and such minutes shall record the date, place, chairman's name, the way of resolutions, meeting process and result of Board meetings. Such minutes shall be signed by or sealed with the chop of the chairman of the meeting and sent to all directors within 20 days.

The production and delivery of such minutes could be through electronic means.

The minutes and attendance list of the meetings shall be kept during the continuance of existence of the Company.

Article 27

In compliance with regulation, the Company shall establish an Audit Committee, which shall consist of all independent directors.

Thee Audit Committee shall be responsible for those responsibilities of Supervisors specified under Company Act, Securities and Exchange Law and

other relevant regulations of the Republic of China.

In addition to the establishment of an Audit Committee, the Company's Board of Directors may also establish other functional committees, and their regulations shall be

enacted by Board of Directors.

Article 28

Board of Directors is authorized to determine the salary for Directors, the standards of the industry shall be taken into account. The company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy.

Article 29

The total registered shares owned by Directors of the Company shall be in accordance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Section V Management

Article 30

The Company shall appoint one President, and such other Vice Presidents and Directors.

Article 31

The decision to engage with, terminate and pay for the management shall be held in the meeting of Board of Directors if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting.

Section VI Accounting

Article 32

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year.

Article 33

After the close of each fiscal year, the following reports shall be prepared by Board of Directors, and submitted to the Audit Committee before 30 days of regular shareholders' meeting:

1. Business Report;
2. Financial Statements;
3. The surplus earning distribution or loss offsetting proposals.

Article 34

To the extent that the Company has generated annual profits, 1% of which shall be set aside for employee remuneration and no more than 2% for directors' remuneration; provided, however, independent directors are not eligible to participate in the profit distribution of the Company. provided, however, independent directors are not eligible to participate in the profit distribution of the Company.

Employee remuneration may be paid in the form of stocks or cash and shall be approved by over half of the directors present at the Board meeting attended by at least two-thirds of the directors,

and shall be reported at the shareholders' meeting.

Article 35

The Company is in a constantly evolving industry and has entered into the maturity stage of its life cycle. In order to fulfill the need of shareholders' cash inflow and take the Company's funding requirement and long-term financial plan into consideration, if there are earning surplus after final accounting of the fiscal year, the Company shall, after its losses in previous years have been covered and all applicable taxes and dues have been paid, first set aside 10% as legal reserve, then set aside special reserve pursuant to applicable law or regulation, then combined with the initial undistributed surplus of that period, shall be the accumulated earnings available for distribution to the shareholders. The ratio of dividend shall not be lower than 50% of current year earnings available for distribution; distribution of cash dividend shall not be lower than 10% of total dividend.

The Board of Directors shall propose a profit distribution plan, including the percentage and form of payment, based on the profitability and available funds of the Company each year, and submit to the shareholders' meeting for approval.

The decision to distribute all or part of the dividends and/or bonuses in cash shall be adopted by a resolution of the majority of the Board of Directors in a meeting attended by over two-thirds of the directors and reported to the shareholders' meeting; the requirement to obtain shareholders' approval in the preceding paragraph shall not apply.

Section VII Supplementary Provisions

Article 36

The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 37

In regard to all matters not provided for in these Articles of Incorporation, Company Act and other related regulations of the Republic of China shall govern.

Article 38

These Articles of Incorporation are agreed to and signed on January 1, 1955. The first Amendment was on February 27, 1959. The second Amendment on February 6, 1960. The third Amendment on August 15, 1966. The fourth Amendment on May 12, 1967. The fifth Amendment on October 1, 1967. The sixth Amendment on March 15, 1970. The seventh Amendment was on December 5, 1970. The eighth Amendment was on September 30, 1971. The ninth Amendment was on February 28, 1974. The tenth Amendment was on June 18, 1974. The eleventh Amendment was on June 26, 1976. The twelfth Amendment was on March 15, 1977. The thirteenth Amendment was on March 17, 1978. The fourteenth Amendment was on April 25, 1979. The fifteenth Amendment was on May 10, 1981. The sixteenth Amendment was on September 7, 1982. The seventeenth Amendment was on October 27, 1983. The eighteenth Amendment on March 17, 1988. The nineteenth Amendment on May 18, 1990. The twentieth Amendment was on April 24, 1991. The twenty-first Amendment was on May 22, 1992. The twenty-second Amendment on March 26, 1993. The twenty-third Amendment was on May 27, 1994. the twenty-fourth Amendment on June 13, 1995, the twenty-fifth Amendment on May 10, 1996, the twenty-sixth Amendment on May 16, 1997, the twenty-seventh Amendment on May 15, 1998, the twenty-eighth Amendment on May 24, 2000, the twenty-ninth Amendment on May 11, 2001, thirtieth Amendment on June 20, 2002, thirty-first Amendment on June 18, 2004, thirty-second Amendment on June 13, 2007, thirty-third Amendment on June 21, 2012, thirty-fourth Amendment on June 25, 2015, thirty-fifth Amendment on June 21, 2016, thirty-sixth Amendment on June 20, 2019, thirty-seventh Amendment on June 19, 2020, and thirty-eighth Amendment on June 21, 2022, and the thirty-ninth Amendment was on May 30, 2024.

Hotai Motor Co., Ltd.
Procedures for Engaging in Derivative Products Transaction

2019.6.20

Article 1

These Procedures are established in accordance with the provisions of Article 11 of the Hotai Motor Co., Ltd.'s Guidelines for Handling Acquisition or Disposal of Assets.

Article 2

Principles and Directions of Transaction

I. Category of Transactions

- (I) The derivatives which the Company engage in refer to forward contracts, options contracts, futures contracts, leverage contracts, or swaps contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- (II) These Procedures shall also apply to bond margin transaction; provided that it may not apply to callable bond transaction.

II. Management (Hedge) Strategy

- (I) When engaging in derivative financial instrument trading, the company should prioritize hedging purposes. The selection of trading commodities should primarily aim to mitigate risks arising from the company's business operations. The currency held must align with the actual foreign currency requirements of the company's import and export transactions. The principle of internally offsetting positions (referring to foreign currency income and expenses) within the company's overall internal structure should be applied to reduce the company's overall foreign exchange risk.
- (II) The Company shall conduct foreign exchange hedging operation in order to handle overseas subsidiary's needs for financing in foreign currency.
- (III) The Company shall not engage in transaction of other specific purposes.

III. Separation of Powers and Obligations

(I) Financial Division

1. Trading Staffs

- (1) The transaction staffs shall be in charge of the draw up of the strategy regarding the overall financial commodity transactions of the Company.

- (2) The transaction staffs shall, depending on the actual requirement, collect market information, conduct trend tracking and risk evaluation, and draw up the operation strategy. Upon approval by the responsible person, said strategy shall become the principle for conduct of the transaction.
 - (3) The transaction staff shall execute the transaction pursuant to the authorized discretion and the current strategy.
 - (4) Where the transaction staffs consider that the current strategy cannot apply due to the material change of the financial market, they shall immediately provide an evaluation report and re-draw up strategy, and propose them to the General Manager. Upon approval by the General Manager, said strategy shall become the principle for conduct of the transaction.
2. Accounting Staffs
 - (1) Execute confirmation of transactions.
 - (2) Review and check whether the transactions are conducted pursuant to the authorized discretion and the current strategy.
 - (3) Conduct quarterly evaluations and submit said evaluations to General Manager.
 - (4) Handle accounting issues.
 - (5) Conduct the report and disclosure procedure in accordance with the regulations promulgated by Financial Supervisory Commission R.O.C. (FSC).
 3. Delivery Staffs
 4. Approval authority of financial derivatives
 - (1) Approval Authorization Quantum for the Forward Foreign Exchange hedging
 - (2)

Authorized Person	Approval Authorized Quantum Per Order	Approval Authorized Quantum for Net Accumulated Position
Chief of Headquarters for Financial Department Affiliated with Headquarters	Not More Than US\$15,000,000	Not More Than US\$350,000,000
President	More Than US\$15,000,000, But Not More Than US\$25,000,000	More Than US\$350,000,000, But Not More Than US\$450,000,000
Chairman	More Than US\$25,000,000, But Not More Than US\$35,000,000	More Than US\$450,000,000, But Not More Than US\$500,000,000
Board of Directors	More Than US\$35,000,000	More Than US\$500,000,000

(3) Approval Authorization Quantum for Transaction of Other Hedging Commodities:

Authorized Person	Approval Authorized Quantum Per Order	Approval Authorized Quantum for Net Accumulated Position
Chief of Headquarters for Financial Department Affiliated with Headquarters	Not More Than US\$300,000,000	Not More Than US\$500,000,000
President	More Than US\$3,000,000, But Not More Than US\$ 10,000,000	More Than US\$5,000,000, But Not More Than US\$20,000,000
Chairman	More Than US\$10,000,000, But Not More Than US\$ 20,000,000	More Than US\$2,000,000, But Not More Than US\$ 4,000,000
Board of Directors	More Than US\$2,000,000	More Than US\$4,000,000

- (4) Financial derivatives transactions of the Company which require the approval of the Board of Directors pursuant to the Procedures or other applicable laws or regulations are considered material financial derivatives transactions.
- (5) If any of the directors express dissent from the decision or issue a statement in writing when a transaction involving financial derivatives is submitted to the Company's Board of Directors for discussion, their opinions shall be recorded in the meeting minutes of the Board. The board of directors shall also take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting.
- (6) Material financial derivatives transactions shall be approved by a majority of all members of the audit committee and submitted to the Board of Directors for resolution. Paragraphs 3 and 4 of Article 8 of the Procedures shall apply.

(II) Audit Division

Shall be responsible for understanding the feasibility of internal control for the transaction of derivatives and inspecting whether the transaction division complies with the operating procedure. In addition, it shall also analyze the transaction circulation and draw up an audit report, and report to the Board when material fault is found.

(III) Performance Evaluation

1. The performance evaluation shall be made based on the profit or loss between the exchange cost on the book and the transaction of financial derivatives.
2. In order to fully control and express the exact risk of the transactions, the Company adopts quarterly evaluation method to conduct the profit-and-loss evaluation.
3. Financial Division shall provide General Manager with foreign exchange position evaluation, foreign exchange market trend and market analysis for his/her reference.

(IV) The stipulation for the maximum monetary amount of contract and maximum monetary amount of loss

1. Maximum monetary amount of contract
Financial Division shall control the overall position of the Company in order to hedge the transaction risk. The monetary amount of hedging transaction shall not exceed the actual import and export transaction of the Company, and the total monetary financing amount required by the overseas subsidiaries.
2. Maximum monetary amount of loss
For respective contracts of the hedging transaction, the maximum monetary amount of loss shall be 20% of the contracted amount; for all contracts of the hedging transaction, the maximum monetary amount of loss shall be 5% of the corporation's net worth.

Article 3

Risk Management Measures

I. Credit Risk Management:

Based on the market is subjected to cause the operating risk of derivatives, therefore conducted in accordance with the following principles in market risk management:

- (I) Trading counterparty: Mainly to the renowned domestic or international financial institutions.
- (II) Trading commodity: Limited to commodity provided by the renowned domestic or international financial institutions.
- (III) Transaction Monetary Amount: the outstanding amount shall include transactions with at least two renowned domestic or international financial institutions.

II. Market Risk Management:

Shall be conducted based on the public foreign exchange market provided by banks; futures market is excluded.

III. Liquidity Risk Management:

In order to secure the market circulation, the Company shall mainly choose those financial derivatives with higher circulation (i.e. it may be disposed at all times). The trading financial institution shall have sufficient information and the ability to conduct the transaction in any market at all times.

IV. Cash Flow Risk Management:

In order to secure the stability of the revolving of operating fund, the Company shall conduct the financial derivatives transaction solely by using self-owned fund. In addition, the determination of the operating monetary amount shall consider the Company's fund requirement for the forthcoming three months, which is based on the cash flow forecast.

V. Operation Risk Management:

- (I) In order to avoid operation risk, the conduct of financial derivative transactions shall comply with the authorization quantum and operation procedure and be subject to internal audit.
- (II) No plurality of positions among transaction staff, confirmation staff and the delivery staff is permitted.
- (III) The risk evaluation staff, risk supervision staff and risk control staff shall belong to different units, and shall report to the Board or the high level officers who are not responsible for the transaction or position determination.
- (IV) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

VI. Commodity Risk Management:

The internal transaction staffs shall have comprehensive and correct professional knowledge on financial derivatives. In order to avoid any risk arising from financial commodities, they shall require the banks to fully disclose the risk.

VII. Legal Risk Management

In order to avoid legal risk, any document to be executed between the Company and any financial institution shall not be signed until it has been reviewed by the Foreign Exchange Department and Legal Department or the Company's legal counsel.

Article 4

Internal Audit System

- I. Internal audit personnel shall examine the adequacy of internal controls of financial derivatives transactions periodically, conduct monthly audit on the Trading Division for compliance of the Procedures, analyze trading cycle, and prepare audit reports. In the event of a major violation, internal audit personnel shall report to the audit committee in writing.
- II. The Company shall conduct the financial derivative transactions pursuant to this Handling Procedure. In the event of any material violation of this Handling Procedure, certain punishment shall be imposed on the related persons, depending on the degree of violation.
- III. The internal audit staffs shall, prior to the end of February of the ensuing year, submit the "Audit Report" and "Annual Report for the Internal Audit Operation" to the FSC; prior to the end of May of the ensuing year, submit the "Progress on the Correction of Irregular Matters" to the FSC for record.

Article 5

Method of Regular Evaluation

- I. The Board shall authorize high level officers to regularly conduct supervision and evaluation on whether the derivative commodity transactions have been **managed** pursuant to the transaction procedure provided by the Company, and whether the risk taken by the Company is within the permitted scope. In the event of any irregularity (e.g. the positions that the Company holds have exceeded the maximum monetary amount of loss) in the market price evaluation report, said high level officers shall immediately report to the Board and take countermeasures.
- II. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

Article 6

The Board's Supervision and Management Principle for the Financial Derivative Transactions

- I. The Board shall appoint high level officers to take charge of the supervision and control of the risk arising from the derivative commodity transactions at all times. The management principles are as follows:
 - (I) Regularly evaluate the feasibility of the currently applied risk management measures; strictly comply with the "Guidelines for Handling Acquisition or Disposal of Assets" promulgated by FSC and the Handling Procedure promulgated by the Company.
 - (II) Supervise the transactions and the profit-and-loss situation, in the event of any irregularity, they shall take necessary countermeasures and immediately report to the Board. The Independent Directors' attendance and provision of opinion are required for the Board Meeting.
- II. Regularly evaluate whether the performance of the derivative commodity transactions meets the current operation strategy, and whether the risk taken by the Company is within the permitted scope.
- III. A company shall report to the after meeting of the board of directors after it authorizes the relevant personnel to handle derivate trading in accordance with its Procedures.
- IV. A record book shall be established for the derivative commodity transactions, which shall specifically record the types, monetary amounts, dates of approval by the Board and evaluation items provided in Article 5-2, 6-1 and Article 6-2.

Article 7

Procedure for Disclosure and Report

- I. The Company shall, prior to the 10th day of each month, input into the web site designated by the FSC the derivative commodity transaction result of previous month by the Company and its subsidiaries that are not domestic public company.
- II. In the event the loss from the engagement in the derivatives transaction by the Company and its subsidiaries that are not domestic public company reaches the overall or respective contract loss maximum limits provided by this Handling Procedures, the Company shall, within two days after the occurrence of said events, disclose and report the related information into the website designated by the FSC.

III. In the event there is any error or omission in the content of the items disclosed by the Company, the Company shall re-disclose and re-report the whole content of said items.

Article 8

The Procedures have been approved by the audit committee and adopted by the Board of Directors and shareholders meeting; the same approval process shall apply to any amendments to the Procedures.

When the Procedures are submitted to the Company's Board of Directors for discussion, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. If the Company fails to obtain the approval of a majority of all members of the audit committee as provided in the first paragraph, the Procedures may be adopted by the approval of at least two-thirds of all members of the Board. The resolution of the audit committee shall be recorded in the meeting minutes of the Board.

As referred to in the preceding paragraph, "all members of the audit committee" shall mean the incumbent members of the audit committee, and "all members of the Board" shall mean the incumbent members of the Board of Directors.

Article 9

In regard to all matters not provided for in these Handling Procedure, other related regulations of the Republic of China shall govern.

HOTAI MOTOR CO., LTD.
Rules and Procedures of Shareholders' Meeting

June 23, 2021

Article 1

Shareholders' Meeting of the Company (the Meeting) shall be conducted in Accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.

Article 2

The shareholders of this Rules and Procedures mean and equal to shareholders themselves or his/her representative.

Article 3

Shareholders attending the Meeting shall be with attendance certification and submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

Article 4

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 5

The Chairman of Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of Board of Directors cannot preside at the Meeting, the Vice Chairman of Board of Directors shall preside at the Meeting. If, for any reason, the Vice Chairman of Board of Directors cannot preside at the Meeting, the Chairman shall appoint one of the Directors to represent him/her. If the Chairman of Board of Directors do not appoint one, the managing directors or the Directors should elect one person from amongst themselves.

If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.

If there are more than one person entitled to convene the Meeting, they should elect each other themselves.

Article 6

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

Persons handling affairs of the Meeting shall wear identification cards.

Article 7

The process of the Meeting shall be tape recorded or videotaped, and these tapes shall be preserved for at least one year.

Article 8

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of Company Law of Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of Company Law of Republic of China. If during the process of the Meeting the number of outstanding shares Represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of Company Law of Republic of China.

Article 9

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

The above provision applies *mutatis mutandis* to cases where the Meeting is convened by any person, other than the Board of Directors, who is entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. In the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned.

Article 10

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speech by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Article 11

The inquiries related to the report items set forth in the agenda from the shareholders or their representatives shall only be raised after the chairman or his/her representative finishes the reading or reporting of such report items. Each shareholder shall not, for each discussion item, speak more than once, each time not exceeding 3 minutes. For other items, each shareholder shall not speak more than two times, each time not exceeding 5 minutes.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, inappropriately influence the Meeting, the chairman may stop the speech of such shareholder. The shareholders who disobey the chairman's instruction might be forced to leave the Meeting by disciplinary officers involuntary.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 12

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 13

The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate.

Article 14

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

Article 15

Except otherwise specified in Company Law of Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the effect as if it was voted if no objection is voiced after solicitation by the chairman.

The result of voting shall be announced at the Meeting and placed on record.

The minutes shall be recorded and preserved in accordance with Article 18 of the Articles of Incorporation of the Company.

Article 16

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 17

During the Meeting, the chairman may, at his/her discretion, set time for intermission. In case of incident of force majeure such as Air raid warning, earthquakes and outbreak of fire, the chairman may decide to temporarily suspend the Meeting until the emergency is being solved for an hour and announce when the Meeting will resume.

Article 18

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose. The shareholders shall obey the chairman and Disciplinary Officers' instructions. The person who intervene or disturb the Meeting and do not obey instructions shall be remove as obstacles by disciplinary officers.

Article 19

Any matter not provided in these Rules and Procedures shall be handled in accordance with Company Law, Securities and Exchange Act and relevant laws and regulations.

Article 20

These Rules and Procedures shall be effective from the date it is approved by the Annual Shareholders' Meeting. The same applies in case of revision.

HOTAI MOTOR CO., LTD. Rules for Election of Directors

2015.6.25

Article 1

The directors of this Company shall be elected in accordance with the rules specified herein.

Article 2

In the election of directors of the Company, the directors shall be elected through cumulative voting, the names of voters may be represented by shareholders' numbers. When electing the Company's directors, each share shall be entitled to one vote for each director to be elected. The holder of the shares may cast all votes for one candidate, or may distribute the votes among several candidates.

Article 3

In the election of directors of the Company, the Company adopts the candidate nomination system due to Article 192-1 of Company Act of Republic of China. The election of independent directors and non-independent directors shall be held together; provided, however, that the number of independent directors and non-independent directors elected shall be calculated separately. Candidates who acquire more votes (electronic votes included) should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the chairman shall draw lots on behalf of the candidate who is not present.

Article 4

At the beginning of the election, the chairman shall appoint several persons each to check, tell and record the ballots.

Article 5

Ballots shall be prepared by the Company and note the number of voting rights by represented shareholders' numbers. The one who elect electronically do not use ballots.

Article 6

If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and could note his/her shareholder's number. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and ID number. If the candidate is a legal entity, voters shall fill in the "candidate" column the legal entity or the name(s) of their representative(s) and the legal entity's together. If the legal entity has more than one representatives, the name of the representatives shall be filled in the column.

Article 7

Ballots shall be deemed void under the following conditions:

1. Not follow the rules specified herein;
2. Blank ballots not completed by the voter;
3. Illegible writing;
4. If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the shareholders' register. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
5. Ballots with other written characters or symbols in addition to candidate's name, shareholder's number (ID number) or the representatives name of legal entity;
6. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's numbers or ID numbers not being indicated to distinguish them.

Article 8

The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 9

The Company shall issue notifications to the directors elected.

Article 10

Others provided in Company Act or relevant regulation of Republic of China shall be followed as the Rules for Election of Directors has no related regulation.

Article 11

The Rules for Election of Directors and any revision thereof shall become effective with an approval at the shareholders' meeting.

Shareholdings of Directors

Base Date: April 15, 2025; Unit: Shares

Title	Account Name	Representative	Share Ownership
Chairman	Chun Yung Investment Co., Ltd.	Huang, Nan-Kuang	177,480
Director	Li Gang Enterprise Co., Ltd.	Su, Chwen-Shing	41,380,740
Director	Toyota Motor Corporation	Kazuo Naganuma	45,294,234
Director	Chun Yung Investment Co., Ltd.	Lin, Li-Hua	177,480
Director	Li Gang Enterprise Co., Ltd.	Su, Jean	41,380,740
Director	Chun Yung Investment Co., Ltd.	Huang, Chih-Cheng	177,480
Director	Yong Hui Development Co., Ltd.	Su, Yi-Chung	10,200
Director	Yuan Tuo Investment Co., Ltd.	Ko, Junn-Yuan	14,984,744
Director	Gui Long Investment Co., Ltd.	Chang, Shih-Yieng	5,228,520
Director	Chun Yung Investment Co., Ltd.	Huang, Wen-Jui	177,480
Director	Yong Hui Development Co., Ltd.	Soo, Leon	10,200
Independent Director	Li, Chao-Sen	-	0
Independent Director	Su, Chin-Huo	-	0
Independent Director	Wu, Shih-Hao	-	0
All Directors			107,075,918

Paid-up capital: NT\$5,571,027,680; Total shares issued: 557,102,768 shares.

According to Article 26 of the Securities Exchange Act of the Republic of China, the minimum required percentage of shares held by all directors is as follows: Share ownership of directors required by law: 17,827,289 shares.

The share ownership of directors has met the minimum legal requirement.

The Audit Committee of the Company will replace the functions of supervisors. Therefore, the minimum legal requirement of supervisor shareholding does not apply.



和泰集團
Hotai Group

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