Stock code：2207

和泰汽車股份有限公司
Hotai Motor Co., Ltd.

和泰集團
Hotai Group

Annual Report 2025

(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.)

和泰集團
與美好台灣同行

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 March 31, 2026

I. Spokesperson and Acting Spokesperson of the Company
Spokesperson: Weng, Ming-Lun
Title: Chief Officer
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Email: ANDY@hotaimotor.com.tw
Acting Spokesperson: Lin, Yu-Chang
Title: Director
Tel (representative number): +886-2-2506-2121
Email: YUCHANGLIN@hotaimotor.com.tw

II. **Head Office and Branch Offices with Contact Information**
Head Office: 8F–14F, No. 121, Songjiang Rd., Zhongshan Dist., Taipei City 10485, Taiwan (R.O.C)
Tel (representative number): +886-2-2506-2121
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Tel (representative number): +886-3-488-2577

III. **Stock Transfer Agent**
Name: President Securities Corporation Shareholder Services Department
Address: B1, No. 8, Dongxing Rd., Songshan Dist., Taipei City 10570, Taiwan (R.O.C)
Tel: +886-2-2746-3797
Website: https://www.pscnet.com.tw/

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
Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 11012, Taiwan (R.O.C.)
Tel (representative number): +886-2-2729-6666
Website: https://www.pwc.tw/

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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Chapter I. Letter to Shareholders

Operating Performance in 2025

In 2025, the global trade environment experienced significant fluctuations due to the United States' tariff policies. However, Taiwan benefited from the effect of companies stocking up in advance and the development of AI technology innovation applications, mitigating the economic impact of high tariffs. The annual economic growth reached 8.68%, increased by 3.41% compared with 2024. Although the automobile market experienced a strong wait-and-see sentiment due to unclear import tariff policies, in September, the government announced reductions in new vehicle commodity taxes and extended subsidies for the replacement policy. Along with the promotions from various brands, the final total number of registered vehicles for the whole year was 414,436 units, 91% compared to last year.

To keep up with a rapidly changing market, Hotai Motor works closely with our parent company, Toyota Motor Corporation (“TMC”). In 2025, in addition to maintaining an adequate supply of various mass-produced models, we introduced redesigned, upgraded models—TOYOTA LAND CRUISER, bZ4X, and LEXUS RZ. The combined number of registered vehicles from the three brands distributed by Hotai Motor exceeded 160 thousand units, achieving a market share of 38.6%, marking the highest in 16 years. TOYOTA had 125 thousand units of registered vehicles, which accounted for 30.1% of the market share. Among them, the COROLLA CROSS has claimed the No. 1 selling position for five consecutive years and has once again set a new historical record for the number of units sold since its launch. Along with the RAV4, TOWN ACE, and YARiS CROSS, they are among the top five mass-produced models in the total market. LEXUS recorded over 28,000 units in vehicle sales, achieving a market share of 28.0%, and continued to rank top in the luxury vehicles market for the third year in a row. Among them, the RX, UX, and LM were the best-selling models in the luxury full-size SUV, compact SUV, and L-MPV categories, respectively. HINO and TOYOTA commercial vehicles also became the customer’s top-of-mind awareness, and its 3.49-ton commercial vehicles and above also recorded 6,611 units in vehicle sales, which accounted for 37.6% of the market share and continued to rank top in the commercial vehicles market for the fifth year in a row.

Since Hotai Motor was founded, we have accumulated extensive experience in product planning, marketing, customer service and continued to grow steadily and invest in diversified operations. In addition to our core business—vehicle sales and services, we have proactively expanded the automotive industry's peripheral value chain through related companies under the Hotai Group, driving continuous innovation and progress. For instance, Horun Enterprise and its subsidiary's annual installment business undertakings totaled nearly NT$180 billion, maintaining its leading position in the auto financing sector. Hotai Connected Co., Ltd., along with Hoing Mobility Service Co., Ltd. for the iRent short-term rental business, Hotai Mobility Service Co., Ltd. for the yoxi chauffeur-driven shared car service, and the long-term rental market leader Hotai Leasing Co., Ltd., utilize group resources to establish a comprehensive mobility service. Additionally, via the travel planning app chicTrip, connected mobility is expanded with services like the Hotai Go online shopping mall and OpenHub charging roaming, creating a complete ecosystem for Mobility-as-a-Service (MaaS). ChicTrip has become the No.1 downloaded travel planning app in Taiwan and continues to expand domestic and foreign business collaborations, tapping into tourism opportunities. Hotai Auto Body Manufacturing Co., Ltd., Hotai Auto Body Sales Co., Ltd., and Hotai Bus Sales Co., Ltd. aggressively target the commercial vehicle market, offering comprehensive solutions from car ordering to body customization, meeting the need for quick new vehicle deployment for businesses. Carmax Co., Ltd., specializing in automotive accessories, has long invested in core areas like multimedia hosts, safety technology, and IoV applications, and recently expanded into international markets, breaking NT$14 billion in revenue in 2025. Hotai Insurance Co., Ltd. continues stable operations, with premium income exceeding NT$16 billion in 2025, accounting for a 5.5% market share, ranking sixth in Taiwan's non-life insurance market, and winning multiple awards in the company category of the 27th Faith, Hope & Love Awards for the Insurance Industry.

In terms of overseas operations, our company has been investing in Mainland China since 1997 and has been deeply rooted there for 29 years. Through our operational headquarters, Hotong Motor Investment Co., Ltd., we have established an operational structure that integrates resources and reduces the Group’s operating costs, enhancing the Group's overall competitiveness and expanding our business presence. In 2025, due to the flourishing of new energy vehicles, and benefited from various subsidy policies such as replacement, the total market sales of cars exceeded 34.40 million units, an increase of 9.4% compared with 2024. 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 2026

In 2026, the global economic climate gradually stabilizes. Driven by strong demand for semiconductor and AI artificial intelligence applications, Taiwan's related exports continue to grow, and the overall economy is expected to show moderate growth. Under the dual push of policy continuity and demand replenishment, the vehicle market is expected to be more active than last year, with the total market for the year projected to reach 440,000 units. As the trend shifts towards net-zero emissions and the transformation of the automotive industry continues, we are steadfast in our pursuit of transformative innovation and diversify our strategies by promoting eco-powered new energy vehicles, such as pure EV TOYOTA bZ4X, URBAN CRUISER, and LEXUS RZ, various hybrid electric vehicles, plug-in hybrids, and hydrogen-powered electric buses. We aim to provide a wider range of products and services that exceed customer expectations, striving to achieve a record 25 consecutive years of leadership in the passenger vehicle segment and maintaining the top position in commercial vehicle sales. Additionally, the company has also initiated overseas expansion by investing in the Japanese commercial vehicle business, extending our operational footprint into the Japanese market, which brings new growth momentum to the Group.

In addition to maintaining a leading position in the automotive market, as a leader in Mobility as a Service (MaaS), the company will continue to deepen its digital transformation strategy through the newly established "AI Development Bureau" to coordinate group resources. We are committed to promoting an innovative culture of "AI+ for All," leveraging AI to drive the evolution of mobility services and create a smarter and more convenient future of mobility for our customers.

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. That end, we have integrated resources from our core business and actively invested in ESG (Environmental, Social, and Governance), developing four key sustainability pillars: Mobility—freedom of movement, Openness—social well-being, Value—talent appreciation, and Eco—environmental friendliness. The "Standing by Our Beautiful Island" campaign reflects our commitment to sustainability and focuses on aligning our efforts with local needs 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 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

I. Operating Performance in 2025

(I) Operating Performance

Unit: NT$ thousand

Items		2025	2024
Revenue		282,608,974	282,573,176
Profit Before Tax		27,421,296	27,881,633
Net Income		22,469,167	23,950,488
Net Income Attributable to:	Parent	18,900,453	20,467,026
	Non-controlling Interest	3,568,714	3,483,462
Earnings Per Share (EPS) Attributable to the Parent		33.93	36.74

(II) Profitability Analysis

Items	2025	2024
Net Profit Ratio(%)	10.22%	10.94%
Return on Assets (%)	4.40%	4.88%
Return on Equity (%)	18.89%	22.33%

(III) 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	2025	Market Share	2024	Market Share
1	Hotai Motor Co., Ltd.	TOYOTA LEXUS、HINO	160,146	38.6%	159,608	34.9%
2	China Motor Corporation	MITSUBISHI CMC、MG	42,898	10.4%	53,020	11.6%
3	Honda Taiwan Co., Ltd.	HONDA	23,569	5.7%	26,791	5.9%
4	Mercedes-Benz Taiwan Ltd.	MERCEDES BENZ	22,893	5.5%	26,557	5.8%
5	Nan Yang Industries Co., Ltd.	HYUNDAI	19,017	4.6%	22,691	5.0%
6	Pan German Universal Motors Ltd.	BMW	17,278	4.2%	20,332	4.4%
7	MAZDA Motor Taiwan Co., Ltd.	MAZDA	14,676	3.5%	14,776	3.2%
8	Yulon Nissan Motor Co., Ltd.	NISSAN INFINITI	13,118	3.2%	19,842	4.3%

9	Ford Lio Ho Motor Co., Ltd.	FORD	12,625	3.0%	14,212	3.1%
10	Volkswagen Group Taiwan Co., Ltd.	VW	9,525	2.3%	13,363	2.9%
Total Market		-	414,436	100%	457,830	100%

II. Outline of 2026 Business Plan

(I) Business Strategy - Prudent Breakthrough, Fearless of Challenges

1. Adapt to changes flexibly and maintain market leadership.

	TOYOTA	LEXUS	Commercial Vehicles
Vehicles	Leading the change, taking full control.	Intelligently driving a new era, leading the future.	Leading Industry Standards Create the ideal preferred brand
Service	Digital services further evolved Further Breakthrough in After-Sales Revenue		

2. Expandthe Profit Landscape, Strengthen Operational Resilience

- Hotai Finance:Persistently promoting diversified strategies, enhancing risk management, seeking stable progression, AI transformation to reduce costs and increase efficiency.
- ˙Hotai Leasing:Fully expanding the leasing business, comprehensively enhancing operational efficiency, and gearing up for the capital market.
- CharmTai:Enhancing development quality, cultivating international talent, and expanding the global footprint.
- Chang Yuan:Improve service quality, enhance customer retention, and solidify brand leadership
- Toyota Material Handling Taiwan:Securing core business, driven by warehouse automation and value chain to boost revenue and profit growth.
- Hotong:Facing the intensely competitive automotive market in China with steady operations; enhancing sales and service value, focusing on AI and digital transformation.
- Hotai Insurance:Accelerate the expansion of high-quality insurance products, promote diversification through cross-industry collaboration, and optimize operational models to enhance working efficiency.
- MaaS Business Group:AI empowers the entire team to improve efficiency, enhances the mobility service experience, and expands cross-border travel planning.
- Hotai Body: Leverage the Group's strengths to expand the body business footprint.

3. Reshape Management Thinking, Initiate Intelligent Innovation
   - Enhance the internal AI accuracy within the group to precisely respond to both internal and external customer needs, thereby improving efficiency and quality.
   - Deepening employees' security awareness, keeping AI protection technology up to date, and building a resilient cybersecurity system.
   - Focusing on career development, creating an ideal workplace across generations, and building a high-efficiency organizational team.
   - Plan the capital market layout, integrate cross-domain business management systems, and drive further enhancement of the Group's management and operational efficiency.

4. **Strengthen the foundation for sustainability and lay out a forward-looking plan.**
   - Integrate the Group's public welfare projects, implement the Group's carbon reduction goals, and pursue environmentally friendly sustainability together.
   - Unite the Group's strategic consensus, advance a diverse business footprint, and map out a forward-looking vision blueprint.

(II) Sales Forecast

1. <u>Passenger Vehicles Market</u>

In the first half of 2025, Taiwan's automotive market experienced conservative consumer sentiment due to economic conditions and trade policies. However, starting in September, benefiting from the government's new vehicle commodity tax reductions and the extension of subsidies for vehicle replacements, demand gradually warmed up, resulting in a total market size of 414,000 units for the entire year.

Looking ahead to 2026, although uncertainties such as U.S. tariff policies remain, with the global economic climate gradually stabilizing and the continuous growth of export momentum, the overall economy is expected to show moderate growth. In Taiwan's automotive market, domestic vehicles continue to benefit from the excise tax reduction policy. Under the dual push of demand replenishment and policy continuity, the vehicle market is expected to be more active than last year, with the annual market size projected to reach the level of 440,000 units.

The sales targets for 2026 are set at 135,000 units for TOYOTA, 28,500 units for LEXUS, and 6,600 units for HINO. The total sales target is 170,100 units, representing a market share of 38.7%.

2. <u>Commercial Vehicles Market</u>

In 2025, the commercial vehicle market is expected to reach 17,574 units, representing

99.1% of the previous year's total. The segment for heavy-duty commercial vehicles benefited from the robust demand in logistics and construction, attaining 102.1% of last year's sales figures. The light-duty commercial vehicle segment was affected by a high baseline and conservative domestic demand, resulting in sales at 96.1% of last year's levels.

Looking ahead to 2026, the commercial vehicle market is expected to stabilize, with an estimated market volume of approximately 17,400 units, representing 99.0% of last year's figures. For 2026, the company has set a target of 7,000 units for commercial vehicle sales, aiming for a market share of 40.2%.

3. Car Leasing Market

In 2025, the uncertainty of tariff and trade policies between Taiwan and the United States, along with a slowdown in the growth of the domestic tourism market, resulted in consumer hesitation, leading to a decline in the total market's new vehicle registrations (91% compared to the same period). The total market leasing registrations also decreased (88% compared to the same period), posing a severe challenge to the Car Leasing industry. In 2026, as tariff policies become clearer and demand replenishment occurs, the automotive market is expected to recover, further driving leasing demand. Due to intense market competition, the Company will expand AI-driven innovation applications, enhance service quality, and continuously improve customer vehicle experience to become a leader in smart mobility solutions.

4. Installment Financing Market

In Taiwan, installment plans and finance leasing have become increasingly accepted by the general 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 2025, Taiwan's property insurance market will face multiple challenges such as global economic fluctuations, geopolitical issues, tariff concerns, climate change, financial supervision, and technological development. However, with the formulation and implementation of strategic plans to strengthen the business structure, the property insurance industry is expected to continue to grow steadily.

Hotai Insurance focuses on stable management and maximizing profits, with an emphasis on enhancing underwriting and investment returns. The company aims to strengthen its risk management and product innovation capabilities, and improve digital services to align with market trends and meet customer demands. In 2026, through the integration of group resources, we aim to enhance channel efficiency and operational benefits. By reviewing and integrating operational processes, we will improve service efficiency and quality, and continue to develop a diverse range of high-quality products. We will adjust product pricing reasonably in response to market changes, ensuring financial consumer protection and sustainable business development to maximize profits. The estimated premium income for Hotai Insurance in 2026 is projected to reach NT$16.5 billion.

III. Future Development Strategies

(I) Apply new generation of sales thinking to actively increase market share

(II) Cater to customers' everyday life by combining smart service with soc

(III) Leverage strategic transformation for competitive advantage to optimize value chain.

(IV) Enhance synergy in resource utilization to expand Group operations

(V) Fulfill social responsibility commitments and work towards achieving carbon neutrality

IV. Impact of External Competition, Regulatory Environment and Overall Operational Environment

In 2025, the global trade environment experienced significant fluctuations due to the United States' tariff policies. However, Taiwan benefited from the effect of companies stocking up in advance and the development of AI technology innovation applications, mitigating the economic impact of high tariffs. The annual economic growth reached 8.68%, increased by 3.41% compared with 2024. Although the automobile market experienced a strong wait-and-see sentiment due to unclear import tariff policies, in September, the government announced reductions in new vehicle commodity taxes and extended subsidies for the replacement policy. Along with the promotions from various brands, the final total number of registered vehicles for the whole year was 414,436 units, 91% compared to last year.

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In 2026, the global economic climate gradually stabilizes. Driven by strong demand for semiconductor and AI artificial intelligence applications, Taiwan's related exports continue to grow, and the overall economy is expected to show moderate growth. Under the dual push of policy continuity and demand replenishment, the vehicle market is expected to be more active than last year, with the total market for the year projected to reach 440,000 units. As the trend shifts towards net-zero emissions and the transformation of the automotive industry continues, we are steadfast in our pursuit of transformative innovation and diversify our strategies by promoting eco-powered new energy vehicles, such as pure EV TOYOTA bZ4X, URBAN CRUISER, and LEXUS RZ, various hybrid electric vehicles, plug-in hybrids, and hydrogen-powered electric buses. We aim to provide a wider range of products and services that exceed customer expectations, striving to achieve a record 25 consecutive years of leadership in the passenger vehicle segment and maintaining the top position in commercial vehicle sales. Additionally, the company has also initiated overseas expansion by investing in the Japanese commercial vehicle business, extending our operational footprint into the Japanese market, which brings new growth momentum to the Group.

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Chapter II.Corporate Governance Report

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

(I) Directors

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date of Initial Appointment	Shareholding at the Time of Election		Current Shareholding	
							No. of Shares	%	No. of Shares	%
Chairman	Republic of China	Chun Yung Investment Co., Ltd., represented by Huang, Nan-Kuang	Male / 78	Jun. 13, 2025	3 years	May 22, 1992	177,480 0	0.03% 0.0%	251,480 0	0.04% 0.0%
Vice Chairman	Republic of China	Li Gang Enterprise Co., Ltd., represented by Su, Chwen-Shing	Male / 60	Jun. 13, 2025	3 years	Jun. 13, 1995	41,380,740 0	7.42% 0%	41,380,740 0	7.42% 0%

Reference Date: March 29, 2026

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in The Company and Other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Note (Note)
No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
0	0.0%	0	0.0%	Department of Chemistry, Fu Jen Catholic University	Chairman, Kuotu Motor 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 Motor Co., Ltd. Director, Tau Miau Motor Co., Ltd. Director, Central Motor Co., Ltd Director, Hotong Motor Investment Co., Ltd. Director, DENSO TAIWAN CORP. Director of Hoyu Educational Foundation 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%	MBA, Massachusetts Institute of Technology	Chairman, Hozan Investment Co., Ltd. Chairman, Carmax Co., Ltd. Chairman, Eastern Motor Co., Ltd. Chairman, Hotai Connected Co., Ltd. Chairman and Representative Director of Hotai Japan Corporation Vice Chairman, Kuozui Motors, Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Nan Du Motor Co., Ltd. Director, Kau Du Automobile Co., Ltd. Director, Hotai Finance Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Ho Ing 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, Guan Ying International Co., Ltd. Director, Polihorn Marketing Co., Ltd. Director of Hoyu Educational Foundation Supervisor, DENSO TAIWAN CORP. Supervisor, Jiaqun 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.

(Cont.)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date of Initial Appointment	Shareholding at the Time of Election		Current Shareholding	
							No. of Shares	%	No. of Shares	%
Director	Japan	Toyota Motor Corporation, represented by Masayuki Sawada	Male / 57	Jun. 13, 2025	3 years	Jan. 1, 2026	45,294,234 0	8.13% 0.0%	56,617,792 0	10.16% 0.0%
Director	Republic of China	Yong Hui Development Co., Ltd., Su, Yi-Chung	Male / 85	Jun. 13, 2025	3 years	May 10, 1981	10,200 0	0.001% 0.0%	10,200 0	0.001% 0.0%
Director	Republic of China	Rep. of Chun Yung Investment Co., Ltd.: Lin, Li-Hua	Female / 78	Jun. 13, 2025	3 years	Jul. 17, 2001	177,480 85,414	0.03% 0.01%	251,480 85,414	0.04% 0.01%
Director	Republic of China	Chun Yung Investment Co., Ltd., represented by Huang, Chih-Cheng	Male / 68	Jun. 13, 2025	3 years	Apr. 1, 2000	177,480 123,588	0.03% 0.02%	251,480 123,588	0.04% 0.02%

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in The Company and Other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Note (Note)
No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
0 0	0.0% 0.0%	0 0	0.0% 0.0%	Bachelor's Degree in Economics, University of Tokyo	Director, Carmax Co., Ltd. Director, Kuotu Motor 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 of Hoyu Educational Foundation Director of the Wei-Chuan Cultural-Educational Foundation Director of the Bluesky Environmental Foundation	Chairman	Huang, Nan-Kuang	Brother-in-law	N/A
0 0	0.0% 0.0%	0 0	0.0% 0.0%	School of Management, University of California	Chairman, Toyota Material Handling Taiwan Ltd. Chairman, Formosa Flexible Packaging Corp. Chairman, Shanghai Hotai Toyota Forklift Co., Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Kuozui Motors, Ltd. Director, Ho Tai Development Co., Ltd. Director of Hoyu Educational Foundation Supervisor, Kuotu Motor 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.

(Cont.)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date of Initial Appointment	Shareholding at the Time of Election		Current Shareholding	
							No. of Shares	%	No. of Shares	%
Director	Republic of China	Li Gang Enterprise Co., Ltd., represented by Su, Jean	Female / 73	Jun. 13, 2025	3 years	Jun. 22, 2010	41,380,740 0	7.42% 0%	41,380,740 0	7.42% 0%
Director	Republic of China	Yuan Tuo Investment Co., Ltd., represented by Ko, Junn-Yuan	Male / 88	Jun. 13, 2025	3 years	May 23, 2011	14,984,744 65,000	2.68% 0.008%	15,017,744 65,000	2.69% 0.008%
Director	Republic of China	Rep. of Gui Long Investment Co., Ltd.: Chang, Shih-Yieng	Male / 60	Jun. 13, 2025	3 years	Jun. 18, 2004	5,228,520 0	0.93% 0%	5,228,520 0	0.93% 0%
Director	Republic of China	Chun Yung Investment Co., Ltd., represented by Huang, Wen-Jui	Male / 56	Jun. 13, 2025	3 years	Jun. 22, 2010	177,480 951,655	0.03% 0.17%	251,480 951,655	0.04% 0.17%

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in The Company and Other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Note (Note)
No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
0 0	0% 0%	0 0	0% 0%	Master's 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, Guan Ying International Co., Ltd. Director, Polihorn Marketing Co., Ltd.	Vice Chairman	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 of Hoyu Educational Foundation Supervisor, Yong Chi Trading Co., Ltd.	N/A	N/A	N/A	N/A
0 1,092,348	0% 0.2%	0 0	0% 0%	School of Economics, Konan University	Managing Director, Hoyu Investment Co., Ltd. Director, Ho Ing Mobility Service Co., Ltd. Director of Hoyu Educational Foundation	N/A	N/A	N/A	N/A
0 126,923	0% 0.02%	0 0	0% 0%	Department of Electrical Engineering, National Central University Master's 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.	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.

(Cont.)

Title	Nationality or Place of Incorporation	Name	Gender / Age	Date Elected (or Appointed)	Term	Date of Initial Appointment	Shareholding at the Time of Election		Current Shareholding	
							No. of Shares	%	No. of Shares	%
Director	Republic of China	Yong Hui Development Co., Ltd., represented by Soo, Leon	Male / 54	Jun. 13, 2025	3 years	Jun. 13, 2007	10,200 0	0.001% 0.0%	10,200 0	0.001% 0.0%
Independent Director	Republic of China	Su, Chin-Huo	Male / 75	Jun. 13, 2025	3 years	Jun. 21, 2016	0	0%	0	0%
Independent Director	Republic of China	Tian, Tian-Ming	Male / 73	Jun. 13, 2025	3 years	Jun. 13, 2025	0	0%	0	0%
Independent Director	Republic of China	Xiao, Jin-Quan	Male / 70	Jun. 13, 2025	3 years	Jun. 13, 2025	0	0%	0	0%

Spouse & Minor Children Shareholding		Shares Held in Another's Name		Education and Experience	Current Positions Held in The Company and Other Companies	Spouse or Relatives within the Second Degree Holding Management, Directorial, or Supervisory Positions			Note (Note)
No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
0 0	0% 0%	0 0	0% 0%	The Wharton School of the University of Pennsylvania	Chairman, Jin Ji Investment Enterprise Co., Ltd. Vice Chairman, Hoyu Investment Co., Ltd. Vice Chairman, Hotong Motor Investment Co., Ltd. Director, Hotai Finance Co., Ltd. Director, Ho Ing 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 of Hoyu Educational Foundation Director of the Sunrise Educational Foundation	Director	Su, Yi-Chung	Father–son	N/A
0	0%	0	0%	Master's in Industrial Systems Engineering and Management, Asian Institute of Technology	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd. Sustainable Development Committee Member, Hotai Motor Co., Ltd. Human Resources Development Committee Member, Hotai Motor Co., Ltd.	N/A	N/A	N/A	N/A
0	0%	0	0%	Master's Degree, Graduate Institute of International Business, National Chengchi University	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd. Sustainable Development Committee Member, Hotai Motor Co., Ltd. Human Resources Development Committee Member, Hotai Motor Co., Ltd.	N/A	N/A	N/A	N/A
0	0%	0	0%	Department of Business Administration, Business Management Group, National Chung Hsing University	Compensation Committee Member, Hotai Motor Co., Ltd. Audit Committee Member, Hotai Motor Co., Ltd. Sustainable Development Committee Member, Hotai Motor Co., Ltd. Human Resources Development Committee Member, Hotai Motor 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) 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
Su, Chwen-Shing	◆ MBA, Massachusetts Institute of Technology. Incumbent Vice Chairman and 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.	◆ Vice Chairman and President of the Company, Director with managerial status.	N/A
Masayuki Sawada	◆ Bachelor's Degree in Economics, University of Tokyo. Incumbent Executive Vice President of Hotai Motor. ◆ 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 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	◆ MBA, 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, Jean	◆ Master's 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

Criteria \ Name	Su, Chin-Huo (Independent Director)	Tian, Tian-Ming (Independent Director)	Xiao, Jin-Quan (Independent Director)
Qualifications & Experience	◆ 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.	◆ Master's degree in International Trade, National Chengchi University. Former Chairman of Hotai Finance and Hotai Leasing. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	◆ Department of Business Administration, Business Management Group, National Chung Hsing University. Former President of Kau Du Automobile and Vice President of Kuotu Motor. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.
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	N/A

Board Independence and Diversity

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 Masayuki Sawada, 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 13 to 20 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 individual members, 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.

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	Metal or Packaging Materials Manufacturing	Finance and Insurance	Information Techology	Business Management	Financial Analysis	International Market Perspective	Crisis Management
				Under 50	51-65 Year	66+								
Huang, Nan-Kuang	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√
Su, Chwen-Shing	Republic of China	Male	√	-	√	-	√	-	√	√	√	√	√	√
Masayuki Sawada	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	-	-	√	-	√	√	-	-	√	√	√	√
Su, Chin-Huo (Independent Director)	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√
Tian, Tian-Ming (Independent Director)	Republic of China	Male	-	-	-	√	√	-	√	-	√	√	√	√
Xiao, Jin-Quan (Independent Director)	Republic of China	Male	-	-	-	√	√	-	-	-	√	√	√	√

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

March 29, 2026

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. (11.43%)、Toyota Industries Corporation (7.55%)、Custody Bank of Japan, Ltd. (5.14%)、Nippon Life Insurance Company (4.01%)、JPMorgan Chase Bank, N.A. (3.48%)、State Street Bank and Trust Company (3.62%)、 DENSO Corporation (2.85%)、The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders (2.13%)、Toyota Fudosan Co., Ltd. (1.58%)、Mitsui Sumitomo Insurance Co., Ltd. (1.29%)
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 Lifeng Global Co., Ltd. (9.99%)
Yuan Tuo Investment Co., Ltd.	Ko, Wen-Hsiang (10%), Ko, Wen-Ping (10%), Ko Wang, Wen-Liang (9.5%), Ko, Su-Min (5.25%), Ko, Su-Hui (5.25%), Ko, Ying-Ho (5%), Kang Yu Investment Co., Ltd. (5%), Ko, Wang-Zheng (4.63%), Ko, Wen-Sheng (4.63%), and Ko, Wang-Zhong (4.63%)

(IV) Major Shareholders and Their Shareholding Percentages for Any Corporate Entity Listed Above as a Major Shareholder of a Corporate Shareholder:

March 29, 2026

Company Name	Major Shareholders of Cooporations
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%), Huang Ssu-Chia (9%), and Chang, Chih-Hao (1%)
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%)
Lifong Global Co., Ltd.	Chen, Li-Chun (53.32%), Gui Long Investment Co., Ltd. (37.29%), Chang, Chia-Chen (5.54%), and Chang, Chia-Hua (3.85%)
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.

(V) 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	
					No. of Shares	%	No. of Shares	%	No. of 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	Masayuki Sawada	Male	Jan. 1, 2026	0	0.0%	0	0..0%	0	0.0%
Chief Officer (Note 1)	Japan	Kazuo Naganuma	Male	Jan. 12, 2026	0	0.0%	0	0.0%	0	0.0%

Note 1: The Company has adjusted its position and salary system starting from January 1, 2026.

Reference Date: March 29, 2026

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Note (Note 3)
		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. Chairman and Representative Director of Hotai Japan Corporation Vice Chairman, Kuozui Motors, Ltd. Managing Director, Hoyu Investment Co., Ltd. Director, Chang Yuan Motor Co., Ltd. Director, Kuotu Motor Co., Ltd. Director, Nan Du Motor Co., Ltd. Director, Kau Du Automobile Co., Ltd. Director, Hotai Finance Co., Ltd. Director, Hotai Leasing Co., Ltd. Director, Ho Ing 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, Guan Ying International Co., Ltd. Director, Polihorn Marketing Co., Ltd. Director of Hoyu Educational Foundation Supervisor, DENSO TAIWAN CORP. Supervisor, Jiaqun Investment Co., Ltd.	N/A	N/A	N/A	N/A
School of Economics, University of Tokyo	Director, Carmax Co., Ltd. Director, Kuotu Motor Co., Ltd.	N/A	N/A	N/A	N/A
School of Commerce, Waseda University	President and Representative Director of Hotai Japan Corporation	N/A	N/A	N/A	N/A

Note 3: 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.

(Cont.)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					No. of Shares	%	No. of Shares	%	No. of Shares	%
Chief Officer (Note 1)	Republic of China	Chen, Chien-Chou (Note 2)	Male	Jul. 1, 2010	87	0.00002%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Hsieh, Fred (Note 2)	Male	Jul. 1, 2010	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Wu, Chia-Yen	Male	Jul. 1, 2011	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Huang, Ming-Hsien (Note 2)	Male	Sep. 10, 2012	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Liu, Chuan-Hung (Note 2)	Male	Jul. 1, 2016	0	0.00%	0	0.0%	0	0.0%

Note 1: The Company has adjusted its position and salary system starting from January 1, 2026.
Note 2: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Note (Note 3)
		Title	Name	Relationship	
Department of Economics, Fu Jen Catholic University	Chairman, Hotai Finance Co., Ltd. Chairman, Hotai Leasing Co., Ltd. Chairman, Ho Cheng Industries Co., Ltd. Chairman, He Jun Energy Co., Ltd. Director, Hoyun International Leasing Co., Ltd.	N/A	N/A	N/A	N/A
Master's Degree, College of Management, National Taiwan University	Chairman, Ho Ing Mobility Service Co., Ltd. President, Hotai Leasing Co., Ltd.	N/A	N/A	N/A	N/A
Master's Degree in Automotive Technology, Indiana State University	Director, Yokohama Tire Taiwan Co., Ltd. Director, Hoan Insurance Agency Co., Ltd. Supervisor, Yi Tai Transport Co., Ltd. Director, Kuai Shun Warehousing Traffic Co., Ltd. Director, Central Motor Co., 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 Agency Co., Ltd. Director, He Jun Energy 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. Director, Nan Du Motor Co., Ltd. Supervisor, He Quan Insurance Agency Co., Ltd.	N/A	N/A	N/A	N/A

Note 3: 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.

(Cont.)

Title	Nationality	Name	Gender	Date Elected (or Appointed) Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					No. of Shares	%	No. of Shares	%	No. of Shares	%
Chief Officer (Note 1)	Republic of China	Liu, Sung-Shan (Note 2)	Male	Jul. 1, 2016	220	0.00004%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Wu, Pin-Tsung	Male	Jul. 1, 2018	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Yeh, Chia-Han	Male	Sep. 28, 2019	612	0.0001%	0	0.0%	0	0.0%

Note 1: The Company has adjusted its position and salary system starting from January 1, 2026.
Note 2: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Note (Note 3)
		Title	Name	Relationship	
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.	N/A	N/A	N/A	N/A
Master's Degree, Department of Industrial Management, National Cheng Kung University	Chairman, Hotai Mobility Service Co., Ltd. Chairman, Ho Young Travel Agency Co., Ltd. Director, Hotai Connected Co., Ltd. Director, Hotai Insurance Co., Ltd. Director, Toyota Material Handling Taiwan Ltd. Supervisor, Eastern Motor 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. Supervisor, Shanghai Ho Tai Toyota Forklifts, 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. Supervisor, Kuai Shun Storage and Transport Co., Ltd.	N/A	N/A	N/A	N/A

Note 3: 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.

(Cont.)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					No. of Shares	%	No. of Shares	%	No. of Shares	%
Chief Officer (Note 1)	Republic of China	Lai, Kuang-Hsiung	Male	Jul. 1, 2020	2,652	0.0005%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Wang, Shih-Hao	Male	Jul. 1, 2021	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Lu, Li-Yin	Male	Jul. 1, 2022	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Lai, Chih-Wei (Note 2)	Male	Jul. 1, 2024	765	0.0001%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Han, Chih-Kang	Male	Oct. 11, 2025	0	0.0%	0	0.0%	0	0.0%
Chief Officer (Note 1)	Republic of China	Weng, Ming-Lun	Male	Jan. 1, 2026	0	0.0%	0	0.0%	0	0.0%
Director	Japan	Kei Mizuguchi (Note 2)	Male	Apr. 6, 2021	0	0.0%	0	0.0%	0	0.0%

Note 1: The Company has adjusted its position and salary system starting from January 1, 2026.
Note 2: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Note (Note 3)
		Title	Name	Relationship	
Graduate Institute of Vehicle Engineering, National Taipei University of Technology	Director, Eastern Motor Co., Ltd. Director, Formosa Container Transportation Company Limited Director, Hua Tai Transportation Co., Ltd. Supervisor, Ho Ing Mobility Service Co., Ltd. Director, He Quan Insurance Agency Co., Ltd.	N/A	N/A	N/A	N/A
Master's Degree, Department of Human Resource Management, University of California, Los Angeles	Director, Eastern Motor Co., Ltd. Director, Tau Miau 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
Department of Mechanical Engineering, National Taiwan University of Science and Technology	N/A	N/A	N/A	N/A	N/A
School of Information Systems & Technology, UNSW Business School, University of New South Wales	Supervisor, Hotai Auto Body Manufacturing Co., Ltd. Director and President, Kau Du Automobile Co., Ltd.	N/A	N/A	N/A	N/A
Graduate Institute of Management Sciences, Tamkang University	Director, Hotai Mobility Service Co., Ltd. Director, Hotai Connected Co., Ltd. Director, Smart Design Technology Co., Ltd. Supervisor, Aim Technology Co., Ltd.	N/A	N/A	N/A	N/A
Graduate Institute of Management Sciences, Tamkang University	Supervisor, Taipei Toyota Motor Co., Ltd. Supervisor, Heng Yun Investment Co., Ltd. Supervisor, Formosa Container Transportation Company Limited Supervisor, Hua Tai Transportation 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

Note 3: 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.

(Cont.)

Title	Nationality	Name	Gender	Date Elected (or Appointed)	Shareholding		Spouse & Minor Children Shareholding		Shares Held in Another's Name	
					No. of Shares	%	No. of Shares	%	No. of Shares	%
Director	Republic of China	Huang, I-Jun	Male	Feb. 1, 2022	0	0.0%	6,321	0.001%	0	0.0%
Director	Republic of China	Yu, Chun-Chien	Male	Jul. 1, 2022	0	0.0%	0	0.0%	0	0.0%
Director	Republic of China	Chang, Chia-Jung (Note 2)	Male	Jul. 1, 2025	447	0.0001%	0	0.0%	0	0.0%
Director	Republic of China	Liu, Gao-Rong	Male	Jul. 1, 2025	0	0.0%	0	0.0%	0	0.0%
Director	Republic of China	Lin, Yu-Chang	Male	Jul. 1, 2025	0	0.0%	0	0.0%	0	0.0%

Note 2: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

Education & Experience	Current Positions Held in Other Companies	Managerial Officers with Spousal or Second-Degree Family Relationships			Note (Note 3)
		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. 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. Director, 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
Automobile Division, Department of Mechanical Engineering, National Taipei Institute of Technology	Director and President, Chang Yuan Motor Co., Ltd.	N/A	N/A	N/A	N/A
Department of Business Administration, National Chung Hsing University	N/A	N/A	N/A	N/A	N/A
Graduate Institute of Business Administration, National Cheng Kung University	N/A	N/A	N/A	N/A	N/A

Note 3: 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. Remuneration Paid to Directors, President, and Vice Presidents of the Company within the Last Year

(I) Remuneration of Directors

Title	Name	Total Remuneration							
		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.	9,240	9,240	0	0	196,368	196,368	160	160
Director	Gui Long Investment Co., Ltd.	840	840	0	0	28,052.5	28,052.5	80	80
Director	Yuan Tuo Investment Co., Ltd.	0	0	0	0	28,052.5	28,052.5	0	0
Director	Li Gang Enterprise Co., Ltd.	0	0	0	0	112,210	112,210	0	0
Director	Yong Hui Development Co., Ltd.	0	0	0	0	56,105	56,105	160	160
Director	Toyota Motor Corporation	0	0	0	0	28,052.5	28,052.5	0	0
Chairman	Huang, Nan-Kuang (Rep. of Chun Yung Investment)	6,000	11,980	0	0	0	0	1,813	2,584
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)								
Vice Chairman / President	Su, Chwen-Shing (Rep. of Li Gang Enterprise)								
Director	Su, Jean (Rep. of Li Gang Enterprise)								
Director	Su, Yi-Chung (Rep. of Yong Hui Development)								
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 (Note)	2,520	2,520	0	0	0	0	645	645
	Wu, Shih-Hao (Note)								
	Su, Chin-Huo								
	Tian, Tian-Ming (Note)								
	Xiao Jin-Quan (Note)								

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, remuneration of 2,100 thousand NTD was received in the most recent fiscal year by general Directors of the Companies for services provided (e.g., as a non-employee advisor) to any entity included in the financial statements.

Note: Li, Chao-Sen and Wu, Shih-Hao were dismissed after the re-election on June 13, 2025; Tian, Tian-Ming and Xiao, Jin-Quan assumed office upon re-election on June 13, 2025.

Unit: NT$ thousand

Total Remuneration (A+B+C+D) and as a % of Net Income (Note 7)		Compensation for Concurrent Employment								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 Company	Consolidated Entities (Note 6)	The Company	Consolidated Entities (Note 6)	The Company	Consolidated Entities (Note 6)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	Consolidated Entities (Note 6)	
205,768 1.09%	205,768 1.09%	0	0	0	0	0	0	0	0	205,768 1.09%	205,768 1.09%	0
28,972.5 0.15%	28,972.5 0.15%	0	0	0	0	0	0	0	0	28,972.5 0.15%	28,972.5 0.15%	0
28,052.5 0.15%	28,052.5 0.15%	0	0	0	0	0	0	0	0	28,052.5 0.15%	28,052.5 0.15%	0
112,210 0.59%	112,210 0.59%	0	0	0	0	0	0	0	0	112,210 0.59%	112,210 0.59%	0
56,265 0.30%	56,265 0.30%	0	0	0	0	0	0	0	0	56,265 0.30%	56,265 0.30%	0
28,052.5 0.15%	28,052.5 0.15%	0	0	0	0	0	0	0	0	28,052.5 0.15%	28,052.5 0.15%	0
7,813 0.04%	14,564 0.07%	26,636	26,636	0	0	5,322		5,322	0	39,771 0.21%	46,521 0.25%	3,174
3,165 0.02%	3,165 0.02%	0	0	0	0	0	0	0	0	3,165 0.02%	3,165 0.02%	0

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; Soo, Leon; Ko, Junn-Yuan; Chang, Shih-Yieng; Kazuo Naganuma; Li, Chao-Sen; Wu, Shih-Hao; Tian, Tian-Ming; Xiao, Jin-Quan	Lin, Li-Hua; Huang, Wen-Jui; Su, Jean; Su, Yi-Chung; Chang, Shih-Yieng; Li, Chao-Sen; Wu, Shih-Hao; Tian, Tian-Ming; Xiao, Jin-Quan	Lin, Li-Hua; Huang, Wen-Jui; Huang, Chih-Cheng; Su, Jean; Su, Yi-Chung; Leon Soo; Ko, Junn-Yuan; Chang, Shih-Yieng; Li, Chao-Sen; Wu, Shih-Hao; Tian, Tian-Ming; Xiao, Jin-Quan	Lin, Li-Hua; Huang, Wen-Jui; Su, Jean; Su, Yi-Chung; Chang, Shih-Yieng; Li, Chao-Sen; Wu, Shih-Hao; Tian, Tian-Ming; Xiao, Jin-Quan
NT$1,000,000 (inclusive) NT$1,999,999	Huang, Nan-Kuang; Su, Chwen-Shing; Su, Chin-Huo	Huang, Nan-Kuang; Huang, Chih-Cheng; Soo, Leon; Kazuo Naganuma; Su, Chin-Huo	Huang, Nan-Kuang; Su, Chin-Huo	Huang, Nan-Kuang; Huang, Chih-Cheng; Soo, Leon; Su, Chin-Huo
NT$2,000,000(inclusive) NT$3,500,000(exclusive)	—	Su, Chwen-Shing; Ko, Junn-Yuan	—	Ko, Junn-Yuan
NT$3,500,000(inclusive) NT$5,000,000(exclusive)	—	—	—	—
NT$5,000,000(inclusive) NT$10,000,000(exclusive)	—	—	Kazuo Naganuma	Kazuo Naganuma
NT$10,000,000(inclusive) NT$15,000,000(exclusive)	—	—	—	—
NT$15,000,000(inclusive) NT$30,000,000(exclusive)	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	Su, Chwen-Shing; Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation	Su, Chwen-Shing; Yuan Tuo Investment Co., Ltd.; Gui Long Investment Co., Ltd.; Toyota Motor Corporation
NT$30,000,000(inclusive) NT$50,000,000(exclusive)	—	—	—	—
NT$50,000,000(inclusive) NT$100,000,000(exclusive)	Yong Hui Development Co., Ltd.	Yong Hui Development Co., Ltd.	Yong Hui Development Co., Ltd.	Yong Hui Development Co., Ltd.
Over NT$100,000,000	Chun Yung Investment Co, Ltd.; Li Gang Enterprise Co., Ltd.	Chun Yung Investment Co, Ltd.; Li Gang Enterprise Co., Ltd.	Chun Yung Investment Co, Ltd.; Li Gang Enterprise Co., Ltd.	Chun Yung Investment Co, Ltd.; Li Gang Enterprise Co., Ltd.
Total	22	22	22	22

Note 1: Refers to remuneration paid to directors in 2025, including salary, allowance, severance, all types of bonuses, and performance bonus.
Note 2: Refers to compensation paid to directors in 2025 approved by the Board of Directors.
Note 3: Refers to business expenses incurred by directors in 2025 while performing their duties, including travel, special, and other allowances, accommodation, and fringe benefits such as company cars. A total of NT$890 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 2025, 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$2,112 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: 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. The Company's net income in Year 2025 was NT$18,900,453 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) Remuneration of the President and Vice Presidents

Unit: NT$ thousand

Title	Name	Salary (A) (Note 1)		Severance Pay and Pensions (B)		Bonus and Allowances (C) (Note 2)		Employee Remuneration (D) (Note 3)				Total Remuneration (A+B+C+D) and as a % of Net Income (%) (Note 5)		Compensation Paid to Directors from Nonconsolidated Affiliates or parent company (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)		The Company	Consolidated Entities (Note 4)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Su, Chwen-Shing	31,119	33,579	0	0	72,800	73,264	27,798	0	27,798	0	131,717 0.70%	134,642 0.71%	1,989
Executive Vice President	Kazuo Naganuma													
Vice President	Chen, Chien-Chou (Note 9)													
Vice President	Huang, Ming-Hsien (Note 9)													
Vice President	Hsieh, Fred (Not 9)													
Vice President	Wu, Chia-Yen													
Vice President	Liu, Chuan-Hung (Note 9)													
Vice President	Wu, Pin-Tsung													

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(inclusive)-NT$2,000,000(exclusive)	—	—
NT$2,000,000(inclusive)-NT$ 3,500,000(exclusive)	—	—
NT$3,500,000(inclusive)-NT$5,000,000(exclusive)	—	—
NT$5,000,000(inclusive)-NT$10,000,000(exclusive)	Kazuo Naganuma, Wu, Pin-Tsung	Kazuo Naganuma, Wu, Pin-Tsung
NT$10,000,000(inclusive)-NT$14,999,999(exclusive)	—	—
NT$15,000,000(inclusive)-NT$29,999,999(exclusive)	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(inclusive)-50,000,000(exclusive)	—	—
NT$50,000,000 (inclusive) - NT$99,999,999(exclusive)	—	—
Over NT$100,000,000	—	—
Total	8	8

Note 1: Refers to salary, allowance and severance paid to president and vice presidents in 2025.

Note 2: 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 2025. A total of NT$2,112 thousand paid to the company drivers as compensation is excluded in the amount of allowances shown here.

Note 3: Refers to employee profit sharing granted to the president and vice president approved by the Board of Director in 2025.

Note 4: Compensation paid to president and vice presidents by Hotai and all consolidated entities.

Note 5: Net income refers to the after-tax profit reported in the parent company's separate financial statements for the most recent fiscal year. The Company's net income in Year 2025 was NT$18,900,453 thousand.

Note 6: Compensation received by president and vice presidents from non-consolidated affiliates or parent company.

Note 7: 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.

Note 8: 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.

Note 9: Personnel of Hotai temporarily transferred to a consolidated entity or an affiliate.

Employee Profit Sharing Granted to the Management Team

Title		Name	Cash Amount (NT$) (Note 1)	Total (NT$)	% of Net Income after Tax
Key Management Personnel (Note 2)	President	Su, Chwen-Shing	72,070,569	72,070,569	0.38%
	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			
	Vice President	Wu, Pin-Tsung(Note 3)			
	Director	Wang, Shih-Hao			
	Director	Kei Mizuguchi			
	Director	Liu, Sung-Shan			
	Director	Yeh, Chia-Han			
	Director	Lai, Chih-Wei			
	Director	Lai, Kuang-Hsiung			
	Director	Lu, Li-Yin			
	Director	Weng, Ming-Lun			
	Director	Han, Chih-Kang			
	Director	Huang, I-Jun			
	Director	Yu, Chun-Chien			
	Director	Chang, Chia-Jung(Note 3)			
	Director	Liu, Gao-Rong(Note 3)			
	Director	Lin, Yu-Chang(Note 3)			
	Corporate Governance Officer	Tai, Heng-Hu (Note 3)			
	Corporate Governance Officer	Wang, Hui-Min (Note 3)			
	Financial Officer/Accounting Officer	Chen, Ting-Ju(Note 3)			

Note 1: Refers to employee profit sharing granted to the management team approved by the Board of Director in 2025.

Note 2: 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) Chief Officers and individuals of equivalent rank;
(4) the head of the finance department;
(5) the head of the accounting department;
(6) any other person who is responsible for managing company affairs and authorized to sign on behalf of the Company.

Note 3: Vice President Wu, Pin-Tsung; Director Chang, Chia-Jung / Liu, Kao-Jung / Lin, Yu-Chang; and Corporate Governance Officer Wang, Hui-Min all took office in July 2025. Corporate Governance Officer Tai, Heng-Hu retired in June 2025. Financial Officer/Accounting Officer Chen, Ting-Ju assumed the position of Accounting Officer in September 2025.

(III) 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
	2025	2024	2025	2024		
Director	2.66%	2.42%	2.69%	2.46%	0.24%	0.23%
President and Vice Presidents	0.70%	0.60%	0.71%	0.61%	0.10%	0.10%

Explanation: The net income after tax of The Company was NT$18,900,453 thousand as of December 31, Year 2025, and NT$20,467,026 thousand as of December 31, 2024.

2. Remuneration policies, standards, and structure, procedures for determining remuneration, and their relevance to business performance and future risks:

(1) 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.

(2) 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.

(3) 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 2025, the results of performance evaluation on the Board and individual directors in 2025 are excellent, indicating that the Company has a well-functioning Board and the results have been reported at the Board meeting on January 29, 2026. 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, profitability, market share, etc., into account, the director remuneration of Year 2025 is allocated by proportions in accordance with relevant regulations.

(4) 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, are considered for assigning different performance ratings, which are linked to performance bonuses and employee profit sharing. All performance evaluations and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. Key performance indicators include: achievement rate of annual policy goals, annual sales targets, and profit contribution by product category. Additionally, 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.

III. Corporate Governance Practices

(I) Board of Directors Operations

1. In the most recent fiscal year (2025), the Board of Directors convened 10 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	4	0	100%	The 21st term of corporate directors began prior to the re-election on June 13, 2025.
Director	Rep. of Chun Yung Investment Co., Ltd.: Lin, Li-Hua	4	0	100%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Chih-Cheng	4	0	100%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Wen-Jui	4	0	100%	
Director	Rep. of Li Gang Enterprise Co., Ltd.: Su, Chwen-Shing	4	0	100%	
Director	Rep. of Li Gang Enterprise Co., Ltd.: Su, Jean	4	0	100%	
Director	Rep. of Yong Hui Development Co., Ltd.: Su, Yi-Chung	3	1	75%	
Director	Rep. of Yong Hui Development Co., Ltd.: Soo, Leon	4	0	100%	
Director	Yuan Tuo Investment Co., Ltd., represented: Ko, Junn-Yuan	4	0	100%	
Director	Rep. of Gui Long Investment Co., Ltd.: Chang, Shih-Yieng	4	0	100%	
Director	Rep. of Toyota Motor Corporation: Kazuo Naganuma	4	0	100%	
Independent Director	Li, Chao-Sen	4	0	100%	The 21st term of independent directors began prior to the re-election on June 13, 2025.
	Su, Chin-Huo	4	0	100%	
	Wu, Shih-Hao	4	0	100%	
Chairman	Rep. of Chun Yung Investment Co., Ltd.: Huang, Nan-Kuang	5	1	83%	The 22nd term of corporate directors began after the re-election on June 13, 2025.
Director	Rep. of Chun Yung Investment Co., Ltd.: Lin, Li-Hua	6	0	100%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Chih-Cheng	5	1	83%	
Director	Rep. of Chun Yung Investment Co., Ltd.: Huang, Wen-Jui	6	0	100%	
Vice Chairman	Rep. of Li Gang Enterprise Co., Ltd.: Su, Chwen-Shing	6	0	100%	
Director	Rep. of Li Gang Enterprise Co., Ltd.: Su, Jean	5	1	83%	
Director	Rep. of Yong Hui Development Co., Ltd.: Su, Yi-Chung	6	0	100%	
Director	Rep. of Yong Hui Development Co., Ltd.: Soo, Leon	5	1	83%	
Director	Yuan Tuo Investment Co., Ltd., represented: Ko, Junn-Yuan	6	0	100%	
Director	Rep. of Gui Long Investment Co., Ltd.: Chang, Shih-Yieng	6	0	100%	
Director	Rep. of Toyota Motor Corporation: Kazuo Naganuma	6	0	100%	
Independent Director	Su, Chin-Huo	6	0	100%	The 22nd term of independent directors began after the re-election on June 13, 2025.
	Tian, Tian-Ming	6	0	100%	
	Xiao, Jin-Quan	6	0	100%	

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 12, 2025, 24th Board Meeting of the 21st Term. The recusal execution is as follows:

1. Discussion on the salary and remuneration proposal for the year 2024: 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) June 23, 2025, 2nd Board Meeting of the 22nd Term. The recusal execution is as follows:

1. Discussion on the appointment of members to the Remuneration Committee: Due to the Independent Directors also being members of the Remuneration Committee, in accordance with regulations, the three Independent Directors recused themselves and did not participate in the discussion or voting.
2. Discussion on the appointment of members to the Hotai Motor Co., Ltd. Human Resource Development Committee: Due to Leon Soo, Director; Lin, Li-Hua, Director; Su, Chin-Huo, Independent Director; Tian, Tian-Ming, Independent Director; and Xiao, Jin-Quan, Independent Director being members of the Hotai Motor Co., Ltd. Human Resource Development Committee, and Su, Yi-Chung, Director being required to recuse himself due to second-degree relative conflicts of interest, they recused themselves in accordance with regulations and did not participate in the discussion or voting.
3. Discussion on the appointment of members to the Sustainable Development Committee: Due to Huang, Wen-Jui, Director; Su, Jean, Director; Su, Chin-Huo, Independent Director; Tian, Tian-Ming, Independent Director; and Xiao, Jin-Quan, Independent Director being members of the Sustainable Development Committee, and Vice Chairman Su, Chwen-Shing being required to recuse himself due to second-degree relative conflicts of interest, they recused themselves in accordance with regulations and did not participate in the discussion or voting.

(III) December 18, 2025, 6th Board Meeting of the 22nd Term. The recusal execution is as follows:

1. Discussion on the proposal to acquire 80% equity in five Japanese companies: Due to the transaction involving Hino Motors, a subsidiary of Toyota Japan, and Director Kazuo Naganuma, the Representative of Toyota Japan, having a personal interest in the matter, he recused himself in accordance with regulations and did not participate in the discussion or voting.
2. Discussion on the proposed acquisition of real estate in Japan and authorizing the Chairman to initiate negotiations for the real estate purchase: Due to the transaction involving Hino Motors, a subsidiary of Toyota Japan, and Director Kazuo Naganuma, the Representative of Toyota Japan, having a personal interest in the matter, he recused himself in accordance with regulations and did not participate in the discussion or voting.
3. 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 2025, with the results indicating that the Board's operations were excellent; the operation status of the Audit Committee and the Compensation Committee was outstanding. 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.

2. Board evaluation implementation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Self-evaluation: Conducted annually. External evaluation: Every three years, with 2024 being the third year.	From January 1, 2025, to December 31, 2025.	Board of Directors	1. Self-evaluation by the Board, individual 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) 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.

In the most recent year (2025), the Audit Committee convened 7 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)	Note
Independent Director	Li, Chao-Sen	2	0	100%	The term of independent directors began on June 21, 2022, and they were dismissed after the re-election on June 13, 2025.
Independent Director	Wu, Shih-Hao	2	0	100%	The term of independent directors began on June 21, 2022, and they were dismissed after the re-election on June 13, 2025.
Independent Director	Su, Chin-Huo	7	0	100%	Newly elected independent directors commenced their term from June 13, 2025.
Independent Director	Tian, Tian-Ming	5	0	100%	Newly elected independent directors commenced their term from June 13, 2025.
Independent Director	Xiao Jin-Quan	5	0	100%	Newly elected independent directors commenced their term from June 13, 2025.

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
Mar. 12, 2025, 3rd Term, 16th Meeting	Proposal 1: Internal control system declaration for 2024 Proposal 2: 2024 business report and financial statements Proposal 3: 2024 profit distribution Proposal 4: Amendments to the Procedures for Engaging	The proposal was unanimously approved by the Committee upon the chairperson's inquiry	Approved as proposed.

	in Derivative Products Transaction	and submitted to the Board for resolution.	
May 13, 2025, 3rd Term, 17th Meeting	Proposal 1: Amendment to the internal control system Proposal 2: Approval of the Proposal to Lift the Non-Compete Restrictions on Directors Proposal 3: Consolidated financial statements for Q1 2025 Proposal 4: Proposal to invest in Listed Companies	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
Jun. 23, 2025, 4th Term, 1st Meeting	Proposal 1: Appointment of chief audit officer	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
August 12, 2025, 4th Term, 2nd Meeting	Proposal 1: Consolidated financial statements for Q2 2025 Proposal 2: Pre-approval for PricewaterhouseCoopers Taiwan and its affiliates to provide non-assurance services to the Group Proposal 3: Endorsement and guarantee of obligations for Hotai Auto Body Sales Co., Ltd. in 2025	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
September 25, 2025, 4th Term, 3rd Meeting	Proposal 1: Appointment of chief accounting officer	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, 2025, 4th Term, 4th Meeting	Proposal 1: Amendments to the Sustainable Development Best Practice Principles Proposal 2: Amendments of the operating procedures for preparing and filing the sustainability report Proposal 3: 2026 annual audit plan Proposal 4: Consolidated financial statements for Q3 2025 Proposal 5: Assessment of the independence of the Company's external auditors Proposal 6: Appointment of PricewaterhouseCoopers (PwC) for 2026 audit services and the associated fees	The proposal was unanimously approved by the Committee upon the chairperson's inquiry and submitted to the Board for resolution.	Approved as proposed.
December 18, 2025, 4th Term, 5th Meeting	Proposal 1: Appointment of representative to sign contracts on behalf of the Company's legal representative Proposal 2: Discussion on the proposal to acquire 80% equity in five Japanese companies. Proposal 3: Discussion on the proposed acquisition of real estate in Japan and authorizing the Chairman to initiate negotiations for the real estate purchase. Proposal 4: Plan to Establish a Management Company in Japan (Hotai Japan Corporation)	The proposal was 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:

Date	Key Points of Communication
Mar. 6, 2025	1. The Company's external auditor explained the audit results of the individual financial reports and consolidated financial reports for 2024 and communicated the audit results regarding key audit matters. 2. The auditor discussed and communicated with the independent directors regarding the issues raised.
Aug. 6, 2025	1. The Company's external auditor explained the audit matters related to the "Hotai Group 2025 Consolidated Financial Statements" and "Hotai Motor 2025 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
Mar. 12, 2025	Q4 2024 Internal Audit Report
May 13, 2025	Q1 2025 Internal Audit Report
Aug. 12, 2025	Q2 2025 Internal Audit Report
Nov. 12, 2025	Q3 2025 Internal Audit Report

(III) 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 Sustainable Development 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.	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors established a diversity policy, set	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	Complies with the Corporate Governance Best Practice Principles

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
specific management objectives, and implemented them accordingly?			Principles stipulates that the composition of the Board of Directors shall take diversity into consideration. In addition to requiring that 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.	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. The committee is composed of five directors: Su, Chin-Huo; Tian, Tian-Ming; Xiao, Jin-Quan; Huang, Wen-Jui; and Su, Jean. The members' backgrounds span industrial transformation, financial governance, and ESG practices: Su, Chin-Huo, Independent Director, previously served as President of the Corporate Synergy Development Center, deeply involved in industrial transformation and sustainability expertise. Tian, Tian-Ming, Independent Director, previously served as Chairman of Hotai Finance Co., Ltd., possessing extensive experience in financial risk management and corporate governance. Directors Xiao Jin-Quan, Huang, Wen-Jui, and Su, Jean: Specialize in corporate governance strategy and have been long involved in social responsibility programs such as "Public Welfare Dreamer" and "Volunteer Tree Planting." In addition to	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies regulations.

<table>
<tr><th rowspan="2">Promoted Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
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being guided by the KPMG Sustainability Team to implement the latest disclosure standards, all members have obtained certification from the Taiwan Institute of Directors for the course "New Perspectives on Corporate Governance in the Era of Sustainability." In its operations, the Committee not only strengthens ESG oversight and decision-making but also implements green projects such as energy conservation, carbon reduction, and forest protection, striving to enhance the company's operational resilience and transparency.

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 2025 are as follows:
(1) The committee met twice in 2025; all five members had an 100% attendance rate.
<table>
<tr><th>Term</th><th>Meeting Date</th><th>Agenda</th></tr>
<tr><td>4th Term, 1st Meeting</td><td>July 25, 2025.</td><td rowspan="2">1. Environmental Working Group Report
2. Social Working Group Report
3. Governance Working Group Report</td></tr>
<tr><td>4th Term, 2nd Meeting</td><td>November 28, 2025.</td></tr>
</table>
(2) The Sustainable Development Committee expanded its invitation to affiliates and distributors to attend and participate, exchanging sustainability management strategies and achievements, and incorporating sessions for sharing sustainability practices.
(3) The operation of the Sustainable Development Committee was reported to the Board on December 18, 2025.
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.
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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) 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, 2025, 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 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 (Note 1).	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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. 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 2025 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 2025 were 7.9 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 2025, and reported the results at the Board meeting in January 2026. 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. 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.	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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 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) 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. Chief officer Weng, Ming-Lun serves as the spokesperson, and Director Lin, Yu-Chang as the deputy spokesperson. In 2025, 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.	

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) Did the Company announce and file the annual financial report within two months after the end of the fiscal year? 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 of risk management policies and risk assessment measures, execution of customer policies, and the provision of directors and officers liability insurance.	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). (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	Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies regulations.

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			refer to the appendix of this chapter: "Training and Continuing Education of Directors" 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.	

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 21-35% in the 12th Corporate Governance Evaluation. Going forward, we will continue to strengthen our corporate governance practices and make improvements in the following areas:

(1) The Board of Directors regularly (at least once a year) references the Audit Quality Indicators (AQIs) to assess the independence and competency of the certified public accountants, and thoroughly discloses the evaluation process.

(2) Introduce the Taiwan Intellectual Property Management System (TIPS) as the standard for the intellectual property management system.

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

Item	Evaluation Criteria	Evaluation Result	Compliance with Independence
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

Appendix 1: Training and Continuing Education of Directors

Name	Training Date	Organizer	Course Title	Hours
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	2025.4.17	Taiwan Institute of Directors	Leading Strategies in the AI Transformation of the Mobility Industry	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; Su, Chin-Huo; Tian, Tian-Ming; Xiao, Jin-Quan.	2025.9.25	Taiwan Institute of Directors	New Perspectives on Corporate Governance in the Era of Sustainability	3
Su, Chwen-Shing and Soo, Leon	2025.5.27	Independent Director Association Taiwan	Anti-Money Laundering Courses - Latest Regulations and Policies for Fraud Prevention	3
Huang, Wen-Jui	2025.11.14	Taiwan Corporate Governance Association	Digital Financial Revolution: The Principles of Stablecoins and the Development Trends of Blockchain Virtual Assets	3
Su, Chin-Huo	2025.6.4	Taiwan Institute of Directors	Benchmarking in the Era of Co-governance	3
Tian, Tian-Ming	2025.10.16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6
Xiao, Jin-Quan	2025.7.8	Taiwan Corporate Governance Association	Contract Risk Management under the Impact of Trump's "Reciprocal Tariffs" in 2025	3
	2025.7.22	Taiwan Corporate Governance Association	Risk Management and Strategic Analysis of Corporate Sustainability	3
	2025.9.2	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Companies Facing New Geopolitical Strategies	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; 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; Huang, I-Jun; Yu, Chun-Chien; Chang, Chia-Jung	2025.4.17	Taiwan Institute of Directors	Leading Strategies in the AI Transformation of the Mobility Industry	3
Chen, Chien-Chou; Huang, Ming-Hsien; 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; Chang, Chia-Jung	2025.9.25	Taiwan Institute of Directors	New Perspectives on Corporate Governance in the Era of Sustainability	3

(IV) Composition and Operations of Remuneration Committee

1. Information on Members of the Remuneration Committee (Base Date: March 29, 2026)

Criteria \ Name	Su, Chin-Huo (Independent Director)	Tian, Tian-Ming (Independent Director)	Xiao, Jin-Quan (Independent Director)
Qualifications & Experience	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.	Master's degree in International Trade, National Chengchi University. Former Chairman of Hotai Finance and Hotai Leasing. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.	Department of Business Administration, Business Management Group, National Chung Hsing University. Former President of Kau Du Automobile and Vice President of Kuotu Motor. Over five years of experience in business, finance, and corporate operations. Incumbent Independent Director of Hotai Motor.
Independence Status	Please refer to section "Disclosure of Directors' Professional Qualifications and Independence of Independent Directors" in Chapter II of the Annual Report.		
No. of Independent Directorships in Other Public Companies	N/A	N/A	N/A

2. Remuneration Committee Operations

(1) The Company's Remuneration Committee is composed of three members.

(2) 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.

(3) The current term of office for committee members is from June 13, 2025 to June 12, 2028. In 2025, 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.

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	2	0	100%	Dismissed after the re-election on June 13, 2025.
Member	Wu, Shih-Hao	2	0	100%	Dismissed after the re-election on June 13, 2025.
Convener / Member	Su, Chin-Huo	4	0	100%	Reappointed after the re-election on June 13, 2025, new convener.
Member	Tian, Tian-Ming	2	0	100%	Assumed office after the re-election on June 13, 2025.
Member	Xiao, Jin-Quan	2	0	100%	Assumed office after the re-election on June 13, 2025.

I. Remuneration Committee operations:
1. In 2025, 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
   - Proposal for personnel system adjustment for managerial officers
2. All of the above matters were reviewed or approved by the Remuneration Committee.

II. Other items to be disclosed:
1. If the Board of Directors did not adopt or amended the recommendations of the Remuneration Committee: None.
2. 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.

(V) I. 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 2026 sustainable development plans are as follows: **Environmental Protection** I. Group GHG inventory II. Achieve 2030 carbon reduction target III. Strengthen Hotai's sustainable brand image. **Social Engagement** I. Continue expanding M.O.V.E. II. Enhance the transparency of sustainability information III. Volunteer Crossing Guard Equipment Donation Program IV. Cultivate the volunteer culture within the group V. Promote arts and cultural development VI. Campus career activities VII. Enhancing Employee Experience VIII. Promote a healthy workplace **Corporate Governance** I. Deepen the culture of sustainable governance II. Strengthen communication with stakeholders. III. Promote ESG evaluation IV. Promote digital operations V. Key Advocacy for Corporate Governance in the Group VI. Improve the intellectual property management mechanism VII. Establish a sound management system for trade secrets and management of sensitive assets.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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." 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.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.
III. Environmental Issues				

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 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. 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.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			Note 1: Hotai Finance, Hotai Insurance, Carmax, Ho Tai Development, Hotai Leasing, Chang Yuan Motor, Toyota Material Handling Taiwan, Ho Tung Motor, Hotai Connected, Eastern Motor, Hotai Auto Body Manufacturing. Note 2: The ISO 14001 certificate is valid from December 18, 2025 to December 17, 2028.	
(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. 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 2025, the R134a machines of Toyota dealers recovered 33.79 tons of refrigerant, preventing approximately 51,564 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 2025 alone, approximately 4.42 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 83 body and paint centers across Taiwan. Compared to traditional solvent-based paints, this initiative helped reduce VOC (volatile organic compounds) emissions by 94 metric tons in 2025.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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 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 situation and to minimize the impact of extreme weather events.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.
(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. In 2025, the combined Scope 1 and Scope 2 CO_2 total emissions of the consolidated companies was approximately 24,067.155 metric tons. In terms of emission intensity (metric tons of CO_2 per NT$1 million in revenue), the figure for 2025 was 0.0870. 2. Water consumption data is measured under the same scope as GHG emissions. 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 2025, Hotai Motor consumed approximately 13,469 cubic meters of water, representing a 14.5% 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 2025, approximately 77.75 metric tons of general waste were generated at the headquarters, Xinzhuang, and Yangmei campuses.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

Promoted Items	Implementation Status: Yes	Implementation Status: No	Implementation Status: Summary Explanation	Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
			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 2025, Hotai Motor set energy-saving targets of an 18% reduction in CO2 emissions and a 6% 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 7.3% decrease compared to the base year), both water and waste reductions met the targets. Note 1: The source of emission factors is the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment in 2024, 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 Labour 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.

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. 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.	

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			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. 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.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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. 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 92). 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.	
(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. The Company values stakeholder participation. In addition to aligning precisely with government occupational safety policies and keeping abreast of industry developments, we have also established a regular communication mechanism and proactively initiate an "Occupational Safety and Health Needs and Expectations Survey" annually. The survey targets not only internal employees but also includes related parties, distributors, and resident partners. It integrates government policies and feedback from stakeholders as important references for continuously optimizing the operational environment and safety management policies.	Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.

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. 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. 5. 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. 6. 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, and the test results in Year 2025 were all below the permissible exposure standards. 7. 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. 8. To implement workplace risk source control, The Company plans phased occupational safety training based on personnel attributes. (1) New partners (including dispatched personnel and interns) are given comprehensive safety and health training upon onboarding, covering hazard identification in the work environment, health and safety codes of conduct, and resource utilization. This ensures that each new member possesses sufficient disaster avoidance knowledge in unfamiliar environments. (2) Current employees are provided with a variety of topic-specific training programs based on the nature of their job roles, such as respiratory protection, general knowledge of hazardous chemicals, corporate occupational safety and health legal responsibilities and obligations, among others, to continuously strengthen safety awareness.	

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 enhance the operational efficiency of the occupational safety and health management system, we have planned related thematic courses on contractor management, accident investigation, procurement, and change management regarding occupational safety norms, aiming to improve the responsibility awareness and execution capabilities of the personnel in charge of management items. In Year 2025, a total of 222 person-times participated in the training, embedding safety awareness into all levels of operations. 9. To ensure the professionalism of occupational safety and hygiene management and compliance with regulations, The Company has allocated 115 related certifications. Recertification and refresher training are completed at prescribed intervals to maintain professional knowledge and support the stable operation of the management system. 10. 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. In 2025, the hazard identification and risk assessment reviewed a total of 1,466 operational activities, and corresponding control measures were implemented for all related risks. 11. 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. Starting from Year 2025, we will further increase the subsidy amount, giving employees more flexibility in planning their health checkups and enabling personalized health management. 12. By analyzing employee health checkup results, assessing job characteristics, and considering employee suggestions, we plan health promotion activities and seminars tailored to employee needs, such as: (1) Diverse Health Promotion Activities: These include online sports events, muscle building and weight loss courses, smoking cessation classes, cardiovascular clinic teleconsultations, INBODY assessments, and physical therapist desk-side evaluations, comprehensively covering exercise promotion, chronic disease prevention, and musculoskeletal health, enhancing the physical and mental well-being of employees.	

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) Comprehensive Health Seminars: The topics integrate aspects such as human factor hazard prevention, stress management, and health promotion, using diverse courses to strengthen employee health awareness and self-care abilities. In Year 2025, a total of 11 health seminars were held, with 473 person-times participating in the courses. 13. We go beyond compliance to offer onsite clinics 2-3 times a month and hire occupational health physicians to provide consultation to our employees. In Year 2025, a total of 24 sessions were conducted, with 125 person-times participating in the consultations. 14. 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. 15. The Company actively aligns its occupational health and safety management systems with international benchmarks. In 2025, we successfully passed recognition from international accreditation bodies, completing the ISO 45001 occupational health and safety management system recertification audit. We are committed to constructing a safe, healthy, and internationally standard-friendly working environment for all employees. 16. In Year 2025, Hotai Motor recorded zero workplace accidents, with no injuries or fatalities. The ratio of injured or deceased employees to the total workforce is 0%. 17. Fire drills are conducted semi-annually in all areas, and a VR simulation system is introduced in restricted areas of business premises. Through immersive exercises and data feedback, we accurately identify and strengthen personnel operation weaknesses, building a digitized and highly efficient workplace resilience. In Year 2025, Hotai Motor recorded zero fire incidents, with no injuries or fatalities. The ratio of injured or deceased employees to the total workforce is 0%.	
(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.

<table>
<tr><th rowspan="2">Promoted Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Explanation</th></tr>
<tr><td>(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?</td><td>V</td><td></td><td>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.
(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.</td><td>Complies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies regulations.</td></tr>
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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	
			(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. (13) In 2025, we upgraded our AI-powered customer service with enhancements to semantic recognition capabilities through generative AI. At the same time, we launched several new features, including a customized homepage and a new user interface, significantly improving customer convenience and service experience. 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. (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.	

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
(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. Comply with national and international laws and social norms, and fulfill corporate social responsibility. Responsibility, enhancing the image of the TOYOTA Brand. 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. A good partnership, through being a leading brand in Taiwan's automotive industry, Together with suppliers and dealers, strive to build a service value chain. Sustainable development, our supply chain management system takes value creation as its starting point. Starting point by standardizing management (Note), information sharing, supplier evaluation, Supplier audits and capacity building to enhance the value chain. Sustainability capability. 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.

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: **1. Volunteer Crossing Guard Equipment Donation Program**				

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

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 15 years, Hotai has donated nearly 140,000 sets of volunteer crossing guard equipment, benefiting more than 2,700 elementary schools and over a million volunteer guards and students across Taiwan. In 2025, Hotai Group, in collaboration with the Hotai Chunching Social Welfare Foundation, joined by related companies including Guan An Insurance Agents, Hotai Insurance, Hotai Finance, Hotai Leasing, Ho Tai Development, Hotai Auto Body Manufacturing, and dealerships Taomiao Motor, Chang Yuan Motor, Beidu Motor, Central Motor, and Southern Motor, collectively donated 10,000 sets of volunteer crossing guard equipment to elementary and junior high schools across Taiwan. This effort aims to safeguard 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 2025, unified donations were made to elementary schools in the cities and counties of New Taipei, Changhua, Yunlin, Chiayi County, Chiayi City, Nantou, Taitung, Penghu, Kinmen, and Lienchiang. 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.

2. **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 1.62 million blood donors and collecting more than 2.42 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 "2025 Hotai Group Nationwide Blood Donation Campaign." This event mobilized all Hotai bloodmobiles across Taiwan, setting up 14 donation stations at various TOYOTA dealerships, GR Garage Linkou, parks, and other locations in administrative regions such as Taipei, New Taipei, Taoyuan, Taichung, Yunlin, Tainan, Kaohsiung, Yilan, and Hualien. A total of 912 bags of blood were collected, helping to replenish Taiwan's blood supply and alleviate the blood shortage.

3. **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 fourth year (2025), the project has successfully expanded public shuttle services to cover eight counties and cities (Taipei, New Taipei, Taoyuan, Taichung, Tainan, Kaohsiung, Pingtung, and Hsinchu County). Additionally, it has partnered with several NGOs and NPOs, including Ronald McDonald House Charities, Taiwan Fund for Children and Families, The Family of the Children Association, Children Are Us Foundation, and Buddhist Tzu Chi Charity Foundation. To date, the initiative has donated 49,000 shuttle trips and, for the first time starting in 2025, introduced the iRent diverse shuttle service model, continuing to provide safe and compassionate transportation services to disadvantaged groups in need.

4. **Public Welfare Dreamer**

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 2025, marks its 7th 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 seven years, more than a thousand youth proposals have been submitted, with over 60 student teams obtaining social project implementation grants totaling over NT$12 million. The program encourages young people to turn their ideas into tangible acts of social welfare.

The "7th Hotai Public Welfare Dreamer" program designed new proposal themes based on Hotai Motor's sustainability blueprint. It advocates for the four main pillars of MOVE: Mobility—freedom of movement; Openness—social well-being; Value—talent appreciation; Eco—environmental friendliness. The program invited nearly 100 student teams from universities and high schools across Taiwan to participate, from which 10 teams were selected, each provided with a NT$200,000 grant for their social project implementation. To enhance students' learning during the proposal development process, this year we collaborated with six co-organizing partners who have long been dedicated to sustainability, including KPMG Sustainability Consulting Co., Ltd., Learning Home Co., Ltd., International City Wanderer Education Association, Social AED, Social Enterprise Revolving Trust, and Taiwan NPO Self-Regulation Alliance. 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 teams 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 Huashan Creative Park, showcasing reflections and rich outcomes from the youth participants. Additionally, a youth sustainability forum was organized, inviting speakers in the field to engage with students in in-depth discussions on contemporary important ESG topics, attracting nearly 2,000 participants. This initiative demonstrated the power of corporate influence in nurturing the next generation of sustainability leaders and driving positive social impact.

5. **Dream Team Indigenous**

   Since 2022, Hotai Group has launched the "Dream Team Indigenous" public welfare program, integrating the resources of the Group to provide long-term support to the Atayal children's choir groups of Jia Xing Elementary School and Tao Shan Elementary School in Hsinchu County. Helping talented Atayal children's choir groups step onto the global stage, while providing diverse learning and life experiences to inspire their imagination for the future. In 2025, Hotai Group continued its collaboration with the Hotai Chunching Social Welfare Foundation to allocate resources, including a donation of 500,000 TWD from its affiliate Carmax, supporting Jia Xing Elementary School's choir in participating in international competitions in Japan, where they won Gold Diplomas in the Children's Choir category. They also secured Gold Diplomas in both the Children's Choir and Folk Song categories at the Taipei International Choral Competition, showcasing the results of their long-term nurturing. Upon returning to the country, a "Dream Team Indigenous" appreciation ceremony was held at Carmax to acknowledge their efforts and growth. Hotai Group continues to provide diverse performance opportunities and career exploration experiences for the "Dream Team Indigenous." In 2025, Jia Xing Elementary School and Tao Shan Elementary School respectively performed at the "Group Beach Cleanup Event" and the "HINO GO Trendy Party," showcasing their learning achievements. Continuing the "Career Exploration Camp and Host Family Program," the initiative leads Atayal children to understand urban family life and expand their imagination for the future.

6. **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 2025, we have made over NT$61.58 million worth of purchases from the Children Are US Foundation bakery.

7. **TOYOTA Global Dream Car Art Contest**

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

Our desire to inspire children's imagination and elevate the quality of art contests led us to organize the TOYOTA Dream Car Art Contest. By 2025, over 930,000 submissions have been collected to date. Attracting thousands of young participants every year, it is recognized as one of the most renowned international children's art competitions in Taiwan.

The TOYOTA Global Dream Car Art Contest will continue to promote diverse registration channels and encourage submissions of CG (computer graphics) artworks, giving children of all ages more ways to express their creativity.

8. **TOYOTA Technical Education Program (T-TEP)**

Donation of High-tech Educational Materials from TMC

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 33 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$69.25 million, a reflection of our commitment to develop skilled technicians for the automotive industry.

Technical Exchange and Sharing between Industry and Academia

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 33 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.

9. **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 2025, the 6th "Short Film Contest - LEXUS My Film" attracted a record-high 2,575 submissions. The themes were diverse, including "I Voice for Society," encouraging creators to act on the beliefs and issues they support; "I Challenge to Break Through," inviting participants to step beyond their limits and document their courage; and "I Explore Life," which gathered the young generation to capture diverse perceptions and experiences in daily life. The contest encouraged participants to express self-exploration and social reflections through images, showcasing new values of cross-generational and cross-disciplinary diversity.

10. **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 becoming the title sponsor for the first time of the "Spartan Race" in 2025, deeply engaging with fitness enthusiasts. It continues to sponsor the Taiwan Professional Basketball League's New Taipei CTBC DEA, partnering to promote basketball. TOYOTA also actively supports various music events, sponsoring major pop music events like the "Hito Music Awards," promoting diverse cultures and building communication bridges across generations.

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

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 six consecutive years, LEXUS partnered with Taipei City government and VOGUE in sponsoring the annual fashion event 2025 Taipei Fashion Week x VOGUE Fashion Romantasy, empowering a new generation of Taiwanese fashion designers. In 2025, a new theme titled "LEXUS Little Smart Car Creator" combines programming, hands-on projects, and vehicle safety technology simulations. Utilizing the micro:bit microcontroller developed by the BBC and widely used globally, along with Lexus-exclusive educational materials, the program guides participants to learn through play and action, building their own smart little passenger cars from scratch. This project embodies the spirit and value of STEAM education. 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.

11.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 2025, we have organized 134 rounds of TOYOTA Environment Month activities, with over 49,000 participants.

12.TOYOTA - Toy Sharing

In 2016, 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 2025, an accumulated total of over 535 metric tons of toys were recycled through the program, the equivalent of the carbon absorption of 137,871 trees in one year. Over 340,000 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$1.96 million in registration fees collected from our events between 2018 and 2025 has been entirely donated to the Eden Social Welfare Foundation, which continues to inspire positive changes in society.

13.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 2025, a total of 1 million trees have been planted, creating a green barrier across 19 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 2025, the "One Car, One Tree" campaign successfully reached its goal of 1 million trees planted. Cheerleader He Yu served as the Tree-Planting Ambassador, joining over a hundred TOYOTA owners and community members to plant nearly 2,000 trees along the coast. This year's planting focused primarily on the native species Chinese Banyan. 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.

Promoted Items	Implementation Status			Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	

14.Taiwan Wildlife Conservation Program

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. In 2025, the "Taiwan Wildlife Conservation Program" reached its five-year milestone by collaborating with a renowned illustrator to launch an animated feature on leopard cat conservation. The animation uses an edutainment approach to raise public awareness about protecting native leopard cats and has accumulated over 15 million views across YouTube, Instagram, and Facebook. Since 2021, Hotai has sponsored Biodiversity Research Institute's efforts to systematically train and release 14 leopard cats back into the wild, four of which are females that have successfully reproduced in their natural habitat. To ensure the safe movement of leopard cats, Hotai Group collaborated with Biodiversity Research Institute, Carmax, and Garmin to develop the TOYOTA Drive+ Connect "Wildlife Crossing Alert" navigation feature. This system consolidates over 100,000 data points from the Freeway Bureau, national parks, and private conservation groups, providing drivers with automatic audio and text alerts when approaching high-risk wildlife crossing areas. In 2025, the system was updated to feature leopard cats prominently on navigation displays, highlighting the focus on their conservation. Over 227,000 drivers are now participating in the protection of Taiwan's leopard cats and other precious wildlife. Additionally, three vehicles were donated for wildlife protection: the Hotai No. 15 – TOYOTA RAV4 4WD in 2022 and the Hotai No. 16 – TOYOTA COROLLA CROSS HYBRID in 2023, aiding wildlife rescue and mobile conservation education efforts. In 2024, collaboration with Taipei Zoo was added, donating the Hotai No. 17 – TOYOTA COROLLA CROSS to support native species rescue, post-release monitoring, and conservation education. The three conservation vehicles have accumulated more than 1,000 deployment trips. Hotai also co-organized the special exhibition "Safe Journey Home – Conservation in Action" with TBRI, which has attracted nearly 50,000 visitors to date. The exhibition raises awareness about preventing wildlife roadkill, helping 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.

15.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 96 beach cleanups nationwide, with over 64,000 participants. In 2025, Hotai Group continued its commitment to environmental public welfare by organizing beach cleanup events for the seventh consecutive year, with participation from affiliated companies and dealerships across Taiwan. The beach cleanup activities were held at 16 locations across Taiwan, removing 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, junior high schools, and high schools nationwide—fostering environmental awareness from a young age and working toward a cleaner, more sustainable Taiwan.

(V) II. Climate-related Data and Disclosures of the Company.

1. Implementation Status of Climate-related Actions

<table>
<tr><th>Items</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>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 the actions and performance of the merged companies in terms of economic, environmental, and social aspects, and to integrate various ESG issues into daily operations, the Sustainable Development Committee has established a Sustainability Working Group. The group consists of three executive units—the Environmental Protection Lead Office, Social Engagement Lead Office, and Corporate Governance Lead Office—which are responsible for formulating and executing ESG project policies and consolidating the performance outcomes for reporting to the Sustainable Development Committee. Members of the Sustainability Working Group include the Environmental Protection Lead Office, Social Engagement Lead Office, and Corporate Governance Lead Office. 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.</td></tr>
<tr><td>2. Describe how the identified climate-related risks and opportunities affect the entity's business, strategy, and finances (short, medium, and long term)</td><td>Climate risks
<table>
<tr><th>Risk Level</th><th>Risk Description</th><th>Location</th><th>Time</th><th>Impact</th><th>Financial Impact</th><th>Management Approach</th></tr>
<tr><td>High</td><td>Demand for low-carbon products and services</td><td>Downstream clients</td><td>Mid-term</td><td>As environmental awareness rises, older models fail to meet market demands for performance and sustainability.</td><td rowspan="3">Increased operational costs (e.g., need to introduce more eco-friendly products).</td><td rowspan="3">Monitor market demand, changes in customer behavior and preferences, and negotiate with the parent company to introduce more energy-efficient, low-carbon emission models.</td></tr>
<tr><td>High</td><td>Changes in customer preferences</td><td>Downstream clients</td><td>Mid-term</td><td>As sustainability awareness rises, customers will increasingly consider low-energy or low-carbon vehicles when purchasing cars.</td></tr>
<tr><td>High</td><td>Changes in customer behaviors</td><td>Downstream clients</td><td>Mid-term</td><td>As sustainability awareness grows, customers will begin to reject fuel-powered vehicles when purchasing cars.</td></tr>
<tr><td>High</td><td>Product efficiency regulations and standards</td><td>Upstream suppliers</td><td>Mid-term</td><td>Failure to meet standards will prevent the vehicle from being sold.</td><td>Increased operating costs (e.g., regulatory compliance or management fees).</td><td>Monitor regulations and communicate with the parent company to introduce compliant products.</td></tr>
<tr><td>Medium</td><td>Tropical cyclone</td><td>Upstream suppliers the Company</td><td>Short-term</td><td>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</td><td>Increased operational costs (e.g., need for more parts inventory and production line disruptions due to natural disasters).</td><td>1. Track typhoon movements and ensure effective preparation.
2. Assess storm impacts on deliveries, personnel, and assets; provide</td></tr>
</table>
</td></tr>
</table>

Items	Implementation Status

				absences, impacting workforce allocation.		support and repairs as needed. 3. Comply with regulatory requirements as mandated by authorities.

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.

Items	Implementation Status
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.
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."

Items	Implementation Status
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 for the merged companies are expected to significantly strengthen starting from 2026, along with an increase in associated transformation costs and investment in equipment. A related transformation timeline and plan will be established, and regular updates will be provided 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 physical and transition risks.	In response to Toyota's global 2050 net-zero emission and six major environmental challenges, The Company aligns with Toyota Japan's Science-Based Targets Initiative (SBTi) under the 1.5°C scenario and will gradually advance through large-scale electrification, operational efficiency improvements, and renewable energy deployment.
7. If internal carbon pricing is used as a planning tool, please explain the basis for determining the price.	To achieve the merged companies' annual target of reducing carbon emissions by 5% compared to the base year (2025) and a 25% reduction by 2030, based on Scope 1 and Scope 2, and to enhance energy use efficiency across departments and improve internal carbon reduction incentives, The Company, referencing the Ministry of Environment's "Carbon Fee Charging Method," international carbon pricing trends, and the costs of relevant carbon reduction initiatives, has set an internal carbon price of NT$3,135 per ton of CO_2e for 2025. Starting from 2026, The Company will collect carbon fees from regional management units that fail to meet the annual carbon reduction targets, based on internal carbon pricing, and allocate these fees towards investing in carbon reduction equipment or renewable energy procurement.

Items	Implementation Status
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.	The Company originally followed TOYOTA Asia-Pacific's carbon neutrality goals, using 2019 as the baseline year, with an annual reduction of 3% in carbon emissions and 1% in water usage and waste. By 2025, carbon emissions need to be reduced by 18% compared to the 2019 baseline, and water usage and waste need to be reduced by 6%. (2025 The Company's actual performance: Carbon emissions reduced by 7.3% compared to the 2019 baseline year, water usage reduced by 39.8%, and general waste reduced by 46.8%) Greenhouse Gas Emissions Starting in 2025, in compliance with regulatory requirements, Scope 1 and Scope 2 greenhouse gas emissions, including those of subsidiaries in the consolidated financial statements, will be compiled based on the operational control approach. The Year 2025 will serve as the baseline year for carbon reduction for the consolidated companies. Beginning in 2026, carbon emissions will be reduced by 5% annually, with a 25% reduction targeted by the Year 2030 compared to the baseline year. At this stage, the merged Companies do not use carbon offsets or Renewable Energy Certificates (RECs) as a means of carbon reduction, but prioritize internal energy savings and the installation of self-sufficient solar power systems to reduce carbon emissions. The Company's greenhouse gas reduction targets include the seven greenhouse gases covered by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). The Company uses total emissions to calculate the total amount of greenhouse gases and does not use industry decarbonization methods. Water usage, general waste The Company's primary model is office-based, and water usage and general waste will temporarily be maintained with 2019 as the baseline year, decreasing by 1% annually. In the 2026 Year, the target is to reduce water usage and general waste by 7% compared to the baseline year.
9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (to be filled in sections 1-1 and 1-2).	Please see the following Description.

1-1 Greenhouse Gas Inventory and Verification for the Last Two Years

Company Basic Information	According to the regulations of the Sustainable Development Roadmap for listed companies, at a minimum, the following should be disclosed:
☐ 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	■ Parent Company Individual Inventory ■ Inventory of Subsidiaries in the Consolidated Financial Report ☐ Parent Company Individual Verification ☐ Verification of Subsidiaries in the Consolidated Financial Report

1-1.1 Greenhouse Gas Inventory Information

Year 2025 Greenhouse Gas Inventory Results		2025		2024	
		Emissions (metric tons of CO_2e)	Emissions Intensity (metric tons of CO_2e per NTD million of revenue)	Emissions (metric tons of CO_2e)	Emissions Intensity (metric tons of CO_2e per NTD million of revenue)
The Company	Scope 1 direct greenhouse gas emissions	322.426	0.0020	235.243	0.0015
	Scope 2 indirect greenhouse gas emissions	1,172.724	0.0073	1,283.123	0.0080
	Subtotal	1,495.150	0.0093	1,518.366	0.0095
Inventory of Subsidiaries in the Consolidated Financial Report	Scope 1 direct greenhouse gas emissions	7,948.867	0.0684	-	-
	Scope 2 indirect greenhouse gas emissions	14,623.138	0.1258	-	-
	Subtotal	22,572.005	0.1942	-	-
Total		24,067.155	0.0870	-	-
The Company	Scope 3	20,330.304	0.1268		
Inventory of Subsidiaries in the Consolidated Financial Report		40,085.636	0.3449	-	-
Total		60,415.940	0.2184	-	-

1-2 Greenhouse gas reduction targets, strategies, and specific action plans.

State the baseline year and data for greenhouse gas reduction, the reduction targets, strategies, and specific action plans, as well as the achievement of the reduction targets.

According to the regulations of the Sustainable Development Roadmap for listed companies, at a minimum, the following should be disclosed:

1. The Parent Company Individual Inventory should commence from 2025.
2. Inventory of Subsidiaries in the Consolidated Financial Report should commence from 2026.

(1) The merged Companies establish a greenhouse gas inventory mechanism in accordance with the ISO 14064-1 greenhouse gas inventory standards published by the International Organization for Standardization (ISO). Starting in 2026, the greenhouse gas emissions of The Company and its subsidiaries in the consolidated financial report will be regularly inventoried annually to fully understand the usage and emission status of greenhouse gases, and to verify the effectiveness of reduction measures. In addition, the Year 2025 greenhouse gas inventory data is aggregated based on the operational control approach, including the greenhouse gas emissions of The Company and all subsidiaries in the consolidated financial report. Please refer to 1-1.

(2) The Company uses the operational control approach to calculate the emissions of joint ventures and affiliated companies. The Company chooses this measurement approach because it accurately reflects the actual operational control situation of The Company and ensures that the greenhouse gas emission data comprehensively and consistently reflect the true operational impact of the company. This allows users to fully understand the performance related to climate-related risks and opportunities.

In addition, regarding the quantification method of greenhouse gas emissions, The Company uses the emission factor method for measurement. This method calculates greenhouse gas emissions using activity data, emission factors, and global warming potential (GWP) rates as assumptions and input values. Among them, the emission factors for various emission sources are sourced from the "Greenhouse Gas Emission Factors" announced by the Ministry of Environment in 2024. For the purchase or use of electricity from public utility companies, the latest power carbon emission factor announced by the Ministry of Economic Affairs during the audit (Year 2024) is used. The global warming potential (GWP) rates are derived from the Intergovernmental Panel on Climate Change (IPCC) Sixth

Assessment Report.

(3) Since the year 2022, the Company has adopted ISO 14064-1:2018 version annually to rigorously calculate Hotai Motor's carbon emissions, in compliance with the current government regulations allowing a choice between ISO 14064-1 and the GHG Protocol. In response to regulatory requirements, it is anticipated that in the year 2027, the calculation of greenhouse gas emissions will transition to using the GHG Protocol and will be disclosed in accordance with sustainability standards.

(4) Starting from 2026, in accordance with regulatory standards, the emission information of other subsidiaries within the consolidated financial statements will be disclosed annually in the annual report and sustainability report. Other investees (including affiliates, joint ventures, and subsidiaries not included in the consolidated financial statements) have difficulty in data collection, and the operational control approach is used for these other investees. It has been determined that The Company does not have control over these investees. In the future, related companies will gradually be required to conduct a greenhouse gas inventory to expand the overall inventory boundary.

(5) The merged companies conduct an inventory of direct and indirect greenhouse gas emissions related to operational activities based on the operational control approach, including the following five gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF_6). Since the merged companies do not engage in industrial processes, the inventory shows that there are no emission sources for perfluorocarbons (PFCs) and nitrogen trifluoride (NF_3).

According to the regulations of the Sustainable Development Roadmap for listed companies, at a minimum, the following should be disclosed:

1. The Parent Company Individual Verification should commence from 2027.
2. Verification of Subsidiaries in the Consolidated Financial Report should commence from 2028.

The Year 2025 consolidated companies' greenhouse gas inventory was self-examined and not verified.

Baseline year and reduction targets for greenhouse gas reduction.

To plan greenhouse gas reduction strategies, the merged companies used the consolidated financial report as the boundary in 2026 to complete the inventory for Year 2025, thereby establishing Year 2025 as the baseline year. The Scope 1 and Scope 2 emissions were 8,271.293 tons CO_2e and 15,795.862 tons CO_2e, respectively. Through the following concrete actions, we aim to further achieve a 5% reduction in the Year 2026 compared to the baseline year and reduce at least 5% annually from the baseline year onwards to meet the 25% reduction target by the Year 2030.

Greenhouse gas reduction strategies and specific action plans.

To achieve the Group's carbon reduction goals, the merged companies will gradually implement net zero emissions based on the following strategies and action plans.

All employees shall implement energy saving - Energy reports are regularly released internally, and through the collective efforts of all employees to promote energy conservation and carbon reduction, The Company utilizes an internal carbon pricing mechanism to encourage employees to minimize unnecessary energy consumption, starting from daily activities.

Improving energy efficiency - Companies accelerate the phasing out of high-energy-consuming electronic products (such as air conditioners and household appliances), install energy-saving devices (such as LED/sensor lighting), and replace government vehicles with purely electric/hybrid models to enhance energy use efficiency.

Clean energy introduction - set up self-sufficient solar power plants to reduce carbon emissions from electricity use and enhance roof insulation, complemented by the purchase of green electricity, to gradually transition to using clean energy.

Environmental Energy-Saving Education - Conduct group environmental education so that management, execution teams, and all employees can grasp changes in environmental trends. Encourage colleagues to collaboratively come up with innovative energy-saving plans and extend successful cases to merged companies and distributors.

(VI) 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) 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.

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 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.
(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: (I) Incorporate business ethics and moral values into the Company's operational strategies and adopt relevant preventive measures according to applicable laws and regulations; (II) Prepare plans to prevent unethical behaviors and adopt standard operating procedures and code of conduct related to job functions under each plan; (III) Design the internal organization, system, and management, having a mutual accountability mechanism for business activities that are more susceptible to unethical behaviors; (IV) Promote and coordinate ethical policy education and training; (V) Adopt whistleblowing system to ensure effectiveness; and (VI) 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 2025 include the	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" regulations.

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
			following: (1) We organized Business Ethics Education for senior executives across the group, with 68 participants. (2) We provided Workplace Ethics Training for new employees, with 31 participants. (3) We conducted the "Annual Compliance Guide Training" for all employees, with 562 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.	
(III) Has the Company established and implemented policies to prevent conflicts of interest and provided appropriate communication channels?	V		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 takes into account 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 management principles.	Complies with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" regulations.

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
(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 2025, we organized Business Ethics Education for senior executives across the group, with 68 participants. 2. In 2025, we provided Workplace Ethics Training for new employees, with 31 participants. 3. We conducted the "Annual Compliance Guide Training" for all employees, with 562 participants in 2025.	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) Has the Company established standard operating procedures and confidentiality measures for the investigation of reported incidents and follow-up measure 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		Our 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.
IV. 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.

Items	Operation Status			Differences and Reasons Compared to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary Explanation	
V. 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.				
VI. 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.				

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

(VIII) 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): 2025
Company Code or Abbreviation (From): 2207
Company Code or Abbreviation (To): 2207

1. Internal Control Statement
https://mopsov.twse.com.tw/nas/cont06/c2207114011150311.pdf

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, 2025, 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, 2025, 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 11, 2026, with 14 directors present at the meeting.

Hotai Motor Co., Ltd.
Chairman: Huang, Nan-Kuang
President: Su, Chwen-Shing

March 11, 2026

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.

(IX) 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 2025 Annual General Meeting of the Shareholders:

Meeting Date	Resolutions Approved and Discussed	Implementation Status
June 13, 2025.	Approval of the 2024 Business Report and Financial Statements	–
	Approval of the Proposal for Earnings Distribution for 2024	1. A cash dividend of NT$20 per share was distributed. 2. The ex-dividend date was July 8, 2025. The cash dividend was paid on July 24, 2025.
	Approval of the Amendments to the Articles of Incorporation	The amendments to the Articles of Incorporation have been implemented as per the revised procedures.
	Amendments to the Procedures for Engaging in Derivative Products Transaction	The amendments to the Articles of Incorporation have been implemented as per the revised procedures.
	Election of directors	The term of newly elected directors (22nd term) is from June 13, 2025, to June 12, 2028.
	Approval of the Proposal to Lift the Non-Compete Restrictions on Directors	–

2. Major Resolutions of the Board Meetings in Year 2025 and as of the Publication Date of this Annual Report:

Date	Session	Key Discussion Topics
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 director remuneration for 2024 by the Remuneration Committee Proposal 4: Review of directors' remuneration starting from the 22nd term Proposal 5: Election of directors 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
Apr. 17, 2025	21st Term, 25th Meeting	Proposal 1: Amendments to the Articles of Incorporation Proposal 2: Nomination and Review of Director Candidates
May 13, 2025	21st Term, 26th Meeting	Proposal 1: Amendment to the internal control system Proposal 2: 2024 performance bonuses for executives and employee compensation Proposal 3: Approval of the Proposal to Lift the Non-Compete Restrictions on Directors Proposal 4: Consolidated financial statements for Q1 2025 Proposal 5: Investment in Listed Company Shares on the Taiwan Stock Exchange ("TWSE")

Date	Session	Key Discussion Topics
Jun. 13, 2025	22nd Term, 1st Meeting	Proposal 1: Election of Chairman Proposal 2: Election of Vice Chairman
Jun. 23, 2025	22nd Term, 2nd Meeting	Proposal 1: Organizational restructuring Proposal 2: Personnel Promotion Proposal 3: Appointment of execution consultant Proposal 4: Appointment of Corporate Governance Officer Proposal 5: Appointment of chief audit officer Proposal 6: Appointment of Members to the Remuneration Committee Proposal 7: Appointment of Human Resources Development Committee Member, Hotai Motor Co., Ltd. Proposal 8: Appointment of Members to the Sustainable Development Committee Proposal 9: Review of the 2025 revised budget
Aug. 12, 2025	22nd Term, 3rd Meeting	Proposal 1: 2024 sustainability report Proposal 2: Year 2025 salary adjustment for executive officers and all employees Proposal 2: Consolidated financial statements for Q3 2025 Proposal 4: Endorsement and guarantee of obligations for Hotai Auto Body Sales Co., Ltd. in 2025
Sep. 25, 2025	22nd Term, 4th Meeting	Proposal 1: Participation in the cash capital increase of Xu Dian Chi Ke Yan Co., Ltd. Proposal 2: Appointment of chief accounting officer
Nov. 12, 2025	22nd Term, 5th Meeting	Proposal 1: 2026 annual audit plan Proposal 2: Amendments to the Corporate Governance Best Practice Principles Proposal 3: Consolidated financial statements for Q3 2025 Proposal 4: Assessment of the independence of the Company’s external auditors Proposal 5: Appointment of PricewaterhouseCoopers (PwC) for 2026 audit services and the associated fees Proposal 6: Authorization of Retained "Seal Specimen" for Correspondent Financial Institutions
Dec. 18, 2025	22nd Term, 6th Meeting	Proposal 1: 2026 budget review Discussion on the proposal to acquire 80% equity in five Japanese companies. Discussion on the proposed acquisition of real estate in Japan and authorizing the Chairman to initiate negotiations for the real estate purchase. Proposal 4: Plan to Establish a Management Company in Japan (Hotai Japan Corporation) Proposal 5: Organizational restructuring (including changes in personnel at Chief Officer level and above) Proposal 6: Appointment of managers Proposal 7: Definition of the Scope for Entry-Level Employees in the Articles of Incorporation Proposal 8: Personnel system adjustment Proposal 9: Amendments to the Sustainable Development Best Practice Principles Proposal 10: Amendments of the operating procedures for preparing and filing the sustainability report
Jan. 29, 2026	22nd Term, 7th Meeting	Proposal 1: Amendments to the organizational charter Proposal 2: Amendments to the appointment guidelines for consultants Proposal 3: Bank credit line of the Company in 2026 Proposal 4: Replacement of Certified Public Accountants for the 2026 Financial Report Proposal 5: Adjustment of fees for the appointment of PricewaterhouseCoopers (PwC) for 2026 audit services

Date	Session	Key Discussion Topics
		Proposal 6: The subsidiary Hozan Investment Co., Ltd. waives the preemption rights to subscribe to new shares in the cash capital increase issued by He Yun Rental Car Co., Ltd.
Mar. 11, 2026	22nd term of the Board of Directors at the 8th meeting	Proposal 1: Internal control system declaration for 2025 Proposal 2: Amendment to the internal control system Proposal 3: Review of director remuneration for Year 2025 by the Remuneration Committee Proposal 4: Review of employee remuneration for Year 2025 by the Remuneration Committee Proposal 5: Approval of the Proposal to Lift the Non-Compete Restrictions on Directors Proposal 6: 2026 annual shareholders' meeting date Proposal 7: 2025 business report and financial statements Proposal 8: 2025 profit distribution Proposal 9: Amendments to Procedures for Lending Funds to Others. Proposal 10: Endorsement and guarantee limit for five distributors in Japan in 2026 Proposal 11: Review of the next-term exclusive distributorship agreements for HINO

(X) 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.

IV. Certified Public Accountant Audit Fees

(I) Information on Audit Fees

Accounting Firm	Auditor Names	Audit Period	Audit Fee	Non-audit Fee	Total	Note
Pricewaterhouse Coopers Taiwan	Hsiao, Chun-Yuan Hsu, Sheng-Chung	From January 1, 2025, to December 31, 2025.	10,660	8,939	19,599	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).

(II) 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.

(III) 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)

(I) Predecessor Auditor

Date of change	January 29, 2026
Reasons for the change of auditors	Due to internal business adjustments within the firm, the auditing and certification accountants have changed from Hsiao, Chun-Yuan and Hsu, Sheng-Chung to Wang, Fang-Yu and Hsu, Sheng-Chung.
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) Successor Auditor

Accounting Firm	PricewaterhouseCoopers Taiwan
Auditor Names	Wang, Fang-Yu and Hsu, Sheng-Chung
Date of appointment	January 29, 2026
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

(III) 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.

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	2025		As of Mar. 31, 2026	
		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	95,000	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.	9,000	0	31,000	0
Corporate Director	Gui Long Investment Co., Ltd.	0	0	0	0
Corporate Director	Toyota Motor Corporation	0	0	11,323,558	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
Vice Chairman / President	Su, Chwen-Shing	0	0	0	0
Director	Soo, Leon	0	0	0	0
Director	Ko, Junn-Yuan	10,000	0	25,000	0
Director	Chang, Shih-Yieng	0	0	0	0
Director / Executive Vice President	Kazuo Naganuma (Note 2)	0	0	-	-
	Masayuki Sawada (Note 2)	-	-	0	0
Independent Director	Su, Chin-Huo	0	0	0	0
Independent Director	Li, Chao-Sen (Note 3)	0	0	-	-
Independent Director	Wu, Shih-Hao (Note 3)	0	0	-	-
Independent Director	Tian, Tian-Ming (Note 4)	0	0	0	0
Independent Director	Xiao, Jin-Quan (Note 4)	0	0	0	0
Chief Officer (Note 1)	Chen, Chien-Chou	0	0	0	0
Chief Officer (Note 1)	Huang, Ming-Hsien	0	0	0	0
Chief Officer (Note 1)	Fred Hsieh (Note 5)	0	0	0	0
Chief Officer (Note 1)	Wu, Chia-Yen	0	0	0	0
Chief Officer (Note 1)	Liu, Chuan-Hung	0	0	0	0
Chief Officer (Note 1)	Wu, Pin-Tsung	0	0	0	0
Chief Officer (Note 1)	Kazuo Naganuma (Note 5)	-	-	0	0
Chief Officer (Note 1)	Liu, Sung-Shan	0	0	0	0
Chief Officer (Note 1)	Yeh, Chia-Han	0	0	0	0
Chief Officer (Note 1)	Wang, Shih-Hao	0	0	0	0
Chief Officer (Note 1)	Lai, Kuang-Hsiung	0	0	0	0
Chief Officer (Note 1)	Lai, Chih-Wei	0	0	0	0
Chief Officer (Note 1)	Lu, Li-Yin	0	0	0	0
Chief Officer (Note 1)	Weng, Ming-Lun	0	0	0	0
Chief Officer (Note 1)	Han, Chih-Kang	0	0	0	0
Director	Kei Mizuguchi	0	0	0	0
Director	Huang, I-Jun	0	0	0	0
Director	Yu, Chun-Chien	0	0	0	0
Director	Chang, Chia-Jung (Note 5)	0	0	0	0
Director	Liu, Gao-Rong (Note 5)	0	0	0	0
Director	Lin, Yu-Chang (Note 5)	0	0	0	0
Corporate Governance Officer	Tai, Heng-Hu (Note 5)	0	0	-	-
Corporate Governance Officer	Wang, Hui-Min (Note 5)	0	0	0	0
Financial Officer/Accounting Officer	Chen, Ting-Ju (Note 5)	0	0	0	0
Accounting Officer	Chi, Kuan-Nien (Note 5)	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: The Company has adjusted its position and salary system starting from January 1, 2026.

Note 2: The corporate representative of Toyota Motor Corporation was reassigned from Kazuo Naganuma to Masayuki Sawada on January 1, 2026.

Note 3: The director's term ended and a re-election took place, so they were dismissed after the re-election on June 13, 2025.

Note 4: The director's term ended and a re-election took place, so they were newly appointed after the re-election on June 13, 2025.

Note 5: Chief Officer Fred Hsieh retired on March 31, 2026; Chief Officer Kazuo Naganuma assumed office on January 12, 2026; Directors Chang, Chia-Jung / Liu, Gao-Rong / Lin, Yu-Chang took office on July 1, 2025.

Corporate Governance Officer Tai, Heng-Hu retired on June 6, 2025; Corporate Governance Officer Wang, Hui-Min assumed office on July 1, 2025.

The Accounting Officer Chen, Ting-Ju assumed office on September 25, 2025; the Accounting Officer Chi, Kuan-Nien resigned on September 20, 2025.

VIII. Relationship among Top 10 Shareholders

March 29, 2026

Name	Personal shareholding		Spouse & minor children shareholding		Nominee shareholding		Top 10 shareholders – related parties / relatives		Note
	No. of Shares	% (Note 1)	No. of Shares	%	No. of Shares	%	Name	Relationship	
Toyota Motor Corporation Representative: Sato Koji (Note 2)	56,617,792	10.16%	0	0	0	0	–	N/A	
Hoyu Investment Co., Ltd. Representative: Lin, Li-Hua	49,234,677	8.83%	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, Shih-Yieng	17,347,207	3.11%	0	0	0	0	–	N/A	
Yuan Tuo Investment Co., Ltd. Representative: Ko, Junn-Yuan	15,017,744	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 1: Note: Shareholding percentages are rounded down to the nearest whole number.

Note 2: From April 1, 2026, the representative of Toyota Motor Corporation was changed to Kenta Kon.

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

Unit: NT$; US$; Share; %

March 29, 2026

Investee Companies (Note)	Investment by the Company		Investments by Directors, Officers, or Controlled Entities		Total Investment	
	Shares / Amount	Percentage	Shares / Amount	Percentage	Shares / Amount	Percentage
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%	199,976,342	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.	51,929,840	100.00%	0	0	51,929,840	100.00%
Kuotu Motor Co., Ltd.	17,553,761	20.18%	0	0	17,553,761	20.18%
Tau Miau 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	5,428,025	100.00%	0	0	5,428,025	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.

Chapter III. Capital Overview

I. Capital and Shares

(I) 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 Aug. 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 capital surplus: 643,560,260	N/A	Approved by Securities Management Commission, (85) Tai-Tsai-Zheng (1) No. 53446 letter dated Aug. 30, 1996.

Date	Issue Price (NT$)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of Capital (NT$)	Non-cash Contribution	Others
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:

Type of Stock	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.

(II) List of Major Shareholders

Book Closure Date: March 29, 2026

Shares / Major Shareholders	Shares Held	Shareholding Percentage (Rounded Down)
Toyota Motor Corporation	56,617,792	10.16%
Hoyu Investment Co., Ltd.	49,234,677	8.83%
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%

Major Shareholders \ Shares	Shares Held	Shareholding Percentage (Rounded Down)
Shen Rong Investment Co., Ltd.	17,347,207	3.11%
Yuan Tuo Investment Co., Ltd.	15,017,744	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%

(III) 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 Company's 2025 profit was resolved on March 11, 2026, by the 22nd term of the Board of Directors at the 8th meeting to approve a dividend of NT$20 per share, and a total of NT$11,142,055,360 in cash dividends will be paid to shareholders, which will be reported to the shareholders' meeting on May 27, 2026.

(IV) 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.

(V) 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 Year 2025 are 1% and 2%, respectively, of the Company's annual profit.
3. Proposed Distribution of Employee Remuneration by the Board of Directors:
   (1) Amounts of employee remuneration distributed in cash or stocks and directors' remuneration:
   On March 11, 2026, the 22nd term of the Board of Directors at the 8th meeting made the decision to distribute the employee remuneration in the amount of NT$224,420,160 and the directors' remuneration in the amount of NT$448,840,319 for Year 2025. Of which, employee remuneration will be distributed in the form of cash.
   (2) 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$222,925,834 in employee remuneration and NT$445,851,666 in directors' remuneration for fiscal year 2024, made in Year 2025, was consistent with the resolution approved by the Board of Directors and was fully implemented as resolved.

(VI) Repurchase of Shares: The Company did not repurchase any of its own shares.

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.

Chapter IV. Operational Highlights

Chapter IV. Operational Highlights

I. Business Activities

(I) Scope of Business

1. Main Business Activities:
   (1) Manufacturing, assembling and sales of all types of vehicles (including chassis and car body) and parts, as well as export and import business
   (2) Manufacturing and maintenance of special vehicles (e.g., trailers, garbage trucks, vacuum trucks, cranes, concrete mixing transport trucks, and tanker trucks)
   (3) 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
   (4) Car repair and maintenance
   (5) Leasing business.
   (6) Property Insurance Business.

2. Revenue Breakdown by Product

Product Category	Amount (NT$ in thousands)	Percentage (%)
TOYOTA and HINO Distribution	155,431,434	55.00
Installment Business	18,874,732	6.68
Leasing Business	33,926,258	12.01
Property Insurance Business	12,439,061	4.40
Overseas Vehicle Dealerships	20,664,014	7.31
Others	41,273,475	14.60
Total	282,608,974	100.00

3. Product Categories and Products in Development

(1). Current models and series

<table>
<tr><th colspan="3">Product Category</th><th>Product Type</th></tr>
<tr><td rowspan="4">General Vehicles</td><td rowspan="2">Passenger Cars</td><td>LEXUS Luxury Vehicles</td><td>Imported Cars: LS, ES, IS, RX, NX, UX, LC, RC F, LM, RZ, LBX</td></tr>
<tr><td>TOYOTA Passenger Cars and Light Commercial Vehicles</td><td>Imported Passenger Cars: RAV4 (including HEV), CAMRY (including HEV), ALPHARD HEV (including PHEV), SIENNA HEV, PRIUS PHEV, COROLLA SPORT, HILUX, LAND CRUISER, GR 86, GR SUPRA, GR YARIS, bZ4X, CROWN HEV, URBAN CRUISER
Domestic Passenger Cars: COROLLA CROSS (including HEV), ALTIS (including HEV), VIOS, YARiS CROSS
Domestic Light Commercial Vehicles: TOWN ACE (PU, VAN)</td></tr>
<tr><td rowspan="2">Commercial Vehicles</td><td>TOYOTA Commercial Vehicles</td><td>Imported Models: COASTER (diesel mid-size bus), Hydrogen Bus, GRANVIA, HIACE</td></tr>
<tr><td>HINO Commercial Vehicles</td><td>Locally Manufactured Models: Diesel Buses, Heavy Duty Trucks, Light Duty Trucks</td></tr>
<tr><td colspan="3">Leasing Business</td><td>Leasing services for TOYOTA, LEXUS, HINO, and other brands</td></tr>
<tr><td colspan="3">Installment Business</td><td>Vehicle installment financing services for TOYOTA, LEXUS, HINO, and other brands, equipment installment, merchandise installment.</td></tr>
<tr><td colspan="3">General Insurance Services</td><td>Fire Insurance, Auto/Motorcycle Insurance, Cargo Insurance, Construction Insurance, Liability Insurance, Personal accident, Health Insurance etc.</td></tr>
<tr><td colspan="3">Air Conditioning</td><td>Air conditioning made by DENSO for passenger cars and trucks</td></tr>
<tr><td colspan="3">Parts and Accessories</td><td>Components and accessories for the above vehicles models and series</td></tr>
</table>

(2). New products in development

- TOYOTA: continue to introduce new models of energy-efficient models.
- LEXUS: Launches brand's high-performance sports car LC Final Edition and the all-new redesigned ES hybrid and electric vehicles.
- 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.
- Business of Property Insurance: In response to global economic and environmental trends, in alignment with government policies and the burgeoning green energy industry, the property insurance sector continues to develop various green policies, offering the most suitable insurance solutions, utilizing financial technology, and optimizing operational models.

(II) Industry Overview

1. Current Status and Future Development

In 2025, the global trade environment experienced significant fluctuations due to the United States' tariff policies. However, Taiwan benefited from the effect of companies stocking up in advance and the development of AI technology innovation applications, mitigating the economic impact of high tariffs. The annual economic growth reached 8.68%, increased by 3.41% compared with 2024. Although the automobile market experienced a strong wait-and-see sentiment due to unclear import tariff policies, in September, the government announced reductions in new vehicle commodity taxes and extended subsidies for the replacement policy. Along with the promotions from various brands, the final total number of registered vehicles for the whole year was 414,436 units, 91% compared to last 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 54.7% 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	160,146	42,898	23,569	22,893	19,017	17,278
Market Share	38.6%	10.4%	5.7%	5.5%	4.6%	4.2%

2. Relationship with Upstream, Midstream and Downstream Companies

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 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 50.2% in 2025. 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 58.2% of total vehicle sales in 2025. TOYOTA COROLLA CROSS became a bestseller among SUVs and domestic vehicles, while RAV4 remained the bestselling import vehicle for the 18th consecutive year.

Amidst the transformation of global automotive industry and rapid market shifts, The Company 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".

(III) 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, 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 2025, 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 manufacturing, research and development are the responsibilities of Toyota Motor Corporation and Kuozui Motors.

(IV) "Long-term and Short-term Business Development Plans

<u>Long-term Business Development Plan</u>

1. Corporate Vision:

   「**think Amazing, do Amazing**」

2. Mid-to-Long-Term Strategies:

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

Short-term Business Development Plan - Prudent Breakthrough, Fearless of Challenges

1. Adapt to changes flexibly and maintain market leadership.

<table>
<tr><th></th><th>TOYOTA</th><th>LEXUS</th><th>Commercial Vehicles</th></tr>
<tr><td>Vehicles</td><td>Leading the change, taking full control.</td><td rowspan="2">Intelligently driving a new era, leading the future.</td><td rowspan="2">Leading Industry Standards
Create the ideal preferred brand</td></tr>
<tr><td>Service</td><td>Digital services further evolved
Further Breakthrough in After-Sales Revenue</td></tr>
</table>

2. Expand the Profit Landscape, Strengthen Operational Resilience

- Hotai Finance: Persistently promoting diversified strategies, enhancing risk management, seeking stable progression, AI transformation to reduce costs and increase efficiency.
- ˙Hotai Leasing: Fully expanding the leasing business, comprehensively enhancing operational efficiency, and gearing up for the capital market.
- CharmTai: Enhancing development quality, cultivating international talent, and expanding the global footprint.
- Chang Yuan: Improve service quality, enhance customer retention, and solidify brand leadership.
- Toyota Material Handling Taiwan: Securing core business, driven by warehouse automation and value chain to boost revenue and profit growth.
- Hotong: Facing the intensely competitive automotive market in China with steady operations; enhancing sales and service value, focusing on AI and digital transformation.
- Hotai Insurance: Accelerate the expansion of high-quality insurance products, promote diversification through cross-industry collaboration, and optimize operational models to enhance working efficiency.
- MaaS Business Group: AI empowers the entire team to improve efficiency, enhances the mobility service experience, and expands cross-border travel planning.
- Hotai Body: Leverage the Group's strengths to expand the body business footprint.

3. Reshape Management Thinking, Initiate Intelligent Innovation

- Enhance the internal AI accuracy within the group to precisely respond to both internal and external customer needs, thereby improving efficiency and quality.
- Deepening employees' security awareness, keeping AI protection technology up to date, and building a resilient cybersecurity system.
- Focusing on career development, creating an ideal workplace across generations, and building a high-efficiency organizational team.

- Plan the capital market layout, integrate cross-domain business management systems, and drive further enhancement of the Group's management and operational efficiency.

4. Strengthen the foundation for sustainability and lay out a forward-looking plan.

- Integrate the Group's public welfare projects, implement the Group's carbon reduction goals, and pursue environmentally friendly sustainability together.
- Unite the Group's strategic consensus, advance a diverse business footprint, and map out a forward-looking vision blueprint.

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.

(I) Market Analysis

1. TOYOTA Passenger Vehicles

(1) 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 108 sales outlets operated by 8 major dealers across Taiwan.
Providing customer services through a comprehensive sales network.

(2) Market Share:

In 2025, the number of TOYOTA's registered vehicles is close to 125,000 units, captured a market share of 30.1%, 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 five consecutive years. Our brand has also secured the No. 1 position in the major segments of imported vehicles and sedans.

(3) Future Supply and Demand, Market Growth, Competitive Advantages, Favorable and Unfavorable Factors of Development Prospect:

Favorable Factors

- The continuation of the government's vehicle replacement subsidy and the new vehicle commodity tax exemption policy will help boost the momentum for purchasing new vehicles, supporting the basic demand in the domestic automotive market, particularly benefiting the market for domestic vehicles.
- As the global economy gradually returns to a growth trajectory, inflationary pressures in major countries are easing, and industrial investment and trade activities are recovering. This has facilitated the stable development of domestic exports and related industries, providing a supportive economic environment for bolstering consumer confidence.

Unfavorable Factors

- There are still variables in the international political and economic environment, and the direction of U.S. trade and tariff policies is not yet completely clear, which may affect the stability of the global supply chain and consequently disrupt the import and delivery schedule of vehicles.

- Although there are signs of global inflation easing, interest rates remain relatively high, which may suppress consumers' willingness to purchase cars, particularly impacting those who are more price-sensitive.
- Consumer spending may also be affected by lingering uncertainties surrounding cross-strait political and economic risks, the property market, and credit conditions.

(4) 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	124,907 Units
	Market Share		30.1%
Description	2025 marks the 24th consecutive year as the No. 1 in the automotive market.		

2. LEXUS Passenger Vehicles

(1). 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 LM. A nationwide sales network is established through our 8 dealers and 27 sales branches.

(2). Market Share (as of December 31, 2025):

In 2025, the total number of luxury vehicle registrations was 102,101 units, representing 88.4% of the previous year's total. LEXUS had 28,628 units of vehicle registrations, accounting for 28% of the market share, and sat in first place in the luxury vehicles market.

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

Favorable Factors

- Taiwan's GDP per capita is increasing year by year. According to the Directorate-General of Budget, Accounting and Statistics in 2025, if the annual economic growth maintains at 3% and the exchange rate remains stable, Taiwan's GDP per capita is expected to reach USD 40,000 by 2028. This year, due to factors such as the reciprocal tariff being reduced to 15% and not stacking with the original most-favored-nation tariff rate, economic performance is expected to improve further, thereby increasing the purchasing power in the luxury car market.
- 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

- Supply chain pressures still exist, particularly the shortage of high-end components such as automotive chips, audio-visual equipment, and advanced driver assistance systems, which may affect delivery efficiency.

(4). 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.
- Continue to work closely and communicate with the parent company to monitor the supply of components from suppliers and respond promptly to market demands.

【LEXUS Key Performance Indicators】

LEXUS	Industry Assessment Index	Data Source	Result
Sales	Registrations	Ministry of Transportation and Communications	28,628 Units
	Market Share		28.0%
Description	Ranked No.1 in the luxury car market.		

3. Commercial Vehicles

(1) Main Sales and Supply Region

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

(2) Market Share (as of December 31, 2025):

Since the expiration of the vehicle scrappage incentive policy in 2023, consumer willingness to purchase has become more conservative. Additionally, influenced by global political and economic dynamics, the overall commercial vehicle market has seen insufficient momentum and slowing demand. A total of 17,574 commercial vehicles were registered, representing 99.1% of last year's figure. Our brands registered 6,611 units, achieving a 37.6% market share and securing the No. 1 position in the commercial vehicle market for the fifth consecutive year.

- The overall heavy-duty commercial vehicle registrations totaled 8,992 units, representing 102.1% of last year's figures. Among these, the truck market registered 7,041 units, which was 93.2% of the previous year, while the large bus market benefited from electric bus subsidies, registering 1,951 units, 155.7% from last year. Vehicle registrations under our brands reached 2,724 units, accounting for a 30.3% market share, allowing us to maintain our dominant position in the heavy-duty commercial vehicle market for the 16th consecutive year.

- The overall light-duty commercial vehicle registrations (3.49-ton and 5-ton) reached 8,582 units, which was 96.1% of the volume from the previous year. Vehicle registrations under our brands totaled 3,887 units, accounting for 45.3% of the market share, securing the No. 1 position in this segment.

(3) Favorable and Unfavorable Factors of Future Market Development Prospects:

Favorable Factors

- Strong global demand for AI and semiconductor-related industries is expected to drive growth in exports, industrial activities, investments, the labor market, and household consumption.
- The government's promotion of the "New AI Ten Major Constructions" and the ongoing capital investments by enterprises to maintain competitiveness are expected to drive the construction, engineering, and related industries, thereby boosting the demand for Commercial Vehicles.
- The increasingly stringent safety and environmental regulations by the government are forcing enterprises to shift towards upgraded safety features and new energy vehicles, injecting new momentum into the commercial vehicle market.

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 overall economic growth momentum.
- The labor shortage caused by an aging population and declining birth rates has led businesses to scale back or delay production plans.
- Without the stimulus from the vehicle scrappage incentive policy, consumer willingness to purchase has become more conservative.

(4) Countermeasures:

- Accelerate the introduction of key vehicle models for the mainstream market segments to meet the diverse operational needs of customers.
- Collaborate with existing quality body manufacturers to introduce the "HINO Body Collaboration Mechanism," enhancing the quality of complete vehicles.
- Strengthen safety features across all vehicle models to provide customers with more secure and reliable vehicles.
- Plan HEV or BEV commercial vehicles and vans, positioning for opportunities in the new energy vehicle market in advance.

4. Car Leasing

(1) Service Areas:

Currently, we have 16 business locations to provide long-term leasing, 45 business locations to provide short-term rental, and 1845 iRent locations across the country.

(2) Market Share (as of December 31, 2025):

The new car leasing market totaled 46,779 units (accounting for 11.3% of overall new car sales), with the Company leasing 10,377 units, capturing a 22.2% market share and maintaining the number one position for 24 consecutive years.

(3) Future Supply and Demand and Market Growth:

Looking ahead to 2026, benefiting from the excise tax reduction and sustainable transition trends, the car leasing market demand in Taiwan continues to be on the rise. In 2026, with the new ESG evaluation system of the stock exchange officially implemented, corporate demand has shifted from traditional tax-saving to "low-carbon operations," driving "green mobility" and "leasing instead of buying" to become market mainstream. As the product line of our brand becomes more complete and competitive, it can precisely meet customers' needs for additional purchases and replacements.

The Company will actively deploy a new energy vehicle fleet and fully implement AI-driven intelligent management systems. Through low-carbon, efficient, and flexible mobility solutions, we not only optimize operational performance but also lead the industry into a new era of smart mobility, consistently consolidating our market leadership.

(4) Favorable and Unfavorable Factors of Future Market Development Prospects:

Favorable Factors

- Policy Benefits: The commodity tax reduction offer (commonly known as 5+5), which includes the continuation of the old vehicle replacement policy and additional reductions on the commodity tax for new purchases, along with the new ESG evaluation system, drives the growth of rigid corporate demand.
- Transformation benefits: Building a hybrid electric vehicle (HEV) fleet in response to ESG requirements, aligning more closely with current market demand, and enhancing corporate adoption willingness.

Unfavorable Factors

- The market competition is intense: The long-term, short-term rental and car-sharing markets are highly competitive, squeezing profit margins.
- Market interest rate risk: Interest rates remain high, with limited room for rate cuts in Taiwan, leading to slightly higher operating funding costs.

(5) Countermeasures:

- Expand AI-driven innovation applications, accelerate the integration into management processes, and enhance operational efficiency.
- Cross-industry product and service innovation enhances user experience and reduces price sensitivity.
- Implement after-sales care to enhance customer satisfaction, deepen channel management, and increase penetration and referral rates.
- Continuously monitor financial market interest rate trends, reduce operating costs, and enhance product competitiveness.

5. Installment Business

(1) Service Areas:

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

(2) Market Share (as of December 31, 2025):

The total amount of auto loans approved was NT$90.6 billion, which outperforms competitors and ranks top in the industry.

(3) Future Supply and Demand and Market Growth:

Looking ahead to 2026, Taiwan's economy is expected to maintain steady growth (with an estimated GDP growth rate of 4.14%), 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.

(4) 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.
- Funding costs remain high.

(5) 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. General Insurance Services

(1) Service Region: Services are provided through 5 subsidiaries, 24 service locations, and 2 satellite offices in Taiwan.

(2) Market Forecast:

In 2025, as competition between the US and China intensified, changes in geopolitical risk and the reorganization of global supply chains led companies to resume investments with considerations such as cost reduction, tariff concessions, and multi-national strategic distribution to mitigate risks. This increased growth in property, liability, and engineering-related insurance categories. In 2024, the overall written premiums in Taiwan's non-life insurance industry increased by 10.9% compared to 2023, with a net profit after tax of NT$22.14 billion. In the past two years, the non-life insurance industry has refocused on its core insurance business, strengthened risk control mechanisms, readjusted underwriting and investment strategies, and maintained loss ratios within controllable ranges. These factors have led to a 5.7% increase in written premiums compared to the same period in 2024. It is anticipated that in 2026, the non-life insurance industry will continue to achieve surplus and stable profitability.

(3) Business Target:

In 2025, the Company has obtained a share of 5.5%, ranking 6th in the market. 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$ 16.5 billion in 2026.

(4) Key Policies

- Focus on professional insurance advantages, continuously develop a diverse range of high-quality insurance products, and enhance market competitiveness and profitability.
- Utilize reinsurance resources and risk assessment tools to strengthen the expertise of underwriting and loss prevention personnel in risk management, thereby enhancing underwriting profits.
- Integrate the Group's resource advantages to enhance channel effectiveness and operational synergy.
- Through cross-disciplinary collaboration and resource integration, create a diverse insurance ecosystem to achieve value co-creation and mutual benefits.
- Through operational efficiency analysis, optimize repetitive operational processes to enhance overall operational efficiency and resource utilization effectiveness.
- Continue to optimize the new core system and integrate it with the financial and reinsurance systems to enhance data flow and system connectivity, improving operational efficiency.
- Actively promote energy-saving and carbon reduction actions, introduce green operating mechanisms, and implement corporate sustainability.
- Enhance the professional image of the insurance industry, implement the fair treatment of customers concept, and actively engage in Social Engagement.

(II) Primary Uses and Production Processes of Core Products:

1.Primary Uses of Core Products:

<table>
<tr><th colspan="2">Product Category</th><th>Primary Uses</th></tr>
<tr><td rowspan="2">TOYOTA</td><td>Passenger Vehicles</td><td>Means of transportation instead of walking, or used for leisure, commuting, business travel.
or used for business use of companies, and for rental and taxi industries to carry passengers.</td></tr>
<tr><td>Commercial Vehicles</td><td>For passenger transportation and sightseeing bus industries, organizations, schools and groups to carry passengers.
or primarily used by passenger transport operators, tour bus companies, government agencies, schools, and other organizations for group travel.</td></tr>
<tr><td rowspan="3">HINO</td><td>3.49-ton and 5-ton Light Trucks</td><td>For companies or logistic companies to transport commodities.</td></tr>
<tr><td>Heavy Trucks</td><td>For companies or logistic companies to transport commodities.</td></tr>
<tr><td>Large Buses</td><td>Primarily used by passenger transport operators, tour bus companies, government agencies, schools, and other organizations for group travel.</td></tr>
</table>

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

(III) 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 (TMA), CAETANOBUS - FABRICAÇÃO DE CARROÇARIAS, S.A. Domestic: Kuozui Motors, Ltd.
HINO	Trucks and Large Commercial Vehicles	Imported: Hino Motors, Ltd. Domestic: Kuozui Motors, Ltd.

(IV) 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	2024			2025		
	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.	31,573,681	14	Investee Company Accounted for Using Equity Method	31,280,845	14	Investee Company Accounted for Using Equity Method
Tau Miau Motor Co., Ltd.	29,203,278	13	Investee Company Accounted for Using Equity Method	28,895,476	13	Investee Company Accounted for Using Equity Method
Taipei Toyota Motor Co., Ltd.	22,997,862	11	Investee Company Accounted for Using Equity Method	23,507,111	11	Investee Company Accounted for Using Equity Method
Kau Du Automobile Co., Ltd.	22,040,663	10	Investee Company Accounted for Using Equity Method	21,724,203	10	Investee Company Accounted for Using Equity Method
Kuotu Motor Co., Ltd.	21,150,450	10	Investee Company Accounted for Using Equity Method	22,595,350	10	Investee Company Accounted for Using Equity Method

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

Name	2024			2025		
	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.	61,700,058	24	Investee Company Accounted for Using Equity Method	54,287,413	22	Investee Company Accounted for Using Equity Method
Toyota Motor Corporation	54,709,415	21	The Company Director	56,253,622	23	The Company Director

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

Year		2024	2025	As of Mar. 31, 2026
Number of Employees	Direct Personnel (Sales and Service Staff)	4,329	3,694	3,684
	Indirect Personnel (Management Staff)	4,382	5,009	4,972
	Total	8,711	8,703	8,656
Average Age		38.91	39.39	39.63
Average Length of Service		7.46	8.01	8.10
Highest Level of Education (%)	Doctorate	0.07%	0.08%	0.08%
	Master's Degree	10.73%	11.32%	11.36%
	College/University	69.30%	69.10%	69.21%
	High School	17.95%	16.47%	16.35%
	Below High School	1.95%	3.03%	3.00%
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: The Company does not have any such Environmental Protection expenditures.

V. Labor Relations

(I) 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:

1. Employee Welfare
   (1) Family day event, year-end banquet and raffles.
   (2) Holiday gifts (i.e., Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival), as well as birthday, wedding, childbirth, and retirement gifts.
   (3) A fixed amount of travel allowance for employees and their spouses and children.
   (4) 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).

(5) Group term life insurance and injury insurance coverage.
(6) Scholarship, loan and financial aid for employees and their children.
(7) Partnership with authorized stores under a contract to provide employee discount.
(8) Partial coverage for physical examinations once a year and regular onsite health clinics.
(9) Sponsored club activities.
(10) Employee discount on car purchases.
(11) 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:

(1) Employees who came onboard on or after July 1, 2005, shall be subject to the Labor Pension Act.
(2) 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.
(3) 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 2024, we received the CommonWealth Magazine's "Sustainable Talent Award."

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 2025

Courses	Participants	Investment Cost (NT$)	Total (NT$)
Internal Course	3,863	14,519,580	14,773,675
External Course	23	254,095	

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.
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.

(II) 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:
   (1) 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.
   (2) 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 have a strong sense of responsibility.
   - Employees are encouraged to resolve issues arising from the growing needs of 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.

3. 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.

4. 32.

VI. Information Security Management

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

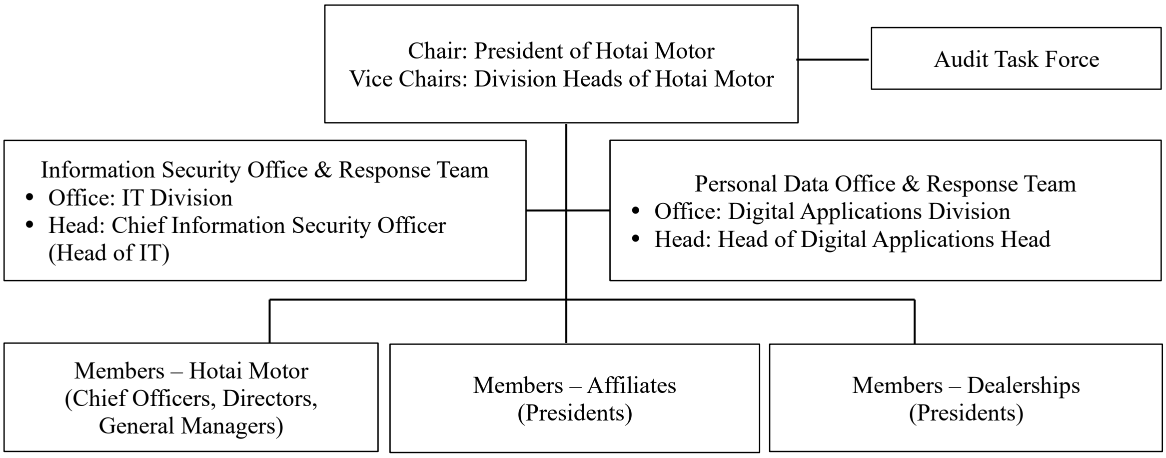
1. Information Security Risk Management Framework

(1) 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.

(2) Hotai Motor's Information Safety and Personal Data Committee Structure



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

2. Information Security Policies

(1) 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.
- 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.

(2) Management Approach

To address the trend of increasingly blurred boundaries in the digital environment and the acceleration of hacking efficiency assisted by AI and automation, businesses face escalating cybersecurity threats. Hotai Motor utilizes a "Zero Trust" security architecture as its core, integrating personnel, processes, and technology to form a collaborative defense strategy. This multi-layered information security system enhances overall cybersecurity resilience and enables swift responses to complex and evolving threats. The specific management measures and plans implemented are as follows:

a. Alert personnel: Company-wide participation

- All Employees: People are the first line of defense. To enhance the cybersecurity awareness of every employee, we conduct education and awareness campaigns about emerging cybersecurity risks, and email drills to ensure employees possess the correct cybersecurity knowledge and are equipped to identify potential risks.
- Information and Cybersecurity Personnel: To ensure that the expertise of our cybersecurity (including information security) personnel keeps pace with developments, we have formulated the "Hotai Group Cybersecurity Talent Training Blueprint." This provides employees with a systematic learning path, clear training programs, and objectives for obtaining professional certifications to ensure that the team's expertise aligns with industry trends and strengthens the group's overall cybersecurity defense capabilities.

b. System: Continuous improvement

Establish a rigorous information security governance framework through diverse management mechanisms, including monthly aggregation of key performance indicators (KPIs), tracking the progress of improvement on identified issues, and reviewing data from on-site inspections. This quantifies the overall information security performance of companies, forming the basis for suggesting improvements and continuous enhancement, thereby further strengthening overall governance and protection capabilities.

c. Excellent technology: Multi-layered protection

Based on a zero-trust architecture, we have constructed a multi-layered information security defense system, implementing continuous monitoring and real-time defense mechanisms at each level of protection. This strengthens proactive threat detection and rapid response capabilities, effectively reducing the risks and impacts of cybersecurity attacks.

- Account: Fully implement passwordless and two-factor authentication, continuously enforcing zero trust identity verification.
- Devices: Expanded implementation of abnormal behavior alert mechanisms on personal computers (EDR) to detect endpoint threats in real-time.
- System: Establish an automated vulnerability scanning platform, integrating unified and automated security detection and upgrade mechanisms, seamlessly embedding security into the development process, and strengthening system resilience and compliance.
- Trajectory: Utilize AI to analyze database logs in real-time to identify potential abnormal activities early.

(3) 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: In 2025, the Information Security Governance Office was established under the Information Department as the dedicated unit for information security. Operating under the supervision of the Chief Information Security Officer (CISO), it is responsible for overseeing and managing the implementation of 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 2025 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 Information Security Governance 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 2025, we conducted two social engineering exercises, testing 583 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.

Information and Cybersecurity Personnel: To ensure that information and cybersecurity personnel possess comprehensive security concepts and basic defense techniques upon joining, The Company implements general cybersecurity awareness education and requires these personnel to undergo professional IT general knowledge and cybersecurity course training. This ensures that the technical team embeds a security DNA mindset into every aspect of system design and daily operations, thereby safeguarding the security of the company's core information assets.

3. Customer Data Protection

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

In Year 2025, Hotai Motor cooperated with regulatory authorities for the execution of a personal data protection administrative inspection. After a comprehensive review by the authorities, it was confirmed that the relevant personal data management system and practical operations complied with regulatory requirements without any deficiencies, demonstrating the soundness and effectiveness of the company's personal data governance mechanism.

The specific management measures and plans implemented are as follows:

(1) 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.

(2) 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.

(3) 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.

(4) 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.

(II) 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

VII. Material Agreements

December 31, 2025

Contract Nature	Parties Involved	Start & End Date	Main Content	Restrictive Clauses
The Company				
Distributor Agreement	Toyota Motor Corporation	From January 1, 2025, to December 31, 2027. (TOYOTA/LEXUS)	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

Chapter V. Financial Status, Operating Results and Risk Management

I. Financial Condition

Unit: NT$ Thousand

Items \ Year	2025	2024	Difference	
			Increase (Decrease)	%
Current Assets	370,773,845	368,190,556	2,583,289	1
Non-current Assets	150,251,110	142,369,016	7,882,094	6
Total Assets	521,024,955	510,559,572	10,465,383	2
Current Liabilities	355,893,585	361,071,093	(5,177,508)	(1)
Non-current Liabilities	41,375,492	35,366,483	6,009,009	17
Total Liabilities	397,269,077	396,437,576	831,501	-
Capital	5,571,028	5,571,028	-	-
Capital Surplus	2,919,185	2,871,305	47,880	2
Retained Earnings	70,959,055	63,147,078	7,811,977	12
Other Equity Interest	6,708,911	6,694,406	14,505	-
Non-controlling Interest	37,597,699	35,838,179	1,759,520	5
Total Equity	123,755,878	114,121,996	9,633,882	8

Analysis of percentage changes over the past two years:

1. Non-current Liabilities: The increase was mainly due to higher long-term borrowings and provisions compared to 2024.
2. Retained Earnings: Primarily due to the Net Income for the Period and cash dividends distribution.

II. Financial Performance

(I) Comparative Analysis of Financial Performance

Unit: NT$ Thousand

Items \ Year	2025	2024	Difference	
			Increase (Decrease)	%
Total Revenue	282,608,974	282,573,176	35,798	-
Total Expenses	255,187,678	254,691,543	496,135	-
Profit Before Tax	27,421,296	27,881,633	(460,337)	(2)
Income Tax Expense	(4,952,129)	(3,931,145)	(1,020,984)	(26)
Net Income for the Period	22,469,167	23,950,488	(1,481,321)	(6)
Other Comprehensive Income, Net of Tax	101,062	2,914,951	(2,813,889)	(97)
Total Comprehensive Income for the Period	22,570,229	26,865,439	(4,295,210)	(16)
Net Income Attributable to Owners of the Parent	18,900,453	20,467,026	(1,566,573)	(8)
Net Income Attributable to Non-controlling Interests	3,568,714	3,483,462	85,252	2
Total Comprehensive Income Attributable to Owners of the Parent	18,968,537	23,225,455	(4,256,918)	(18)
Total Comprehensive Income Attributable to Non-controlling Interests	3,601,692	3,639,984	(38,292)	(1)

1. Analysis of percentage changes over the past two years:
   Net Income for the Period: The decrease was mainly due to the increase in Income Tax Expense compared to 2024.
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 2026" 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 Year 2025 and 2024 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.

(II) Analysis of Changes in Gross Profit: N/A

III. Cash Flows

(I) Liquidity Analysis for the Last Two Years.

Items \ Date	December 31, 2025	December 31, 2024	Increase (Decrease) Percentage
Cash Flow Ratio	13.84%	6.78%	7.06%
Cash Flow Adequacy Ratio	44.10%	24.13%	19.97%
Cash Reinvestment Ratio	21.12%	8.18%	12.94%

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.

(II) Projection of FY2026 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 (Deficit) Amount (1) + (2) - (3)	Measures to Address Projected Cash Deficit	
				Investment Plans	Financial Management Plans
23,971,458	23,572,494	(32,930,997)	14,612,955	—	—

1. Analysis of Cash Flow Changes for Fiscal Year 2026:
   (1) Operating Activities: It is expected that the operating conditions in 2026 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 business investments, 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

(I) Usage of Major Capital Expenditures and Source of Funds: N/A.

(II) Expected Benefits: N/A.

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

(I) 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.

(II) Profitability

For Year 2025, the equity method income from affiliates and joint ventures recognized amounted to NT$2.54 billion, contributing 11.29% of the consolidated Net Income for the Period. In the individual financial statements for Year 2025, the equity method income from subsidiaries, affiliates, and joint ventures recognized was NT$8.73 billion, accounting for 46.18% of the individual Net Income for the Period. The primary sources of profit were from investments in Hotai Insurance, Kuozui Motors, Hotai Finance, dealerships, and Carmax.

(III) Investment Plan for 2026:

In December 2025, the Company's Board of Directors resolved to invest in the commercial vehicle business in Japan in two phases, totaling approximately NT$10 billion. The plan is to acquire an 80% stake in five companies: South Kanto Hino Motors Co., Ltd., Hokkaido Hino Motors Co., Ltd., East Hokkaido Hino Motors Co., Ltd., Miyagi Hino Motors Co., Ltd., and Fukushima Hino Motors Co., Ltd., from Hino Motors, Ltd. and its subsidiaries, at a cost of JPY 27.026 billion (approximately NT$5.48 billion). The transaction is planned to be completed on April 1, 2026, pending approval from the regulatory authorities. Simultaneously, the Chairman is authorized to initiate negotiations for the acquisition of real estate for certain business locations of South Kanto Hino Motors Co., Ltd. (in Tokyo and surrounding areas) within a budget of JPY 22.3 billion (approximately NT$4.52 billion).

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

(I) 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:

(1) 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.

(2) 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.

(3) 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:

(1) 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.

(2) 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.

(3) 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 Year 2025 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.

(II) 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 2025 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 2025.

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 2025 fiscal year, the group's financial derivative transactions primarily consisted of USD forward foreign exchange hedging and currency and interest rate swap transactions.

(III) 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.

(IV) 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) 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 Company continuously monitors the development trends of digital technology, information systems, and artificial intelligence (AI), assessing their potential impact on operations and finances. Based on actual operational needs, the Company carefully promotes adjustments in digitization and service models.

The Advanced Strategy Division for MaaS (Mobility as a Service) promotes the development of digital services and tools, integrates internal and external resources of the Group, and develops diverse mobility services to enhance operational efficiency and strengthen service integration capabilities. In response to the maturation of AI technology and its potential applications in operational management, the Company established a cross-departmental "AI Development Office" at the end of 2024. This office serves as a platform for the exchange, coordination, and evaluation of AI applications. Through training programs and practical validation, it assists colleagues in enhancing their understanding and application capabilities regarding emerging technologies. In 2025, the Company's efforts in digital and AI advancement were recognized with the "Future Enterprise Award - Best in Future of Digital Enabled Ecosystems" by the globally renowned consulting firm IDC, and the "Top 100 AI Innovators - Silver Award" by Business Weekly.

With the expansion of information systems and data application scope, information security and personal data protection risks are increasingly being emphasized. The Company continues to enhance risk control, internal management, and training programs based on the existing information security management framework, ensuring that related operations comply with regulatory authorities and relevant laws and regulations. For details regarding the Company's information security risk management framework, please refer to Section "Information Security Management" in Chapter IV.

(VI) 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.

(VII) Expected Benefits of Mergers and Acquisitions and Risks Associated: N/A

(VIII) Expected Benefits of Capacity Expansion and Risks Associated: N/A

(IX) 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 is not subject to risks associated with sales concentration.

(X) Impact of Transfer of Significant Number of Shares by Directors, Supervisors, and/or Major Shareholders Holding 10% or More of the Total Outstanding Shares, Risks Associated: N/A

(XI) Impact of Change in Ownership and Risks Associated: N/A

(XII) 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

(XIII) Other Material Risks and Mitigation Measures: N/A

VII. Other Material Matters: N/A

Chapter VI. Specific Notes

Chapter VI. Specific Notes

I. Overview of Affiliate Companies

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

MOPS Market Observation Post System Home > Listed Companies > Electronic Documents Download > Affiliated Enterprises Disclosure Area

Company Code or Abbreviation: 2207

Year (R.O.C Year): 2025

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:

(I) 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.

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

(III) 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: 4 persons
4. Lead Auditor of the ISO 27701 Personal Data Privacy Management System: 1 person

Hotai Motor Co., Ltd.
和泰汽車股份有限公司

董事長：

和泰集團
Hotai Group

和泰汽車股份有限公司
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