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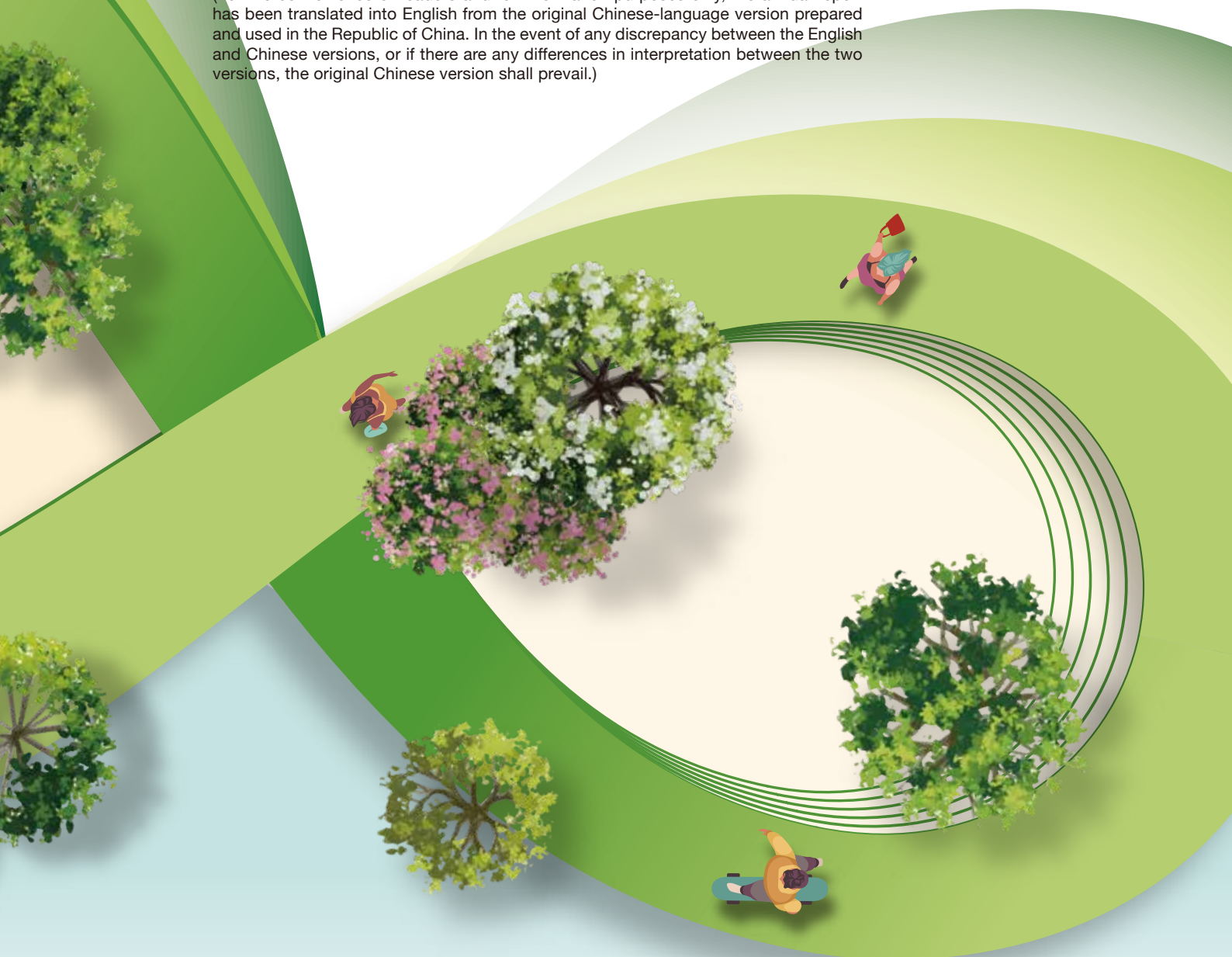
和泰汽車股份有限公司
Hotai Motor Co., Ltd.



和泰集團
與美好台灣同行

Annual Report 2024

(For the convenience of readers and for information purposes only, the annual report has been translated into English from the original Chinese-language version prepared and used in the Republic of China. In the event of any discrepancy between the English and Chinese versions, or if there are any differences in interpretation between the two versions, the original Chinese version shall prevail.)



Hotai Motor annual report is available at:
Company website: <https://www.hotaimotor.com.tw>
Taiwan Stock Exchange Market Observation Post System:
<https://mops.twse.com.tw>
Published on April 16, 2025

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Acting Spokesperson: Hsieh, Chin-Yun

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III. Stock Transfer Agent

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IV. The Certified Public Accountants Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year

Auditors: Hsiao, Chun-Yuan and Hsu, Sheng-Chung

Accounting Firm: PricewaterhouseCoopers Taiwan

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V. The Name of Any Exchanges Where the Company's Securities Are Traded Offshore, and the Method by Which to Access Information on Said Offshore Securities: N/A

VI. Company Website: <https://www.hotaimotor.com.tw>

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I. Letter to Shareholders



I. Letter to Shareholders

Operating Performance in 2024

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.

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 Hoing Mobility Service'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

I. Letter to Shareholders

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, making 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.

Operating Outlook for 2025

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, key brands 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

I. Letter to Shareholders

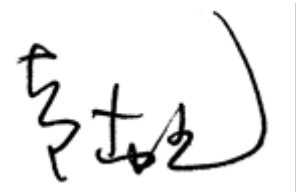
automotive industry, the Company will continue to pursue innovation, diversification, and strategic transformation. We remain committed to promoting eco-friendly new energy vehicles, including all-electric models such as the TOYOTA bZ4X and LEXUS RZ, various hybrid and plug-in hybrid vehicles, as well 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.

We are sincerely grateful to our shareholders for your continued support and encouragement.

Chairman

A handwritten signature in black ink, appearing to be 'T. Toyota', enclosed within a thin black rectangular border.

I. Letter to Shareholders

(I) Operating Performance in 2024

1. Operating Performance

Unit: NT\$ Thousand

Items		2024	2023
Revenue		282,801,567	279,477,274
Profit Before Tax		27,881,633	29,498,664
Net Income		23,950,488	26,130,316
Net Income	Parent	20,467,026	22,857,675
Attributable to:	Non-controlling Interest	3,483,462	3,272,641
Earnings Per Share (EPS) Attributable to the Parent		36.74	41.03

2. Profitability Analysis

Items	2024	2023
Net Profit Ratio (%)	10.94%	11.89%
Return on Assets (%)	4.88%	5.95%
Return on Equity (%)	22.33%	30.74%

3. Comparison of Annual Number of Registered Vehicles of Hotai Motor and Its Main Competitors

(Hotai Motor's registration figures include TOYOTA, LEXUS, and HINO for light-duty and heavy-duty commercial vehicles)

Ranking	Companies	Represented Brands	2024	Market Share	2023	Market Share
1	Hotai Motor Co., Ltd.	TOYOTA, LEXUS, HINO	159,608	34.9%	166,414	34.9%
2	China Motor Corporation	MITSUBISHI, CMC, MG	53,020	11.6%	53,556	11.2%
3	Honda Taiwan Co., Ltd.	HONDA	26,791	5.9%	30,420	6.4%
4	Mercedes-Benz Taiwan Ltd.	MERCEDES BENZ	26,557	5.8%	24,794	5.2%
5	Nan Yang Industries Co., Ltd.	HYUNDAI	22,691	5.0%	22,175	4.7%

I. Letter to Shareholders

Ranking	Companies	Represented Brands	2024	Market Share	2023	Market Share
6	Pan German Universal Motors Ltd.	BMW	20,332	4.4%	17,725	3.7%
7	Yulon Nissan Motor Co., Ltd.	NISSAN, INFINITI	19,842	4.3%	23,818	5.0%
8	MAZDA Motor Taiwan Co., Ltd.	MAZDA	14,776	3.2%	13,801	2.9%
9	Ford Lio Ho Motor Co., Ltd.	FORD	14,212	3.1%	21,496	4.5%
10	Volkswagen Group Taiwan Co., Ltd.	VW	13,363	2.9%	16,567	3.5%
Total Market		-	457,830	100%	476,987	100%

(II) Outline of 2025 Business Plan

1. Business Strategy – Resilience, Persistence, and Breakthrough: "Do the Impossible"

(1) Pressing forward, breaking new ground in sales and services

	TOYOTA	LEXUS	Commercial Vehicles
Vehicles	Taking the lead, with no boundaries to innovation.	LEXUS Toward Next Generation Driving innovation, steering the future.	Safety, sustainability, and a shared clean future.
Service	Strengthening our No.1 brand with a seamless service network and smart technology		Leading with service, centered on customers.

I. Letter to Shareholders

(2)Strengthening operations with solid management and diverse strategies

- Hotai Finance: Solidifying core lending, expanding non-auto portfolios, reinforcing risk management.
- Hotai Leasing: Developing diverse leasing products and value-added services, unlocking new customer segments.
- Carmax: Facing the challenges of Original Equipment accessories, building a smarter ecosystem, growing channels at home and abroad.
- Chang Yuan: Boosting completed vehicle sales, enhancing service capabilities, and increasing employee satisfaction and retention.
- Toyota Material Handling Taiwan: Standardizing and replicating successful automation cases, rapidly expanding the market, and continuously strengthening the leasing business.
- Hotong: Navigating a dynamic market with steady operations; optimizing organizational structure and strengthening capabilities to fuel future growth.
- Hotai Insurance: Deepening value chain collaboration within the Group, exploring external development opportunities, and enhancing customer diversification.
- MaaS Business Group: Integrating the Group's mobility brand data to unlock the commercial value of data.

(3)Harnessing New Knowledge, Pioneering New Management Thinking

- Leveraging emerging technologies to swiftly address customer needs and enhance efficiency.
- Strengthening the Group's IT operations with a zero-trust architecture to build a comprehensive cybersecurity framework.

(4)Know and Be Accountable, Uniting the Group's ESG Strengths

- Advancing manufacturers' carbon emission reduction targets to promote the Group's overall carbon reduction goals.
- Enhancing the integration and communication of the Group's public welfare projects to collectively promote M.O.V.E (Note) related actions.
- Promoting work-life balance and employee health to become a dream company for the new generation.

(Note) Hotai Group's sustainability blueprint - Mobility. Openness. Value. Eco

I. Letter to Shareholders

2. Sales Forecast

(1) Passenger Vehicles Market

In 2024, Taiwan's automotive market reached 457,000 units, driven by the continued government vehicle replacement policy and the launch of key new and updated models from major brands.

Looking ahead to 2025, the global economy remains uncertain due to factors such as political shifts in the United States, continued economic weakness in China, asynchronous monetary policies from central banks, and geopolitical conflicts. However, in Taiwan's automotive market, benefiting from the final year of the government's vehicle replacement policy, demand is expected to be stimulated. Coupled with various promotional activities from key brands and stable vehicle deliveries from imported brands, the market is projected to maintain a level of approximately 450,000 units for the year.

The sales targets for 2025 are set at 130,300 units for TOYOTA, 28,500 units for Lexus, and 6,350 units for HINO. The total sales target is 165,150 units, representing a market share of 36.7%.

(2) Commercial Vehicles Market

In 2024, the commercial vehicle market totaled 17,733 units, representing 89.2% of the previous year's sales. This decline is primarily due to the earlier demand for heavy duty commercial vehicles, which was driven by the government's vehicle replacement subsidy program between 2018 and 2022, resulting in early replacements. As a result, sales of heavy vehicles in 2024 reached only 80.6% of the sales figures from last year. In contrast, the light duty commercial vehicle market remained stable, with sales at 99.7% of last year's levels.

Looking ahead to 2025, the market is expected to experience slower economic growth, which is likely to weaken demand. The commercial vehicle market is forecasted to reach approximately 17,160 units, or 96.8% of the sales volume in 2024. For 2025, the company has set a target of 6,750 units for commercial vehicle sales, aiming for a market share of 39.3%.

(3) Car Leasing Market

In 2024, corporate expansion and investment remained cautious, resulting in a slight decline in the rental car market. Looking ahead to 2025, growing global economic uncertainty, coupled with a continued slump in domestic tourism, is expected to weigh on demand across both long- and short-term rental segments. In response, the Company will remain focused on enhancing service quality, optimizing operating costs, and improving

I. Letter to Shareholders

operational efficiency to strengthen market competitiveness and maintain its leading position.

(4)Installment Financing Market

In Taiwan, installment plans and finance leasing have become increasingly accepted by the public. From the Company's initial offerings of installment plans for new and used cars, the market has expanded to include motorcycles, equipment, consumer goods, and more recently, green energy solutions—each supported by a growing variety of installment-based financial products. In an era where everything can be financed, the Company will continue to monitor market trends and plan diverse and differentiated installment programs to increase brand penetration. We will also integrate existing customer relationships to build a cross-platform digital ecosystem, offering a broader range of financial services.

(5)General Insurance Market

In 2023, with the lifting of pandemic restrictions and the gradual recovery of global investment markets, the property insurance industry in Taiwan began to see improvement. By 2024, after-tax profits continued to grow year-on-year. Looking ahead to 2025, while Taiwan's property insurance market will face multiple challenges, we remain confident that, with close attention to global economic trends and proactive responses, the industry will continue to grow steadily. Hotai Insurance focuses on stable profitability, with an emphasis on enhancing underwriting and investment returns. The company aims to strengthen its risk management capabilities, foster product innovation, and improve digital services to align with market trends and meet customer demands. In 2025, Hotai Insurance will expand cross-industry collaborations with affiliated companies to build an insurance ecosystem. The Company plans to enhance service efficiency and quality through process improvements, continuously review products, and adjust product pricing in response to market changes. By ensuring financial consumer protection and sustainable business development, Hotai Insurance aims to maximize profits. The estimated premium income for Hotai Insurance in 2025 is projected to reach NT\$15.5 billion.

I. Letter to Shareholders

(III)Future Development Strategies

- Apply new generation of sales thinking to actively increase market share
- Cater to customers' everyday life by combining smart service with social media platforms
- Leverage strategic transformation for competitive advantage to optimize value chain
- Enhance synergy in resource utilization to expand Group operations
- Fulfill social responsibility commitments and work towards achieving carbon neutrality

(IV)Impact of External Competition, Regulatory Environment and Overall Operational Environment

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.

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.

I. Letter to Shareholders

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.

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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.

II. Corporate Governance Report



II. Corporate Governance Report

(I) Directors, President, Vice Presidents, Chief Officers and Department and Divisional Executive Officers

1. Directors

Title	Nationality or Place of Incorporation	Name	Gender /Age	Date Elected (or appointed)	Term	Date First Elected	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Chairman	Republic of China	The legal representative of Chun Yung Investment Co., Ltd., Huang, Nan-Kuang	Male / 77 years old	Jun. 21, 2022	3 years	May 22, 1992	174,000	0.03%	177,480	0.03%
							0	0.0%	0	0.0%
Director	Japan	The legal representative of Toyota Motor Corporation, Kazuo Naganuma	Male / 60 years old	Jun. 21, 2022	3 years	Jan. 1, 2019	44,406,112	8.13%	45,294,234	8.13%
							0	0.0%	0	0.0%
Director	Republic of China	The legal representative of Yong Hui Development Co., Ltd., Su, Yi-Chung	Male / 84 years old	Jun. 21, 2022	3 years	May 10, 1981	10,000	0.001%	10,200	0.001%
							0	0.0%	0	0.0%
Director	Republic of China	The legal representative of Chun Yung Investment Co., Ltd. Lin, Li-Hua	Female / 77 years old	Jun. 21, 2022	3 years	Jul. 17, 2001	174,000	0.03%	177,480	0.03%
							83,740	0.01%	85,414	0.01%

II. Corporate Governance Report

Reference Date: April 15, 2025

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in Other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relationship	
0	0.0%	0	0.0%	Department of Chemistry, Fu Jen Catholic University	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. 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, Hoyu Educational Foundation Director, DENSO TAIWAN CORP. Supervisor, Carmax Co., Ltd.	Director	Lin, Li-Hua	Sister-in-law	N/A
0	0.0%	0	0.0%						
0	0.0%	0	0.0%	School of Commerce, Waseda University	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.	N/A	N/A	N/A	N/A
0	0.0%	0	0.0%						
0	0.0%	0	0.0%	MBA, St. Mary's University	Director, Ho Tai Development Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Director, He Quan Insurance Agency Co., Ltd.	Director	Soo, Leon	Father-son	N/A
0	0.0%	0	0.0%						
0	0.0%	0	0.0%	Department of Money and Banking, National Chengchi University	Chairman, Hoyu Investment Co., Ltd. Chairman, Hoyu Educational Foundation Director, Wei-Chuan Cultural-Educational Foundation Director, Bluesky Environmental Foundation	Chairman	Huang, Nan-Kuang	Brother-in-law	N/A
0	0.0%	0	0.0%						

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response, such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date First Elected	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Director	Republic of China	Chun Yung Investment Co., Ltd., represented by Huang, Chih-Cheng	Male / 67 years old	Jun. 21, 2022	3 years	Apr. 1, 2000	174,000	0.03%	177,480	0.03%
							121,165	0.02%	123,588	0.02%

II. Corporate Governance Report

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in other Companies	Spouse or Relatives within the Second-Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relationship	
0	0.0%	0	0.0%	School of Management, University of California	Chairman, Toyota Material Handling Taiwan Ltd. Chairman, Formosa Flexible Packaging Corp. Chairman, Tech Information Co., Ltd. Chairman, Shanghai Hotai Toyota Forklift Co., 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 & 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 Motor Sales & Service Co., Ltd. Director, Hoyu Educational Foundation Supervisor, Kuotu Motor Co., Ltd.	N/A	N/A	N/A	N/A
0	0.0%	0	0.0%						

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response, such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date First Elected	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Director	Republic of China	Li Gang Enterprise Co., Ltd., represented by Su, Chwen-Shing	Male / 59 years old	Jun. 21, 2022	3 years	Jun. 13, 1995	40,569,353	7.42%	41,380,740	7.42%
							0	0%	0	0%

II. Corporate Governance Report

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relationship	
0	0.0%	0	0.0%	MBA, Massachusetts Institute of Technology	Chairman, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Chairman, Eastern Motor Co., Ltd. Chairman, Hotai Connected Co., Ltd. Vice Chairman, 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, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Director, Hoyun International Leasing Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Hoyu Educational Foundation Supervisor, Denso Taiwan Corp. Supervisor, Chia Chun Investment Co., Ltd.	Director	Su, Jean	Sibling	N/A
102,000	0.02%	0	0.0%						

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date First Elected	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Director	Republic of China	Li Gang Enterprise Co., Ltd., represented by Su, Jean	Female / 72 years old	Jun. 21, 2022	3 years	June 22, 2010	40,569,353	7.42%	41,380,740	7.42%
							0	0%	0	0%
Director	Republic of China	Yuan Tuo Investment Co., Ltd., represented by Ko, Junn-Yuan	Male / 87 years old	Jun. 21, 2022	3 years	May 23, 2011	14,657,894	2.68%	14,984,744	2.68%
							37,000	0.006%	65,000	0.008%
Director	Republic of China	Gui Long Investment Co., Ltd., represented by Chang, Shih-Yieng.	Male / 59 years old	Jun. 21, 2022	3 years	June 18, 2004	5,126,000	0.93%	5,228,520	0.93%
							0	0%	0	0%
Director	Republic of China	Chun Yung Investment Co., Ltd., represented by Huang, Wen-Jui	Male / 55 years old	Jun. 21, 2022	3 years	June 22, 2010	174,000	0.03%	177,480	0.03%
							954,408	0.17%	951,655	0.17%

II. Corporate Governance Report

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relationship	
0	0%	0	0%	Master in finance, University of Southern California	Chairman, Cheng Sun Trading Co., Ltd. Chairman, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Director, Hoyu Investment Co., Ltd. Director, Shi-Ho Screw Industrial Co., Ltd. Director, Formosa Flexible Packaging Corp.	Director	Su, Chwen-Shing	Sibling	N/A
0	0%	0	0%						
0	0%	0	0%	The Affiliated Industrial Vocational High School of National Changhua University of Education	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, Lang Yang Toyota Motor Co., Ltd. Director, Kitahara Industrial Co., Ltd. Director, Hoyu Educational Foundation Supervisor, Yong Chi Trading Co., Ltd.	N/A	N/A	N/A	N/A
0	0%	0	0%						
0	0%	0	0%	School of Economics, Konan University	Managing Director, Hoyu Investment Co., Ltd. Director, Hoing Mobility Service Co., Ltd. Director, Hoyu Educational Foundation	N/A	N/A	N/A	N/A
1,092,348	0.2%	0	0%						
0	0%	0	0%	Department of Electrical Engineering, National Central University Master degree in Management and Information Sciences, Tokyo University of Information Sciences.	Chairman, Chun Yung Investment Co., Ltd., Chairman, Jung 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 Packaging Corp. Director, eTreego Co., Ltd.	N/A	N/A	N/A	N/A
126,923	0.02%	0	0%						

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date First Elected	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Director	Republic of China	Yong Hui Development Co., Ltd., represented by Soo, Leon	Male / 53 years old	Jun. 21, 2022	3 years	Jun. 13, 2007	10,000	0.001%	10,200	0.001%
							0	0.0%	0	0.0%

II. Corporate Governance Report

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relation -ship	
				The Wharton School of the University of Pennsylvania	Vice Chairman, Hoyu Investment Co., Ltd. Chairman, Jin Ji Investment Enterprise 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, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Yong Hui Development Co., Ltd. Director, Hoyu Educational Foundation	Director	Su, Yi-Chung	Father –son	N/A
0	0%	0	0%						
0	0%	0	0%						

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date First Elected t	Shareholding at the Time of Election		Current Shareholding	
							Shares	%	Shares	%
Independent Director	Republic of China	Li, Chao-Sen	Male / 70 years old	Jun. 21, 2022	3 years	Jun. 21, 2022	0	0%	0	0%
Independent Director	Republic of China	Su, Chin-Huo	Male / 74 years old	Jun. 21, 2022	3 years	Jun. 21, 2016	0	0%	0	0%
Independent Director	Republic of China	Wu, Shih-Hao	Male / 70 years old	Jun. 21, 2022	3 years	Jun. 21, 2016	0	0%	0	0%

II. Corporate Governance Report

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Remarks (Note)
Shares	%	Shares	%			Title	Name	Relationship	
62	0%	0	0%	Master in Mechanical Engineering, National Taiwan University EMBA, National Central University	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd. President, Jingjin Tps Co., Ltd.	N/A	N/A	N/A	N/A
0	0%	0	0%	Master in Industrial Systems Engineering and Management, Asian Institute of Technology	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd.	N/A	N/A	N/A	N/A
0	0%	0	0%	PhD in Business Administration, National Taipei University	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd. Independent Director, Taiyen Biotech Co., Ltd.	N/A	N/A	N/A	N/A

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

2. Disclosure of Directors' Professional Qualifications and Independence of Independent Directors

Criteria Name	Qualifications & Experience	Independence Status	No. of Independent Directorships in Other Public Companies
Huang, Nan-Kuang	◆ Bachelor's degree in chemistry, Fu Jen Catholic University. Vice Chairman of Hotai Motor from 2008 to 2010. Chairman of Hotai Motor since 2010. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ Chairman of the Company.	N/A
Kazuo Naganuma	◆ School of Commerce, Waseda University. Incumbent Executive Vice President of Hotai Motor; Incumbent Chairman of Kuozui Motors, Ltd. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ Executive Vice President of the Company, Director with managerial status.	N/A
Su, Yi-Chung	◆ MBA, St. Mary's University. Incumbent Director of Hotai Motor and Chairman of Ho Tai Development. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ Director without managerial status.	N/A
Lin, Li-Hua	◆ Bachelor's degree in Money and Banking, National Chengchi University. Incumbent Director of Hotai Motor and Chairman of Hoyu Investment. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ Director without managerial status.	N/A
Huang, Chih-Cheng	◆ School of Management, University of California. Incumbent Director of Hotai Motor and Chairman of Toyota Material Handling Taiwan. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ Director without managerial status.	N/A
Su, Chwen-Shing	◆ MBA, Massachusetts Institute of Technology. Incumbent President of Hotai Motor and Vice Chairman of Kuozui Motors. ◆ The director does not meet any of the circumstances listed in Article 30 of the Company Act.	◆ President of the Company, Director with managerial status.	N/A

II. Corporate Governance Report

Criteria Name	Qualifications & Experience	Independence Status	No. of Independent Directorships in Other Public Companies
Su, Jean	- Master in finance, Marshall School of Business, University of Southern California. Incumbent Director of Hotai Motor. - The director does not meet any of the circumstances listed in Article 30 of the Company Act.	Director without managerial status.	N/A
Ko, Junn-Yuan	- The Affiliated Industrial Vocational High School of National Changhua University of Education. Incumbent Director of Hotai Motor and Chairman of Chang Yuan Motor. - The director does not meet any of the circumstances listed in Article 30 of the Company Act.	Director without managerial status.	N/A
Chang, Shih-Yieng	- Bachelor's degree in economics, Konan University (Japan). Incumbent Director of Hotai Motor. - The director does not meet any of the circumstances listed in Article 30 of the Company Act.	Director without managerial status.	N/A
Huang, Wen-Jui	- Master's degree in management and information Sciences, Tokyo University of Information Sciences. Incumbent Director of Hotai Motor. - The director does not meet any of the circumstances listed in Article 30 of the Company Act.	Director without managerial status.	N/A
Soo, Leon	- Master's degree, Wharton School, University of Pennsylvania. Incumbent Director of Hotai Motor and Vice Chairman of Hotong Motor Investment. - The director does not meet any of the circumstances listed in Article 30 of the Company Act.	Director without managerial status.	N/A

II. Corporate Governance Report

Name Criteria	Li, Chao-Sen (Independent Director)	Su, Chin-Huo (Independent Director)	Wu, Shih-Hao (Independent Director)
Qualifications & Experience	Master's degree, Graduate Institute of Mechanical Engineering, National Taiwan University. EMBA, National Central University. Incumbent President/Chief Consultant of Jingjin Tps. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	Master degree in industrial systems engineering and management, Asian Institute of Technology. Former President of the Corporate Synergy Development Center and Senior Executive Officer at the Industrial Development Bureau, MOEA. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	PhD in Business Administration, National Taipei University. Former Vice President of the Commerce Development Research Institute. Incumbent Professor at the Department of Marketing and Distribution Management, National Kaohsiung University of Science and Technology. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor and Taiyen Biotech.

II. Corporate Governance Report

Independence Status	1. Not an employee of the Company or any of its affiliates. 2. Not a director or supervisor of the Company or any of its affiliates. (Not applicable in cases where the person serves concurrently as an independent director of the Company, its parent company, or any subsidiary, as permitted under applicable laws and regulations.) 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. 4. Not the spouse, a relative within the second degree of kinship, or a third-degree direct blood relative of any person listed in (1) as a managerial officer or any person listed in (2) or (3). 5. Not directly holding more than 5% of the total issued shares of the Company, among the top five shareholders, or serving as a director, supervisor, or employee appointed as a representative by a corporate shareholder holding more than 5% of the total shares, or ranking among the top five shareholders, in accordance with Article 27, paragraphs 1 or 2 of the Company Act of Taiwan (Not applicable in cases where the person serves concurrently as an independent director of the Company, its parent company, or any subsidiary, as permitted under applicable laws and regulations.) 6. Not a director, supervisor, or employee of another company where the majority of the board seats or voting shares are controlled by the same person who controls the Company. (Not applicable in cases where the person serves concurrently as an independent director of the Company, its parent company, or any subsidiary, as permitted under applicable laws and regulations.) 7. Not a director (or equivalent), supervisor (or equivalent), or employee of another company or institution where the same person or the spouse of the person concurrently serves as the chairman, president, or an equivalent position of the Company. (Not applicable in cases where the person serves concurrently as an independent director of the Company, its parent company, or any subsidiary, as permitted under applicable laws and regulations.) 8. Not a director (or equivalent), supervisor (or equivalent), manager, or shareholder holding more than 5% of the shares in any specific company or institution that has financial or business dealings with the Company. (Not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the total issued shares of the Company, and the person serves concurrently as an independent director of the Company, its parent company, or any subsidiary, as permitted under applicable laws and regulations.) 9. Not a professional, sole proprietor, partner, director (or equivalent), supervisor (or equivalent), manager, or spouse of such individuals, who has provided audit or other related services (such as business, legal, financial, or accounting services) to the Company or its affiliates, or has received cumulative remuneration not exceeding NT\$500,000 over the last two years. However, members of the Remuneration Committee, Tender Offer Review Committee, or Mergers and Acquisitions Special Committee, who perform their duties in accordance with the relevant laws and regulations, such as the Securities and Exchange Act or the Business Mergers and Acquisitions Act, are exempt from this restriction. 10. Not a spouse or second degree relative with other directors. 11. The director does not meet any of the circumstances listed in Article 30 of the Company Act. 12. Not elected under Article 27 of the Company Act by the government, legal entities, or their representatives.		
No. of Independent Directorships in Other Public Companies	N/A	N/A	1

II. Corporate Governance Report

Board Independence and Diversity

In 2024, we have a total of 14 directors, three of them are independent directors, accounting for 21.4% of the Board. Two of the directors, President Su, Chwen-Shing and Executive Vice President Kazuo Naganuma, are also employees of the Company. Each director candidate has been reviewed for their qualifications, and it has been verified that none of the circumstances listed in Article 30 of the Company Act are found to be true for the director candidates. The confirmation process and relevant announcements are made in compliance with applicable laws. Director profiles including relationships between members of the Board can be found on pages 10 to 21 of this Annual Report (less than half of the directors have a marital relationship with one another or are relatives within the second degree of consanguinity).

At Hotai, gender equality at Board level has always been something that we strive for. As such, we reevaluate the number of Board seats allocated to female directors before every election and take them into consideration in the nomination process. The Board was re-elected in 2019, adding one female director, bringing the total number of female directors to two, with the proportion increasing from 7.1% to 14.3%. Currently, the Company does not meet the one-third female director requirement, mainly due to the nature of the industry. However, the Company believes that the inclusion of female directors can bring more innovation and development, as well as positively influence ESG performance. The Company will continue to reference talent databases for independent directors provided by relevant authorities and enhance the diversification of talent development and succession plans for corporate entity representatives. This remains a key focus of ongoing communication with corporate entities. Through these efforts, the Company aims to gradually achieve the goal of having no less than one-third representation from any gender.

In terms of age demographics, five directors are between the ages of 51 and 65, while nine are 66 or older. The Company's directors possess expertise in various fields, including management, business administration, and finance. Notably, the two female directors have significant experience in finance and accounting. In selecting directors, the Company prioritizes not only their professional skills and practical experience but also their personal reputation for ethical conduct and leadership. When selecting our directors, we consider the professional skills and experience of the directors by considering whether they possess complementary skills that are transferable across industries (including basic composition such as age, gender, and nationality), and also whether they have industry experience and other expertise (e.g., financial insurance and information technology). See Note 1 for the Company's implementation of diversity policies.

II. Corporate Governance Report

Note 1: The Company's Current Board and Implementation of Diversity Policy

Item	Basic Composition						Industry Experience				Expertise				
	Nationality	Gender	Employee Status	Age			Automotive & Transportation	Manufacturing Materials	Metal or Packaging	Finance and Insurance	Information Technology	Business Management	Financial	International Market Perspective	Crisis Management
				Under 50	51-65	66+									
Huang, Nan-Kuang	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√	√
Su, Chwen-Shing	Republic of China	Male	√	-	√	-	√	-	√	√	√	√	√	√	√
Kazuo Naganuma	Japan	Male	√	-	√	-	√	-	-	-	√	√	√	√	√
Lin, Li-Hua	Republic of China	Female	-	-	-	√	√	-	-	-	√	√	√	√	√
Su, Jean	Republic of China	Female	-	-	-	√	√	√	√	-	√	√	√	√	√
Huang, Chih-Cheng	Republic of China	Male	-	-	-	√	√	√	-	-	√	√	√	√	√
Su, Yi-Chung	Republic of China	Male	-	-	-	√	√	-	√	-	√	√	√	√	√
Ko, Junn-Yuan	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√	√
Chang, Shih-Yieng	Republic of China	Male	-	-	√	-	√	-	√	-	√	√	√	√	√
Huang, Wen-Jui	Republic of China	Male	-	-	√	-	√	√	√	√	√	√	√	√	√
Soo, Leon	Republic of China	Male	-	-	√	-	√	√	-	-	√	√	√	√	√
Li, Chao-Sen (Independent Director)	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√	√
Su, Chin-Huo (Independent Director)	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√	√
Wu, Shih-Hao (Independent Director)	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√	√

3. In Cases Where Directors are the Representatives of Corporate Shareholders, the Major Shareholders of Such Corporate Shareholders (Including % of Stocks Held) Are as Follows:

II. Corporate Governance Report

April 15, 2025

Name of Corporate Shareholder	Major Shareholders of the Corporate Shareholder
Chun Yung Investment Co., Ltd.	Tuo De Investment Co., Ltd. (18.87%), Jung Yi Investment Co., Ltd. (14.07%), IRT Corporation (12.4%), Hong Yuan Investment Co., Ltd. (10.02%), Chang Hong Bai Sheng Investment Co., Ltd. (9.7%), Hui Min Investment Co., Ltd. (5.89%), Sheng Gao Enterprise Co., Ltd. (5.83%), Yi Hong Investment Co., Ltd. (5.83%), Hotai Capital Ltd. (5.82%), and Shang Yao Investment Co., Ltd. (5.48%)
Toyota Motor Corporation	The Master Trust Bank of Japan, Ltd. (11.08%)、Toyota Industries Corporation (7.31%)、Custody Bank of Japan, Ltd. (5.13%)、Nippon Life Insurance Company (3.88%)、JPMorgan Chase Bank, N.A. (3.59%)、DENSO Corporation (2.76%)、State Street Bank and Trust Company (2.32%)、The Bank of New York Mellon as Depositary、Bank for Depositary Receipt Holders (1.97%)、Mitsui Sumitomo Insurance Co., Ltd.、(1.74%)、Tokio Marine & Nichido Fire Insurance Co.,Ltd. (1.56%)
Li Gang Enterprise Co., Ltd.	Jia Hui Ltd. (15%), Jia Chu Ltd. (15%), Jia Chuan Ltd. (10%), Jing Jing Development Ltd. (10%), Li Teng Enterprise Ltd. (10%), Li En Investment Ltd. (10%), Li Yung Investment Ltd. (10%), Yi He International Investment Co., Ltd. (10%), and Yi Chuan Investment Co., Ltd. (10%)
Yong Hui Development Co., Ltd.	Soo, Leon (100%)
Gui Long Investment Co., Ltd.	SK Harvest Holdings (BVI) Ltd. (79.02%), Chen, Li-Chun (10.99%), and Wangfu Investment Co., Ltd. (9.99%)
Yuan Tuo Investment Co., Ltd.	Ko, Wen-Hsiang (10%), Ko, Wen-Ping (10%), Ko Wang, Wen-Liang (9.5%), Ko, Ying-Cheng (6%), Ko, Su-Hui (5.25%), Ko, Su-Min (5.25%), Ko, Ying-Ho (5%), Kang Yu Investment Co., Ltd. (5%), Ko, Wen-Sheng (4.63%), and Ko, Wang-Zhong (4.63%)

4. Major Shareholders and Their Shareholding Percentages for Any Corporate Entity Listed Above as a Major Shareholder of a Corporate Shareholder:

April 15, 2025

Company Name	Major Shareholders of Corporation
Tuo De Investment Co., Ltd.	Haiken Social Welfare Foundation (19.92%), Jiayi Social Welfare Foundation (19.84%), Rising Sun Education Foundation (19.68%), Jiayi Progressive Enterprises Ltd. (10.16%), Tsai, Yueh-Chuan (8%), Tsai, Yueh-Lin (8%), Chen, Yu-Ting (8%), and Chuang Ying Investment Co., Ltd. (6.4%)
Jung Yi Investment Co., Ltd.	Huang, Wen-Jui (50%) and Huang, Tao-Tien (50%)
IRT Corporation	EAGLE SHARP GLOBAL LIMITED (50%), Huang, Chih-Lin (25%), Chang, Pei-Yao (23.55%), and Chang, Feng-Wen (1.45%)
Hong Yuan Investment Co., Ltd.	Hanling Investment Co., Ltd. (100%)
Chang Hong Bai Sheng Investment Co., Ltd.	Huang Hsu, Cheng-Pao (99.8%) and Lin, Dao-Yuan (0.2%)
Hui Min Investment Co., Ltd.	Huang, Shu-Hui (95%) and Tsai, Sung-Po (5%)
Sheng Gao Enterprise Co., Ltd.	Good Sense Limited (BVI) (94.54%), Zi Gao Co., Ltd. (4.64%), and Huang, Chih-Cheng (0.81%)
Yi Hong Investment Co., Ltd.	Sheng Gao Enterprise Co., Ltd. (69%), Cheng Syuan Social Welfare Foundation (19%), G&R Brothers' Investment Co., Ltd. (10%), and Huang, Si-Chia (2%)
Hotai Capital Ltd.	Huang Ssu-Yuan (45%), Huang Ssu-Po (45%), Chen Wen-Kuei (5%), and Chang, Chih-Hao (5%)
Shang Yao Investment Co., Ltd.	Li, Ching-Fen (25.98%), Li, Ching-Chao (21.20%), Sheng Jie Investment Co., Ltd. (19.57%), MING LIGHT Co., Ltd. (14.57%), Huang, Chuan-Chuan (13.90%), Wang, Chun-Po (2.39%), and Wang, Chun-Fu (2.39%)
Jia Hui Ltd.	Lin, Chih-Han (100%)
Jia Chu Ltd.	Lin, Chih-Han (100%)
Jia Chuan Ltd.	Lin, Chih-Han (100%)
Jing Jing Development Ltd.	Li, Chun-Jen (100%)
Li Teng Enterprise Ltd.	Li, Chun-Jen (100%)
Li En Investment Ltd.	Li Kang international Ltd. (100%)
Li Yung Investment Ltd.	Li Kang international Ltd. (100%)
Yi He International Investment Co., Ltd.	Su, Se-I (99.97%) and Wei, Yu-Chung (0.03%)
Yi Chuan Investment Co., Ltd.	Su, Se-I (99.97%) and Wei, Yu-Chung (0.03%)
SK Harvest Holdings (BVI) Ltd.	Jennifer Chen (100%)
Wangfu Investment Co., Ltd.	Chang, Hung-Ying (58.59%), Lifong Global Co., Ltd. (41.28%), and Gui Long Investment Co., Ltd. (0.13%)
Kang Yu Investment Co., Ltd.	Ko, Wen-Hui (25%), Ko, Wen-Hua (25%), Ko, Wang-Jen (25%), and Ko, Wang-Te (25%)

Note: Due to restriction of access under local regulations, information regarding corporate shareholders of the major shareholders of TMC that are also corporate shareholders is not available.

II. Corporate Governance Report

5. President, Vice Presidents, Chief Officers, and Department and Divisional Executive Officers

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					Shares	%	Shares	%	Shares	%
President	Republic of China	Su, Chwen-Shing	Male	Jun. 22, 2010	0	0.0%	102,000	0.02%	0	0.0%
Executive Vice President	Japan	Kazuo Naganuma	Male	Jan. 1, 2019	0	0.0%	0	0.0%	0	0.0%

II. Corporate Governance Report

Reference Date: April 15, 2025

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Remarks (Note)
		Title	Name	Relationship	
MBA, Massachusetts Institute of Technology	Chairman, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Chairman, Eastern Motor Co., Ltd. Chairman, Hotai Connected Co., Ltd. Vice Chairman, 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, Cheng Sun Trading Co., Ltd. Director, Jin Yuan Shan Investment Co., Ltd. Director, Li Gang Enterprise Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Director, Hoyun International Leasing Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Director, Hoyu Educational Foundation Supervisor, Denso Taiwan Corp. Supervisor, Chia Ch Investment Co., Ltd.	N/A	N/A	N/A	N/A
School of Commerce, Waseda University	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.	N/A	N/A	N/A	N/A

Note: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					Shares	%	Shares	%	Shares	%
Vice President	Republic of China	Chen, Chien-Chou	Male	Jul. 1, 2017	87	0.00002%	0	0.0%	0	0.0%
Vice President	Republic of China	Huang, Ming-Hsien (Note 1)	Male	Jul. 1, 2019	0	0.0%	0	0.0%	0	0.0%

Note 1: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

II. Corporate Governance Report

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Remarks (Note2)
		Title	Name	Relationship	
Department of Economics, Fu Jen Catholic University	Chairman, Hotai Mobility Service Co., Ltd. Chairman, Shanghai Hoyu Toyota Motor Service Co., Ltd. Chairman, Shanghai Hozhan Motor Service Co., Ltd. Chairman, Shanghai Heling Motor Service Co., Ltd. Chairman, Shanghai Yangpu Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Shanghai Jiading Heling Lexus Motor Service Co., Ltd. Chairman, Chongqing Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Tangshan Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Nanchang Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Zaozhuang Hoyu Toyota Motor Sales and Service Co., Ltd. Chairman, Tianjin Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Tianjin Hozhan Motor Service Co., Ltd. Chairman, Tianjin Hoyu Toyota Motor Sales and Service Co., Ltd. Chairman, Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Nanjing Hozhan Motor Sales & Service Co., Ltd. Chairman, Qingdao Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Tianjin Hexi District Hozhan Motor Sales & Service Co., Ltd. Director, Hotai Insurance Co., Ltd. Director, Central Motor Co., Ltd. Supervisor, Yi Tai Transport Co., Ltd. Supervisor, Kuai Shun Storage and Transport Co., Ltd. Supervisor, Shanghai Ho Tai Toyota Forklifts, Ltd.	N/A	N/A	N/A	N/A
EMBA, Soochow University	Chairman, Innovation Auto Parts Co., Ltd. Chairman, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Chairman, Linyi Hoyu Toyota Motor Sales & Service Co., Ltd. Chairman, Beijing Hoyu Toyota Motor Sales and Service Co., Ltd. Chairman, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director and President, Kuotu Motor Co., Ltd. Director, Innovation Auto Parts Co., Ltd. Supervisor, Hoan Insurance Agent Co., Ltd.	N/A	N/A	N/A	N/A

Note 2: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					Shares	%	Shares	%	Shares	%
Vice President	Republic of China	Hsieh, Fred (Note 1)	Male	Jul. 1, 2020	0	0.0%	0	0.0%	0	0.0%
Vice President	Republic of China	Wu, Chia-Yen	Male	Jul. 1, 2020	0	0.0%	0	0.0%	0	0.0%
Vice President	Republic of China	Liu, Chuan-Hung (Note 1)	Male	Jul. 1, 2023	0	0.00%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Liu, Sung-Shan (Note 1)	Male	Jul. 1, 2015	220	0.00004%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Wu, Pin-Tsung	Male	Jul. 1, 2016	0	0.0%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Yeh, Chia-Han	Male	Jul. 1, 2017	612	0.0001%	0	0.0%	0	0.0%

Note 1: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

II. Corporate Governance Report

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Remarks (Note 2)
		Title	Name	Relationship	
Master's Degree, College of Management, National Taiwan University	Chairman, Hoing Mobility Service Co., Ltd. Director and President, Hotai Leasing Co., Ltd.	N/A	N/A	N/A	N/A
Master's degree in automotive technology, Indiana State University	Director, Toyota Material Handling Taiwan Ltd. Director, He Jun Energy Co., Ltd. Director, Smart Design Technology Co., Ltd. Director, Yokohama Tire Taiwan Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Director, Kuai Shun Warehousing Traffic Co., Ltd. Supervisor, He Quan Insurance Agency Co., Ltd.	N/A	N/A	N/A	N/A
EMBA, Department of Business Administration, National Taipei University	Director and President, Carmax Co., Ltd. Chairman, Smart Design Technology Co., Ltd. Chairman, Aim Technology Co., Ltd. Chairman, Carmax Autotech (Shanghai) Co., Ltd.	N/A	N/A	N/A	N/A
Master's Degree, Graduate Institute of National Policy and Public Affairs, National Chung Hsing University	Supervisor, Smart Design Technology Co., Ltd. Director, Aim Technology Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd.	N/A	N/A	N/A	N/A
Master's Degree, Department of Industrial Management, National Cheng Kung University	Chairman, Ho Young Travel Agency Co., Ltd. Director and President, Hotai Connected Co., Ltd. Director, He Quan Insurance Agency Co., Ltd. Director, Hotai Mobility Service Co., Ltd. Supervisor, Eastern Motor Co., Ltd. Supervisor, Aim Technology Co., Ltd.	N/A	N/A	N/A	N/A
Department of Aerospace Engineering, Tamkang University	Chairman, Hotai Auto Body Sales Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Chairman, Hotai Auto Body Manufacturing Co., Ltd. Director, Yi Tai Transport Co., Ltd. Director, Eastern Motor Co., Ltd. Chairman, Hotai Bus Sales Co., Ltd.	N/A	N/A	N/A	N/A

Note 2: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response, such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					Shares	%	Shares	%	Shares	%
Chief Officer	Republic of China	Wang, Shih-Hao	Male	Jul. 1, 2018	0	0.0%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Lai, Chih-Wei	Male	Jul. 1, 2019	765	0.0001%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Lai, Kuang-Hsiung	Male	Jul. 1, 2019	2,652	0.0005%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Lu, Li-Yin (Note 1)	Male	Jul. 1, 2020	0	0.0%	0	0.0%	0	0.0%
Chief Officer	Japan	Kei Mizuguchi (Note 1)	Male	Apr. 6, 2021	0	0.0%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Han, Chih-Kang	Male	Jul. 1, 2021	0	0.0%	0	0.0%	0	0.0%
Chief Officer	Republic of China	Weng, Ming-Lun	Male	Jul. 1, 2021	0	0.0%	0	0.0%	0	0.0%

Note 1: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

II. Corporate Governance Report

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Remarks (Note 2)
		Title	Name	Relationship	
Master's Degree, Department of Human Resource Management, University of California, Los Angeles	Director, Eastern Motor Co., Ltd. Director, Tau Miao Motor Co., Ltd. Director, Hotai Mobility Service Co., Ltd. Director, Kuang Chuan Machinery Factory Co., Ltd. Director, Tong Tai Asset Management Co., Ltd. Director, Tong You Auto Parts Co., Ltd. Director, Heng Yun Investment Co., Ltd.	N/A	N/A	N/A	N/A
School of Information Systems & Technology, UNSW Business School, University of New South Wales	Supervisor, Taipei Toyota Motor Co., Ltd. Supervisor, Heng Yun Investment Co., Ltd. Supervisor, Formosa Container Transportation Company Limited Supervisor, Hua Tai Transportation Co., Ltd. Supervisor, Hotai Auto Body Manufacturing Co., Ltd.	N/A	N/A	N/A	N/A
Graduate Institute of Vehicle Engineering, National Taipei University of Technology	Director, Eastern Motor Co., Ltd. Director, Nan Du Motor Co., Ltd. Director, Formosa Container Transportation Company Limited Director, Hua Tai Transportation Co., Ltd. Director, Hotai Connected Co., Ltd.	N/A	N/A	N/A	N/A
Department of Mechanical Engineering, National Taiwan University of Science and Technology	Director and President, Chang Yuan Motor Co., Ltd.	N/A	N/A	N/A	N/A
Nagoya University	Vice President, Carmax Co., Ltd.	N/A	N/A	N/A	N/A
Graduate Institute of Management Sciences, Tamkang University	N/A	N/A	N/A	N/A	N/A
Graduate Institute of Management Sciences, Tamkang University	N/A	N/A	N/A	N/A	N/A

Note 2: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(Continued)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					Shares	%	Shares	%	Shares	%
Chief Officer	Republic of China	Huang, I-Jun	Male	Feb. 1, 2022	0	0.0%	6,321	0.001%	0	0.0%
Chief Officer	Republic of China	Yu, Chun-Chien	Male	Jul. 1, 2022	0	0.0%	0	0.0%	0	0.0%

II. Corporate Governance Report

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Remarks (Note 2)
		Title	Name	Relationship	
MBA, Kellogg School of Management at Northwestern University, Hong Kong	Vice Chairman, Hoyun International Leasing Co., Ltd. Director, Hotai Finance Co., Ltd. Director, Ho Tai Development Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Director, He Quan Insurance Agency Co., Ltd. Director, Hotong Motor Investment Co., Ltd. Chairman, Shanghai Fengyi Construction Decoration Co., Ltd. Director, Tianjin He-Yi International Trading Co., Ltd. Director, Zaozhuang Hewan Automobile Sales & Service Co., Ltd. Supervisor, Beijing Hoyu Toyota Motor Sales and Service Co., Ltd. Director, Carmax Autotech (Shanghai) Co., Ltd. Supervisor, TRIPLES Information Co., Ltd. Supervisor, Sanxing (Shanghai) Enterprise Management Consulting Co., Ltd. Director, Guangzhou GAC Commerce and Trade Changhe Automobile Technology Company Limited Director, Linyi Hoyu Toyota Motor Sales & Service Co., Ltd. Director, Beijing Heling Lexus Motor Sales & Service Co., Ltd. Director, Linyi Heling Lexus Motor Sales & Service Co., Ltd. Director, Jinzhong Central Toyota Motor Sales & Service Co., Ltd. Director, Tianjin Binhai New Area Heling Lexus Motor Sales & Service Co., Ltd. Director, Nanjing Hozhan Motor Sales & Service Co., Ltd. Director, Qingdao Heling Lexus Motor Sales & Service Co., Ltd. Supervisor, Chongqing Taikang Heling Lexus Motor Sales & Service Co., Ltd. Director, Taizhou Zhongdu Lexus Motor Sales & Service Co., Ltd. Director, Taiyuan Zhongdu Heling Lexus Motor Sales & Service Co., Ltd. Director, Tianjin He-Kang Finance Leasing Co., Ltd. Director, Chongqing Yudu Toyota Motor Service Co., Ltd. Director, Chongqing Yurun Motor Sales & Service Co., Ltd. Director, Chongqing Yuguo Auto Parts Co., Ltd. Executive Director and President, Shanghai Hemian Automotive Technology Co., Ltd. Executive Director, Shanghai Hechen Automotive Technology Co., Ltd. Executive Director, Shanghai Zhongxin Traffic Facilities Engineering Co., Ltd. Executive Director, Tianjin Yongda Xintong Technology Co., Ltd.	N/A	N/A	N/A	N/A
Financial Management, MS, Pace University	N/A	N/A	N/A	N/A	N/A

Note 2: If the Chairman and the President (or an equivalent top executive) are the same individual, or if they are spouses or first-degree relatives, the company shall disclose the reasons, justification, necessity, and corresponding measures taken in response—such as increasing the number of independent directors and ensuring that a majority of board members are neither employees nor executive officers.

II. Corporate Governance Report

(II) Remuneration Paid to Directors, President, and Vice Presidents of the Company within the Last Year

1. Remuneration of Directors

Title	Name	Remuneration of Directors							
		Base Compensation (A)(Note 1)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 2)		Allowances (D) (Note 3)	
		The Company	Consolidated Entities (Note 6)	The Company	Consolidated Entities (Note 6)	The Company	Consolidated Entities (Note 6)	The Company	Consolidated Entities (Note 6)
Chairman / Director	Chun Yung Investment Co., Ltd.	7,920	7,920	0	0	222,926	222,926	80	80
Director	Gui Long Investment Co., Ltd.	720	720	0	0	31,846.5	31,846.5	40	40
Director	Yuan Tuo Investment Co., Ltd.	0	0	0	0	31,846.5	31,846.5	0	0
Director	Li Gang Enterprise Co., Ltd.	0	0	0	0	63,693	63,693	0	0
Director	Yong Hui Development Co., Ltd.	0	0	0	0	63,693	63,693	80	80
Director	Toyota Motor Corporation	0	0	0	0	31,846.5	31,846.5	0	0
Chairman	Huang, Nan-Kuang (Rep. of Chun Yung Investment)	4,320	12,076	0	0	0	0	1,535	2,330
Director	Lin, Li-Hua (Rep. of Chun Yung Investment)								
Director	Huang, Wen-Jui (Rep. of Chun Yung Investment)								
Director	Huang, Chih-Cheng (Rep. of Chun Yung Investment)								
Director	Su, Jean (Rep. of Li Gang Enterprise)								
Director	Su, Yi-Chung (Rep. of Yong Hui Development)								
Director / President	Su, Chwen-Shing (Rep. of Li Gang Enterprise)								
Director	Soo, Leon (Rep. of Yong Hui Development)								
Director	Ko, Junn-Yuan (Rep. of Yuan Tuo Investment)								
Director	Chang, Shih-Yieng (Rep. of Gui Long Investment)								
Director / Executive Vice President	Kazuo Naganuma (Rep. of Toyota Motor Corporation)								
Independent Director	Li, Chao-Sen	2,160	2,160	0	0	0	0	360	360
	Su, Chin-Huo								
	Wu, Shih-Hao								

1. Please describe the remuneration policy, system, standards, and structure for independent directors, and explain the relationship between the amount of remuneration and their responsibilities, risks, and time commitment: The remuneration of the Company's independent directors is determined in accordance with the Articles of Incorporation. The Remuneration Committee periodically reviews both annual and long-term performance goals, as well as the remuneration policy, system, standards, and structure.

2. Apart from the disclosures in the table above, no remuneration was received in the most recent fiscal year by any Director of the Company for services provided (e.g., as a non-employee advisor) to any entity included in the financial statements.

II. Corporate Governance Report

Unit: NT\$ thousand

Total Remuneration (A+B+C+D) and as a % of Net Income (Note 7)		Compensation Received by a Director Who is an Employee of the Company and/or any Consolidated Entities								Total Compensation (A+B+C+D+E+F+G) and as % of Net Income (Note 7)		Compensation Paid to Directors from Nonconsolidated Affiliates or parent company (Note 8)
		Salary, Bonuses, and Allowances (E)(Note 4)		Severance Pay and Pensions (F)		Profit Sharing- Employee Remuneration (G) (Note 5)						
The Company	Consolidated Entities (Note 6)	The Compa ny	Consolid ated Entities (Note 6)	The Company	Consolidated Entities (Note 6)	The Company		Consolidated Entities (Note 6)		The Company	Consolidated Entities (Note 6)	
						Cash	Stock	Cash	Stock			
230,926 1.13%	230,926 1.13%	0	0	0	0	0	0	0	0	230,926 1.13%	230,926 1.13%	0
32,606.5 0.16%	32,606.5 0.16%	0	0	0	0	0	0	0	0	32,606.5 0.16%	32,606.5 0.16%	0
31,846.5 0.16%	31,846.5 0.16%	0	0	0	0	0	0	0	0	31,846.5 0.16%	31,846.5 0.16%	0
63,693 0.31%	63,693 0.31%	0	0	0	0	0	0	0	0	63,693 0.31%	63,693 0.31%	0
63,773 0.31%	63,773 0.31%	0	0	0	0	0	0	0	0	63,773 0.31%	63,773 0.31%	0
31,846.5 0.16%	31,846.5 0.16%	0	0	0	0	0	0	0	0	31,846.5 0.16%	31,846.5 0.16%	0
5,855 0.02%	14,406 0.06%	26,130	26,130	0	0	5,508	0	5,508	0	37,493 0.18%	46,044 0.22%	3,335
2,520 0.01%	2,520 0.01%	0	0	0	0	0	0	0	0	2,520 0.01%	2,520 0.01%	0

II. Corporate Governance Report

Remuneration Ranges

Remuneration Ranges for Each Director	Name			
	Total Remuneration for the First Four Items (A + B + C + D)		Total Remuneration for the First Seven Items (A + B + C + D + E + F + G)	
	The Company (Note 9)	Consolidated Entities (Note 10)	The Company (Note 9)	Consolidated Entities (Note 10)
Below NT\$1,000,000	Lin, Li-Hua; Huang, Wen-Jui; Huang, Chih-Cheng; Su, Jean; Su, Yi-Chung; Su, Chwen-Shing; Soo, Leon; Ko, Junn-Yuan; Chang, Shih-Yieng; Kazuo Naganuma; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao	Lin, Li-Hua; Huang, Wen-Jui; Su, Jean; Chang, Shih-Yieng; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao	Lin, Li-Hua; Huang, Wen-Jui; Huang, Chih-Cheng; Su, Jean; Su, Yi-Chung; Soo, Leon; Ko, Junn-Yuan; Chang, Shih-Yieng; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao	Lin, Li-Hua; Huang, Wen-Jui; Su, Jean; Chang, Shih-Yieng; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao
NT\$1,000,000 - NT\$2,000,000(excl.)	Huang, Nan-Kuang	Huang, Nan-Kuang; Su, Chwen-Shing; Huang, Chih-Cheng; Soo, Leon; Kazuo Naganuma	Huang, Nan-Kuang	Huang, Nan-Kuang; Huang, Chih-Cheng; Soo, Leon
NT\$2,000,000 - NT\$3,500,000(excl.)	-	Su, Yi-Chung; Ko, Junn-Yuan	-	Su, Yi-Chung; Ko, Junn-Yuan
NT\$3,500,000 - NT\$5,000,000(excl.)	-	-	-	-
NT\$5,000,000 - NT\$10,000,000(excl.)	-	-	Kazuo Naganuma	Kazuo Naganuma
NT\$10,000,001 - NT\$15,000,000(excl.)	-	-	-	-
NT\$15,000,000 - NT\$30,000,000(excl.)	-	-	Su, Chwen-Shing	Su, Chwen-Shing
NT\$30,000,000 - NT\$50,000,000(excl.)	Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation	Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation	Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation	Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation
NT\$50,000,000 - NT\$100,000,000(excl.)	Li Gang Enterprise Co., Ltd.; Yong Hui Development Co., Ltd.	Li Gang Enterprise Co., Ltd.; Yong Hui Development Co., Ltd.	Li Gang Enterprise Co., Ltd.; Yong Hui Development Co., Ltd.	Li Gang Enterprise Co., Ltd.; Yong Hui Development Co., Ltd.
Over NT\$100,000,000	Chun Yung Investment Co, Ltd.	Chun Yung Investment Co, Ltd.	Chun Yung Investment Co, Ltd.	Chun Yung Investment Co, Ltd.
Total	20	20	20	20

Note 1: Refers to remuneration paid to directors in 2024, including salary, allowance, severance, all types of bonuses, and performance bonus.

Note 2: Refers to compensation paid to directors in 2024 approved by the Board of Directors.

Note 3: Refers to business expenses incurred by directors in 2024 while performing their duties, including travel, special, and other allowances, accommodation, and fringe benefits such as company cars. A total of NT\$789 thousand was paid to company drivers as compensation, which is excluded from the allowances reported here.

Note 4: Refers to compensation received by directors concurrently serving as employees (including presidents, vice presidents, other executives, and staff) in 2024, covering salaries, position allowances, severance payments, bonuses, incentives, travel allowances, special allowances, various subsidies, housing, company vehicles, and other in-kind benefits. Compensation to drivers NT\$2,154 thousand is excluded from the aforementioned remuneration.

Note 5: Refers to the disclosure of employee profit-sharing amounts approved by the Board of Directors in the latest fiscal year for directors concurrently serving as employees of Hotai and/or its consolidated entities.

Note 6: It refers to the disclosure of total remuneration paid to the Company's directors by Hotai and all consolidated entities

Note 7: Net income refers to the after-tax profit reported in the parent company's separate financial statements for the most recent fiscal year. Hotai's net income as of December 31, 2024, was NT\$20,467,026 thousand.

Note 8: Refers to remuneration received by the Company's directors from investee enterprises other than subsidiaries or from the parent company.

Note 9: The names of directors are disclosed in the applicable remuneration range according to the total remuneration paid to each director by Hotai.

Note 10: The total remuneration paid to each director by the Company and all consolidated entities is disclosed within the applicable remuneration range, along with the name of each director.

II. Corporate Governance Report

2. Remuneration of the President and Vice Presidents

Unit: NT\$ Thousand

Title	Name	Salary (A) (Note 1)		Severance and Retirement Pay (B)		Bonus, and Special Expense Allowances (C) (Note 2)		Employee Remuneration (D) (Note 3)				Total of A, B, C, and D and Their Proportions to Profit After Tax (%) (Note 5)		Remuneration from Parent Company and Non-Subsidiary Investments (Note 6)
		The Company	Consolidated Entities (Note 4)	The Company	Consolidated Entities (Note 4)	The Company		Consolidated Entities (Note 4)		The Company	Consolidated Entities (Note 4)			
						Cash	Stock	Cash	Stock					
President	Su, Chwen-Shing	26,163	28,145	0	0	72,398	72,809	24,859	0	24,859	0	123,420 0.60%	125,813 0.61%	2,112
Executive Vice President	Kazuo Naganuma													
Vice President	Chen, Chien-Chou													
Vice President	Huang, Ming-Hsien (Note 9)													
Vice President	Hsieh, Fred (Note 9)													
Vice President	Wu, Chia-Yen													
Vice President	Liu, Chuan-Hung (Note 9)													

Remuneration Ranges

Remuneration Ranges for the President and Vice Presidents	Name	
	The Company (Note 7)	Consolidated Entities (Note 8)
Below NT\$1,000,000	-	-
NT\$1,000,000 - NT\$2,000,000(excl.)	-	-
NT\$2,000,000 - NT\$3,500,000(excl.)	-	-
NT\$3,500,000 - NT\$5,000,000(excl.)	-	-
NT\$5,000,000 - NT\$10,000,000(excl.)	Kazuo Naganuma	Kazuo Naganuma
NT\$10,000,000 - NT\$15,000,000(excl.)	—	—
NT\$15,000,000 - NT\$30,000,000(excl.)	Su, Chwen-Shing; Chen, Chien-Chou; Wu, Chia-Yen; Hsieh, Fred ; Huang, Ming-Hsien; Liu, Chuan-Hung	Su, Chwen-Shing; Chen, Chien-Chou; Wu, Chia-Yen; Hsieh, Fred ; Huang, Ming-Hsien; Liu, Chuan-Hung
NT\$30,000,000 - NT\$50,000,000(excl.)	-	-
NT\$50,000,000 - NT\$100,000,000(excl.)	-	-
Over NT\$100,000,000	-	-
Total	7	7

Note1: Refers to salary, allowance and severance paid to president and vice presidents in 2024.

Note2: Refers to all types of bonuses, performance bonus, travel allowance, special allowance, other allowance, accommodation, and fringe benefits such as company cars paid or provided to president and vice president in 2024. A total of NT\$2,154 thousand paid to the company drivers as compensation is excluded in the amount of allowances shown here.

Note3: Refers to employee profit sharing granted to the president and vice president approved by the Board of Director in 2024.

Note4: Compensation paid to president and vice presidents by Hotai and all consolidated entities.

Note5: Net income refers to the after-tax profit reported in the parent company's separate financial statements for the most recent fiscal year. Hotai's net income as of December 31, 2024, was NT\$20,467,026 thousand.

Note6: Compensation received by president and vice presidents from non-consolidated affiliates or parent company.

Note7: The names of president and vice presidents are disclosed in the applicable compensation range according to the total compensation paid to the president and each vice president by Hotai.

Note8: The names of president and vice presidents are disclosed in the applicable compensation range according to the total compensation paid to the president and each vice president by Hotai and all consolidated entities.

Note9: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

II. Corporate Governance Report

Employee Profit Sharing Granted to the Management Team

Title		Name	Cash Amount (NT\$) (Note 1)	Total (NT\$)	Net Income after Tax (%)
Executive Officers (Note 2)	President	Su, Chwen-Shing	62,339,654	62,339,654	0.30%
	Executive Vice President	Kazuo Naganuma			
	Vice President	Chen, Chien-Chou			
	Vice President	Huang, Ming-Hsien			
	Vice President	Fred Hsieh			
	Vice President	Wu, Chia-Yen			
	Vice President	Liu, Chuan-Hung			
	Assistant Vice President	Wang, Shih-Hao			
	Assistant Vice President	Kei Mizuguchi			
	Chief Officer	Liu, Sung-Shan			
	Chief Officer	Wu, Pin-Tsung			
	Chief Officer	Yeh, Chia-Han			
	Chief Officer	Lai, Chih-Wei			
	Chief Officer	Lai, Kuang-Hsiung			
	Chief Officer	Lu, Li-Yin			
	Chief Officer	Weng, Ming-Lun			
	Chief Officer	Han, Chih-Kang			
	Chief Officer	Huang, I-Jun			
	Chief Officer	Yu, Chun-Chien			
	Corporate Governance Officer	Tai, Heng-Hu			
	Financial Officer	Chen, Ting-Ju			
	Accounting Officer	Chi, Kuan-Nien			

Note1: Refers to employee profit sharing granted to the management team approved by the Board of Director in 2024.

Note2: According to FSC Letter Jin-Guan-Zheng-Jiao Zi No. 1120384295 dated October 4, 2023, managerial officers include:

(1) the President and individuals of equivalent rank; (2) Vice Presidents and individuals of equivalent rank; (3) Assistant Vice Presidents and individuals of equivalent rank; (4) the head of the finance department; (5) the head of the accounting department; and (6) any other person who is responsible for managing company affairs and authorized to sign on behalf of the Company.

II. Corporate Governance Report

3. Analysis of Total Remuneration Received by Directors, Presidents and Vice Presidents from Hotai and all Consolidated Entities in Percentage of Net Income of Parent Company Only and Separate Financial Statements in the Most Recent Two Fiscal Years, and Remuneration Policy for Directors, President, and Vice Presidents.

- (1) Analysis of total remuneration received by the directors, president, and vice presidents from Hotai and all consolidated entities in percentage of net income for the latest two fiscal years Hotai

	The Company (Standalone)		Consolidated Entities		Percentage Changes	
	Total Remuneration in % of Net Income		Total Remuneration in % of Net Income (%)		The Company	Consolidated Entities
	2024	2023	2024	2023		
Director	2.42%	2.25%	2.46%	2.29%	0.17%	0.17%
President and Vice Presidents	0.60%	0.44%	0.61%	0.47%	0.16%	0.14%

Description: The net income after tax of Hotai was NT\$20,467,026 thousand as of December 31, 2024, and NT\$22,857,675 thousand as of December 31, 2023.

- (2) Remuneration policies, standards, and structure, procedures for determining remuneration, and their relevance to business performance and future risks:
- Remuneration Committee regularly reviews the annual and long-term performance goals of directors and managerial officers, as well as the policies, systems, standards, and structure of remuneration. It also regularly evaluates the extent to which directors and managerial officers have achieved their performance goals.
 - Remuneration paid to the directors includes base compensation pursuant to Article 28 of the Articles of Incorporation of the Company, profit sharing, and allowance. Profit sharing is governed by Article 34 of the Articles of Incorporation of the Company that no more than two percent of the profit from the current year shall be allocated as directors' remuneration; travel allowance is only paid to those who attend the Board meetings.
 - The Company conducts performance evaluations on the overall Board, individual directors, Audit Committee, and Remuneration Committee each year in accordance with the Rules for Board Performance Evaluations. Conducted in the fourth quarter of 2024, the results of performance evaluation on the Board and individual directors in 2024 are excellent, indicating that the Company has a well-functioning Board and the results have been reported at the Board meeting on January 21, 2025. In addition to management's efforts, the directors have also made contributions to the Company's business performance in carrying out their duties and responsibilities. Therefore, after taking the Company's overall performance, including revenue, profit, market share, etc., into account, the director remuneration of 2024 is allocated by proportions in accordance with relevant regulations.

II. Corporate Governance Report

D. Remuneration paid to managerial officers includes salary, bonuses, and employee profit sharing. Salaries are paid in accordance with the Company's "Salary Payment Policy." Bonuses and employee profit sharing are determined based on the Employee Performance Evaluation Policy, taking into account the Company's overall business performance, future operational risks of the industry, and development trends, as well as the individual performance achievement rate. Performance ratings are assigned accordingly and linked to the bonuses and employee profit sharing received. All performance evaluations and the reasonableness of remuneration are reviewed by the Remuneration Committee and approved by the Board of Directors. Key performance indicators include: achievement rate of annual policy goals, annual vehicle sales targets, and profit contribution by product category. In addition, the remuneration policy is reviewed and revised as needed based on actual operating conditions and applicable laws and regulations to ensure a proper balance between sustainable corporate development and risk management.

II. Corporate Governance Report

(III) Corporate Governance Practices

1. Board of Directors Operations

- (1) In the most recent fiscal year (2024), the Board of Directors convened 8 meetings (A), and the directors' attendance is detailed as follows:

Title	Name (Note 1)	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Rate of Attendance in Person (%) (B/A) (Note 2)	Note
Chairman	Rep. of Chun Yung Investment Co., Ltd.: Huang, Nan-Kuang	8	0	100%	The 21st term of corporate directors began after the re-election on June 21, 2022.
Director	Rep. of Chun Yung Investment Co., Ltd.: Lin, Li-Hua	7	1	88%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Chih-Cheng	8	0	100%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Wen-Jui	8	0	100%	
Director	Rep. of Yong Hui Development Co., Ltd.: Su, Yi-Chung	6	2	75%	
Director	Rep. of Li Gang Enterprise Co., Ltd.: Su, Chwen-Shing	8	0	100%	
Director	Rep. of Li Gang Enterprise Co., Ltd.: Su, Jean	7	1	88%	
Director	Rep. of Yong Hui Development Co., Ltd.: Soo, Leon	7	1	88%	
Director	Yuan Tuo Investment Co., Ltd., represented: Ko, Junn-Yuan	7	1	88%	
Director	Rep. of Gui Long Investment Co., Ltd.: Chang, Shih-Yieng	8	0	100%	
Director	Rep. of Toyota Motor Corporation: Kazuo Naganuma	8	0	100%	
Independent Director	Li, Chao-Sen	8	0	100%	The 21st term of independent directors began after the re-election on June 21, 2022.
	Su, Chin-Huo	6	2	75%	
	Wu, Shih-Hao	8	0	100%	

II. Corporate Governance Report

Other items to be disclosed:

I 、 If any of the following situations occur, the date and session number of the Board meeting, the content of the proposal, the opinions of independent directors, and the actions taken by the Company in response to those opinions should be disclosed:

- (I) Matters specified in Article 14-3 of the Securities and Exchange Act: This provision does not apply as the Company has established an Audit Committee.
- (II) Other Board resolutions where independent directors have expressed dissenting or qualified opinions, either verbally or in writing: The Company has no such instances.

II 、 Recusal of directors due to conflicts of interest:

- (I) March 13, 2024, 16th Board Meeting of the 21st Term. The recusal execution is as follows:
 - 1. Discussion on acquiring real property right-of-use assets from related parties: Due to the involvement of Huang, Nan-Kuang, Su, Chwen-Shing, Kazuo Naganuma, Huang, Chih-Cheng, Soo, Leon, and Su, Jean (second-degree relatives), who had a personal interest in the matter, they recused themselves in accordance with regulations and did not participate in the discussion or voting.
 - 2. Discussion on the salary and remuneration proposal for the year 2023: Due to the involvement of board members' interests, representatives of the corporate directors recused themselves as required by regulations and did not participate in the discussion or voting.
- (II) December 19, 2024, 22nd Board Meeting of the 21st Term. The recusal execution is as follows: Discussion on the appointment of the Executive Vice President: Due to the personal interest of Director Kazuo Naganuma, he recused himself in accordance with regulations and did not participate in the discussion or voting.

III 、 Objectives for strengthening the Board's functions in the current and most recent year (e.g., establishment of the audit committee, improvement of information transparency) and evaluation of implementation:

- (I) The Board passed a resolution to set up a corporate social responsibility committee on December 27, 2018, delegated directly by the Board. The committee was renamed the Sustainable Development Committee in 2021, charged with the responsibilities to formulate sustainable development strategies of the Company and coordinate and oversee relevant activities.
- (II) The Company conducts an annual self-assessment of the Board's performance in the fourth quarter. The most recent self-assessment was conducted in Q4 2024, with the results indicating that the Board's operations were excellent. Every three years, the Board's performance is evaluated by an external, independent professional organization or a team of external experts. The most recent external evaluation was conducted in Q4 2024 by the Taiwan Institute of Ethical Business, with the overall results indicating that the Board's operations were good.

Note 1: If a director or supervisor is a juristic person, disclose the name of the corporate shareholder and its representative.

Note 2:

- 1. If a director or supervisor resigns before the end of a fiscal year, the date of resignation shall be included in the note column. Rate of attendance in person (%) is calculated based on the total number of Board meetings held and the total number of Board meetings attended by a director or supervisor in person during their term.
- 2. If a director or supervisor is re-elected before the end of the fiscal year, both the current and previous directors or supervisors shall be listed, with their appointment status (whether newly appointed, reappointed, or re-elected) and the re-election date noted in the note column. Rate of attendance in person (%) is calculated based on the total number of Board meetings held and the total number of Board meetings attended by a director or supervisor in person during their term.

II. Corporate Governance Report

(2) Board evaluation implementation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Self-evaluation: Conducted annually. External evaluation: Conducted every three years, with 2024 being the third year.	From January 1, 2024, to December 31, 2024.	Board of Directors	1. Self-evaluation by the Board and members of the Board, the Audit Committee, and the Remuneration Committee. 2. Every three years, an evaluation is conducted by an external independent professional institution or a team of external experts and scholars.	Assessment criteria cover the following five key aspects: A. Participation in the company's operations B. Enhancement of the quality of board decision-making C. Board composition and structure D. Selection and continuing education of directors E. Internal control
		Individual Board members		Assessment criteria cover the following six aspects: A. Understanding of the company's goals and missions B. Awareness of directors' responsibilities C. Participation in the company's operations D. Management of internal relationships and communication E. Professional expertise and ongoing education of directors F. Internal control
		Audit Committee		Assessment criteria cover the following five key aspects: A. Participation in the company's operations B. Understanding of the Audit Committee's responsibilities C. Enhancement of the Audit Committee's decision-making quality D. Composition of the Audit Committee and selection of its members E. Internal control
		Remuneration Committee		Assessment criteria cover the following four aspects: A. Participation in the company's operations B. Understanding of the Remuneration Committee's responsibilities C. Enhancement of the Remuneration Committee's decision-making quality D. Composition of the Remuneration Committee and selection of its members

II. Corporate Governance Report

2. Audit Committee Operations

Hotai established an audit committee on June 21, 2016.

Items that require the review and approval of the Audit Committee include:

- (1) Adoption and amendment of the internal control system according to Article 14-1 of the Securities and Exchange Act
- (2) Review of the effectiveness of the internal control system
- (3) Procedures governing important financial and business decisions, including acquisition or disposal of assets according to Article 36-1 of the Securities and Exchange Act, financial derivatives transactions, lending activities, and endorsement and guarantee of obligations for a third party.
- (4) Matters that involve the interests of the directors
- (5) Transactions of major assets or financial derivatives
- (6) Major lending activities and endorsement or guarantee of obligations
- (7) Offer, issuance, and private placement of equity securities
- (8) Appointment, removal, and compensation of external auditors
- (9) Appointment and removal of chief financial officer, chief accounting officer, and chief internal audit officer
- (10) Annual financial reports and interim financial reports required to be reviewed by a CPA, all of which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- (11) Mergers and acquisitions under the Business Mergers and Acquisitions Act, which should comply with Article 6 of the said Act and Regulations Governing the Establishment and Related Matters of Special Committees of Public Companies in Mergers and Acquisitions
- (12) Other important matters as may be provided by the Company's internal rules or prescribed by regulatory authorities.

II. Corporate Governance Report

In the most recent year (2024), the Audit Committee convened 6 times (A). The attendance of independent directors is as follows:

Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Rate of Attendance in Person (%) (B/A) (Note)	Remarks
Independent Director	Li, Chao-Sen	6	0	100%	Newly elected independent directors commenced their term from June 21, 2022.
Independent Director	Wu, Shih-Hao	6	0	100%	Newly elected independent directors commenced their term from June 21, 2022.
Independent Director	Su, Chin-Huo	5	1	83.33%	Newly elected independent directors commenced their term from June 21, 2022.

Other items to be disclosed:

I、 If any of the following events occur in the operation of the Audit Committee, the date, session, proposal content, dissenting opinions, qualified opinions, or significant recommendations of the independent directors, as well as the resolutions of the Audit Committee and the Company's response to the opinions of the Audit Committee, should be specified:

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date / Session	Proposal Content	Audit Committee Decision	Company's Response to Committee's Opinion
March 13, 2024, 3rd Term, 10th Meeting	Proposal 1: Internal control system declaration for 2023 Proposal 2: Acquisition of real estate usage rights from related parties Proposal 3: Amendment to the "Rules and Procedures of Board Meetings" Proposal 4: Lifting of the director's non-compete restrictions Proposal 5: 2023 business report and financial statements Proposal 6: 2023 profit distribution	The proposals were unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
May 13, 2024, 3rd Term, 11th Meeting	Proposal 1: Consolidated financial statements for Q1 2024	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.

II. Corporate Governance Report

June 27, 2024, 3rd Term, 12th Meeting	Proposal 1: Appointment of accounting officer Proposal 2: Appointment of financial officer	The proposals were unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
August 12, 2024, 3rd Term, 13th Meeting	Proposal 1: Consolidated financial statements for Q2 2024 Proposal 2: Endorsement and guarantee of obligations for Hotai Auto Body Sales Co., Ltd. in 2024	The proposals were unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
September 26, 2024, 3rd Term, 14th Meeting	Proposal 1: Participation in the cash capital increase of He Jun Energy Co., Ltd.	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
November 12, 2024 3rd Term, 15th Meeting	Proposal 1: Amendments of the operating procedures for preparing and filing the sustainability report Proposal 2: Establishment of an internal control system for sustainability information management Proposal 3: 2025 annual audit plan Proposal 4: Consolidated financial statements for Q3 2024 Proposal 5: Assessment of the independence of the Company's external auditors Proposal 6: Appointment of PricewaterhouseCoopers (PwC) for 2025 audit services and the associated fees	The proposals were unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.

(II) Other resolutions not approved by the Audit Committee but passed with the consent of more than two-thirds of the Board of Directors: None.

II 、 If any independent director recused themselves due to conflicts of interest, specify the name of the independent director, the content of the proposal, the reason for recusal, and their participation in the voting process: None.

III 、 Communications between independent directors, chief internal audit officer, and external auditors:

(I) Summary of communications between independent directors and external auditors:

II. Corporate Governance Report

Date	Key Points of Communication
March 13, 2024	1. The Company's external auditor explained the audit results of the individual financial reports and consolidated financial reports for 2023 and communicated the audit results regarding key audit matters. 2. The auditor discussed and communicated with the independent directors regarding the issues raised.
August 5, 2024	1. The Company's external auditor explained the audit matters related to the "Hotai Group 2024 Consolidated Financial Statements" and "Hotai Motor 2024 Parent Company Financial Statements." 2. The auditor discussed and communicated with the independent directors regarding the issues raised.

(II) Summary of communications between independent directors and the chief internal audit officer:

Date	Key Points of Communication
March 13, 2024	Q4 2023 Internal Audit Report
May 13, 2024	Q1 2024 Internal Audit Report
August 12, 2024,	Q2 2024 Internal Audit Report
November 12, 2024	Q3 2024 Internal Audit Report

II. Corporate Governance Report

3. Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Along with Reasons

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
I. Has the Company adopted and disclosed its corporate governance principles in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		We have established the "Hotai Motor Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," which is disclosed on both the Market Observation Post System and our official website.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
II. Shareholding structure and shareholders' rights				
(I) Has the Company set up internal operating procedures for handling shareholder suggestions, inquiries, disputes, and litigation matters? If so, have these procedures been implemented accordingly?	V		In addition to having a spokesperson, a dedicated unit, and a shareholder services agency to handle shareholder matters, the Company has also set up "Shareholder Services" and "Stakeholder Section" on its website for shareholders to inquire and express opinions, which are processed and responded to in accordance with relevant procedures.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
(II) Has the Company identified the list of its major shareholders and the ultimate controlling persons of those major shareholders?	V		The Company maintains a stable shareholder structure. It tracks shareholder ownership through the shareholder register provided by the shareholder service agency and regular disclosures on changes in the shareholdings of directors and executives, ensuring compliance with relevant regulations.	
(III) Has the Company established and implemented risk management and firewall mechanisms for transactions with related parties?	V		The Company has established the "Related Party Transaction Management Guidelines" and the "Implementation Rules for Related Party Transaction Management" to govern transactions with related parties. Additionally, the Company regularly conducts subsidiary supervision in accordance with the internal control and audit system to ensure effective risk management mechanisms are in place.	
(IV) Has the Company established internal regulations to prohibit insiders from trading securities based on non-public information?	V		To establish a sound internal mechanism for handling and disclosing material information and to prevent improper information leakage, the Company has established the "Internal Procedures for Handling Material Information" and formulated "Management Controls to Prevent Insider Trading" under the internal control system, which outlines the prohibition of insider trading.	

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors established a diversity policy, set specific management objectives, and implemented them accordingly?	V		To strengthen corporate governance and promote a well-structured Board, the Company has established the "Hotai Motor Corporate Governance Best Practice Principles." Article 20, Paragraph 3 of the Principles stipulates that the composition of the Board of Directors shall take diversity into consideration. In addition to requiring directors concurrently serving as company officers not exceed one-third of the Board seats, the Company has also formulated appropriate diversity guidelines based on its operational model, business characteristics, and development needs. The Company places great emphasis on gender equality in the composition of the Board. Accordingly, prior to each Board election, the representation of any single gender is reviewed, and gender diversity is taken into account during the nomination process. Since the 2019 Board election, the Company has added one female director, bringing the total number of female directors to two, and increasing the percentage of female representation from 7.1% to 14.3%. Although the current composition does not yet meet the one-third gender diversity benchmark, this is primarily due to the nature of the industry. The Company believes that the inclusion of female directors fosters innovation, enhances decision-making quality, and has a positive impact on ESG performance. To move toward the goal of having no less than one-third of either gender on the Board, the Company will continue to refer to independent director candidate databases provided by relevant authorities and maintain ongoing communication with corporate shareholders regarding the significance of nominating diverse candidates in promoting effective corporate governance.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
(II) Has the Company, in addition to establishing a Remuneration Committee and an Audit Committee as required by law, voluntarily set up any other functional committees?	V		In addition to establishing the Audit Committee and the Remuneration Committee in accordance with legal requirements, the Company's Board of Directors resolved on December 27, 2018 to establish the Corporate Social Responsibility Committee, which was renamed the Sustainable Development Committee in 2021. The Committee reports directly to the Board. On the same day, the Board also adopted the Corporate Social Responsibility Committee Charter, which was renamed the Sustainable Development Committee Charter in 2021.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status		Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies									
	Yes	No		Summary Explanation								
			The Sustainable Development Committee consists of five members: independent directors Su, Chin-Huo; Wu, Shih-Hao; and Li, Chao-Sen; as well as directors Huang, Wen-Jui and Su, Jean. Wu, Shih-Hao is a professor in the Department of Marketing and Distribution Management at National Kaohsiung University of Science and Technology and a former vice president of the Commerce Development Research Institute, with extensive experience in public welfare marketing. Su, Chin-Huo previously served as President of the Corporate Synergy Development Center, where he focused on supporting industrial development and transformation. Li, Chao-Sen previously served as President of Kuozui Motors and has extensive practical and managerial experience in public interest initiatives. All three independent directors possess professional expertise in the field of ESG. The Sustainable Development Committee is primarily responsible for formulating the Company's sustainability strategies and overseeing the implementation of related initiatives. Three working groups have been established under the Committee to address key issues of concern to various stakeholders and to collaborate with relevant departments in promoting planned initiatives. The Committee meets twice a year to establish the Company's annual sustainable development policies and review the implementation of environmental, social, and governance (ESG) initiatives. Additionally, the Committee presents an annual report on ESG performance to the Board. The operations of the Sustainable Development Committee for 2024 are as follows: 1. The committee met twice in 2024; all five members had an 100% attendance rate. <table><tr><th>Term</th><th>Meeting Date</th><th>Agenda</th></tr><tr><td>3rd Term, 5th Meeting</td><td>Jun. 12, 2024</td><td>1. Environmental Working Group Report</td></tr><tr><td>3rd Term, 6th Meeting</td><td>Nov. 25, 2024</td><td>2. Social Working Group Report 3. Governance Working Group Report</td></tr></table> 2. The 3rd term, 6th meeting of the Sustainable Development Committee expanded its invitation to affiliates and distributors to attend and share sustainability strategies and achievements. 3. The operation of the Sustainable Development	Term	Meeting Date	Agenda	3rd Term, 5th Meeting	Jun. 12, 2024	1. Environmental Working Group Report	3rd Term, 6th Meeting	Nov. 25, 2024	2. Social Working Group Report 3. Governance Working Group Report
Term	Meeting Date	Agenda										
3rd Term, 5th Meeting	Jun. 12, 2024	1. Environmental Working Group Report										
3rd Term, 6th Meeting	Nov. 25, 2024	2. Social Working Group Report 3. Governance Working Group Report										

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			Committee was reported to the Board on December 19, 2024. Apart from the above, the Company has also established an Occupational Health and Safety Committee, an Information Security and Personal Data Committee, an Environmental Management Committee, a CS Committee, and a Human Resources Development Committee for the Group.	
(III) Has the Company established performance evaluation rules and methods for the Board of Directors, conducted on an annual basis, with the results reported to the Board and used as a reference for determining individual director remuneration and considering nominations for re-election?	V		The Company adopted the "Rules for Performance Evaluation of the Board of Directors of Hotai Motor" at the Board meeting on December 29, 2016, and amended them on November 10, 2022. The performance evaluation is conducted annually in the fourth quarter, covering the Board as a whole, individual directors, the Audit Committee, and the Remuneration Committee. The results are reported to the Board in the first quarter of the following year.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
(IV) Has the Company regularly assessed the independence of the certified public accountants?	V		Once a year, the independence of the auditor is evaluated by both the Audit Committee and the Board of Directors. On November 12, 2024, the Audit Committee and the Board of Directors reviewed and confirmed the independence of the auditors, Hsiao, Chun-Yuan and Hsu, Sheng-Chung, from PricewaterhouseCoopers (PwC) Taiwan. It was confirmed that, aside from the fees paid for audit services, neither the auditors nor their families or audit teams have any business or financial relationships with the Company that could affect their independence (see Note 1).	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
IV. Has the Company appointed a suitable number of corporate governance personnel, including a designated corporate governance officer responsible for corporate governance matters (such as providing directors and supervisors with necessary information, assisting with legal compliance, coordinating Board and shareholders' meetings, and preparing meeting minutes)?	V		The Company passed a resolution in the 18th meeting of the 20th Board of Directors on June 23, 2021, to appoint a full-time corporate governance officer. The main responsibilities of this role include managing shareholder affairs, ensuring compliance with listing regulations, overseeing the operations of the shareholders' meeting and Board of Director meeting, and assisting in providing necessary information for directors to carry out their duties. The key corporate governance initiatives for the 2024 are as follows: 1. Arranged 6 hours of onsite training for the members of the Board and offered elective courses on a variety of corporate governance topics monthly. The average training hours of each director in 2024 were 9.8 hours, which exceeds the 6-hour minimum requirement of director continuing education. 2. Provided Board members with the latest regulatory revisions and development related to the business operations and corporate governance of the Company when the directors took office; created a LINE Official Account, Hotai Assistant, to communicate with Board members in real time and provide routine updates. 3. Reviewed the confidentiality level of relevant information and provided Company information required by directors to maintain smooth communication and dialogue between directors and department heads. 4. Evaluated and purchased directors and officer's liability insurance, and presented important information such as the insured value, coverage, and premium rates at Board meetings. 5. Conducted internal and external evaluations of Board performance in accordance with the Company's Rules for Performance Evaluation of the Board of Directors at the end of 2023, and presented the results at the Board meeting in January 2024. 6. Registered the date of the annual general meeting of the shareholders as required by the law, prepared and filed the meeting notice, handbook, and minutes within the prescribed period, and filed for change of information when the Articles of Incorporation was amended or after an election of the Board of Directors.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			7. Handled matters related to Board meetings in accordance with the law and prepared and sent minutes. 8. Held regular communication meetings with external auditors, independent directors, the chief internal audit officer, and the chief financial officer to ensure effective implementation of internal control and audit systems.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a dedicated stakeholder section on its website, and appropriately responded to key corporate social responsibility issues raised by stakeholders?	V		We place great importance on engagement with key stakeholders and strive to meet their expectations and respond to their needs. To gather feedback and suggestions, we have established diverse communication channels, including a toll-free 0800 service line, a dedicated "Stakeholder Section" on our corporate website, and social media platforms. Feedback from stakeholders continues to drive the Company's performance improvement. In addition to the above measures, we are continually improving our communication with stakeholders to meet public expectations and incorporating these conversations into our future business plans. The Company also discusses economic, social, and environmental issues raised by stakeholders, and reports to the Board at the end of December every year.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
VI. Has the Company appointed a professional stock transfer agent for its shareholders' meetings?	V		We have appointed President Securities Corporation to handle matters relating to our shareholders' meetings.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose its financial, business, and corporate governance information?	V		We have an "Investor Relations" section on our corporate website (www.hotaimotor.com.tw) for the purpose of disclosing financial and business information, which is regularly updated.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(II) Has the Company adopted other methods of information disclosure, such as maintaining an English-language website, designating personnel responsible for collecting and disclosing company information, implementing a spokesperson system, or uploading investor conference materials to the Company's website?	V		The Company has established both Chinese and English websites, with the External Affairs and Legal Division responsible for collecting and disclosing corporate information and updating the website in a timely manner. The Company has also established a spokesperson system in accordance with applicable regulations. Assistant Vice President Lai, Chih-Wei serves as the spokesperson, and Manager Hsieh, Chin-Yun as the deputy spokesperson. In 2024, the Company hosted four investor conferences following the release of each quarterly financial report. Presentation materials were subsequently disclosed on the Company's website and the Market Observation Post System.	
(III) Has the Company announced and filed its annual financial statements within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial statements and monthly operating results ahead of the regulatory deadlines?		V	In accordance with relevant regulations, the Company publishes and files its annual financial report within 75 days after the end of each fiscal year. The Company also publishes and files its financial reports for the first, second, and third quarters, as well as monthly operational updates, within the prescribed deadlines.	
VIII. Has the Company disclosed other important information that may help stakeholders better understand its corporate governance practices? This includes, but is not limited to, employee rights, employee welfare, investor relations, supplier relations, stakeholder rights, director and supervisor continuing education, implementation	V		(I) Employee rights: We regularly hold labor-management meetings and have an employee suggestion box in place as required by the Labor Standards Act and pursuant to our human resources policies to protect employee rights. (II) Employee wellness: We engage specialists and institutions to provide employee assistance programs, including healthcare consultation, fitness courses, and on-the-job development training. (III) Investor relations: Protecting shareholder interests is our top priority, and we treat all shareholders equally. In accordance with relevant regulations, we promptly disclose important company information, including financial results, business developments, and insider shareholding changes, on the Market Observation Post System (MOPS).	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
of risk management policies and risk assessment measures, execution of customer policies, and the provision of directors and officers liability insurance.			(IV) Supplier relations: We maintain close working relationships and open communication channels with our suppliers and respect and protect their lawful rights. Together with our suppliers, we strive to provide better products and services to our consumers and establish a value chain with sustainable development capabilities. (V) Stakeholder rights: We value the opinions and suggestions of our stakeholders, whether they are customers, partners, employees, shareholders, investors, or the local community. These voices and feedback serve as a driving force for the Company's improvements and progress, ultimately contributing to a positive and beneficial cycle for society as a whole. (VI) Director continuing education: In accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" issued by the Taiwan Stock Exchange Corporation, the Company ensures the completion of required continuing education for directors. For further details, please refer to the appendix: Training and Continuing Education of Directors and Supervisors table. (VII) Risk management policy and risk assessment measures: All the important resolutions of the Company, such as major operation policies, investments, endorsements and guarantees, fund lending, bank financing, are assessed and analyzed by responsible departments and implemented in accordance with the decisions of the Board of Directors. The Auditing Division also adopts annual audit plans based on the results of risk assessment in order to fulfill its oversight functions and monitor implementation of risk management. (VIII) Implementation of customer relations policies: Our objective is to create services that exceed customer expectations. We provide comprehensive customer services through our customer hotline, customer care, vehicle sales, maintenance services, logistics system, information integration system, as well as implementation of "The Toyota Way", i.e., continuous improvement and respect for people. (IX) Directors' and Officers' Liability Insurance: The Company has purchased liability insurance for its directors and key officers.	

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
IX. Based on the most recent Corporate Governance Evaluation Results released by the Taiwan Stock Exchange Corporate Governance Center, please provide a description of the areas improved, and priorities and measures to be taken on areas identified for improvement: Hotai Motor ranked in the top 6-20% in the 11th Corporate Governance Evaluation. Going forward, we will continue to strengthen our corporate governance practices and make improvements in the following areas: 1. Establishing a personal data protection policy and disclosing its content and implementation measures. 2. Setting up a Sustainable Development Committee at the Board level, with no fewer than three members. The members must possess professional knowledge and expertise in corporate sustainability, and at least one director will be involved in overseeing the committee. The composition, duties, and operations of the committee will be disclosed.				

Note 1: Evaluation of External Auditor's Independence

Item	Evaluation Criteria	Evaluation Result	Compliance with Independence
1	Does the auditor or their spouse or children that are minors have any investment or financial interests in the Company?	No	Yes
2	Does the auditor, their spouse, or minor children have any loan to or from the Company (except when the Company is a financial institution and the loan is obtained through its standard lending procedures, terms, and requirements)?	No	Yes
3	Does the auditor or any person on the audit engagement team currently serve or has served within the last two years as a director, officer, or other position at the Company that has significant influence on the audit of the Company?	No	Yes
4	Has the auditor or any person on the audit engagement team promoted or acted as an intermediary for the shares or securities issued by the Company?	No	Yes
5	Has the auditor or any person on the audit engagement team acted as an advocate for the Company in a legal proceeding or dispute against a third party in providing non-audit services other than as permitted by the law?	No	Yes
6	Does the auditor or any person on the audit engagement team have a familial relationship with a director, managerial officer, or any individual holding a position at the Company that has significant influence on the audit, including a spouse, direct ancestors or descendants, in-laws, or blood relatives within the second degree of kinship?	No	Yes
7	Has a co-practicing auditor who resigned within the past year served as a director, managerial officer, or in any position at the Company that has significant influence on the audit?	No	Yes
8	Has the auditor or any person on the audit engagement team received significant gifts, presents, or special favors from the Company or its directors, managerial officers, or major shareholders?	No	Yes
9	Is the auditor currently employed by the Company to regularly perform services and receive fixed payment, or serving as a director or supervisor of the Company?	No	Yes

II. Corporate Governance Report

Appendix 1: Training and Continuing Education of Directors

Name	Training Date	Organizer	Course Title	Hours
	Mar. 13, 2024	Taiwan Institute of Directors	Cross-Strait Political and Economic Risk Observation amid U.S.-China Great Power Rivalry	1.5
Huang, Nan-Kuang; Su, Chwen-Shing; Kazuo Naganuma; Su, Yi-Chung; Lin, Li-Hua; Huang, Chih-Cheng; Ko, Junn-Yuan; Su, Jean; Huang, Wen-Jui; Chang, Shih-Yieng; Soo, Leon; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao	May 13, 2024	Taiwan Institute of Directors	Workplace Sexual Harassment Prevention and Case Analysis	3
Huang, Nan-Kuang; Su, Chwen-Shing; Kazuo Naganuma; Su, Yi-Chung; Lin, Li-Hua; Huang, Chih-Cheng; Ko, Junn-Yuan; Su, Jean; Huang, Wen-Jui; Chang, Shih-Yieng; Soo, Leon; Li, Chao-Sen; Su, Chin-Huo; Wu, Shih-Hao	Sept. 26, 2024	Taiwan Institute of Directors	Economic Trends for Business Leaders: Short- and Long-Term Perspectives	3
Su, Chwen-Shing and Soo, Leon	May 29, 2024	Independent Director Association Taiwan	Anti-Money Laundering Regulations and Case Studies	3
Huang, Wen-Jui	Apr. 30, 2024	Taiwan Corporate Governance Association	Operational Practices of the Sustainability Committee (Sustainability Chief, Working Group)	3
	May 3, 2024	Chinese National Association of Industry and Commerce, Taiwan	Green Supply Chain: Innovation and Business Opportunities	3
	May 7, 2024	Chinese National Association of Industry and Commerce, Taiwan	Tax Planning Strategies in Corporate and Family Governance	3
	May 14, 2024	Taiwan Corporate Governance Association	Taiwan Renewable Energy Certification Mechanism & Renewable Energy Trading	3
	Sep. 19, 2024	Securities and Futures Institute	Silicon Photonics-Defined Networks: Trends in SiPh and Co-Packaged Optics (CPO) Development	3
	Dec. 4, 2024	Securities and Futures Institute	Sustainability Committee and Chief Sustainability Officer Forum	3
Li, Chao-Sen	Oct. 4, 2024	Chinese National Association of Industry and Commerce, Taiwan	Company Law, Corporate Governance, and Tax Essentials for Senior Management	3

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Name	Training Date	Organizer	Course Title	Hours
Su, Chin-Huo	Mar. 5, 2024	Taiwan Corporate Governance Association	Legacy Project Launched - Employee Reward Plan and Equity Inheritance	3
	May 22, 2024	Taiwan Corporate Governance Association	Co-Creating the Green Ecosystem : Megatrend and Vision - TCX Operations and Prospects	1
	Oct. 8, 2024	Chinese National Association of Industry and Commerce, Taiwan	The Miracle of Nvidia's Three Trillion Empire: The Semiconductor Industry Revolution Behind Artificial Intelligence. Trends in Applications and Governance of Generative AI.	3

Appendix 2: Training and Continuing Education of Managerial Officers of Hotai Motor and Directors, Supervisors of its Affiliates

Name	Training Date	Organizer	Course Title	Hours
Chen, Chien-Chou; Wu, Chia-Yen; Liu, Sung-Shan; Wu, Pin-Tsung; Lai, Kuang-Hsiung; Wang, Shih-Hao	Mar. 13, 2024	Taiwan Institute of Directors	Cross-Strait Political and Economic Risk Observation amid U.S.-China Great Power Rivalry	1.5
Chen, Chien-Chou; Hsieh, Fred; Wu, Chia-Yen; Liu, Chuan-Hung; Liu, Sung-Shan; Wu, Pin-Tsung; Yeh, Chia-Han; Lai, Kuang-Hsiung; Wang, Shih-Hao; Lai, Chih-Wei; Lu, Li-Yin; Kei Mizuguchi; Han, Chih-Kang; Weng, Ming-Lun; Huang, I-Jun; Yu, Chun-Chien	May 13, 2024	Taiwan Institute of Directors	Workplace Sexual Harassment Prevention and Case Analysis	3
Chen, Chien-Chou; Huang, Ming-Hsien; Hsieh, Fred; Wu, Chia-Yen; Liu, Chuan-Hung; Liu, Sung-Shan; Wu, Pin-Tsung; Yeh, Chia-Han; Lai, Kuang-Hsiung; Wang, Shih-Hao; Lai, Chih-Wei; Lu, Li-Yin	Sept. 26, 2024	Taiwan Institute of Directors	Economic Trends for Business Leaders: Short- and Long-Term Perspectives	3

II. Corporate Governance Report

4. Composition and Operations of Remuneration Committee

(1) Information on Members of the Remuneration Committee

Criteria \ Name	Li, Chao-Sen (Independent Director) (Convener)	Su, Chin-Huo (Independent Director)	Wu, Shih-Hao (Independent Director)
Qualifications & Experience	Master's degree, Graduate Institute of Mechanical Engineering, National Taiwan University. EMBA, National Central University. Incumbent President/Chief Consultant of Jingjin Tps. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	Master's degree in Industrial Systems Engineering and Management, Asian Institute of Technology. Former President of the Corporate Synergy Development Center and Senior Executive Officer at the Industrial Development Bureau, MOEA. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	PhD in Business Administration, National Taipei University. Former Vice President of the Commerce Development Research Institute. Incumbent Professor at the Department of Marketing and Distribution Management, National Kaohsiung University of Science and Technology. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor and Taiyen Biotech.
Independence Status	Please refer to the section Disclosure of Directors' Professional Qualifications and Independence of Independent Directors in Chapter II of the Annual Report.		
Number of Independent Directorships in Other Public Companies	N/A	N/A	1

(2) Remuneration Committee Operations

- A. The Company's Remuneration Committee is composed of three members.
- B. The Remuneration Committee regularly reviews the Company's compensation policies, systems, standards, and structures, as well as the short-term and long-term performance goals of directors and managerial officers. It also evaluates the achievement of these performance goals on a regular basis.
- C. The current term of office for committee members is from June 29, 2022 to June 20, 2025. In 2024, the Remuneration Committee convened four meetings (A). The qualifications and attendance of the members are detailed as follows:

Note:

- (A) If any member of the Remuneration Committee resigned before the end of the fiscal year, the resignation date shall be specified in the Note column. The actual attendance rate (%) shall be calculated based on the number of meetings held and attended during the member's term of service.
- (B) If the members of the Remuneration Committee were re-elected before the end of the fiscal year, both outgoing and incoming members shall be listed. In the Note column, please indicate whether each member is outgoing, newly appointed, or reappointed, as well as the date of re-election. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held during the member's term and the number of meetings they attended.

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Title	Name	Number of Meetings Attended in Person (B)	Number of Meetings Attended by Proxy	Rate of Attendance in Person (%) (B/A) (Note)	Note
Convener	Li, Chao-Sen	4	0	100%	Assumed office upon re-election on June 29, 2022
Member	Wu, Shih-Hao	4	0	100%	Reappointed upon re-election on June 29, 2022
Member	Su, Chin-Huo	4	0	100%	Reappointed upon re-election on June 29, 2022

I. Remuneration Committee operations:

(I) In 2024, the Remuneration Committee convened four meetings in March, May, August, and December. The matters discussed included:

- Allocation of directors' and employees' remuneration
- Performance bonuses for managerial officers and employees' remuneration
- Salary adjustments for managerial officers
- Salary adjustment and salary structure revision

(II) All of the above matters were reviewed or approved by the Remuneration Committee.

II. Other items to be disclosed:

(I) If the Board of Directors did not adopt or amended the recommendations of the Remuneration Committee: None.

(II) If any member expressed dissenting or qualified opinions on the resolutions of the Remuneration Committee, and such opinions were recorded or stated in writing: None.

II. Corporate Governance Report

5-1. Implementation of Sustainable Development Initiatives and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Along with Reasons

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary Explanation							
I. Has the Company established a governance framework for sustainability development and a dedicated (ad-hoc) sustainable development organization where the Board of Directors delegates responsibilities to senior management under its oversight?	V		In 2018, the Board passed a resolution to set up a Corporate Social Responsibility (CSR) Committee, which directly reports to the Board. In 2021, the committee is renamed as the Sustainable Development Committee. The Sustainable Development Committee is primarily responsible for formulating the Company's sustainability strategies and overseeing the implementation of related initiatives. Three working groups have been established under the Committee to address key issues of concern to various stakeholders and to collaborate with relevant departments in promoting planned initiatives. The Committee meets twice a year to establish the Company's annual sustainable development policies and review the implementation of environmental, social, and governance (ESG) initiatives. Additionally, the Committee presents an annual report on ESG performance to the Board. Our 2025 sustainable development plans are as follows: <table><tr><td>Environmental Protection</td><td>I. Group GHG inventory II. Achieve 2030 carbon reduction target III. Promote environmental KPIs for suppliers IV. Strengthen Hotai's sustainable brand image</td></tr><tr><td>Social Engagement</td><td>I. Continue public welfare projects II. Integrate group sustainability resources III. Promote arts and cultural development IV. Build distinctive employer branding V. Foster a safe and friendly workplace VI. Promote low-carbon and green consumption</td></tr><tr><td>Corporate Governance</td><td>I. Promote FSC governance policies II. Enhance legal compliance awareness across the group III. Expand ethical business practices</td></tr></table>	Environmental Protection	I. Group GHG inventory II. Achieve 2030 carbon reduction target III. Promote environmental KPIs for suppliers IV. Strengthen Hotai's sustainable brand image	Social Engagement	I. Continue public welfare projects II. Integrate group sustainability resources III. Promote arts and cultural development IV. Build distinctive employer branding V. Foster a safe and friendly workplace VI. Promote low-carbon and green consumption	Corporate Governance	I. Promote FSC governance policies II. Enhance legal compliance awareness across the group III. Expand ethical business practices	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.
Environmental Protection	I. Group GHG inventory II. Achieve 2030 carbon reduction target III. Promote environmental KPIs for suppliers IV. Strengthen Hotai's sustainable brand image									
Social Engagement	I. Continue public welfare projects II. Integrate group sustainability resources III. Promote arts and cultural development IV. Build distinctive employer branding V. Foster a safe and friendly workplace VI. Promote low-carbon and green consumption									
Corporate Governance	I. Promote FSC governance policies II. Enhance legal compliance awareness across the group III. Expand ethical business practices									

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
II. Has the Company conducted risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	V		The automotive industry is facing a major once-in-a-century transformation. In order to respond to the changes, we need to make better decisions and increase operational efficiency. Our stakeholders who take particular interests in environmental, social, and governance topics now have higher expectations for the Company's non-financial performance. We work towards incorporating various aspects of these issues into long-term organizational strategies, risks, and opportunities to create value for key stakeholders. As part of the preparation of the report, we follow the recommendations of the GRI Standards in the context of sustainability when identifying sustainability topics. Therefore, in addition to referencing international corporate social responsibility standards and reporting guidelines such as GRI, SDGs, and SASB 26000, we go beyond traditional frameworks. We also consider global sustainability risks and opportunities, feedback from stakeholders, automotive industry trends, and recommendations from external experts. At Hotai Motor, we place great emphasis on managing risks across all areas of our business. Each department carefully identifies potential risks, assesses their impact and frequency, and evaluates the interconnections between various risk factors and functions. The Finance and Accounting Division, following the policies approved by the Board, conducts long-term research, evaluation, risk prevention, and mitigation efforts on financial risks such as fluctuations in interest rates and exchange rates, as well as inflation and deflation. We do not engage in any high-risk, high-leverage investments. Each subsidiary in our Group must develop their own "Operating Procedures for Fund Lending" and "Procedures for Providing Endorsement and Guarantee of Obligations" to guide and manage relevant operations. Additionally, every transaction of derivatives should adhere to "Hotai Motor's Procedures for Engaging in Derivative Transactions."	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			On December 21, 2023, we used the "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies" to create the "Risk Management Policies and Procedures," which were reviewed and approved by the Audit Committee and the Board of Directors. Starting in 2024, the Board will receive reports annually on the key risk areas and the measures taken for risk management.	

III. Environmental Issues

(I) Has the Company established a proper environmental management system based on the industry characteristics?	V		1. We use the Toyota Earth Charter as an overarching guiding principle in promoting and implementing environmental principles and initiatives. The Charter includes four fundamental principles and four key guidelines. We are committed to achieving the vision of the "Toyota Environmental Challenge 2050," which outlines six key visions: (1) New vehicle zero CO2 emissions, (2) Life cycle zero CO2 emissions, (3) Plant zero CO2 emissions, (4) Minimizing and optimizing water usage, (5) Establishing a recycling-based society and systems, (6) Creating a future society in harmony with nature. 2. In 2001, Hotai Motors formally established the Environmental Management Committee. Along with Toyota dealers and Hotai Group affiliates (Note 1), we set up the Environmental Committee Lead Office. The Secretariat convenes the Environmental Management Committee meetings twice a year, bringing together the Group's internal members, Toyota dealers, and affiliated companies. In response to Taiwan's pledge to achieve net zero by 2050, Hotai Group prepares to phase in GHG inventory and audit and become ISO 14064-1 certified in order to take inventory of the emissions produced by each Group company. Based on findings from the GHG inventory, we will identify and prioritize areas for improvement and set emission reduction targets as we move towards a net zero future.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.
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II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			3. To effectively manage the potential negative impacts of our sales and maintenance services on the environment and to fulfill our commitment to environmental protection and sustainable operations, we have adopted the ISO 14001 standards (Note 2) for the implementation and maintenance of our environmental management system. Through internal audits and external reviews, we ensure the proper and effective operation of our environmental management activities. Furthermore, with the spirit of continuous improvement through the PDCA cycle, we extend our environmental management system to our partners in the value chain, working together to reduce the environmental impact resulting from our operations. We are committed to supporting our partners' environmental initiatives to ensure that all areas of our operations are being considered for environmental risks. Apart from that, we fully align with Toyota Motor Corporation's environmental protection requirements. In addition, we integrate the Group's policy implementation and results, making disclosures to the public and engaging in communication with our stakeholders. (Note 1): Hotai Finance, Hotai Insurance, Carmax, Ho Tai Development, Hotai Leasing, Chang Yuan Motor, Toyota Material Handling Taiwan, Hotong Motor, Hotai Connected, Hotai Mobility, and Hotai Auto Body Manufacturing. (Note 2): The ISO 14001 certificate is valid from November 4, 2022 to November 3, 2025.	
(II) Does the Company endeavor to improve resource efficiency and use renewable materials that have low environmental impact?	V		1. In order to minimize the environmental impact of vehicle maintenance activities, we have acquired and adopted various pollution prevention equipment and process, starting from smaller environmental improvements and energy saving activities. We have developed concrete countermeasures for centralized lubrication systems, volatile organic compounds, rebuilt parts, and environmentally hazardous substances, and are progressively implementing these practices across our dealer and supplier networks.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			2. To prevent refrigerant from emitting to the atmosphere causing ozone depletion and increasing greenhouse gas level, we became the first in the industry in 1991 to invest approximately NT\$50 million to install R12 and R134a refrigerant recovery machines at the service workshops of our dealers in Taiwan. The machines can effectively recycle and store residual refrigerant. Recovered refrigerant can be purified and reclaimed, then be reused on vehicles after repairing or servicing. In 2024, the R134a machines of Toyota dealers recovered 23.21 tons of refrigerant, preventing approximately 35,418 tons of CO2 emissions when measured at the global warming rate (GWP) of 1,526. 3. Since 2003, we have assisted our dealership service locations in adopting centralized lubrication systems to reduce waste from used motor oil bottles. Through ongoing waste reduction initiatives, we have cut down over one million empty bottles annually. In 2024 alone, approximately 4.33 million bottles were eliminated, significantly reducing both oil vapor emissions and plastic waste. 4. To improve technicians' working environment and reduce interior odors in customer vehicles, Hotai Motor took the lead in 2022 by assisting dealers in introducing water-based clear coats and water-based color paints at 82 body and paint centers across Taiwan. Compared to traditional solvent-based paints, this initiative helped reduce VOC (volatile organic compounds) emissions by 97 metric tons in 2024.	
(III) Does the Company assess both the current and future potential risks and opportunities posed by climate change, and take corresponding measures to address climate-related issues?	V		1. We have identified major risks and formulated countermeasures for "Regulations," "Market," "Goodwill," and "Extreme Weather Events." 2. Under "Extreme Weather Events," the main risk is an increase in the frequency or intensity of natural disasters caused by climate change, such as tropical cyclones, heavy rainfall, hail, or snow. These events could lead to delays in products and parts deliveries, impact operating efficiency and on-time delivery rates, and affect market sales performance. We have established a comprehensive inventory distribution and reporting management system to cope with any emergency and to minimize the impact of extreme weather events.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(IV) Does the company count the amount of greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management measures?	V		1. Our GHG inventory primarily covers CO₂ emissions (Note 1) resulting from electricity, gasoline, diesel, and natural gas consumption across our office buildings and facilities, including the Taipei Head Office, Xinzhuang Campus, and Yangmei Campus. In 2024, Hotai Motor's total CO₂ emissions amounted to approximately 1,518.366 metric tons, of which 84.5% fell under Scope 2 emissions. This represents a 3.69% decrease compared to the 1,576.605 metric tons reported in 2024. In terms of emission intensity (metric tons of CO₂ per NT\$1 million in revenue), the figure for 2024 was 0.0095. 2. Water consumption data is measured under the same scope as GHG emissions (including our Taipei headquarters, Xinzhuang Campus and Yangmei Campus). Since we source water from Taiwan Water Corporation, our water use does not create significant impact on any water sources. The wastewater we generate is equivalent to the total water used and is fully discharged into the government's underground wastewater system. In 2024, Hotai Motor consumed approximately 15,729 cubic meters of water, representing a 2.9% decrease compared to the previous year. 3. Given that Hotai Motor is not a manufacturing company, waste statistics are based on general (household) waste. In 2024, approximately 60.36 metric tons of general waste were generated at the head office, Xinzhuang Automotive Complex and Yangmei Logistics Center.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			4. Toyota Motor Corporation's (TMC) Toyota Earth Charter serves as the fundamental guiding principle for Hotai Motor's environmental philosophy, integrating environmental protection and social harmony into the core of our operations. In addition, Hotai Motor has developed medium- and long-term plans to progressively move toward the ultimate goal of protecting the Earth's environment. Our environmental sustainability policy covers four main areas: government policy, enhancing energy efficiency, creating an energy-efficient work environment, and strengthening environmental awareness, all of which support our ongoing efforts toward sustainable development. In 2024, Hotai Motor set energy-saving targets of a 15% reduction in CO2 emissions and a 5% reduction in water/waste (with 2019 as the base year, as set by Toyota). Upon reviewing the annual performance, it was found that, except for carbon emissions, which had a limited reduction due to the nature of office-type energy-saving measures (a 5.9% decrease compared to the base year), both water and waste reductions met the targets. (Note 1) The source of emission factors is GHG Emission Factors Table version 6.0.4, and the global warming potential (GWP) rate uses IPCC's AR6 values.	

IV. Social Issues

(I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		In order to fulfill our corporate social responsibility and safeguard the fundamental human rights of our employees and stakeholders, we support and adhere to international human rights conventions, including the Universal Declaration of Human Rights, and uphold human rights recognized by the international community. We also follow the standards set by the International Labor Organization to protect the legitimate rights and interests of our employees. We are committed to fulfilling our responsibility to respect and safeguard human rights by treating all employees — including contract staff and interns — with dignity and respect. The human rights issues that matter to us and our management policies are as follows:	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.
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II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			1. Providing a fair working environment and establishing a code of conduct: We are committed to full compliance with all applicable labor laws and regulations. We encourage and support the personal development of our employees, offer equal employment opportunities, and strive to maintain fair and stable working conditions to create a safe and harmonious workplace. Each employee is expected to uphold and support human rights without any discrimination against gender, age, nationality, race, ethnicity, religion, denomination, physical or mental disability, marital status, or family background. We ensure that there are no violations of human rights, such as forced labor, child labor and harassment. We have a zero-tolerance policy for discrimination and infringement of the rights of another. 2. Ensuring effective protection of labor rights and fostering harmonious labor-management relations: We implement fair practices in compensation and benefits, training, performance evaluation, and promotion opportunities. We also provide an effective and appropriate grievance mechanism to prevent any infringement on employee rights and interests. 3. Implementing measures to prevent and address workplace sexual harassment: In accordance with Article 13, Paragraph 1 of the "Gender Equality in Employment Act" and the "Regulations for Establishing Measures of Prevention, Correction, Complaint, and Punishment of Sexual Harassment at Workplace" issued by the Ministry of Labor, Hotai Motor has established the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Guidelines." We regularly promote awareness of these guidelines and incorporate workplace sexual harassment prevention training into our onboarding programs for new employees. Affiliated companies also conduct awareness campaigns regarding workplace sexual harassment prevention measures.	

II. Corporate Governance Report

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			4. Providing a safe working environment: We place great importance on ensuring a safe and healthy workplace for our employees. An occupational safety and health management system has been established to continuously improve working conditions and hygiene standards. We are committed to reducing the risk of occupational accidents and safeguarding both the physical and mental well-being of our employees. 5. Ensuring information security: To respect the privacy rights of all stakeholders and protect the collection and lawful use of personal data, the Company has established a comprehensive information security management mechanism to control data access and prevent data breaches. The Company expects all partners to enhance the management of human rights-related issues and raise awareness of international human rights, in alignment with the spirit and fundamental principles of this policy.	
(II) Has the Company formulated and implemented reasonable employee welfare measures, including compensation, vacations, and other benefits, and appropriately reflect operating performance or results in employee remuneration?	V		We adopt our internal rules and policies in compliance with applicable labor laws and regulations. Our efforts in employee development and benefits are as follows: 1. Employee retention: Our group promotes employee retention by providing career development opportunities, ensuring work-life balance, and enhancing the capabilities of management. The average turnover rate in the past three years is below 5%. 2. Employee salaries are paid in accordance with the "Employee Payroll Processing Procedures" and we adjust them based on the salary survey report to ensure that they are in line with market standards. 3. Performance management and development: The purpose of our performance management and development system is to integrate and enhance the overall performance of both individuals and the organization. This includes the following principles: individuals are responsible for their own performance, managers and subordinates collaborate and participate together, continuous interaction and communication are encouraged, and both performance and development are given equal importance.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			In addition, according to Article 34 of the Articles of Incorporation, to the extent that the Company has generated annual profits, 1% of which shall be set aside for employee remuneration. Aside from the above, employee performance bonuses are allocated annually based on the Company's operating performance, and bonuses are paid in June each year based on the employee's individual performance evaluation. 4. Employee development: Continuous learning is the cornerstone of our employee development at Hotai Motor. Our ongoing talent development efforts help strengthen the Company's competitiveness. 5. New employee training: To help new employees gain a comprehensive understanding of their job, colleagues, goals, and future development direction, we provide pre-employment training, department onboarding guidance, and business introductions to actively assist employees in adapting and integrating into the Company. 6. Functional training: We provide courses related to the skills and workplace competencies required for employees at all levels. 7. Training for department heads: We offer management skills training based on the functional modules for management personnel, ensuring they are equipped with the skills needed to become future leaders and excel in their roles as supervisors and managers. 8. Diversified development and learning channels: Most employees have access to a wide range of learning resources through multiple channels, including on-the-job training, job rotation, external training programs, and seminars (Please refer to page 109). 9. Defined benefit pension plan: The employee retirement plan, established in accordance with the Labor Standards Act, is classified as a defined benefit pension plan. 10. Defined contribution pension plan: The employee retirement plan, established in accordance with the Labor Pension Act, is classified as a defined contribution pension plan.	

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(III) Does the Company provide employees with a safe and healthy working environment and conduct regular safety and health education?	V		1. Our core competency and value lie in our people. To that end, we dedicate significant efforts in preventing occupational diseases and injuries, ensuring workplace safety and health, and promoting employee well-being by offering a safe, reliable, and enjoyable work environment to achieve the vision of sustainable development and uninterrupted service. 2. The president of the Company chairs the Occupational Safety and Health Committee, which supports the implementation of occupational safety and health measures. Decisions regarding the planning and implementation of health and safety measures are made together by the chair and committee members. Additionally, we have a dedicated email to receive and address employee's occupational safety and health concerns. 3. To maintain workplace safety and health, our occupational safety and health personnel and onsite occupational health workers routinely inspect the working environment in each service workshop, accompanied by physicians specialized in occupational medicine and department heads, to identify potential hazards and offer suggestions for improvements. Subsequent risk response measures are monitored as part of our effort to continue improving and optimizing processes using the PDCA approach. 4. Machineries and equipment that are on the restricted access list are managed by assigned personnel and regularly inspected to ensure that they are functioning properly. Personal protective gears (e.g., respiratory protective equipment, helmets, and safety shoes) are also provided to operators based on the nature of the operation to ensure their safety. 5. To protect workers from the hazards of harmful substances in the workplace and to provide a healthy and comfortable working environment, the Company commissions qualified vendors to conduct workplace environment monitoring every six months to assess employees' actual exposure conditions.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			6. To provide breastfeeding mothers with a comfortable and safe nursing environment, not only did we set up lactation rooms at the office in compliance with the laws and regulations, but we also took a step further by installing UV sterilizers and air purifiers in the rooms so that we can offer employees a breastfeeding-friendly environment. 7. New employees are required to receive occupational health and safety training on the topics of potential hazards in the work environment, hazards prevention in operating machineries, health and safety code of conduct, and occupational safety and health resources during their orientations. The training is aimed to equip new employees with a basic understanding of health and safety in a new work environment and help them understand the potential hazards and rules to follow. We also provide workplace health and safety refresher trainings to current employees on different topics based on the nature of their job duties to enhance their health and safety awareness in the workplace. 8. We conduct hazard identification and risk assessment annually to identify potential hazards in the work environment and during operational activities. This ensures that risks to personnel are properly assessed and managed, and are kept within acceptable levels. 9. Each year, we offer subsidies for employee health checkups and provide a diverse range of screening packages tailored to employees' health conditions, age, and gender, as well as common health issues among the Taiwanese population as announced by public health authorities. 10. By analyzing employee health checkup results, assessing job characteristics, and considering employee suggestions, we plan health promotion activities and seminars tailored to employee needs. 11. We go beyond compliance to offer onsite clinics 2~3 times a month and hire occupational health physicians to provide consultation to our employees.	

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			12. We conduct monthly tests on the drinking water at our offices for total bacteria count and E. coli. Additionally, we regularly maintain and service our water dispensers to ensure that the water quality complies with regulatory standards, allowing employees to stay hydrated safely and maintain their health at work. 13. Our occupation health and safety practices are in line with international standards, and we continue to be ISO 45001 certified (occupational health and safety systems) by international accreditation organizations. Our goal is to mitigate workplace hazards and create a safer and cleaner work environment for our employees through a systematic process and management. 14. In 2024, Hotai Motor recorded zero workplace accidents, with no injuries or fatalities. The ratio of injured or deceased employees to the total workforce is 0%. 15. The Company has implemented fire prevention measures in high-risk areas, such as purchasing fire blankets for electric vehicle charging stations and lithium battery storage areas, and installing explosion-proof lighting in the spray booths that meet TS certification standards. In 2024, Hotai Motor recorded zero fire incidents, with no injuries or fatalities. The ratio of injured or deceased employees to the total workforce is 0%. The Group will continue to work towards creating a safe work environment, strengthening safety and health awareness among employees, and maintaining a zero-accident workplace for a secure and happy working atmosphere.	
(IV) Does the Company provide effective career development trainings for its employees?	V		Every year, we design annual education and training programs that include career development courses tailored to specific job functions, professional and career skills. Our Career Development Center also regularly performs evaluation on employee job functions.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(V) Has the Company followed relevant regulations and international standards and established a consumer/customer protection policy and appeal procedures regarding customer health and safety, customer privacy, marketing and labeling of products and services?	V		Consumer protection policy: Our vision of 'Happiness at TOYOTA' is the reason behind our customer service goal of putting customers first. To ensure the protection of consumer rights, we mandate that all eight of our dealers fully implement customer service and actively listen to the Voice of the Customer (VOC). 1. We provide a transparent and effective consumer appeals process for products and services sold: (1) Customer service team We value the opinions of our customers. In order to provide a proper channel for customer feedback and responses, we established a 0800 customer service hotline in 1990 and had our 8 dealers implemented the same since 1991 to provide multiple channels for customer service. Since January 2000, in order to enhance the quality of customer service and improve the efficiency of handling customer feedback, we have discontinued the customer service hotlines at all dealerships across Taiwan. All customer inquiries and complaints are now centrally managed and processed by our Customer Service Center (2) Each of our dealers also has a Customer Care Department dedicated to processing VOCs and promoting activities to enhance customer satisfaction. (3) In order to provide faster and more convenient services, we were the first in the industry to develop a professional customer service information system since 2005, an interactive platform between Hotai and its dealers which enables us to provide real-time customer service by tracking the progress of complaints and feedback and to ensure that the rights of customers are protected. (4) In 2016, we became the first automaker to be ISO 10002 certified in customer satisfaction and complaints handling. (5) In 2017, we introduced several mechanisms to improve overall customer satisfaction through total process management, including 0800 Post-Call Customer Satisfaction Survey, VOC, and complaint receipt and resolution SMS notification to customers. (6) In 2018, we launched an interactive voice response system and improved the FAQ section on our website, making it more user-friendly for our customers.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			(7) In 2019, we launched an AI-powered customer service chatbot to provide instant answers to customer's questions. (8) In 2020, we added a customer service line 886-2-5599-7299 while continuing to improve the customer service chatbot capabilities and quality of the responses from our FAQ database. (9) Mandatory and Prohibited Clauses in a Vehicle Purchase Agreement (The Lemon Law) becomes effective on July 1, 2021. The Company and its dealers and suppliers have an after-sales service system in place which ensures that the new vehicles received by customers are of impeccable quality. (10) In 2022, we added an AI-powered, voice-enabled LINE customer support to offer more convenient customer service. (11) In 2023, we introduced automated customer service to our support line, providing 24-hour customer assistance. (12) In 2024, we introduced a self-service maintenance appointment feature on our voice support line, providing customers with more diverse booking options. Additionally, we added a voicemail feature outside of customer service hours to improve the efficiency of addressing customer needs. 2. Consumer appeal procedures: (1) The Customer Service Center handles customer inquiries and complaints through the following channels: in-person visits, customer service hotline, live chat, e-mail, letters, surveys, My Toyota app, Line, and intelligent customer service. (2) The customer service staff records the VOC (Voice of Customer) in the customer service system and issues a notification to the dealership. The dealership is required to contact the customer within 1.5 hours and provide the necessary assistance. (3) The dealership is required to resolve the issue in the shortest possible time and record the handling process. The case can only be closed after being reviewed and confirmed by our Customer Service Center.	

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			(4) If a customer files a complaint with local government consumer protection officers or consumer protection organizations, the dealership will send representatives to attend the mediation meetings and present our proposed solutions and goodwill, aiming to reach a consensus and resolve the dispute as soon as possible.	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant standards in environmental protection, occupational safety and health, and human rights of workers? How are the policies implemented?	V		We have an agreement with our main supplier, Toyota Motor Corporation, that we would comply with local, national, and international laws and social regulations, fulfill our corporate social responsibility, and enhance the TOYOTA brand image. We are committed to fostering strong partnerships and, as a leading brand in Taiwan's automotive industry, we strive to build a sustainable service value chain together with our suppliers and dealers. Our supply chain management system is value-driven, aiming to enhance the sustainability of the value chain through standardized management practices (Note), information sharing, supplier evaluations, audits, and capability building. Note: We highly encourage suppliers to obtain international certification, such as ISO 14001 and ISO 45001. Additionally, the supplier portal is required to include detailed information on corporate ethics, environmental protection, and other relevant policies. We require our suppliers to meet Hotai's corporate social responsibility requirements in the supplier agreement for the pursuit of fulfilling corporate social responsibility and achieving corporate governance best practices. If our supplier violates any of these policies and causes substantial impact on the environment or the society, the supplier agreement will be terminated.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
V. Has the Company referred to the international reporting standards or guidelines in preparing the reports that disclose the Company's non-financial information such as sustainability reports? Have the aforementioned reports been assured or guaranteed by a third-party verification agency?	V		We have been publishing sustainability reports since 2013, and the reports are prepared based on the core options of the Global Reporting Initiative (GRI) Standards. To ensure the credibility of the quality of data and materials, we have engaged British Standards Institution Taiwan to verify the reports; the financial data included in the reports is taken from the financial statements of our annual reports that are audited by PwC Taiwan.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies regulations.
VI. If the Company has established the sustainability development principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation between the Principles and its practices: Hotai Motor amended its "Corporate Social Responsibility Best Practice Principles" in accordance with the amended "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" issued by the Taiwan Stock Exchange in December 2021, and renamed it the "Sustainable Development Best Practice Principles." Our sustainable development practices follow the Principles and there's no deviation between the two.				
VII. Other important information to facilitate a better understanding of the Company's sustainable development practices: Since the Company was founded, we have been engaging in social contribution activities as we understand the importance and value of giving back to the community. By combining resources from within and outside the Group and working with stakeholders, we have developed a blueprint for sustainability called MOVE. MOVE integrates mobility, openness, value, and eco to actively promote sustainability-related activities, aiming to have a positive impact on society and drive human progress. The Company's public welfare programs are as follows: (I) Volunteer Crossing Guard Equipment Donation Program At Hotai Motor, it has been our longtime commitment to promote road safety and create a safer environment for pedestrians. Since 2011, Hotai Group has annually donated equipment—such as reflective vests and signaling flags—to volunteer crossing guards at elementary schools across all counties and cities in Taiwan, on a rotating basis. These efforts aim to enhance safety during volunteer duty and maintain order during student arrival and dismissal times. Over the past 14 years, Hotai has donated nearly 130,000 sets of volunteer crossing guard equipment, benefiting more than 2,700 elementary schools and over a million volunteer guards and students across Taiwan. In 2024, Hotai Group, in collaboration with the Hotai Chunching Social Welfare Foundation, united with its affiliates—Hotai Insurance, Hotai Leasing, Formosa Flexible Packaging—and dealer Kuotu Motor to donate 10,000 sets of volunteer crossing guard equipment to elementary and junior high schools across Taiwan. This group-wide effort aims to protect the traffic safety of schoolchildren and actively contribute to road safety initiatives, fulfilling our corporate social responsibility as a leading company in the automotive industry. In 2024, unified donations were made to elementary schools in the cities and counties of Keelung, New Taipei, Hsinchu City and County, Miaoli, Pingtung, Yilan, and Hualien.				

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	Yes	No	Summary Explanation	
In addition, individual schools across Taiwan, including both elementary and junior high schools, were also given the opportunity to apply online for support. To safeguard the traffic safety of both volunteers and students, Hotai Group uses police-grade materials in the production of volunteer crossing guard equipment. We have also incorporated our mascot, Hu-Li (虎力), which represents the leopard cat, a rare species native to Taiwan, adding a vibrant and playful touch to the already highly visible design. This symbolizes Hotai Group's commitment to safeguarding the traffic safety of both volunteers and students.				
(II) Donation of Bloodmobiles and Hotai Group's One-Day Blood Drive Since 2011, we have been donating bloodmobiles—built from full-size HINO vehicles and equipped with state-of-the-art blood donation equipment—to blood centers across Taiwan. These donations aim to encourage blood donation among the public and provide a comfortable, high-quality donation environment. To date, we have donated a total of 13 bloodmobiles, serving over 1.51 million blood donors and collecting more than 2.25 million bags of blood (250 c.c. per bag). As the company that has donated the largest number of mobile blood buses, our bloodmobiles now account for the highest number of any enterprise in Taiwan. In partnership with our affiliates, Hotai Group has organized over 1,500 blood drives and more than 80,000 donors have donated blood through our events. Hotai Group has also partnered with the Taiwan Blood Services Foundation to organize the "2024 Hotai Group Nationwide Blood Donation Campaign." This event mobilized all Hotai bloodmobiles across Taiwan, setting up 30 donation stations at various TOYOTA dealerships, parks, and corporate locations in administrative regions such as Taipei, New Taipei, Taoyuan, Hsinchu, Taichung, Changhua, Yunlin, Chiayi, Tainan, Kaohsiung, Yilan, and Hualien. A total of 2,545 bags of blood were collected, helping to replenish Taiwan's blood supply and alleviate the blood shortage.				
(III) Free Mobility Service - Producing Happiness for All In various regions of Taiwan, many disadvantaged groups continue to face unmet transportation needs, such as mobility challenges in rural areas, transportation for medical visits and schooling, and emergency assistance for social workers. To address these issues, Hotai Group has utilized its core business in mobility services (such as yoxi and iRent) and vehicle donations to develop the "Free Mobility Service - Producing Happiness for All," aiming to assist more individuals in achieving a better quality of life. The "Free Mobility Service - Producing Happiness for All" is dedicated to addressing transportation needs across Taiwan. In its third year (2024), the project has successfully expanded public shuttle services to cover all six major municipalities (Taipei, New Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung). Additionally, it has partnered with several NGOs and NPOs, including Ronald McDonald House Charities, Taiwan Fund for Children and Families, Greenbox Baby Social Welfare Association, Children Are Us Foundation, and Buddhist Tzu Chi Charity Foundation. To date, the initiative has donated 26,000 shuttle trips, continuing to provide safe and compassionate transportation services to disadvantaged groups in need.				
(IV) Public Welfare Dreamer				

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
Since 2019, Hotai Group has been hosting the "Hotai Public Welfare Dreamer" program, which, as of 2024, marks its 6th year. This initiative encourages collaboration between the corporation and young people to create social good. By leveraging rich resources from the public, private, and academic sectors, Hotai Public Welfare Dreamer has provided robust support for social welfare initiatives. Over the past six years, nearly a thousand youth proposals have been submitted, with over 55 teams supported in implementing their social projects. The program has also provided tens of millions of NT dollars in funding to encourage young people to turn their ideas into tangible acts of social welfare. The "6th Hotai Public Welfare Dreamer" program focused on three main themes: "Sustainable Action," "Community Networking," and "Life Issues." The program invited nearly 100 student teams from 42 universities and high schools across Taiwan to submit proposals. Ten teams were selected, each receiving a social project implementation grant of NT\$200,000 to support their initiatives. To enhance students' learning during the proposal development process, this year's program expanded collaboration with seven co-organizing partners that have long been dedicated to sustainability, including KPMG Sustainability Consulting Co., Ltd., Mutahead, International City Wanderer Education Association, Taiwan Impact Investing Association, Social Enterprise Revolving Trust, Taiwan NPO Self-Regulation Alliance, and Oen Co., Ltd. A wide range of capacity-building activities were arranged, such as Hotai ESG sustainability courses, visits to social innovation organizations, problem-solving workshops, and mentoring sessions with experts from various sectors. These resources were designed to provide students with comprehensive support for implementing their public interest projects and to empower young people to pursue their visions for social good. A results exhibition was held at Songshan Cultural and Creative Park, showcasing project outcomes and reflections from participating teams. In addition, a youth forum on social innovation was organized, inviting speakers in the field to engage with students on topics related to this year's proposal themes, such as self-exploration, information literacy, and aging population and declining birthrate. The event attracted over 2,000 participants, demonstrating the power of corporate influence in nurturing the next generation of sustainability leaders and driving positive social impact.				
(V) Dream Team Indigenous In 2022, Hotai Group launched the "Dream Team Indigenous" public welfare program, rallying its various business entities to support the choir groups of Jia Xing Elementary School in Jianshi Township and Tao Shan Elementary School in Wufeng Township, Hsinchu County. Through the Group's integrated resources, the initiative aims to empower talented Atayal children to step onto the global stage, while also offering them greater exposure to diverse professions and environments, broadening their horizons and inspiring new career aspirations. In 2024, the "Dream Team Indigenous" program mobilized Hotai Group's resources to support the two schools in representing Taiwan on the international stage and participating in global competitions. Jia Xing Elementary School received six major awards at the Andrea Del Verrocchio International Choral Festival, including Gold Diplomas in both the Children's Choir and Folk Song categories, Best Soloist, Best Performance, Best Performance of an Italian Composer's Work, and 2nd Place in the Choral Grand Prix. Tao Shan Elementary School won a Gold Medal in the Children's Choir category at the World Choir Games in New Zealand, earning recognition as a source of pride for Taiwan. The school's choir was also invited to the Presidential Office to receive official commendation.				

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To document the inspiring journey of the Jia Xing and Tao Shan Elementary School Choirs, Hotai Motor collaborated with Sunday, a well-known Taiwanese YouTuber and professional voice actor, to produce a series of videos capturing their participation in international competitions. The series has garnered over 1.33 million views. To further showcase the transformation of the students in the Dream Team Indigenous project, Hotai Motor invited acclaimed director Fan, Yang-Chung to produce a documentary themed around "change." The film captures the personal growth and development of children from the two participating schools, inspired by their real-life experiences under the support of the program. Both full-length and short versions were produced and widely distributed, collectively reaching 12 million views. Hotai Motor Group's Dream Team Indigenous initiative also empowers children to explore future career possibilities through activities such as the "Career Exploration Camp and Host Family Program." Students from Jia Xing and Tao Shan Elementary Schools were invited to experience various industries firsthand and stay with host families to gain insights into urban family life. These meaningful engagements aim to broaden their horizons and inspire hopes and dreams for the future.				
(VI) Caring for Children with Intellectual Disabilities In 2015, we partnered with Children Are US Foundation to launch the sheltered workshop program. Every TOYOTA sales location in Taiwan makes a long-term commitment to purchase their baked goods. Our goal is to support these children and provide them with the opportunity to stand on their own and work. As of 2024, we have made over NT\$56.51 million worth of purchases from the Children Are US Foundation bakery.				
(VII) TOYOTA Global Dream Car Art Contest Our desire to inspire children's imagination and elevate the quality of art contests led us to organize the TOYOTA Dream Car Art Contest. In 2024, it marked the 18th year of the contest, with over 900,000 submissions collected to date. Attracting thousands of young participants every year, it has become the largest international children's art competition in Taiwan. The 18th TOYOTA Dream Car Art Contest continued to promote diverse registration channels and encouraged submissions of CG (computer graphics) artworks, giving children of all ages more ways to express their creativity.				
(VIII) TOYOTA Technical Education Program (T-TEP) <u>Donation of High-tech Educational Materials from TMC</u> As part of our efforts to develop students' vocational skills, Hotai Motor introduced the TOYOTA Technical Education Program, T-TEP, in 1991 with the aim to help technical and vocational schools develop talent specializing in automotive repair and maintenance. We have partnered with 32 technical and vocational schools to date and donated various TOYOTA high-tech teaching aids and materials for teachers and students to practice on. The cumulative value of teaching materials and vehicles donated for practice is now over NT\$68.51 million, a reflection of our commitment to develop skilled technicians for the automotive industry. Technical Exchange and Sharing between Industry and Academia				

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
Hotai Motor and its dealerships regularly hold various training courses (twice a year) and share the latest automotive technologies and industry practices with the academic community. Teachers from 32 schools participating in the T-TEP program are invited to join these technical exchange events, enhancing interaction and collaboration between the industry and academia. Hotai Motor and our dealerships also provide venues, equipment and have 60 seasoned technicians share their experience in the field as well as the latest vehicle technology and information to help teachers and students learn about industry practices and trends. It is also a great opportunity for students to gain insight into the job market and employment environment early on, allowing them to work on improving their competencies. This process helps them make suitable career choices and transition seamlessly from school to the workplace, supporting career readiness.				
(IX) Short Film Contest - LEXUS My Film Lexus has long been dedicated to promoting the cultural industries to discover and cultivate more young film talents and encouraging young creative artists to pursue their dreams. In 2024, the 5th "Short Film Contest - LEXUS My Film" attracted a record-high 2,533 submissions. The themes were diverse, ranging from sustainable futures and self-challenge to refined living, encouraging participants to express their inner exploration and reflections on society through images. The contest showcased humility in cross-generational and cross-disciplinary communication, as well as perspectives on future digital creation.				
(X) Sponsoring Sports, Arts and Cultural Events As part of our efforts to promote the development of the sports, music, arts, and entertainment industries in Taiwan and bring a richer life experience to car owners, Hotai's brands TOYOTA and LEXUS actively sponsor and co-organize art and cultural events annually. TOYOTA supports the development of Taiwan's sports scene by sponsoring various events in 2024, including the Taiwan Professional Basketball League's New Taipei CTBC DEA, the University Basketball Association, and the High School Basketball League broadcasts, partnering to promote basketball. Additionally, TOYOTA actively supports various music events, such as the Hito Music Awards, major concerts, and the "WE ARE: Our Chinese New Year's Eve" performance, which showcases Taiwan's cross-genre music scene and promotes support for diverse cultures while building bridges of communication across generations. TOYOTA also supports the popular boy band reality show "Atom Boyz II" encouraging more young people to find their stage. LEXUS has long been a supporter of Taiwan's arts and culture and regularly organizes various events, including LEXUS Design Award and LEXUS My Film, encouraging young creators to express their creativity. For the fifth year in a row, LEXUS partnered with Taipei City government and VOUGE in sponsoring fashion event 2024 Taipei Fashion Week x VOUGE Fashion's Night Out, empowering a new generation of Taiwanese fashion designers. Lexus also collaborates with more professionals to organize the "Lexus Kids' Series," allowing the children of car owners to learn from tennis stars, renowned chefs, popular content creators, and more, fostering a spirit of craftsmanship in children. Through a variety of long-term events and sponsorships in the arts and culture, Lexus continues to invest in the nurturing of creative talent, providing a dream platform for the younger generation.				

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	Yes	No	Summary Explanation	
(XI) TOYOTA - Environment Month Every June, Hotai Motor partners with dealers to participate in TOYOTA's Global Environment Month to promote urban greening. We also give back through local sourcing to increase engagement with the local communities and raise environmental awareness to create a greener environment. Since the launch of the Environment Month event in 2005, and the inclusion of eight dealerships across Taiwan in 2009, the event has continuously expanded its scope and participation. Since 2013, we have come together to promote the community green redevelopment projects. Through the TOYOTA Environment Month initiative, we hope to inspire local communities to support the government's policy of revitalizing abandoned space and improve quality of life. In 2018, we began collaborating with non-governmental organizations and government agencies. For a period of three years, we committed to making a positive impact in local communities. As of 2024, we have organized 126 rounds of TOYOTA Environment Month activities, with over 45,000 participants.				
(XII) TOYOTA - Toy Sharing In 105, we launched the TOYOTA Toy Sharing program. Our aspiration is to promote environmental sustainability through the recycling and regeneration of used toys. In late 106, TOYOTA donated an INNOVA compact MPV to the Taiwan Toy Library Association as campaign vehicle, which drives around the city to deliver pre-loved toys to children in need. As of the end of 2024, an accumulated total of over 460 metric tons of toys were recycled through the program, the equivalent of the carbon absorption of 120,000 trees in one year. Over 330,000 people have participated in our events since the program launched, including toy recycling, Toy Easter, Little Technician (career exploration activity), Love in a Backpack, and the Toy Drive. A total of NT\$1.66 million in registration fees collected from our events between 2018 and 2024 has been entirely donated to the Eden Social Welfare Foundation, which continues to inspire positive changes in society.				
(XIII) Toyota One Car One Tree Project Hotai Motor remains committed to protecting Taiwan's coastlines by continuing tree planting efforts, fulfilling our promise to safeguard this beautiful homeland. With the assistance of professional organizations, the survival rate of coastal trees has reached an impressive 90%. Since the launch of the initiative in 2017, by the end of 2024, over 900,000 trees have been planted, creating a green barrier across 17 counties and cities, as well as the outlying islands of Penghu, Kinmen, and Matsu. Since 2019, Hotai Motor has organized tree-planting volunteer events for TOYOTA owners, inviting them and the general public to take part in protecting Taiwan's coastlines. These events offer participants the meaningful experience of planting seedlings by hand and becoming key contributors to environmental conservation. In 2024, the "One Car, One Tree" campaign successfully reached its goal of 900,000 trees planted. Celebrity GBOYSWAG served as the Tree-Planting Ambassador, joining over a hundred TOYOTA owners and community members to plant nearly 1,200 trees along the coast. This year's planting focused on drought-tolerant, sand-fixing species such as Sea Mango (Cerbera manghas) and Pongam Tree (Pongamia pinnata). These trees not only effectively absorb carbon dioxide, but also help retain soil and prevent coastal erosion—achieving the dual goals of shoreline protection and carbon reduction. By uniting collective efforts in reforestation, we are advancing environmental sustainability and restoring greenery and biodiversity along Taiwan's coastline.				
(XIV) Taiwan Wildlife Conservation Program				

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Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
Since 2021, Hotai Motor has partnered with the Taiwan Biodiversity Research Institute (TBRI) through the "Taiwan Wildlife Conservation Program" to protect the leopard cat, a native and endangered species with fewer than 500 individuals remaining in the wild. The initiative aims to support their continued survival and safeguard Taiwan's rich biodiversity. The "Taiwan Wildlife Conservation Program" has supported TBRI in releasing leopard cats back into the wild following systematic training. Since 2021, a total of 14 leopard cats have been reintroduced, with four females successfully reproducing in the wild. To enhance safe movement for the species, Hotai Group collaborated with TBRI, Garmin, and Carmax to co-develop the TOYOTA Drive+ Connect "Wildlife Crossing Alert" navigation system. By integrating over 100,000 data points from the Freeway Bureau, national parks, and conservation organizations, the system provides drivers with real-time audio and visual alerts when approaching high-risk wildlife crossing areas. To date, more than 170,000 drivers have joined in protecting leopard cats and other precious wildlife. Hotai also donated three vehicles for conservation use, including the Hotai No. 15 – TOYOTA RAV4 4WD in 2022 and the Hotai No. 16 – TOYOTA COROLLA CROSS HYBRID in 2023. These vehicles have made nearly 700 trips, assisting in wildlife rescue and mobile conservation education efforts. In 2024, Hotai Group partnered with Taipei Zoo and donated the Hotai No. 17 – TOYOTA COROLLA CROSS to support native wildlife rescue, post-release monitoring, and conservation education efforts. Hotai also co-organized the special exhibition "Safe Journey Home – Conservation in Action" with the TBRI, aiming to raise awareness of wildlife roadkill issues. The exhibition seeks to help more of Taiwan's beautiful and rare species return safely to their natural habitats, amplifying the impact of conservation and promoting biodiversity and ecological preservation across the island.				
(XV) Hotai Group/TOYOTA Beach Cleanups Since 2019, we enlist the help from our affiliates, local dealers, and sales locations around Taiwan to organize beach cleanups. We have also invited local government agencies and non-government organizations and people around the island to join in. Over the years, we have hosted a total of 80 beach cleanups nationwide, with over 52,000 participants. In 2024, Hotai Group continued its commitment to environmental public welfare by organizing beach cleanup events for the sixth consecutive year, with participation from affiliated companies and dealerships across Taiwan. The beach cleanup activities were held at 15 locations across Taiwan, removing over 13,000 kilograms of marine debris. In addition, NT\$580,000 was donated to the Taiwan Loo-Koo Yu Association to support plastic reduction education programs in elementary schools nationwide—fostering environmental awareness from a young age and working toward a cleaner, more sustainable Taiwan.				

II. Corporate Governance Report

5-2. Climate-related Data and Disclosures

(1) Implementation Status of Climate-related Actions

Items	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	Hotai Motor established the Corporate Social Responsibility Committee in 2018 as a functional committee under the Board to pursue corporate sustainability, implement and oversee related policies and sustainable development strategies. In December 2021, the committee was renamed the Sustainable Development Committee. The convener of the meetings is the independent director of the company. The Committee meets twice a year to set annual sustainability policies and review the implementation status of each ESG topic during its regular meetings. To effectively implement and oversee Hotai Motor's economic, environmental, and social performance, and to integrate ESG issues into daily operations, the Sustainable Development Committee has established a Sustainability Working Group. The group consists of three executive units—the Environmental Affairs Lead Office, Social Engagement Lead Office, and Corporate Governance Lead Office—which are responsible for formulating and executing ESG project policies and consolidating their performance outcomes for reporting to the Sustainable Development Committee. Members of the Sustainability Working Group come from the Hotai Environmental Management Committee, TOYOTA Vehicle Division, LEXUS Vehicle Division, TOYOTA Aftersales Marketing Division, and the Public Relations and Legal Division. In addition, the Management Division serves as the Lead Office of the Sustainable Development Committee, primarily responsible for organizing committee meetings and coordinating cross-departmental communication. It also determines and responds to material topics each year, collects the sustainability performance of each unit, and reports on ESG initiatives and outcomes to the Board of Directors twice a year. The Group's Sustainable Development Committee reviews the annual policies, major strategies, and action plans each year, and continuously monitors the Group's risk assessment and management to minimize operational risks, while advancing toward sustainable management.

II. Corporate Governance Report

2. Describe how the identified climate-related risks and opportunities affect the entity's business, strategy, and finances (short, medium, and long term)	Climate risks:						
	Risk Level	Risk Description	Location	Time	Impact	Financial Impact	Management Approach
	High	Demand for low-carbon products and services	Downstream clients	Mid-term	As environmental awareness rises, older models fail to meet market demands for performance and sustainability.	Increased operational costs (e.g., need to introduce more eco-friendly products).	Monitor market demand, changes in customer behavior and preferences, and negotiate with the parent company to introduce more energy-efficient, low-carbon emission models.
	High	Changes in customer preferences	Downstream clients	Mid-term	As sustainability awareness rises, customers will increasingly consider low-energy or low-carbon vehicles when purchasing cars.		
	High	Changes in customer behaviors	Downstream clients	Mid-term	As sustainability awareness grows, customers will begin to reject fuel-powered vehicles when purchasing cars.		
	High	Product efficiency regulations and standards	Upstream suppliers	Mid-term	Failure to meet standards will prevent the vehicle from being sold.	Increased operating costs (e.g., regulatory compliance or management fees).	Monitor regulations and communicate with the parent company to introduce compliant products.
	Medium	Tropical cyclone	Upstream suppliers The Company	Short-term	Extreme weather and natural disasters may cause asset and financial losses, such as building collapses, vehicle damage, flooding, etc. They may also result in employee injuries or absences, impacting workforce allocation.	Increased operational costs (e.g., need for more parts inventory and production line disruptions due to natural disasters).	1. Track typhoon movements and ensure effective preparation. 2. Assess storm impacts on deliveries, personnel, and assets; provide support and repairs as needed. 3. Comply with regulatory requirements as mandated by authorities.

II. Corporate Governance Report

	Climate opportunities:						
	Opportunity Level	Opportunity Description	Location	Time	Impact	Financial Impact	Management Approach
	High	Low-carbon products and services	Downstream clients	Short-term	Stricter fuel standards demand more energy-efficient and low-carbon vehicles.	Increased revenue (e.g. higher sales of consumer-demanded new energy vehicles).	Negotiate with the parent company to introduce more low-carbon, energy-efficient, or new energy vehicles.
	High	Changes in customer behaviors	Downstream clients	Short-term	As environmental awareness rises, customers will increasingly consider energy-efficient or new energy vehicles when purchasing cars.	Increased revenue (e.g. higher sales of consumer-demanded new energy vehicles).	Monitor changes in customer behavior and preferences, and work with the parent company to introduce more low-carbon, energy-efficient, or new energy vehicles.
	High	Policy incentives	The Company	Short-term	Hybrid and electric vehicles meeting government subsidy criteria are eligible for reduced sales tax, lowering vehicle prices and boosting sales.	Increased revenue (e.g., higher sales of vehicles eligible for government tax incentives).	Negotiate with the parent company to introduce hybrid or fully electric vehicles eligible for government tax incentives.
3. Describe the financial impact of extreme climate events and transformation actions.	Extreme climate events such as typhoons, heavy rainfall, and tsunamis may disrupt operations and are expected to result in financial losses for the entire Group. Transition actions, including the Group's low-carbon transformation and net-zero strategies—such as shifting from fuel-powered to electric vehicles, achieving zero-carbon electricity use, and installing renewable energy facilities—are expected to significantly increase operating expenses.						

II. Corporate Governance Report

4. Describe how the identification, assessment, and management of climate-related risks are integrated into the overall risk management framework.	In 2010, Toyota globally established a new Risk Management Committee and organizational structure, formulating standardized risk management practices and conducting annual risk assessments in accordance with the Toyota Global Risk Management Standard (TGRS). In 2021, Toyota developed TGRS 1.5 and enhanced its risk assessment process by introducing a multi-level risk classification system (FORREST model), using impact and severity as evaluation criteria to manage risks across financial, operational, regulatory, external business, strategic, and IT domains. In 2022, Toyota further established the Global Toyota Enterprise Risk Management system (G-TERM), incorporating likelihood into its assessment and building a global reporting and real-time monitoring dashboard. At Hotai Motor, we place great emphasis on managing risks across all areas of our business. Drawing on Toyota's global risk management framework, each department carefully identifies potential risks, assesses their impact and frequency, and evaluates the interconnections between various risk factors and functions. The Finance and Accounting Division, following the policies approved by the Board, conducts long-term research, evaluation, risk prevention, and mitigation efforts on financial risks such as fluctuations in interest rates and exchange rates, as well as inflation and deflation. Hotai Motor has always upheld a prudent management approach and does not engage in any high-risk, high-leverage investments. Each subsidiary in our Group must develop their own "Operating Procedures for Fund Lending" and "Procedures for Providing Endorsement and Guarantee of Obligations" to guide and manage relevant operations. Additionally, every transaction of derivatives should adhere to "Hotai Motor's Procedures for Engaging in Derivative Transactions."
5. If using scenario analysis to assess resilience to climate risks, disclose the scenarios, assumptions, parameters, key drivers, and major financial impacts.	As the exclusive distributor of Toyota vehicles in Taiwan, Hotai Motor relies primarily on Toyota Motor Corporation for product development. As one of the world's leading automakers, Toyota has launched a net-zero initiative aimed at achieving zero emissions across the entire vehicle lifecycle. By embracing the principles of a circular economy, Toyota seeks to realize carbon neutrality in its vehicles. In addition, Toyota has introduced a series of carbon reduction initiatives targeting its suppliers and downstream dealers. Toyota Motor Corporation has committed to the Science Based Targets initiative (SBTi) under the 1.5°C scenario and has established global mid- to long-term emissions reduction targets. The annual emissions reduction targets are expected to significantly strengthen starting from 2026, along with an increase in associated transformation costs and investment in equipment. The Company will establish a related transformation timeline and plan, and provide regular updates in the annual Environmental Management and Sustainable Development Committee meetings.
6. If there is a transformation plan to address climate-related risks, please describe the content of the plan, along with the indicators and targets used to identify and manage both	In response to Toyota's global 2050 net-zero emission and six major environmental challenges, Hotai Motor aligns with Toyota Japan's Science-Based Targets Initiative (SBTi) under the 1.5°C scenario. Hotai will gradually advance through large-scale electrification, operational efficiency improvements, and renewable energy deployment. Following Toyota's Asia-Pacific carbon neutrality goals, Hotai will aim for an annual cumulative reduction of 3% in carbon emissions, with 2019 as the baseline year.

II. Corporate Governance Report

physical and transition risks.	
7. If internal carbon pricing is used as a planning tool, please explain the basis for determining the price.	No internal carbon pricing tool is currently in use.
8. If climate-related goals have been set, the activities covered, greenhouse gas emission scopes, planning timelines, and annual progress should be disclosed. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, the sources and quantities of the offset reductions or the number of RECs should be explained.	Hotai Motor, in line with Toyota Asia-Pacific's carbon neutrality goals, aims for an annual cumulative reduction of 3% in carbon emissions and 1% in water usage and waste, based on 2019 as the baseline year. By 2025, the Company plans to achieve an 18% reduction in carbon emissions, and a 6% reduction in water usage and waste compared to the 2019 baseline. (2024 actual performance: Carbon emissions reduced by 5.9% compared to the baseline year, water usage reduced by 31%, and general waste reduced by 51%) As of the end of 2024, the Company has not used carbon offsets or renewable energy certificates (RECs) to achieve its related targets.
9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (to be filled in	Hotai Motor (the parent company) has completed the greenhouse gas inventory and verification for the year 2022, and has obtained the ISO 14064-1 certificate issued by the third-party verification body, SGS. The greenhouse gas inventory for the years 2023 and 2024 will be conducted by the Company in accordance with the data quality control requirements of ISO 14064-1: 2018 standard. The Company has set a target to reduce carbon emissions by 18% compared to the 2019 baseline by 2025, and will implement a three-pronged approach, including purchasing green electricity, installing solar power systems, and energy-saving measures to achieve this reduction.

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sections 1-1 and 1-2).	
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(1-1) Greenhouse Gas Inventory and Verification for the Last Two Years

Company Basic Information ☐ Companies with a capital of NT\$10 billion or more, including those in the steel and cement industries. ☒ Companies with a capital between NT\$5 billion and NT\$10 billion ☐ Companies with a capital of less than NT\$5 billion	According to the regulations of the Sustainable Development Roadmap for listed companies, at a minimum, the following should be disclosed: ☒ Parent Company Individual Inventory ☐ Inventory of Subsidiaries in the Consolidated Financial Report ☐ Parent Company Individual Verification ☐ Verification of Subsidiaries in the Consolidated Financial Report
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Hotai Motor (Parent Company) 2024 GHG Inventory and Verification Results				
2024	Total Emissions (tons CO2e)	Intensity (Revenue) (tons CO2e / million NT\$)	Verifier	Verification Description
Scope 1	235.243	0.0015	-	Hotai Motor completed third-party verification by SGS for the 2022 GHG inventory. The 2023 and 2024 GHG inventories were conducted internally by the Company, following ISO 14064-1:2018 standards for data quality management.
Scope 2	1,283.123	0.0080		
Total	1,518.366	0.0095		
2023	Total Emissions (tons CO2e)	Intensity (Revenue) (tons CO2e / million NT\$)	Verifier	
Scope 1	244.414	0.0015	-	
Scope 2	1,332.191	0.0083		
Total	1,576.605	0.0098		

II. Corporate Governance Report

6. Corporate Governance Practices and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, Along with Reasons:

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
I. Establish ethical corporate management policies and programs (I) Has the Company adopted its ethical corporate management policies approved by the Board of Directors, and clearly outlined the policies and approaches in its guidelines and external documents, as well as the commitment from its board of directors and senior management to actively implement the policies?	V		Our "Anti-Corruption Ethical Management Principles" and "Anti-Corruption Ethical Management Operating Procedures and Guidelines" were adopted and approved by the Board of Directors in March 2014 and January 2018, respectively. These documents stipulate the prohibition of bribery and corruption, types of improper benefits, ethical business practices, and the prohibition of illegal political contributions, as well as unlawful charitable donations or sponsorships. They also include provisions for the establishment of effective accounting and internal control systems, regular training and awareness campaigns, and the creation of reporting and disciplinary mechanisms. These policies are publicly disclosed on our corporate website. In November 2023, we updated the "Anti-Corruption Ethical Management Principles," and in November 2024, we revised the "Ethical Management Operating Procedures and Guidelines," ensuring alignment with the current "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.

II. Corporate Governance Report

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(II) Has the Company established an evaluation mechanism for the risk of unethical conduct, regularly analyzed and evaluated the business activities with high risk of unethical conduct within its business scope, and formulated a plan to prevent unethical conduct, which shall at least cover the preventive measures for the behaviors in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"	V		In accordance with the "Anti-Corruption Ethical Management Principles," the Company has established an ethical business risk assessment mechanism. We conduct annual evaluations of the likelihood and impact of unethical behaviors specified under Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." Based on the results of these evaluations, we develop preventive measures for business activities identified as higher risk. The Audit Division will develop an audit plan based on this and report it to the Board of Directors	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
(III) Has the Company established and implemented policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, penalties for violations, and rules of appeals, and does the Company regularly review and revise the policies?	V		We have adopted Workplace Rules and Anti-Corruption Ethical Management Operating Procedures and Guidelines which prohibit employees from using their positions for personal gains, or accepting hospitality, gifts, kickbacks, or misappropriating public funds, or other unlawful interests, thereby preventing the impact of unethical behaviors on business relationships or transactions.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
II. Ethical corporate management practices (I) Does the Company evaluate the ethical performance of its business partners and specify ethics-related clauses in business contracts?	V		Our business contracts contain clauses stipulating ethical conduct to ensure compliance of our business partners.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.

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Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(II) Has the Company established a business unit dedicated exclusively or concurrently to business ethics and integrity, and does it regularly (at least once a year) report to the Board of Directors on its ethical management policy, plans to prevent unethical behavior, and oversight of its implementation?	V		To implement ethical business practice, the Legal Division is assigned as a dedicated unit to oversee the following, and the Auditing Division shall report to the Board once a year on the implementation status: 1. Incorporate business ethics and moral values into the Company's operational strategies and adopt relevant preventive measures according to applicable laws and regulations; 2. Prepare plans to prevent unethical behaviors and adopt standard operating procedures and code of conduct related to job functions under each plan; 3. Design the internal organization, system, and management, having a mutual accountability mechanism for business activities that are more susceptible to unethical behaviors; 4. Promote and coordinate ethical policy education and training; 5. Adopt whistleblowing system to ensure effectiveness; and 6. Support the Board and management in reviewing and evaluating whether the preventive measures established for implementing ethical business management is effective, conduct an evaluation on the compliance of relevant operating procedures and prepare a report accordingly. Our External Affairs and Legal Division is responsible for promoting compliance of business ethics to prevent violation of ethical corporate management and unlawful conduct by the employees. Our ethical management practices in 2024 include the following: 1. We organized Business Ethics Education for senior executives across the group, with 69 participants. 2. We arranged a Business Ethics Discussion Forum for Hotai Motor's division heads, with 47 participants. 3. We held a Daily Business Ethics Education Course for employees up to and including division heads, with 235 participants.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.

II. Corporate Governance Report

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(III) Has the Company established and implemented policies to prevent conflicts of interest and provided appropriate communication channels?	V		4. We provided Anti-Corruption Training for new employees, with 39 participants. 5. We conducted the "Annual Compliance Guide Training" for all employees, with 404 participants. In 2019, we adopted the Anti-Corruption Ethical Management Operating Procedures and Guidelines. In 2024, we updated them in accordance with the "Best Practice Principles for Ethical Corporate Management for TWSE/TPEX Listed Companies." Our Auditing Division under the Board of Directors will regularly and from time to time inspect our accounting and internal control systems. Any violation discovered will be recorded in the audit report and submitted to the Board of Directors. The Rules and Procedures of Board Meetings set forth director recusals in case of conflicts of interest, and the Employee Code of Conduct and Anti-Corruption Ethical Management Operating Procedures and Guidelines stipulate that employees and directors shall not use their positions to achieve personal gains or benefit others, or become involved in a conflict of interest with the Company. We also have a grievance system in place. The Code of Conduct and Ethics for Representatives of Affiliates also provides rules preventing conflicts of interest.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
(IV) Has the Company established effective accounting and internal control systems to facilitate the implementation of ethical corporate management? And has the Company adopted relevant audit plan based on the risk assessment of unethical behavior, and conducted audits on the compliance of the audit plan to prevent unethical behavior, or engaged a certified public accountant to carry out the audit?	V		1. Unless otherwise specified in the laws or regulations, our accounting practices are conducted according to our accounting system. We ensure that all operating activities follow strict operation standards by implementing relevant accounting system operating procedures so as to achieve checks and balances between each operation and prevent corruptions. 2. Our internal control system considers the operating activities. The internal auditors conduct auditing in accordance with the audit plan and may request each department to produce relevant documents, accounts, and certificates. The auditor can create a project for a specific audit, when necessary, prepare an audit report, and submit it to the Board of Directors along with relevant documents. This process ensures that the day-to-day operations align with our ethical	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.

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Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
			management principles.	
(V) Does the Company regularly hold internal and external educational trainings on ethical business management?	V		We regularly provide trainings to our employees and promote awareness to help them better understand our commitment and policy on ethical corporate management. 1. In 2024, we organized Business Ethics Education for senior executives across the group, with 69 participants. 2. In 2024, we arranged a Business Ethics Discussion Forum for Hotai Motor's division heads, with 47 participants. 3. In 2024, we held a Daily Business Ethics Education Course for employees up to and including division heads, with 235 participants. 4. In 2024, we provided Anti-Corruption Training for new employees, with 39 participants. 5. In 2024, we conducted the "Annual Compliance Guide Training" for all employees, with 404 participants.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
III. Operation of the whistleblowing system (I) Has the Company established a specific whistleblowing and reward system, and put in place convenient reporting channels? Has an appropriate contact person been assigned for follow-up on the reported issues?	V		1. We are able to effectively prevent unethical conduct and facilitate a sustainable business by following the Anti-Corruption Ethical Management Principles and Anti-Corruption Ethical Management Operating Procedures and Guidelines and improving internal regulations and risk management mechanisms. 2. According to the Anti-Corruption Ethical Management Principles and Anti-Corruption Ethical Management Operating Procedures and Guidelines, an employee or contractor may report concerns anonymously to the Auditing Division via mail or e-mail, addressed to the Chief of the Auditing Division, in case of discovery of any unlawful conduct.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.

II. Corporate Governance Report

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Explanation	
(II) Has the Company established standard operating procedures and confidentiality measures for the investigation of reported incidents and follow-up measures to be taken after investigation?	V		We have adopted standard procedures such as Anti-Corruption Ethical Management Operating Procedures and Guidelines, Procedures for Reporting Bribery and Corruption and Grievance System for the processing of reported cases investigations.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
(III) Does the Company provide proper whistleblower protection?	V		Anti-Corruption Ethical Management Principles and Anti-Corruption Ethical Management Operating Procedures and Guidelines provide that the Auditing Division shall maintain the anonymity of the whistleblower to prevent reprisals.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
I. Enhancing information disclosure Has the Company disclosed its ethical corporate management policies and results of implementation on the Company's website and the Market Observation Post System?	V		The Company discloses its implementation of ethical corporate management and the measures taken on its website (www.hotaimotor.com.tw) and in the annual report.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" regulations.
II. If the Company has established ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and its practices: The Board of Director approved the Anti-Corruption Ethical Management Principles on March 25, 2014, a guideline for implementing ethical corporate management. In June 2016, the Company amended the Anti-Corruption Ethical Management Principles based on the amendments of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Company's Articles of Incorporation to properly reflect the Company's status and comply with corporate governance practices. There is no significant difference between our Anti-Corruption Ethical Management Principle and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. In January 2018, we completed our anti-corruption reporting procedure and adopted the Anti-Corruption Ethical Management Operating Procedures and Guidelines as compliance guidelines for our employees. In November 2023, we updated the Anti-Corruption Ethical Management Operating Procedures and Guidelines to align with the latest version of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.				
Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., if the Company has reviewed its policies): We have always upheld the highest standards of governance by actively promoting operating transparency and requesting business partners (including dealers and suppliers) to make available policies in respect of business ethics on the home page of their websites in order to maintain our business reputation. Through our long-term business relationships, we have a consensus to work together to achieve corporate sustainability in the value chain.				

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7. Other Important Information That Would Facilitate a Better Understanding of the Company's Corporate Governance Practices: None.

8. Status of Internal Control

The Company has completed the public disclosure and filing on the Market Observation Post System (MOPS):

Home > Listed Company > Corporate Governance > Company Regulations/Internal Control

Market Category: TWSE Listed

Year (R.O.C Year): 113

Company Code or Abbreviation (From): 2207

Company Code or Abbreviation (To): 2207

<https://mopsov.twse.com.tw/nas/cont06/c2207113011140312.pdf>

II. Corporate Governance Report

1. Internal Control Statement

Hotai Motor Co., Ltd.
Statement of Internal Control

Based on an evaluation of our internal control system as of December 31, 2024, we hereby state that:

1. The board and management of Hotai Motor Co., Ltd. (the Company) are responsible for establishing, implementing, and maintaining adequate internal control over financial reporting. The Company has established an effective internal control system which aims to provide reasonable assurance regarding operational results and effectiveness (e.g., profitability, performance, safeguarding of assets), reliability, timeliness and transparency of its financial reporting, and compliance with applicable laws and regulations.
2. Due to its inherent limitations, internal control over financial reporting can only provide reasonable assurance on the achievement of the three objectives above. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in environment or conditions. However, the internal control system of the Company has a self-monitoring mechanism which allows the Company to take corrective actions as soon as any inadequacy is identified.
3. The Company has assessed the design and operating effectiveness of the internal control system based on the criteria established in the Framework for the Establishment of Internal Control System by Public Companies (the "Framework"). The Framework defines internal control as a process effected by management, consisting of five components: a) Control environment, b) Risk assessment, c) Control activities, d) Information and communication, and e) Monitoring, each comprising of several elements. For more information, please refer to the Framework.
4. We have reviewed the design and operating effectiveness of the Company's internal control system based on the criteria established in the Framework.
5. Based on the evaluation, we conclude that the Company maintained an effective design and operation of its internal control system (including oversight and management of subsidiaries) as of December 31, 2024, providing reasonable assurance regarding the achievement of the following objectives: effectiveness and efficiency of operations, reliability, timeliness and transparency of financial reporting, and compliance with applicable laws and regulations.
6. This statement shall be included as part of the Annual Report and future prospectus of the Company and disclosed to the public. Any false or fraudulent representations and concealment of information in this statement shall be subject to the legal liabilities prescribed by Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. This statement was unanimously approved by the board of directors on March 12, 2025, with 13 directors present at the meeting.

Hotai Motor Co., Ltd.

Chairman: Huang, Nan-Kuang

President: Su, Chwen-Shing

March 12, 2025

2. A separate audit report shall be included where an independent registered public accounting firm has reviewed the Company's internal control system: Not applicable.

II. Corporate Governance Report

9. Major Resolutions of the Shareholders' and Board Meetings in the Most Recent Year and as of the Publication Date of this Annual Report

(1) Major Resolutions of the 2024 Annual General Meeting of the Shareholders:

Meeting Date	Resolutions Approved and Discussed	Implementation Status
May 30, 2024	Approval of the 2023 Business Report and Financial Statements	-
	Approval of the Proposal for Earnings Distribution for 2023	1. A cash dividend of NT\$20 per share was distributed. 2. The ex-dividend date was June 26, 2024. The cash dividend was paid on July 10, 2024.
	Approval of the Amendments to the Articles of Incorporation	The amendments to the Articles of Incorporation have been implemented as per the revised procedures.
	Approval of the Proposal to Lift the Non-Compete Restrictions on Directors	-

(2) Major Resolutions of the Board Meetings in 2024 and as of the Publication Date of this Annual Report:

Date	Session	Key Discussion Topics
Jan. 25, 2024	21st Term, 15th Meeting	Proposal 1: Bank credit line of the Company in 2024
March 13, 2024	21st Term, 16th Meeting	Proposal 1: Internal control system declaration for 2023 Proposal 2: Acquisition of real property right-of-use assets from related parties Proposal 3: Review of director remuneration for 2023 by the Remuneration Committee Proposal 4: Review of employee remuneration for 2023 by the Remuneration Committee Proposal 5: Amendments to the Articles of Incorporation Proposal 6: Amendment to the "Rules and Procedures of Board Meetings" Proposal 7: Lifting of the director's non-compete restrictions Proposal 8: 2024 annual shareholders' meeting date Proposal 9: 2023 business report and financial statements Proposal 10: 2023 profit distribution Proposal 11: Review of dealership agreement renewal Proposal 12: Capital reduction of subsidiary Hotai Insurance Co., Ltd. to offset losses
May 13, 2024	21st Term, 17th Meeting	Proposal 1: 2023 performance bonuses for executives and employee compensation Proposal 2: Consolidated financial statements for Q1 2024 Proposal 3: Investment in listed company stocks Proposal 4: Amendments to the Audit Committee charter

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Date	Session	Key Discussion Topics
Jun. 27, 2024	21st Term, 18th Meeting	Proposal 1: Organizational restructuring Proposal 2: Appointment of execution consultant Proposal 3: Appointment of accounting officer Proposal 4: Appointment of financial officer Proposal 5: Review of the 2024 revised budget
August 12, 2024,	21st Term, 19th Meeting	Proposal 1: 2023 sustainability report Proposal 2: 2024 salary adjustment for executive officers and all employees Proposal 3: Consolidated financial statements for Q2 2024 Proposal 4: Endorsement and guarantee of obligations for Hotai Auto Body Sales Co., Ltd. in 2024
Sept. 26, 2024	21st Term, 20th Meeting	Proposal 1: Participation in the cash capital increase of He Jun Energy Co., Ltd.
November 12, 2024	21st Term, 21st Meeting	Proposal 1: 2025 annual audit plan Proposal 2: Amendment to the Anti-Corruption Ethical Management Operating Procedures and Guidelines. Proposal 3: Consolidated financial statements for Q3 2024 Proposal 4: Assessment of the independence of the Company's external auditors Proposal 5: Appointment of PricewaterhouseCoopers (PwC) for 2025 audit services and the associated fees
Dec. 19, 2024	21st Term, 22nd Meeting	Proposal 1: 2025 budget review Proposal 2: Review of the next-term exclusive distributorship agreements for TOYOTA & Lexus Proposal 3: Amendment to the current dealership contract Proposal 4: Revision of the operating procedures for preparing and filing the sustainability report Proposal 5: Establishment of internal control system for sustainability information management Proposal 6: Amendments to the Sustainable Development Committee charter Proposal 7: Appointment of executive vice president Proposal 8: Salary adjustment and salary structure revision
Jan. 21, 2025	21st Term, 23rd Meeting	Proposal 1: Bank credit line of the Company in 2025
Mar. 12, 2025	21st Term, 24th Meeting	Proposal 1: Internal control system declaration for 2024 Proposal 2: Review of director remuneration for 2024 by the Remuneration Committee Proposal 3: Review of employee remuneration for 2024 by the Remuneration Committee Proposal 4: Review of directors' remuneration starting from the 22nd term Proposal 5: Election of directors

II. Corporate Governance Report

Date	Session	Key Discussion Topics
		Proposal 6: 2025 annual shareholders' meeting date Proposal 7: 2024 business report and financial statements Proposal 8: 2024 profit distribution Proposal 9: Amendments to the Procedures for Engaging in Derivative Products Transaction

10. Major Issues on Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors During the Latest Fiscal Year and as of the Date of This Annual Report: None.

II. Corporate Governance Report

(IV) Certified Public Accountant Audit Fees

1. Information on Audit Fees

Accounting Firm	Auditor Names	Audit Period	Audit Fee	Non-audit Fee	Total	Note
PricewaterhouseCoopers Taiwan	Hsiao, Chun-Yuan and Hsu, Sheng-Chung	From January 1, 2024, to December 31, 2024.	10,380	4,982	15,362	Non-audit fee mainly for tax certification, transfer pricing, country-by-country reports, and advisory.

Note:

- (1) If there has been a change of accounting firm or auditors in 2024, information regarding the audit period, reason for the change, as well as audit fees and non-audit fees paid shall be provided.
- (2) Details of non-audit services shall be provided (e.g., tax audit, assurance, or other financial consultation service).
2. Disclosure of the Amount, Percentage, and Reasons for the Decrease of Audit Fees Where a Change of Auditors Has Occurred and the Audit Fees Are Lower Than the Previous Fiscal Year: Not applicable.
3. Disclosure of the Amount, Percentage and Reasons for an Audit Fee Decrease Where the Audit Fees Are at Least 10% Lower than the Previous Fiscal Year: Not applicable.

(V) Disclosure of Change of Auditors (If the Company Has Changed Its Auditors During the Most Recent Two Fiscal Years or Any Subsequent Interim Period)

1. Predecessor Auditor

Date of change	January 17, 2023
Reasons for the change of auditors	Due to rotation of assignments within the firm, auditor Wang, Fang-Yu was replaced by Hsiao, Chun-Yuan.
Whether the auditor has resigned, declined to stand for reappointment, or been notified of the termination of their engagement.	N/A
If the auditor has issued an audit report expressing an opinion other than unqualified opinion within the recent two years, please state the opinion and reason	N/A
Disagreement with the Company as to accounting treatment, accounting principles, auditing procedures, or other similarly significant matters	N/A
Other disclosure items (as required under Article 10, Paragraph 6, Subparagraph 1, Items 4 to 7 of the Regulations)	N/A

II. Corporate Governance Report

2. Successor Auditor

Accounting Firm	PricewaterhouseCoopers Taiwan
Auditor Names	Hsiao, Chun-Yuan and Hsu, Sheng-Chung
Date of appointment	January 17, 2023
Pre-engagement consultations on specific transactions' accounting treatments, applicable accounting principles, and potential audit opinions issued on financial statements, including consultation outcomes.	N/A
Written opinion of successor auditor on disagreements with predecessor auditor	N/A

3. Written Response from the Predecessor Auditor Regarding Disclosure Requirements under Article 10, Paragraph 6, Subparagraph 1 and Article 10, Paragraph 6, Subparagraph 2, Item 3 of the Regulations: Not applicable.

(VI) Disclosure of the Company's Chairman, President, Chief Financial Officer or Chief Accounting Officer Who Has Held a Position at the Company's Independent Certified Public Accounting Firm or Its Affiliates within the Last Year: None.

II. Corporate Governance Report

(VII) Changes in Shareholding and Pledge Status of Directors, Executive Officers, and Shareholders Holding More Than 10% of Shares. If the Counterparty in Share Transfers or Pledges Is a Related Party, Disclose the Name, Relationship, and Number of Shares Acquired or Pledged.

Title	Name	2024		As of Mar. 31, 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares
Corporate Director	Chun Yung Investment Co., Ltd.	0	0	0	0
Corporate Director	Li Gang Enterprise Co., Ltd.	0	0	0	0
Corporate Director	Yong Hui Development Co., Ltd.	0	0	0	0
Corporate Director	Yuan Tuo Investment Co., Ltd.	22573	0	3,000	0
Corporate Director	Gui Long Investment Co., Ltd.	0	0	0	0
Corporate Director	Toyota Motor Corporation	0	0	0	0
Chairman	Huang, Nan-Kuang	0	0	0	0
Director	Lin, Li-Hua	0	0	0	0
Director	Huang, Chih-Cheng	0	0	0	0
Director	Huang, Wen-Jui	0	0	0	0
Director	Su, Jean	0	0	0	0
Director	Su, Yi-Chung	0	0	0	0
Director / President	Su, Chwen-Shing	0	0	0	0
Director	Soo, Leon	0	0	0	0
Director	Ko, Junn-Yuan	19,200	0	2,000	0
Director	Chang, Shih-Yieng	0	0	0	0
Director / Executive Vice President	Kazuo Naganuma	0	0	0	0
Independent Director	Li, Chao-Sen	0	0	0	0
Independent Director	Su, Chin-Huo	0	0	0	0
Independent Director	Wu, Shih-Hao	0	0	0	0
Vice President	Chen, Chien-Chou	0	0	0	0
Vice President	Huang, Ming-Hsien	0	0	0	0

II. Corporate Governance Report

Title	Name	2024		As of Mar. 31, 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares	Increase (Decrease) in Shares Held	Increase (Decrease) in Pledged Shares
Vice President	Fred Hsieh	0	0	0	0
Vice President	Wu, Chia-Yen	0	0	0	0
Vice President	Liu, Chuan-Hung	0	0	0	0
Chief Officer	Liu, Sung-Shan	0	0	0	0
Chief Officer	Wu, Pin-Tsung	0	0	0	0
Chief Officer	Yeh, Chia-Han	0	0	0	0
Chief Officer	Wang, Shih-Hao	0	0	0	0
Chief Officer	Lai, Kuang-Hsiung	0	0	0	0
Chief Officer	Lai, Chih-Wei	0	0	0	0
Chief Officer	Lu, Li-Yin	0	0	0	0
Chief Officer	Kei Mizuguchi	0	0	0	0
Chief Officer	Weng, Ming-Lun	0	0	0	0
Chief Officer	Han, Chih-Kang	0	0	0	0
Chief Officer	Huang, I-Jun	0	0	0	0
Chief Officer	Yu, Chun-Chien	0	0	0	0
Corporate Governance Officer	Tai, Heng-Hu	0	0	0	0
Financial Officer	Chen, Ting-Ju	0	0	0	0
Accounting Officer	Chi, Kuan-Nien (Note 1)	0	0	0	0

The directors, supervisors, executive officers, and major shareholders holding more than 10% of the shares of the Company have not transferred or pledged their shares to any related parties.

Note 1: Chi, Kuan-Nien was appointed as Accounting Manager on July 1, 2024

II. Corporate Governance Report

(VIII) Relationship among Top 10 Shareholders (Information to Be Updated after the Book Closure Date)

April 15, 2025

Name	Personal shareholding		Spouse & minor children shareholding		Nominee shareholding		Top 10 shareholders – related parties / relatives		Remarks
	Shares	% (note)	Shares	%	Shares	%	Name	%	
Hoyu Investment Co., Ltd. Representative: Lin, Li-Hua	49,234,677	8.83%	0	0	0	0	—	N/A	
Toyota Motor Corporation Representative: Sato Koji	45,294,234	8.13%	0	0	0	0	—	N/A	
Li Gang Enterprise Co., Ltd. Representative: Lin, Chih-Han	41,380,740	7.42%	0	0	0	0	—	N/A	
Jin Yuan Shan Investment Co., Ltd. Representative: Su, Jean	36,792,950	6.60%	0	0	0	0	Cheng Sun Trading Co., Ltd.	Related party	Half of the directors serve concurrently
Cheng Sun Trading Co., Ltd. Representative: Su, Jean	25,063,529	4.49%	0	0	0	0	Jin Yuan Shan Investment Co., Ltd.	Related party	Half of the directors serve concurrently
Shen Rong Investment Co., Ltd. Representative: Chang, Chih-Fu	17,347,207	3.11%	0	0	0	0	—	N/A	
Yuan Tuo Investment Co., Ltd. Representative: Ko, Junn-Yuan	14,984,744	2.69%	0	0	0	0	—	N/A	
Jin Ji Investment Enterprise Co., Ltd. Representative: Soo, Leon	13,920,731	2.49%	0	0	0	0	—	N/A	
Zhi Geng Development Co., Ltd. Representative: Huang, Chih-Cheng	13,549,355	2.43%	0	0	0	0	—	N/A	
Tai Chang Investment Co., Ltd. Representative: Huang, Tao-Tien	12,790,468	2.29%	0	0	0	0	—	N/A	

Note: Shareholding percentages are rounded down to the nearest whole number.

II. Corporate Governance Report

(IX) Combined Shareholding in a Single Investee by the Company, Its Directors, Managerial Officers, and Its Controlled Entities

Unit: NT\$; US\$; Share; %
April 15, 2025

Investee Companies (Note)	Investment by the Company		Investments by Directors, Officers, or Controlled Entities		Total Investment	
	Shares / Amount	%	Shares / Amount	%	Shares / Amount	%
Hozan Investment Co., Ltd.	254,032	100.00%	0	0	254,032	100.00%
Shanghai Ho-Yu (BVI) Investment Co., Ltd.	US\$108,897,360	100.00%	0	0	US\$108,897,360	100.00%
Chang Yuan Motor Co., Ltd.	313,500,000	100.00%	0	0	313,500,000	100.00%
Kuozui Motors, Ltd.	103,800,000	30.00%	224,900,000	65.00%	328,700,000	95.00%
Toyota Material Handling Taiwan Ltd.	94,602,868	100.00%	0	0	94,602,868	100.00%
Hotai Insurance Co., Ltd.	155,867,346	77.93%	44,108,996	22.05%	200,000,000	99.98%
Taipei Toyota Motor Co., Ltd.	25,438,987	34.81%	2,000	0.003%	25,440,987	34.81%
Ho Tai Development Co., Ltd.	24,710,856	45.01%	0	0	24,710,856	45.01%
Kau Du Automobile Co., Ltd.	22,161,150	20.00%	0	0	22,161,150	20.00%
Eastern Motor Co., Ltd.	49,889,053	100.00%	0	0	49,889,053	100.00%
Kuotu Motor Co., Ltd.	17,553,761	20.18%	0	0	17,553,761	20.18%
Tau Miao Motor Co., Ltd.	15,153,573	20.00%	0	0	15,153,573	20.00%
Central Motor Co., Ltd.	15,000,000	20.00%	0	0	15,000,000	20.00%
Nan Du Motor Co., Ltd.	14,806,073	23.67%	0	0	14,806,073	23.67%
Carmax Co., Ltd.	22,950,000	51.00%	0	0	22,950,000	51.00%
Lang Yang Toyota Motor Co., Ltd.	2,000,000	20.00%	0	0	2,000,000	20.00%
Formosa Flexible Packaging Corp.	1,295,108	44.44%	0	0	1,295,108	44.44%
Shi-Ho Screw Industrial Co., Ltd.	211,433	21.14%	0	0	211,433	21.14%
Yokohama Tire Taiwan Co., Ltd.	3,000	25.00%	0	0	3,000	25.00%
Smart Design Technology Co., Ltd.	960,961	20.00%	2,968,016	61.77%	3,928,977	81.77%
Hotai Connected Co., Ltd.	79,100,000	70.00%	565,000	0.50%	79,665,000	70.50%
Aim Technology Co., Ltd.	1,650,000	15.00%	3,850,000	35.00%	5,500,000	50.00%
Hotai Auto Body Manufacturing Co., Ltd.	50,000,000	50.00%	20,000,000	20.00%	70,000,000	70.00%
Hotai Auto Body Sales Co., Ltd.	4,000,000	100.00%	0	0	4,000,000	100.00%
He Jun Energy Co., Ltd.	50,400,000	18.00%	224,000,000	80.00%	274,400,000	98.00%
Gochabar Co., Ltd.	1,200,000	10.00%	3,600,000	30.00%	4,800,000	40.00%

Note: Affiliates accounted for using the equity method.

III. Capital Overview



III. Capital Overview

(I) Capital and Shares

1. Sources of Capital

(1) Capitalization

Date	Issue Price (NT\$)	Authorized Capital	Paid-in Capital		Note			
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of Capital (NT\$)	Non-cash Contribution	Others
1991.08	10	94,011,840	940,118,400	94,011,840	940,118,400	Capitalization of retained earnings: 156,686,400	N/A	Approved by Securities Management Commission, (80) Tai-Tsai-Zheng (1) No. 01537 letter dated Jul. 16, 1991.
1992.08	10	122,215,391	1,222,153,910	122,215,391	1,222,153,910	Capitalization of retained earnings: 216,227,230 Capitalization of capital surplus: 65,808,280	N/A	Approved by Securities Management Commission, (81) Tai-Tsai-Zheng (1) No. 01669 letter dated Jul. 20, 1992.
1993.08	10	146,658,469	1,466,584,690	146,658,469	1,466,584,690	Capitalization of retained earnings: 158,880,010 Capitalization of capital surplus: 85,550,770	N/A	Approved by Securities Management Commission, (82) Tai-Tsai-Zheng (1) No. 30058 letter dated Jul. 14, 1993.
1994.11	10	197,990,163	1,979,901,630	197,990,163	1,979,901,630	Capitalization of retained earnings: 234,653,550 Capitalization of capital surplus: 58,663,390 Cash capital increase: 220,000,000	N/A	Approved by Securities Management Commission, (83) Tai-Tsai-Zheng (1) No. 31768 letter dated Jul. 5, 1994.
1995.08	10	330,000,000	3,300,000,000	277,186,229	2,771,862,290	Capitalization of retained earnings: 395,980,330 Capitalization of capital surplus: 395,980,330	N/A	Approved by Securities Management Commission, (84) Tai-Tsai-Zheng (1) No. 37776 letter dated Jun. 29, 1995.
1995.10	10	330,000,000	3,300,000,000	321,780,129	3,217,801,290	Cash capital increase: 445,939,000	N/A	Approved by Securities Management Commission, (84) Tai-Tsai-Zheng (1) No. 49820 letter dated Sept. 16, 1995.
1996.10	10	420,000,000	4,200,000,000	410,269,665	4,102,696,650	Capitalization of retained earnings: 241,335,100 Capitalization of	N/A	Approved by Securities Management Commission, (85) Tai-Tsai-Zheng (1) No. 53446 letter

III. Capital Overview

Date	Issue Price (NT\$)	Authorized Capital	Paid-in Capital		Note			
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of Capital (NT\$)	Non-cash Contribution	Others
						capital surplus: 643,560,260		dated Aug. 30, 1996.
1997.08	10	440,000,000	4,400,000,000	430,783,148	4,307,831,480	Capitalization of capital surplus: 205,134,830	N/A	Approved by Securities Management Commission, (86) Tai-Tsai-Zheng (1) No. 46559 letter dated Jun. 10, 1997.
1998.08	10	600,000,000	6,000,000,000	495,400,620	4,954,006,200	Capitalization of retained earnings: 215,391,570 Capitalization of capital surplus: 430,783,150	N/A	Approved by Securities Management Commission, (87) Tai-Tsai-Zheng (1) No. 50882 letter dated Jun. 10, 1998.
1999.09	10	600,000,000	6,000,000,000	520,170,651	5,201,706,510	Capitalization of capital surplus: 247,700,310	N/A	Approved by Securities Management Commission, (88) Tai-Tsai-Zheng (1) No. 61520 letter dated Jul. 6, 1999.
2000.09	10	600,000,000	6,000,000,000	546,179,184	5,461,791,840	Capitalization of capital surplus: 260,085,330	N/A	Approved by Securities Management Commission, (89) Tai-Tsai-Zheng (1) No. 60392 letter dated Jul. 12, 2000.
2023.09	10	600,000,000	6,000,000,000	557,102,768	5,571,027,680	Capitalization of retained earnings: 10,923,584	N/A	FSC filing effective: Jul. 11, 2023.

(2) Type of Stock:

Share Class	Authorized Capital			Note
	Shares Outstanding	Unissued Shares	Total	
Common Shares	557,102,768	42,897,232	600,000,000	Listed Company Shares on the Taiwan Stock Exchange ("TWSE")

(3) Information on shelf registration system for follow-on equity offerings: None.

III. Capital Overview

2. List of Major Shareholders (Information to Be Updated after the Book Closure Date)

Book Closure Date: April 15, 2025

Major Shareholders	Shares	Shares Held	Shareholding Percentage (Rounded Down)
Hoyu Investment Co., Ltd.		49,234,677	8.83%
Toyota Motor Corporation		45,294,234	8.13%
Li Gang Enterprise Co., Ltd.		41,380,740	7.42%
Jin Yuan Shan Investment Co., Ltd.		36,792,950	6.60%
Cheng Sun Trading Co., Ltd.		25,063,529	4.49%
Shen Rong Investment Co., Ltd.		17,347,207	3.11%
Yuan Tuo Investment Co., Ltd.		14,984,744	2.69%
Jin Ji Investment Enterprise Co., Ltd.		13,920,731	2.49%
Zhi Geng Development Co., Ltd.		13,549,355	2.43%
Tai Chang Investment Co., Ltd.		12,790,468	2.29%

3. Dividend Policy and Implementation Status

(1) Dividend Policy:

As the Company operates in a dynamic industry environment and has reached the maturity stage of its corporate life cycle, its dividend policy takes into account future capital requirements, long-term financial planning, and the need to provide shareholders with stable cash inflows. After the close of each fiscal year, if the Company reports earnings, it shall first pay business income tax and offset any accumulated losses. Thereafter, 10% of the remaining earnings shall be appropriated as legal reserve. Any special reserve required by applicable laws and regulations shall then be set aside or reversed. If there are distributable earnings remaining, no less than 50% shall, in principle, be distributed as shareholder dividends, of which at least 10% shall be paid in cash.

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 distribution of all or part of dividends and/or bonuses in cash may be resolved by a majority vote of the directors present at a meeting attended by at least two-thirds of the total number of directors, and shall be reported to the shareholders' meeting. The requirement for shareholder approval as set forth in the preceding paragraph shall not apply.

(2) Proposed Distribution of Profit:

The Board of Directors, at its 24th meeting of the 21st term held on March 12, 2025, approved a proposal to distribute NT\$11,142,055,360 in cash dividends out of the earnings for fiscal year 2024, with a cash dividend of NT\$20 per share. The distribution will be reported to the shareholders' meeting on June 13, 2025.

III. Capital Overview

4. Impact of the Proposed Stock Dividends Distribution on the Business Performance and Earnings per Share of the Company:

In the 2024 shareholders' meeting, the resolution for dividend distribution will consist of cash dividends only, with no stock dividends issued.

5. Employee Remuneration and Directors' Remuneration:

- (1) Employee Remuneration and Directors' Remuneration under the Articles of Incorporation:

According to Article 34 of the Company's Articles of Incorporation, if the Company generates annual profits, 1% shall be allocated for employee remuneration and no more than 2% for directors' remuneration; however, independent directors are not eligible to participate in the distribution of such remuneration. In the event of any accumulated losses, such losses must first be offset. Employee remuneration may be paid in the form of stock or cash and must be approved by a resolution passed by at least two-thirds of the Board of Directors in attendance, with more than half of the directors agreeing. Additionally, the distribution must be reported at the shareholders' meeting.

- (2) Estimation Basis for Employee and Director Remuneration, Basis for Calculating the Number of Shares for Employee Remuneration Paid in Stock, and Accounting Treatment for Differences between Estimated and Actual Distribution Amounts:

The estimated amounts of employee remuneration and directors' remuneration for fiscal year 2024 are 1% and 2%, respectively, of the Company's annual profit.

- (3) Proposed Distribution of Employee Remuneration by the Board of Directors:

- A. Amounts of employee remuneration distributed in cash or stocks and directors' remuneration:

On March 12, 2025, the 21st Board of Directors in the 24th meeting made the decision to distribute the employee remuneration in the amount of NT\$222,925,834 and the directors' remuneration in the amount of NT\$445,851,666 for fiscal year 2024. Of which, employee remuneration will be distributed in the form of cash.

- B. Amount of employee remuneration distributed in the form of stocks and its percentage of the sum of pre-tax profits and total employee remuneration in the parent company only or separate financial statements: Not applicable, as the employee remuneration will be distributed in cash.

- (4) Actual Distribution of Employee and Director Remuneration in the Previous Year (Including Number of Shares, Amount, and Share Price), and Any Differences from Accrued Amounts with Explanations and Accounting Treatment:

The distribution of NT\$236,505,478 in employee remuneration and NT\$473,010,954 in directors' remuneration for fiscal year 2023, made in 2024, was consistent with the resolution approved by the Board of Directors and was fully implemented as resolved.

6. Repurchase of Shares: The Company did not repurchase any of its own shares.

III. Capital Overview

- (II) Issuance of Corporate Bonds: The Company did not issue any corporate bonds.
- (III) Issuance of Preferred Stocks: The Company did not issue any preferred stocks.
- (IV) Issuance of Global Depository Receipts: The Company did not issue any global depository receipts.
- (V) Issuance and Exercise of Employee Stock Options: The Company did not issue any employee stock options.
- (VI) Issuance of Restricted Stock to Employees: The Company did not issue any employee restricted stocks.
- (VII) Issuance of New Shares in Connection with Mergers and Acquisitions or in Exchange for the Shares of another Company: None.
- (VIII) Financing Plans and Implementation Status: The Company has not raised funds through public offerings or private placements of securities and therefore does not have any related capital utilization plans.

IV. Operational Highlights



IV. Operational Highlights

(I) Business Activities

1. Scope of Business

(1) Main Business Activities:

- A. Manufacturing, assembling and sales of all types of vehicles (including chassis and car body) and parts, as well as export and import business
- B. Manufacturing and maintenance of special vehicles (e.g., trailers, garbage trucks, vacuum trucks, cranes, concrete mixing transport trucks, and tanker trucks)
- C. Manufacturing, assembling and sales of all types of industrial vehicles (e.g., tractors, loaders, and forklifts) and parts, as well as export and import business
- D. Car repair and maintenance
- E. Leasing business
- F. Non-life insurance business

(2) Revenue Breakdown by Product

Product Category	Amount (NT\$ in Thousands)	Percentage (%)
TOYOTA and HINO Distribution	155,064,427	54.83
Installment Business	20,781,334	7.35
Leasing Business	34,132,001	12.07
Property Insurance Business	10,222,212	3.61
Overseas Vehicle Dealerships	19,896,017	7.04
Others	42,705,576	15.10
Total	282,801,567	100.00

(3) Product Categories and Products in Development

A. Current models and series

Product Category			Product Type
General Vehicles	Passenger Cars	LEXUS Luxury Vehicles	Imported Cars: LS, ES, IS, RX, NX, UX, LC, RC F, LM, RZ, LBX
		TOYOTA Passenger Cars and Light Commercial Vehicles	Imported Passenger Cars: RAV4 (including HEV), CAMRY (including HEV), ALPHARD HEV, SIENNA HEV, PRIUS PHEV, C-HR, COROLLA SP, HILUX, PRADO, GR 86, GR SUPRA, GR YARIS, bZ4X, CROWN HEV Domestic Passenger Cars: COROLLA CROSS (including HEV), ALTIS (including HEV), VIOS, SIENNA, YARIS CROSS Domestic Light Commercial Vehicles: TOWN ACE (PU, VAN)
	Commercial Vehicles	TOYOTA Commercial Vehicles	Imported Models: COASTER (diesel mid-size bus), Hydrogen Bus, GRANVIA, HIACE
		HINO Commercial Vehicles	Domestic Models: Diesel Buses, Heavy Duty Trucks, Light Duty Trucks
	Leasing Business		

IV. Operational Highlights

	HINO, and other brands
Installment Business	Vehicle installment financing services for TOYOTA, LEXUS (own brands), HINO, and other brands
General Insurance Services	Fire Insurance, Auto/Motorcycle Insurance, Cargo Insurance, Construction Insurance, Liability Insurance, Personal accident Insurance and Health Insurance etc.
Air Conditioning	Air conditioning made by DENSO for passenger cars and trucks
Parts and Accessories	Components and accessories for the above vehicles models and series

B. New products in development

- TOYOTA: continue to introduce new models of energy-efficient models.
- Commercial Vehicles: The entire vehicle lineup is upgraded with enhanced safety features, alongside the introduction of new energy vehicles. The specialized vehicle product line continues to be optimized, including models such as the COASTER welfare vehicle, Kyokuto Mixer, and TOYOTA commercial vehicles.
- Business of property insurance: In response to global economic and environmental trends, and in alignment with the Group's business development strategy, we offer the most suitable insurance solutions, utilizing financial technology and optimizing operational models.

2. Industry Overview

(1) Current Status and Future Development

In 2024, the global economy steadily recovered as inflation eased, international consumer demand rebounded, and emerging technologies such as AI created strong business opportunities. 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.

In terms of brand sales, TOYOTA, LEXUS, and HINO, which are represented by the Company, hold the top market share. The top three players in the automotive industry are all Japanese brands, collectively accounting for 52.4% of the market share.

Ranking	1	2	3	4	5	6
Brands	TOYOTA LEXUS HINO	MITSUBISHI CMC MG	HONDA	MERCEDES BENZ	HYUNDAI	BMW
Sales Volume	159,608	53,020	26,791	26,557	22,691	20,332
Market Share	34.9%	11.6%	5.9%	5.8%	5.0%	4.4%

(2) Relationship with Upstream, Midstream and Downstream Companies

IV. Operational Highlights

In Taiwan, products in the automotive industry are sourced through the authorization of international automobile companies (parent companies of the brands) by either providing parts and production technology for their assembly lines in Taiwan or importing whole vehicles. Taiwanese distributors then sell and provide pre-sales and after-sales services and vehicle repair and maintenance via their dealerships.

The main domestic vehicle manufacturers in Taiwan, aside from Kuozui Motors (TOYOTA light-duty vehicles and HINO heavy-duty vehicles) within our group, include China Motor (MITSUBISHI and MG light-duty vehicles, FUSO heavy-duty vehicles), Yulon (NISSAN and LUXGEN light-duty vehicles), Ford Lio Ho (FORD light-duty vehicles), SANYANG (HYUNDAI light-duty vehicles), and Honda Taiwan (HONDA light-duty vehicles).

The automotive brands we represent are renowned in the industry for their exceptional quality, attentive after-sales service, and outstanding marketing and planning capabilities. With our ever-strengthening competitive advantages, we have consistently held the position of market leader in the automotive industry for many years.

(3) Product Development Trends and Competition

In recent years, an increasing number of international automakers have shifted from being represented by distributors to directly operating through subsidiaries in Taiwan. These subsidiaries are actively introducing new products and offering more competitive prices, leading to a continued high share of imported vehicles in the market. Following the stabilization of the global automotive supply chain in the post-COVID period, the market share of imported vehicles in Taiwan increased to 49.3% in 2024. In terms of vehicle categories, SUVs continued to see strong demand, with several automakers introducing various crossover models. As a result, SUV sales accounted for 58.3% of total vehicle sales in 2024. TOYOTA COROLLA CROSS became a bestseller among SUVs and domestic vehicles, while RAV4 remained the bestselling import vehicle for the 17th consecutive year.

Amidst the transformation of global automotive industry and rapid market shifts, Hotai Motor consistently places customer needs as the top priority. The Company embraces the "think Amazing" philosophy, delivers the utmost perfect customer experience, and initiates a new era of mobility services for the Group, aiming to not only embody the goal of "Do Amazing" but also realize "Do Impossible".

3. Technology and R&D

(1) Our Product Strategy Department works closely with Kuozui Motors and Toyota Motor Corporation in continuously analyzing the needs and preferences of Taiwan automotive consumers to launch new vehicle models that respond to market demands. The current lineup includes bestselling models such as the COROLLA CROSS, RAV4, CAMRY, ALTIS, TOWN ACE, VIOS, SIENTA, and YARiS CROSS. Notably, the ALTIS held the title of Taiwan's top-selling single car model for 19 consecutive years, from 2001 to 2019. In 2020, the RAV4 took the lead, and from 2021 to 2024, the COROLLA CROSS has maintained the top spot. Going forward, we will continue to introduce eco-friendly and fuel-efficient models to meet consumer needs, which is expected to contribute positively to the stability and growth of our future sales.

(2) As a vehicle distributor, we specialize in product planning and sales, while the

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manufacturing, research and development are the responsibilities of Toyota Motor Corporation and Kuozui Motors.

4. Long-term and Short-term Business Development Plans

Long-term Business Development Plan

(1) Corporate Vision:

"think Amazing, do Amazing"

(2) Mid-to-Long-Term Strategies:

- A. Apply new generation of sales thinking to actively increase market share
- B. Integrate smart services with social networks to become part of customers' daily lives.
- C. Leverage strategic transformation for competitive advantage to optimize value chain.
- D. Enhance resource synergy to scale up the Group's overall footprint.
- E. Fulfill social responsibility commitments and work towards achieving carbon neutrality.

Short-term Business Development Plan - Resilience, Persistence, and Breakthrough:

Embracing "Do the Impossible"

(1) Pressing Forward, Breaking New Ground in Sales and Services

	TOYOTA	LEXUS	Commercial Vehicles
Vehicles	Taking the lead, with no boundaries to innovation.	LEXUS Toward Next Generation Driving innovation, steering the future.	Safety, sustainability, and a shared clean future.
Service	Strengthening our No.1 brand with a seamless service network and smart technology		Leading with service, centered on customers.

(2) Strengthening Operations with Solid Management and Diverse Strategies

- Hotai Finance: Solidifying core lending, expanding non-auto portfolios, reinforcing risk management.
- Hotai Leasing: Developing diverse leasing products and value-added services, unlocking new customer segments.
- Carmax: Facing the challenges of Original Equipment accessories, building a smarter ecosystem, growing channels at home and abroad.
- Chang Yuan: Boosting completed vehicle sales, enhancing service capabilities, and increasing employee satisfaction and retention.
- Toyota Material Handling Taiwan: Standardizing and replicating successful automation cases, rapidly expanding the market, and continuously strengthening the leasing business.
- Hotong: Navigating a dynamic market with steady operations; optimizing organizational structure and strengthening capabilities to fuel future growth.
- Hotai Insurance: Deepening value chain collaboration within the Group, exploring external development opportunities, and enhancing customer diversification.
- MaaS Business Group: Integrating the Group's mobility brand data to unlock the commercial value of data.

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- Hotai Body Works: Enhancing the commercial vehicle body line-up and upgrading overall production efficiency and quality.

(3) Harnessing New Knowledge, Pioneering New Management Thinking

- Leveraging emerging technologies to swiftly address customer needs and enhance efficiency.
- Strengthening the Group's IT operations with a zero-trust architecture to build a comprehensive cybersecurity framework.

(4) Know and Be Accountable, Uniting the Group's ESG Strengths

- Advancing manufacturers' carbon emission reduction targets to promote the Group's overall carbon reduction goals.
- Enhancing the integration and communication of the Group's public welfare projects to collectively promote M.O.V.E (Note) related actions.
- Promoting work-life balance and employee health to become a dream company for the new generation.

Note: Hotai Group's sustainability blueprint - Mobility. Openness. Value. Eco

(II) Market and Sales Overview

As a professional distributor for automotive sales and services, we strive to deliver the best services that exceed customer expectation in both pre-sales and after-sales services. In addition, we continuously provide customers with the best products and services by innovative practices to ensure product quality and enhance customer satisfaction.

1. Market Analysis

(1) TOYOTA Passenger Vehicles

A. Sales Region:

We primarily distribute imported passenger vehicles—such as the RAV4 (including HEV) and CAMRY (including HEV)—as well as domestically produced passenger vehicles, including the COROLLA CROSS (including HEV) and ALTIS (including HEV), and domestic light commercial vehicles, such as the TOWN ACE (PU and VAN). These vehicles are sold through 107 sales outlets operated by 8 major dealers across Taiwan, supported by a well-established sales network designed to meet diverse customer needs.

B. Market Share:

In 2024, the number of TOYOTA's registered vehicles has exceeded 125,000 units, captured a market share of 27.3%, and secured the No. 1 position in the brand ranking. As for car models, COROLLA CROSS (including HEV) has been the best-selling model across the entire market for four consecutive years. Our brand has also secured the No. 1 position in the major segments of imported vehicles and sedans.

C. Future Supply and Demand, Market Growth, Competitive Advantages, Favorable and Unfavorable Factors of Development Prospect:

Favorable Factors

- The government has extended the "Excise Tax Rebate Scheme for Vehicle Scrappage" until early 2026; and continues to promote the "Vehicle Scrappage

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Subsidy Program for Reducing Air Pollutants" and the "Vehicle Scrappage Incentive Scheme for Reducing Greenhouse Gas Emissions," which will help sustain demand for vehicle replacements.

- With the global economy steadily recovering and the rapid expansion of emerging technologies such as AI, Taiwan has continued to benefit from strong export and production momentum. In addition, capital expenditures by local companies have increased in response to low-carbon and digital transformation trends, while major international firms have continued to ramp up investment in Taiwan. These factors have collectively contributed to the steady growth of domestic consumption.

Unfavorable Factors

- The global economic outlook remains uncertain due to a range of factors, including the U.S. presidential transition, continued weakness in China's economy, diverging monetary policies among central banks, and ongoing geopolitical tensions—all of which may impact future global economic development.
- Consumer spending may also be affected by lingering uncertainties surrounding cross-strait political and economic risks, the property market, and credit conditions.

D. Countermeasures:

- Continue to enhance consumer mind share and introduce suitable products.
- Continue to bolster our frontline digital sales prowess and optimize the efficiency of sales and operations.
- Increase the closing rate of CPO vehicle sales and inventory to create new profits along the value chain.

【TOYOTA Key Performance Indicators】

TOYOTA	Industry Assessment Index	Data Source	Result
Sales	Registrations	Ministry of Transportation and Communications	125,003 Units
	Market Share		27.3%
Description	2024 marks the 23rd consecutive year as the No. 1 in the automotive market.		

(2) LEXUS Passenger Vehicles

A. Sales Region:

The core products are imported from Japan, including sedan models such as LS, ES, and IS; SUV models RX, NX, UX, and LBX; the fully electric SUV RZ; coupe models LC and RC F; and the flagship MPV model LM. A nationwide sales network is established through our 8 dealers and 26 sales branches.

B. Market Share (as of December 31, 2024):

In 2024, the total number of luxury vehicle registrations was 115,445 units, up by 2.9% from a year before. Lexus had 28,523 units of vehicle registrations, accounting for 24.7% of the market share, and sat in first place in luxury vehicles market.

C. Future Supply and Demand, Market Growth, Competitive Advantages, Favorable and Unfavorable Factors of Development Prospect:

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Favorable Factors

- Based on the latest forecast from Academia Sinica, Taiwan's economic growth rate for 2025 is expected to be 3.1%. The development of the semiconductor, information communication, and new energy industries is expected to drive an increase in high-income earners.
- As the price ranges of general automobile brands and luxury car brands continue to overlap, luxury car brands have become a more viable option for many car buyers. Benefiting from this trend, the luxury car market is expected to continue growing.
- Rising awareness of carbon reduction is driving the trend of replacing old vehicles with electric models.

Unfavorable Factors

- International political and economic instability, such as wars and tariff barriers, may impact domestic industries and consumer confidence.

D. Countermeasures:

- Evaluate the vehicle trade-in subsidy program and introduce flexible payment options to reduce the financial burden on car buyers.
- Offer a full range of electrified models (HEV, PHEV, BEV) and diversified services to meet the varied needs of consumers.

【Lexus Key Performance Indicators】

LEXUS	Industry Assessment Index	Data Source	Result
Sales	Registrations	Ministry of Transportation and Communications	28,523 Units
	Market Share		24.7%
Description	Ranked No.1 in the luxury car market.		

(3) Commercial Vehicles

A. Main Sales and Supply Region

- Main sales region: Taiwan
- Main supply region: Japan and Taiwan

B. Market Share (as of December 31, 2024):

In 2024, the commercial vehicle market experienced a slowdown due to the absence of scrappage incentive policies and the impact of the post-pandemic shift in home delivery logistics demand. A total of 17,733 commercial vehicles were registered, representing 89.2% of last year's figure. Our brands registered 6,082 units, achieving a 34.3% market share and securing the No. 1 position in the commercial vehicle market for the fourth consecutive year.

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- The overall heavy-duty commercial vehicle registrations totaled 8,806 units, representing 80.6% of last year's figures. Vehicle registrations under our brands reached 2,972 units, accounting for a 33.7% market share, allowing us to maintain our dominant position in the heavy-duty commercial vehicle market for the 15th consecutive year.
- The overall light-duty commercial vehicle registrations (3.49-ton and 5-ton) reached 8,927 units, which was 99.7% of the volume from the previous year. Vehicle registrations under our brands totaled 3,110 units, accounting for 34.8% of the market share, securing the No. 1 position in this segment.

C. Favorable and Unfavorable Factors of Future Market Development Prospects:

Favorable Factors

- Global interest rates are expected to be lowered multiple times, which is anticipated to stimulate economic recovery.
- Strong global demand for AI is expected to drive growth in exports, industrial activities, investments, the labor market, and household consumption.
- The government has extended the "Vehicle Scrappage Subsidy Program for Reducing Air Pollutants" until the end of 2026, which will help sustain demand for vehicle replacements.

Unfavorable Factors

- Global economic uncertainty and ongoing geopolitical conflicts have led to tariff barriers, causing risks such as rising raw material and energy prices, which affect consumer willingness to purchase vehicles.
- The labor shortage caused by an aging population and declining birth rates has led businesses to scale back or delay production plans.
- After the lifting of pandemic restrictions, domestic travel intentions have quickly shifted, and the decline in domestic tourism has resulted in a slowdown in bus demand.

D. Countermeasures:

- Continue offering a diverse range of special edition vehicles to maximize the value chain of commercial vehicles.
- Embrace global carbon reduction and sustainability trends by piloting the introduction of hydrogen-powered buses.
- Strengthen safety features across all vehicle models to provide customers with more secure and reliable vehicles.

(4) Car Leasing

A. Service Areas:

Currently, we have 14 business locations to provide long-term leasing, 46 business locations to provide short-term rental, and 1,789 iRent locations across the country.

B. Market Share (as of December 31, 2024):

The new car leasing market totaled 53,087 units (accounting for 11.6% of overall new car sales), with the Company leasing 12,437 units, capturing a 23.4% market share and maintaining the number one position for 23 consecutive years.

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C. Future Supply and Demand and Market Growth:

Looking ahead to 2025, the increase in the minimum wage and the return of AI, semiconductor, and ICT supply chains to Taiwan are expected to boost disposable income, resulting in moderate growth in private consumption. However, the continued weakness in domestic tourism will impact the leasing market. As the global shift towards net-zero progresses, the introduction of affordable BEV models will drive higher shipments, with an expected increase in electric vehicle penetration across brands. The leasing market will focus on channel and customer management, enhancing market share for various brands and expanding its competitive advantage, with the goal of achieving new performance highs.

D. Favorable and Unfavorable Factors of Future Market Development Prospects:

Favorable Factors

- The market share of our brand's products continues to reach new highs, driving the demand for vehicle leasing.
- Brands continue to introduce affordable electric vehicles and new models, and with the ongoing reduction of vehicle license taxes, the leasing share of new energy vehicles shows a growing trend.

Unfavorable Factors

- The new car market is highly competitive, and the leasing market is expected to experience intensified competition as well.
- Taiwan's and the U.S.'s interest rate policies are gradually diverging, with the central bank continuing its measures to curb the housing market and tightening monetary policy, creating ongoing uncertainty regarding interest rate risks.

E. Countermeasures:

- Strengthen existing advantages by utilizing diverse products and driving process optimization to expand the lead.
- Enhance intelligence analysis and information provision, integrating relevant feedback mechanisms to increase customer loyalty.
- Leverage AI and automation to optimize operational processes and system functions, improving operational efficiency.
- Continuously monitor global interest rate trends and cost constraints to further enhance product competitiveness.

(5) Installment Financing

A. Service Areas:

We have representatives at 22 business locations across Taiwan to provide vehicle installment financing services.

B. Market Share (as of December 31, 2024):

The total amount of auto loans approved was NT\$92.9 billion, which outperforms competitors and ranks top in the industry.

C. Future Supply and Demand and Market Growth:

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Looking ahead to 2025, Taiwan's economy is expected to maintain steady growth (with an estimated GDP growth rate of 3.29%), which will simultaneously drive demand in the corporate funding and consumer finance markets. As our brands continue to launch new models, the Company will further develop a variety of installment plans to meet consumer demands, strengthen market competitiveness, and drive business growth.

D. Favorable and Unfavorable Factors of Future Market Development Prospects:

Favorable Factors

- The economy is growing steadily, with strong demand for corporate financing.
- Our market share continues to deepen, with increasing penetration in the used car market, while domestic demand for consumer finance remains strong.

Unfavorable Factors

- Competitors in the industry and banks are competing with low prices, impacting our vehicle and equipment installment financing business.
- Business regulation is becoming stricter.
- Interest rate hikes are impacting funding costs.

E. Countermeasures:

- Enhance operations management, develop distribution channels of our own brands and other car brands to increase our reign in installment financing and leasing.
- Adjust regulatory compliance measures, continuously improve operational processes, and implement appropriate countermeasures.
- Conduct a comprehensive review of interest rates for all products and make necessary adjustments to the underwriting rates.

(6) Non-life Insurance Services

A. Service Region: Services are provided through 5 subsidiaries, 22 service locations, and 2 satellite offices in Taiwan.

B. Market Forecast:

With the stabilization of the international investment market, the insurance industry is expected to benefit from improved fund utilization. Diversified market demand and rising customer awareness are expected to drive growth in demand for liability insurance and other emerging insurance products. The application of new insurance technologies will further enhance the competitiveness and growth of the insurance market. According to the Taiwan Insurance Institute's forecast, the growth rate of written premiums in the non-life insurance sector is projected to range between 5% and 10% in 2025. As external conditions continue to improve, Taiwan's non-life insurance industry is poised for steady development. The industry remains focused on monitoring changes in loss ratios while emphasizing rate adequacy and underwriting profitability, and is therefore expected to remain profitable in 2025.

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C. Business Target:

In 2024, the Company has obtained a share of 5.3% in the market of written premium, ranking 6th. As we adopt a more cautious approach in identifying and selecting business opportunities to pursue higher underwriting profits, it is estimated that the Company's written premium income will reach NT\$ 15.5 billion in 2025.

D. Key Policies:

- Transform business model and focus on managing good channels and insurance.
- Balance expenses, eliminate overspending, and improve management effectiveness.
- Broaden internal collaborations and communications within the Group to leverage the synergies across the value chain.
- Reinforce risk management practices, strictly adhere to regulations, and foster a deep understanding of compliance principles and awareness.
- Invest in talent development and build a robust management team.
- Forge a positive business culture, ensure fair treatment of customers, and implement principles of sustainable development.

2. Primary Uses and Production Processes of Core Products:

(1)Primary Uses of Core Products:

Product Category		Primary Uses
TOYOTA	Passenger Vehicles	Means of transportation instead of walking, or used for leisure, commuting, business travel or for business use of companies, and for rental and taxi industries to carry passengers.
	Commercial Vehicles	For companies to carry passengers or commodities, or for passenger transportation and sightseeing bus industries, organizations, schools and groups to carry passengers.
HINO	3.49-ton and 5-ton Light Trucks	For companies or logistic companies to transport commodities.
	Heavy Trucks	For companies or logistic companies to transport commodities.
	Buses	For passenger transportation and sightseeing bus industries, organizations, schools and groups to carry passengers.

(2)Production Processes of Core Products: Not applicable, as the Company does not operate a manufacturing business.

3. Supply of Main Raw Materials:

Product Category		Major Suppliers
TOYOTA	Passenger Cars, Commercial Vehicles, and Parts	Imported: Toyota Motor Corporation (TMC) and Toyota Motor Asia (Singapore) Pte Ltd Domestic: Kuozui Motors, Ltd.
HINO	Trucks and Commercial Vehicles	Imported: Hino Motors, Ltd. Domestic: Kuozui Motors, Ltd.

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4. Names of Suppliers (Customers) Accounting for More Than 10% of Total Purchases (Sales) and Their Respective Amounts and Percentages in Any Given Year Over the Past Two Years:

(1) Customers Accounted for Over 10% of the Total Sales for the Last Two Years:

Name	2023			2024		
	Net Sales (NT\$ thousands)	% of Annual Net Sales	Relationship with the Issuer	Net Sales (NT\$ thousands)	% of Annual Net Sales	Relationship with the Issuer
Central Motor Co., Ltd.	32,175,665	15	Investee Company Accounted for Using Equity Method	31,573,681	14	Investee Company Accounted for Using Equity Method
Tau Miao Motor Co., Ltd.	29,409,043	13	Investee Company Accounted for Using Equity Method	29,203,278	13	Investee Company Accounted for Using Equity Method
Taipei Toyota Motor Co., Ltd.	23,134,841	11	Investee Company Accounted for Using Equity Method	22,997,862	11	Investee Company Accounted for Using Equity Method
Kau Du Automobile Co., Ltd.	21,968,475	10	Investee Company Accounted for Using Equity Method	22,040,663	10	Investee Company Accounted for Using Equity Method
Kuotu Motor Co., Ltd.	21,375,453	10	Investee Company Accounted for Using Equity Method	21,150,450	10	Investee Company Accounted for Using Equity Method

(2) Suppliers Accounted for Over 10% of the Total Purchase for the Last Two Years:

Name	2023			2024		
	Net Purchases (NT\$ thousands)	% of Annual Net Purchases	Relationship with the Issuer	Net Purchases (NT\$ thousands)	% of Annual Net Purchases	Relationship with the Issuer
Kuozui Motors, Ltd.	63,630,851	25	Investee Company Accounted for Using Equity Method	61,700,058	24	Investee Company Accounted for Using Equity Method
Toyota Motor Corporation	55,739,072	22	Director of the Company	54,709,415	21	Director of the Company

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(III) Key Statistics of Group Employees for the Last Two Years and as of the Date of the Annual Report

Year		2023	2024	As of Mar. 31, 2025
Number of Employees	Direct Personnel (Sales and Service Staff)	4,425	4,329	4,330
	Indirect Personnel (Management Staff)	4,107	4,382	4,380
	Total	8,532	8,711	8,710
Average Age		35.93	38.91	39.17
Average Length of Service		6.73	7.46	7.54
Highest Level of Education (%)	Doctorate	0.05%	0.07%	0.07%
	Master's Degree	10.09%	10.73%	10.75%
	College/University	59.24%	69.30%	69.20%
	High School	24.20%	17.95%	18.04%
	Below High School	6.42%	1.95%	1.94%
Total		100%	100%	100%

(IV) Environmental Costs

List the losses caused by environmental pollution in the most recent fiscal year and up to the date of this annual report (including restitutions, items indicated in the environmental audit results that are in violation of environmental laws and regulations, the date on which the penalty is imposed, case number, laws and regulations violated, and details of the penalty), and the estimated amount and corresponding measures that may occur in the present and future shall be disclosed. If the amount cannot be reasonably estimated, the circumstances that render it impossible to be reasonably estimated shall be described: None.

(V) Labor Relations

1. Our employee welfare, education, training, retirement system and its implementation, as well as the Labor-Management agreement and measures for the protection of employee rights are as follows:

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(1)Employee Welfare

- A. Family day event, year-end banquet and raffles.
- B. Holiday gifts (i.e., Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival), as well as birthday, wedding, childbirth, and retirement gifts.
- C. A fixed amount of travel allowance for employees and their spouses and children.
- D. Subsidy and consolation payment for hospitalized employees, consolation payment and support for employees who have lost family members (also available to spouses and children of the employees).
- E. Group term life insurance and injury insurance coverage.
- F. Scholarship, loan and financial aid for employees and their children.
- G. Partnership with authorized stores under a contract to provide employee discount.
- H. Partial coverage for physical examinations once a year and regular onsite health clinics.
- I. Sponsored club activities.
- J. Employee discount on car purchases.
- K. Employee Assistance Program (EAP) Provision.

(2)Retirement System

The retirement system of the Company is in compliance with relevant laws. We have also adopted the employee retirement regulations as follows:

- A. Employees who came onboard on or after July 1, 2005, shall be subject to the Labor Pension Act.
- B. All the employees who came onboard before July 1, 2005 received compensation for their prior seniority under the old pension system as of November 1, 2009 and opted for the new labor pension system, which is governed by the rules under the Labor Pension Act.
- C. Employees who meet any of the following conditions may request for retirement:
 - a. Continuous service of 15 years or more and have reached the age of 55
 - b. Continuous service of 25 years or more
 - c. Continuous service of 10 years or more and have reached the age of 60

(3)Training Programs

At Hotai, we view our employees as our most valuable asset. To unlock their full potential, we are dedicated to their development and training. Every year, we design comprehensive training programs that focus on enhancing skills, professional expertise, and employability, with courses tailored to employees at all levels. In 2021, we introduced the E-learning Plus online platform, enabling employees to access learning resources anytime and anywhere. Through these initiatives, we aim to boost employees' workplace competitiveness and support the sustainable growth of our business. In 2022, we were honored to receive the "Talent Sustainability Award" from CommonWealth Magazine for our commitment to talent development.

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Our employee training programs consist of the following two categories:

- Internal training courses: The education and training unit is responsible for preparing the annual budget and educational goals, and invite guest lecturers, management personnel or employees who have been trained to be lecturers to teach the courses. The training is aimed at cultivating positive work attitudes and personal values, enhance work skills, competency and technical skills of employees, and promote the latest industry trends and knowledge-sharing.
- External training courses: The courses are designed mainly to supplement internal training. Each year, we create a budget that allows our employees to receive language education (English/Japanese) outside the workplace, and we also send our employees to business consultancy firms, professional institutions, and locations overseas for training based on their professional capacities.
- Training Statistics in 2024

Courses	Participants	Investment Cost (NT\$)	Total (NT\$)
Internal Course	4,667	14,544,505	14,707,039
External Course	22	162,534	

(4)Labor-Management Agreements and Measures for the Protection of Employee Rights

We strive to adhere to the management principles that respect employees and foster harmonious labor relations. Employees are encouraged to freely express their opinions and concerns through a quarterly labor-management meeting or a less formal channel (such as employee suggestion box), and to which we will provide responses and appropriate solutions. The information in relation to our measures to enhance effective communication is shown in the table below:

Companies	Commentary on the Measures
Hotai Motor	Organize quarterly labor-management meeting and set up employee suggestion box.
Hotong Motor (including) 4S Dealerships	Management personnel should be the point of contact for employee suggestions and feedback.
Chang Yuan Motor	Hold quarterly labor-management meetings; employees can make suggestions through a HR supervisor.
Toyota Material Handling Taiwan	Establishment of a dedicated online mailbox for employee suggestions and feedback.
Eastern Motor	Collection of employee feedback by the Customer Relations Department Manager during store visits, followed by discussion at the weekly management meeting.
Hotai Connected	Hold quarterly labor-management meetings; employees can make suggestions through a HR supervisor.
Carmax / Carmax Autotech (Shanghai)	Hold quarterly labor-management meetings; employees can make suggestions through a HR supervisor.

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Companies	Commentary on the Measures
Hotai Finance / Hotai Leasing and Affiliates	Organize quarterly labor-management meeting and set up employee suggestion box.
Ho Tai Development	(1) Management personnel should be the point of contact to receive employee suggestions and feedback and share them at the weekly management meetings. (2) Employees can submit suggestions and feedback through the electronic reporting system.

2. List the loss incurred due to labor disputes in the most recent fiscal year and as of the date of this annual report (including violations of the Labor Standards Act found during any labor inspection, the date on which the penalty is imposed, case number, regulations violated, description of the regulations violated, and details of the penalty), and disclosure of the estimated amount of current and potential loss and countermeasures. If the amount cannot be reasonably estimated, the circumstances that render it impossible to be reasonably estimated shall be described:

(1) Due to our comprehensive system and people-centric management approach, we have been able to maintain a harmonious relationship with our employees and work together to achieve a sustainable business. There has never been any significant labor dispute since Hotai was founded. Going forward, we believe that the possibility of losses incurred due to labor disputes in the future is extremely low given our culture of respect and harmonious interaction between Hotai and our employees.

(2) Employee Code of Conduct/Ethics

In August 2009, we adopted and promulgated Hotai's Employee Code of Conduct with the aim to achieve the following:

- A. To establish consistent ethical standards and enhance employee self-discipline in the workplace in order to improve Hotai's corporate governance practices and internal control.
- B. To strengthen a corporate culture that promotes public welfare and environmental sustainability and work together with our employees to make social contributions, so as to enhance corporate image.

Depending on the parties involved, the rules under the Employee Code of Conduct which employees are subject to can be divided into the following three categories:

a. Company Related

- Employees shall follow the Employee Code of Conduct and perform their duties with integrity.
- The Company shall work together with the employees and utilize their skills to continuously improve business performance of the Company.

b. Business Activity Related

- Employees shall comply with the law, be conscientious and highly responsible.
- Employees are encouraged to resolve issues arising from the growing needs of

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customers and expansion of the Company. For example, to establish an appropriate purchase and supply network, meet environmental and safety standards, and improve customer satisfaction.

c. Society Related

- Employees are expected to support the Company in becoming a trusted corporate citizen, communicate with stakeholders in an impartial and transparent manner, participate in activities promoting sustainable development of the society, and maintain humility, honesty and integrity.
- Employees should have a basic understanding of legal knowledge and social norms, and be able to identify behaviors that are against the law or social norms and take prompt and proper countermeasures.

To address employee conduct and workplace ethics, Eastern Motor, Carmax, Ho Tai Development, Toyota Material Handling Taiwan, Hotai Connected, and Chang Yuan Motor require employees to sign an affidavit on their onboard dates, which states that employees will comply with all the company rules and regulation. Other affiliates also promote employee conduct and business ethics through their intranet and awareness campaigns. We place great emphasis on discipline and compliance and have adopted a set of general regulations on human resources management to establish the expectations of proper attitude and behaviors of employees in the workplace. In addition, our commitment to gender equality prompts us to adopt the Hotai Motor Workplace Sexual Harassment Prevention Measures, Grievance Procedures, and Penalties, the details of which are described below:

- The guideline is adopted in compliance with Article 13, Paragraph 1 of the Gender Equality in Employment Act, and the Ministry of Labor's "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace."
- The Sexual Harassment Complaint Review Committee is composed of five members, jointly formed by representatives of both labor and management. When necessary, at least one expert or scholar may be appointed as a member.
- At least half of the members of the Sexual Harassment Complaint Review Committee shall be female, and no less than one-third of the members shall be of either gender.
- In addition to awareness campaigns and posters, we have also established a dedicated webpage on our intranet for the purpose of providing information and promoting awareness.
- The dedicated webpage should include preventive measures, resources for educating on gender equality, and company policies and regulations.

(VI) Information Security Management

1. Describe the information security risk management framework, information security policy, specific management approaches, resources invested in information security management, and other related matters.

(1) Information Security Risk Management Framework

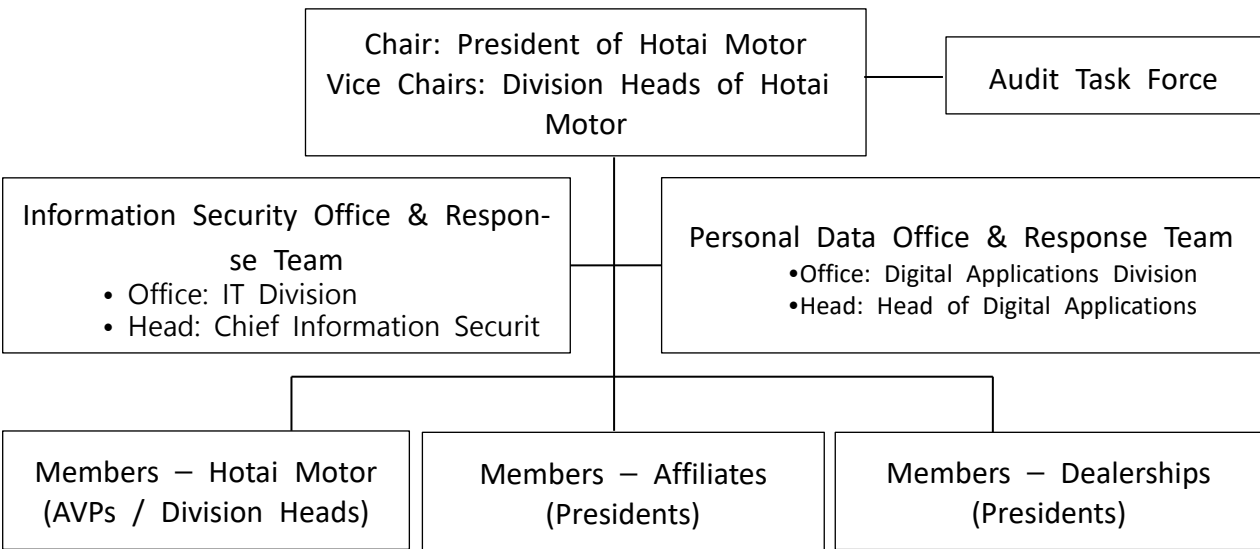
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A. Information Security Governance Structure

To fulfill our commitment to "Zero Defects Information Security" and deliver high quality service:

- In 2007, Hotai Motor established an Information Security Committee as the highest governing authority of the Group's information security practices. To provide an overall protection for customer personal data, the Information Security Committee has been renamed as Information Safety and Personal Data Committee in January, 2024. A new dedicated office is set up for managing personal data, keeping on promoting personal data protection policies, and strengthening the resilience and management mechanisms for personal data protection. The committee holds regular meeting, in which, led by the President as the chair of the committee, the committee members review the Group's information security policies and personal data protection policies, and oversee the management systems of information security and personal data and their operations.
- Under the committee, dedicated offices for implementing information security and personal data affairs have been established. These lead offices hold regular meetings to assess the scope and integrity of information security and personal data policies based on internal and external environmental requirements and legal regulations and revise the policies as needed, and review such policies' implementation and outcome across the Group to ensure they comply with the Group's requirements on information security and personal data. In the event of a material information security or personal data breach, these offices should handle and report to the chair of the committee.

B. Hotai Motor's Information Safety and Personal Data Committee Structure



Note: This structure has been effective since January 1, 2024.

(2) Information Security Policies

IV. Operational Highlights

A. Information Security Management Strategies and Framework

Our information security policies are created around three key aspects: information security defense, regulatory compliance, and technology application. By defining organizational structure and functions from a business strategic perspective, we ensure that all the data and assets within the information security management system are adequately safeguarded. In the face of rapidly evolving information technology environment, Hotai Motor worked with eight dealers to promote ISO 27001 certification, an international standard for information security management, and became the first company in Taiwan's automotive industry to have dealers and every single supplier in the upstream and downstream certified to ISO 27001 standards. To this day, we continue to adopt internationally recognized information security standards as part of our efforts to reinforce Hotai Motor's information security management capabilities and establish a secure data operating environment.

Through regular meetings, the Lead Office follows the PDCA (Plan-Do-Check-Act) management cycle to review the applicability of information security policies and protective measures. It also assesses potential information security impacts from the introduction of new technologies or new information and communication system projects. The Lead Office regularly reports the implementation outcomes to the Information Security and Personal Data Committee to ensure the confidentiality, integrity, and availability of information. Additionally, it reviews, addresses, and reports information security incidents and related threats. Through this mechanism, we aim to meet data service risk assessments and protection requirements, ensuring comprehensive information security preparedness.

- Plan (P) – Design and Establish: Focus on managing information security risks by establishing a comprehensive Information Security Management System (ISMS). Hotai Motor strives to continuously obtain international information security certifications, and through annual audits, we work to improve the information security management system on an ongoing basis. This approach minimizes information security threats to the organization from the management, procedural, systemic, and technological perspectives, ensuring that customer data is properly protected.
- Do (D) – Develop and Implement: Build a multi-layered information security defense system, leveraging artificial intelligence (AI) and automation to introduce multiple control mechanisms and security measures that protect against internal and external cybersecurity threats. We incorporate global threat intelligence to systematically monitor information security, enhancing the efficiency of detecting and responding to cybersecurity incidents. Additionally, we strengthen our information security and network defense capabilities to swiftly respond to complex and evolving threats, safeguarding the Company's critical assets.
- Check (C) – Monitor and Review: Regularly monitor key indicators and assess the effectiveness of the information security management system. Conduct an annual third-party review of the system and engage professional information security vendors to perform system security testing, ensuring that our information security management and defense capabilities meet the required standards.

IV. Operational Highlights

- Act (A) – Maintain and Adjust: Regularly review and continually improve information security defense measures. Conduct company-wide information security training to enhance employee awareness and ensure ongoing compliance with security best practices.

B. Management Approach

To address the rapid advancements in AI technology, the increasing frequency and sophistication of cyberattacks, and the constant emergence of cybersecurity threats, Hotai Motor has adopted a comprehensive defense strategy that integrates personnel, processes, and technology. We have established a multi-layered information security framework to swiftly respond to complex and evolving threats. The following management practices and specific initiatives have been implemented:

a. Personnel: Company-wide participation

People are the first line of defense. To enhance the cybersecurity awareness of all employees, we conduct education and awareness campaigns about emerging cybersecurity risks. This ensures that employees possess the correct cybersecurity knowledge and are equipped to identify and respond to potential risks.

b. System: Continuous improvement

Through the implementation of policies and regular reviews, we proactively detect and address risks. We have issued an updated application management policy, expanding the scope of control. The policy defines corresponding cybersecurity protection standards based on service types and risk levels. Additionally, we have raised vulnerability patching standards and increased testing frequency while strictly controlling access behaviors to enhance overall cybersecurity defenses.

c. Technology: Multi-layered protection

Following international cybersecurity frameworks, we have established a multi-layered defense structure to effectively mitigate the risks and impacts of cyberattacks.

- Identification: Expand the scope of vulnerability detection and leverage automation technology to accelerate response times.
- Defense: Implement detailed network segmentation to contain threats within the smallest possible scope.
- Detection: Utilize cloud and on-premise cybersecurity alert systems to provide joint defense, employing intelligent detection of malicious attacks and intrusion threats.
- Recovery: Establish robust backup data isolation structures to ensure the security of backup information.

C. Resources Invested in Information Security Management

Information security being one of the key issues of our operations, the corresponding elements of information security and resource plans invested are as follows:

- a. Dedicated Personnel: Establish the "Information Security Office" as the dedicated unit for information security and appoint a Chief Information Security Officer (CISO). The CISO is responsible for overseeing and managing the implementation of

IV. Operational Highlights

information security policies, resource allocation, and monitoring the effectiveness and execution of these measures, ensuring the protection and continuous enhancement of information security.

- b. International Certification: In accordance with the international information security management system standard (ISO 27001:2022), we continuously improve our information security governance framework and management mechanisms. Additionally, we undergo an annual verification process to assess the effectiveness of our information security management system. The review for 2024 has been completed, with the certificate remaining valid, and no major deficiencies found in the information security audit.
- c. Information Security Incident Reporting and Handling: The Lead Office has clearly defined the responsibilities, event classification, reporting procedures, and response timelines for handling information security incidents. The office oversees the progress and outcomes of threat responses and incident handling. Each company within the group is required to report and resolve information security incidents within the designated response time, identify potential root causes, propose corrective actions, and set implementation timelines to prevent the recurrence of such incidents.
- d. Email Drills: Through the distribution of phishing emails, we test employees' awareness of information security and provide educational materials on proper email usage habits. In 2024, we conducted two social engineering exercises, testing 570 participants, with a coverage rate of 100%. These drills aim to enhance employees' vigilance against email-based social engineering attacks.
- e. Information Security Awareness: While protective systems are essential, they are not foolproof. As hacking techniques continue to evolve, the security of our information relies heavily on each employee having the right security mindset. To enhance security awareness, Hotai Motor employs a variety of training and communication methods to continuously deepen every employee's understanding of information security.
 - New Employees: To ensure new hires receive immediate information security education and establish a correct security mindset tailored to their work environment. Every new employee receives an information security training email on their first day. The training, presented in video and animation format, covers work scenarios, social engineering, and common hacking techniques. A test mechanism is employed to verify the learning outcomes, helping reduce the risks of security incidents or data breaches.
 - All Employees: In addition to annual information security education, employees receive periodic security awareness emails to stay updated on the latest attack techniques and relevant business precautions. This initiative further strengthens employees' awareness of information security protection and their ability to respond effectively.

(3) Customer Data Protection

To provide comprehensive protection of customer data, Hotai Motor has established the

IV. Operational Highlights

Personal Data Office, a dedicated office responsible for personal data protection, with an appointed Head of the Office. The office is tasked with creating a personal data management system for the Group, aligning organizational management and operations with our corporate strategies. Through the analysis of business processes and information systems, the office evaluates the lifecycle of personal data acquisition, processing, transmission, storage, archiving, and disposal, along with access control measures, and develops the most robust solutions for personal data protection. The specific management measures and plans implemented are as follows:

A. Customer Privacy Protection

In order to ensure our customers' online privacy, Hotai Motor follows the regulations of Taiwan's Personal Data Protection Act regarding the collection, processing, and/or utilization of personal data, and has issued the Regulations for the Acquisition, Processing, and Utilization of Personal Data for relevant departments to follow. The company continues to improve personal data management by reviewing the adequacy of such regulations and protection measures. Furthermore, in compliance with the legal requirements, the company discloses a customer privacy statement on the official website, which clearly outlines the collection and use of customer data, data security regulations, etc., aiming to secure our customers' privacy rights.

B. Deepening Personal Data Awareness

To strengthen the protection of our customers' personal data, Hotai Motor's Personal Data Office organizes annual personal data related education and training sessions for all employees. Through instructional materials and assessments, we ensure that employees acquire the correct knowledge of personal data protection principles. The training is complemented by diverse courses designed to continuously deepen employees' understanding and practical application of personal data protection measures. This year, all current employees have completed the online course and successfully passed the accompanying assessments. In addition, Hotai Motor provides advanced training for department data custodians to enhance their professional knowledge and risk management skills. At the same time, specialized seminars are organized for senior management to strengthen their decision-making and crisis management abilities when facing urgent situations.

IV. Operational Highlights

C. Personal Data Management in Our Outsourcing Companies

Regarding outsourcing companies, Hotai Motor takes responsibility for safeguarding customer data and rights. We have established the "Outsourcing Companies' Personal Data Security Management Guidelines," which clearly outline the personal data protection requirements and the scope of responsibilities that vendors must adhere to when performing outsourced tasks. To ensure the effective implementation of these guidelines, Hotai Motor conducts an annual review of the personal data self-assessment reports submitted by outsourcing companies and performs on-site audits. Additionally, we have established a mechanism to monitor the recurrence of deficiencies and strengthen the personal data protection measures and execution effectiveness of our outsourcing vendors through periodic on-site inspections.

D. Incident Reporting and Response Management

Hotai Motor has established a comprehensive "Response Mechanism for Personal Data Breaches" and set up a cross-departmental "Incident Response Team (IRT)" with defined notification and handling procedures. The Personal Data Affairs Office conducts an annual response drill or random inspection to enhance interdepartmental communication and response capabilities. This aims to minimize potential harm to affected individuals while simultaneously verifying the effectiveness of internal procedures to identify any gaps in personal data protection measures, ensuring continuous improvement in related protective actions.

2. Disclose any loss, potential impact, and countermeasures of any major information security events occurred in the most recent year and as of the date of this annual report. If the amount of loss cannot be reasonably estimated, the circumstances that render it impossible to be reasonably estimated shall be described: N/A

IV. Operational Highlights

(VII) Material Agreements

December 31, 2024

Contract Nature	Parties Involved	Start & End Date	Main Content	Restrictive Clauses
The Company				
Distributor Agreement	Toyota Motor Corporation	January 1, 2022 to December 31, 2024 (TOYOTA/LEXUS) (Renewed in 2024 for January 1, 2025 to December 31, 2027).	Sales of imported and domestic models, parts and accessories of Toyota and Hino in Taiwan.	N/A
	Hino Motors, Ltd.	April 1, 2021 to March 31, 2026 (HINO).		
Product Sales Agreement	Kuozui Motors, Ltd.	Effective from July 1, 1995 (HINO) and January 1, 2022 (TOYOTA), unless terminated according to the termination clause, the agreement remains valid.	Kuozui Motors, Ltd. agrees to provide vehicles, parts and accessories, which are manufactured under license, to the Company for the purpose of sales and distribution in Taiwan.	N/A
Product Dealership Agreement	Kuotu Motor Co., Ltd. and other authorized dealers	May 15, 2024, to May 14, 2027.	To authorize dealers to sell vehicles, parts and automobile products provided by the Company within the distribution region.	N/A
Outsourcing Contract	Kuotu Motor Co., Ltd. Kuozui Motors, Ltd. Chang Yuan Motor Co., Ltd.	Starting from July 1, 2009 Starting from June 1, 2002 Starting from January 1, 2003 Unless terminated by mutual written agreement, the contract remains valid.	The Company is designated to conduct affairs such as sales, supply chain management, pre-sales services, after-sales services and management of promotion and marketing.	N/A
Chang Yuan Motor Co., Ltd.				
Trading Contracts	Kuozui Motors, Ltd.	Starting from January 1, 2003. Unless otherwise terminated in writing and signed by both parties, the contracts remain effective.	Kuozui Motors, Ltd. agrees to provide vehicles and parts, which are manufactured under license, to the Company for the purpose of sales and distribution in Taiwan.	N/A
Toyota Material Handling Taiwan Ltd.				
Distributor Agreement	Toyota Industries Corporation	April 1, 2023, to March 31, 2026.	Sales of imported Toyota vehicles and parts for construction and industry use in Taiwan.	N/A

V. Financial Status, Operating Results and Risk Management



V. Financial Status, Operating Results and Risk Management

(I) Financial Condition

Unit: NT\$ Thousand

Items \ Year	2024	2023	Difference	
			Increase (Decrease)	%
Current Assets	370,575,705	352,416,400	18,159,305	5
Non-current Assets	139,983,867	133,463,950	6,519,917	5
Total Assets	510,559,572	485,880,350	24,679,222	5
Current Liabilities	361,071,093	339,244,897	21,826,196	6
Non-current Liabilities	35,366,483	46,197,106	(10,830,623)	(23)
Total Liabilities	396,437,576	385,442,003	10,995,573	3
Capital	5,571,028	5,571,028	-	-
Capital Surplus	2,871,305	2,897,372	(26,067)	(1)
Retained Earnings	63,147,078	53,729,882	9,417,196	18
Other Equity Interest	6,694,406	4,028,202	2,666,204	66
Non-controlling Interest	35,838,179	34,211,863	1,626,316	5
Total Equity	114,121,996	100,438,347	13,683,649	14
Analysis of percentage changes over the past two years: 1. Non-current Liabilities: The decrease was mainly attributable to lower long-term borrowings in 2024 compared to 2023. 2. Other Equity Interest: The increase was mainly attributable to higher unrealized gains on financial assets measured at fair value through other comprehensive income in 2024.				

V. Financial Status, Operating Results and Risk Management

(II) Financial Performance

1. Comparative Analysis of Financial Performance

Unit: NT\$ Thousand

Items \ Year	2024	2023	Difference	
			Increase (Decrease)	%
Total Revenue	282,801,567	279,477,274	3,324,293	1
Total Expenses	254,919,934	249,978,610	4,941,324	2
Profit Before Tax	27,881,633	29,498,664	(1,617,031)	(5)
Income Tax Expense	(3,931,145)	(3,368,348)	(562,797)	17
Net Income for the Period	23,950,488	26,130,316	(2,179,828)	(8)
Other Comprehensive Income, Net of Tax	2,914,951	2,520,178	394,773	16
Total Comprehensive Income for the Period	26,865,439	28,650,494	(1,785,055)	(6)
Net Income Attributable to Owners of the Parent	20,467,026	22,857,675	(2,390,649)	(10)
Net Income Attributable to Non-controlling Interests	3,483,462	3,272,641	210,821	6
Total Comprehensive Income Attributable to Owners of the Parent	23,225,455	25,554,527	(2,329,072)	(9)
Total Comprehensive Income Attributable to Non-controlling Interests	3,639,984	3,095,967	544,017	18
1. Analysis of percentage changes over the past two years: Net Income for the Period: The decrease was mainly due to a higher expected credit loss on non-investment items compared to 2023. 2. The Company's core business has not changed. 3. The projected sales volume for the upcoming fiscal year, as well as the key factors influencing the expected growth or decline in sales, are outlined in the "Operating Outlook for 2025" on page 3. Note: Due to the inclusion of the subsidiary "Hotai Insurance Co., Ltd."—which operates in a different industry segment, the Group applies cross-industry (conglomerate) consolidation in accordance with relevant accounting standards. As a result, the consolidated statements of comprehensive income for 2024 and 2023 adopt a single-line presentation for the insurance subsidiary, and figures for gross profit, operating profit or loss, and non-operating income and expenses are not separately disclosed.				

V. Financial Status, Operating Results and Risk Management

2. Analysis of Changes in Gross Profit: N/A

(III) Cash Flows

1. Liquidity Analysis for the Last Two Years

Items \ Date	December 31, 2024	December 31, 2023	Increase (Decrease) Percentage
Cash Flow Ratio	6.78%	-	-
Cash Flow Adequacy Ratio	24.13%	20.66%	16.80%
Cash Reinvestment Ratio	8.18%	-	-
Analysis of ratio changes:			
Cash Flow Ratio: This increase is primarily due to the rise in net cash inflows from operating activities.			
Cash Flow Adequacy Ratio: This increase is primarily due to the rise in net cash inflows from operating activities.			
Cash Reinvestment Ratio: This increase is primarily due to the rise in net cash inflows from operating activities.			

2. Projection of FY2025 Cash Flows and Liquidity Analysis

Unit: NT\$ Thousand

Beginning Cash Balance (1)	Projected Net Cash Flow from Operating Activities for the Year (2)	Projected Net Cash Flow from Investing and Financing Activities for the Year (3)	Projected Ending Cash Balance Projected Cash Deficit (1) + (2) - (3)	Measures to Address Projected Cash Deficit	
				Investment Plans	Financial Management Plans
18,968,725	15,870,563	(18,043,005)	16,796,283	—	—
1. Analysis of Cash Flow Changes for Fiscal Year 2025:					
(1) Operating Activities: It is expected that the operating conditions in 2025 will remain stable, resulting in positive net cash flow from operating activities.					
(2) Investing and Financing Activities: The net cash outflow is primarily due to cash dividends distribution and equipment purchases.					
2. Measures to Address Projected Cash Deficit and Liquidity Analysis: Not Applicable.					

(IV) Major Capital Expenditures and Impact on Financial Condition

1. Usage of Major Capital Expenditures and Source of Funds

Unit: NT\$ Thousand

Items	Actual or Projected Source of Funds	Actual or Projected Completion Date	Total Required Funds	Actual or Planned Use of Funds
				2023
Cash Capital Increase - Hozan Investment	Own Funds	May 16, 2023	4,800,000	4,800,000

2. Expected Benefits:

In response to the claims losses from epidemic insurance, Hotai Insurance is capitalized through a cash increase from Hozan Investment to bolster its operational capital, enhance its capital adequacy ratio, strengthen its capital structure, and protect policyholder interests.

V. Financial Status, Operating Results and Risk Management

(V) Investment Policy of the Latest Fiscal Year, Reasons for Gains or Losses, Improvements and Investment Plan for the Coming Year

1. Investment Policy:

The focus is primarily on the core automotive business, automotive peripherals, and mobility-related services. The Group will continue to consolidate its resources, with a strategic emphasis on enhancing distribution channels for small cars, commercial vehicles, and industrial vehicles. Additionally, efforts will be directed toward expanding into peripheral automotive sectors such as used cars, automotive accessories, installment services, leasing, auto insurance, as well as exploring opportunities in shared mobility and energy-related businesses.

2. Profitability:

For the fiscal year 2024, the equity method income from affiliates and joint ventures recognized amounted to NT\$2.96 billion, contributing 12.36% of the consolidated net profit. In the individual financial statements for the fiscal year 2024, the equity method income from subsidiaries, affiliates, and joint ventures recognized was NT\$8.94 billion, accounting for 43.69% of the individual net profit. The primary sources of profit were from investments in Kuozui Motors, Hotai Insurance, Hotai Finance, dealerships, and Carmax.

3. Investment Plan for 2025:

Currently, there are no confirmed significant investment plans.

(VI) Risk Factors Detailing Analysis and Evaluations in the Following Areas within the Latest Fiscal Year and as of the Date of this Annual Report

1. Impact of Interest Rate and Foreign Exchange Fluctuations and Inflation on the Gains or Losses of the Company, and Measures for Managing the Risks:

Risk management is carried out by the financial division of each group company in accordance with policies approved by the Board of Directors of the Company. The Group's financial divisions, which work closely with the Group's operational divisions, are responsible for identifying, evaluating, and hedging against financial risks. The Board of Directors has established written guidelines for risk management and provided written policies in selected areas of market risks.

(1) Interest Rate Risk:

- A. The interest rate risk of Subsidiary - Hotai Finance primarily arises from floating-rate loans obtained from financial institutions, exposing the Group to cash flow interest rate risk.

V. Financial Status, Operating Results and Risk Management

B. Subsidiary - Hotai Finance engages in foreign exchange and interest rate swap contracts, assessing market risk using the PVBP (Present Value of Basis Point) method. However, since the notional principal and the hedged liability amounts are equal, and both have the same duration, reset dates, interest and principal payment dates, and interest rate indicators, the market risks are expected to offset each other. Therefore, no significant market risk is anticipated.

C. Subsidiary - Hotai Insurance's investments primarily consist of fixed-rate bond investments. As a result, changes in market interest rates will cause fluctuations in the fair value of these bond investments. If market interest rates rise, the fair value of the bond investments will decrease. However, Hotai Insurance focuses on achieving long-term stable and predictable profits, and is therefore less affected by short-term market interest rate fluctuations. As a result, no significant interest rate risk is anticipated.

(2) Foreign Exchange Risk:

A. The Group operates internationally and is therefore exposed to exchange rate risks arising from transactions conducted in currencies different from the functional currencies of the Company and its subsidiaries, primarily in USD and RMB. The foreign exchange risk mainly arises from future business transactions, net assets and liabilities, and net investment in foreign affiliates.

B. The management of Hotai Group has established a policy that requires each group company to manage foreign exchange transaction risk arising from functional currency. Through its own financial division, each group company is to hedge its foreign currency exposure.

Currently, all the group companies use forward exchange contracts to manage such foreign exchange risks arising from future business transactions as well as recognized assets and liabilities, except for Hotai Insurance, which fully authorizes investors to hedge foreign exchange investment exposures by using swap agreements. A group company is exposed to foreign exchange transaction risk when the future transaction or recognized assets/liabilities are denominated in non- functional currency of such group company.

C. The Group's operations involve several non-functional currencies (the functional currency of the Company and some subsidiaries is NT\$, while the functional currency of other subsidiaries is RMB). As a result, the Group is exposed to the impact of exchange rate fluctuations. For detailed information on significant foreign currency assets and liabilities affected by exchange rate fluctuations, please refer to the 2024 consolidated financial report and the auditor's report.

(3) Inflation Risk:

The operations of the Company have not been materially impacted by exposure to inflation within the latest fiscal year and as of the date of this Annual Report.

V. Financial Status, Operating Results and Risk Management

2. Policies for High-risk Leveraged Investments, Fund Lending to Third Parties, Endorsement and Guarantee of Obligations, Transactions in Financial Derivatives, Reasons for Gains or Losses, and Measures for Managing the Risks:

- (1) High-risk Leveraged Investment:

Hotai Group has not made any high-risk leveraged investments.

- (2) Fund Lending, Endorsement and Guarantee of Obligations:

The management of Hotai Group has established a policy that requires each group company to adopt its own Procedures for Fund Lending and Procedures for Providing Endorsement and Guarantee of Obligations for internal control purposes. In the 2024 fiscal year, fund lending and endorsement guarantees were primarily for the normal operations of subsidiaries or provided as partial endorsements for bank financing. There were no losses from fund lending or endorsement guarantees in 2024.

- (3) Transaction in Financial Derivatives:

The management of Hotai Group has established a policy that requires each group company to follow the Procedures for Financial Derivative Transactions when entering into transactions in financial derivatives. In the 2024 fiscal year, the group's financial derivative transactions primarily consisted of USD forward foreign exchange hedging and currency and interest rate swap transactions.

3. Future R&D Programs and Projected R&D Expenses:

As an auto distributor, we dedicate our business exclusively to vehicle sales and marketing, therefore, we have no future R&D programs or projected R&D expenses. TMC and Kuozui Motors are responsible for the manufacturing and research and development of our products.

4. Risks Associated with Government Policy and Regulatory Changes and Impact on Financial Condition and Operations:

Hotai Group complies with regulatory updates (e.g., corporate governance rules, the amended Company Act, and other applicable laws and regulations) prescribed by the authorities and revises our internal rules accordingly. As of the date of this Annual Report, no such changes would materially impact the financial condition or operations of the Company.

V. Financial Status, Operating Results and Risk Management

5. Impact of Changes in Technology (Including Information Security Risks) and Industry on the Company's Financial Condition and Operations and Measures for Managing the Risks:
The Advanced Strategy Division for MaaS (Mobility as a Service) continues to develop digital services and tools, implement digital transformation, and build ecosystems to create new business opportunities for the Group. Additionally, in response to the rapid development of AI technology, and to better understand the impact of technological trends on industry development, the Company has established a cross-departmental "AI Development Office." This office serves as a platform for communication, collaboration, and exchange in the development and application of AI, aiming to enhance work efficiency, innovation capabilities, and decision-making quality. Key activities include AI awareness education, mastering AI technologies, and evaluating tool applications. Furthermore, the Company collaborates with external startup accelerators to drive AI technologies and data applications. Through these efforts, Hotai Motors will continue to enhance operational efficiency, adapt to industry changes, and maintain a competitive edge in the rapidly evolving market environment. For details regarding the Company's specific information security risk framework, please refer to Section "Information Security Management" in Chapter IV.
6. Risks Associated with Brand Image and Impact on Crisis Management:
As the leading company in the automotive industry, Hotai Motor strives to deliver high quality products and innovative services to our customers. It is our commitment to go beyond consumer expectations, remaining as the leading brand in the automotive industry. Over the years, we have also dedicated our efforts in corporate sustainability and bringing positive changes to all corners of Taiwan. By combining resources from within and outside the Group and working with stakeholders, we have made the development guidance of sustainability blueprint by integrating "Mobility, Openness, Value, and Eco" to actively promote sustainability-related activities. To this day, we have established and maintained a positive brand image without any problematic events.
7. Expected Benefits of Mergers and Acquisitions and Risks Associated: N/A
8. Expected Benefits of Capacity Expansion and Risks Associated: N/A
9. Risks and Mitigation Measures Related to the Concentration of Purchases or Sales:
 - (1) The Company sells vehicles and spare parts related to Toyota Motor Corporation and Hino Motors, Ltd. in Taiwan, as well as vehicles and spare parts manufactured by Kuozui Motors, Ltd. Therefore, the concentration of purchases is a characteristic of the automobile sales industry. The Company maintains long-term and stable relationships with its suppliers, thus mitigating any risks related to supplier concentration.
 - (2) According to the dealership contracts signed by the Company and our dealers, the dealers are authorized to sell TOYOTA and LEXUS vehicles, auto parts and accessories in their respective sales territories—that being the characteristic of distribution channels. Therefore, the Company faces no significant sales concentration risk.
10. Impact of Transfer of Significant Number of Shares by Directors, Supervisors, and/or

V. Financial Status, Operating Results and Risk Management

Major Shareholders Holding 10% or More of the Total Outstanding Shares, Risks

Associated: N/A

11. Impact of Change in Ownership and Risks Associated: N/A
12. Disclosure of Major Litigation, Non-Litigation, or Administrative Proceedings Involving the Company, Its Directors, Supervisors, President, Responsible Persons, Major Shareholders Holding More Than 10%, or Subsidiaries That May Materially Affect Shareholder Rights or the Price of Securities, Including Details of the Dispute, Amount Involved, Commencement Date, Key Parties, and the Status as of the Date of This Annual Report: N/A
13. Other Material Risks and Mitigation Measures: N/A

(VII) Other Material Matters: N/A

VI. Specific Notes



VI. Specific Notes

(I) Overview of Affiliate Companies

The Company has completed the public disclosure and filing on the Market Observation Post System (MOPS):

Home > Listed Companies > Electronic Documents Download > Affiliated Enterprises Disclosure Area

Company Code or Abbreviation: 2207

Year (R.O.C Year): 113

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=2207&year=&mtype=K&isnew=true

(II) Private Placement of Securities in the Most Recent Fiscal Year and as of the Date of the Annual Report: N/A.

(III) Other Required Disclosures:

1. Any circumstance in the most recent fiscal year and as of the date of the annual report that has a material effect on shareholder equity or the price of the securities as stipulated under Article 36, Paragraph 2, Item 2 of the Securities and Exchange Act: N/A.

2. Other required disclosures in the most recent fiscal year and as of the date of this Annual Report: N/A.

3. Certification:

The following is a summary of the certifications received by personnel who are involved in the financial transparency of the Company:

- (1) Certified Public Accountants of the Republic of China: 5 persons
- (2) Certified Internal Auditors (CIA): 2 persons
- (3) Personal Data Management Specialists: 2 persons



和泰集團
Hotai Group

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