



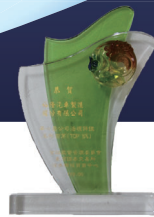
Stock Code: 2201

# Annual Report 2023

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SEC: [mops.twse.com.tw](http://mops.twse.com.tw)

official Website: [www.yulon-motor.com.tw](http://www.yulon-motor.com.tw)



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V. Overseas securities exchange corporation listing: None

VI. Corporate Website: <http://www.yulon-motor.com.tw>

**Notice to readers**

*This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.*

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## I. The Letter to Shareholders



Dear Shareholders,

Thank you all for your love and support to Yulon Motors over the past year. Here is a summary report on the business results of last year and the business plan for this coming year.

### ➤ 2023 Business Results

In 2023, the global automotive supply chain officially overcame disruptions caused by the pandemic. With active order reductions by various automakers, Taiwan's automotive market(excluding heavy-duty vehicles) achieved a total sales volume of 466,000 units, growing by 12.2%. For our company in 2023, the total number of vehicles delivered for the NISSAN and LUXGEN was 27,374 units; business income was NTD25.223 billion, operating profit was NTD548 million, net profit after tax was NTD4.691 billion, and earnings per share after tax was NTD4.63.

Facing diverse market demands, our company continues to collaborate with Nissan Motor Co. to launch new products and enhance product value. In September 2023, the NISSAN brand introduced the new domestically-produced X-Trail equipped with three new technologies: the “VC-TURBO variable compression ratio engine,” “light hybrid electric power system,” and “ProPILOT intelligent safety system,” as well as two new features: “comprehensive safety protection” and “luxury smart cockpit,” fulfilling customer expectations for a new generation of SUVs. As for the LUXGEN brand, starting in October 2023, we launched a pre-order campaign for the n7 electric vehicle, attracting over 10,000 orders with an entry price of just NTD 999,000. Coupled with the "Power Home" professional home charging service and “LUXLIFE” diverse warranty service, we have created a comprehensive mobility service.

In addition to continuously improving operational performance, our company also actively promotes sustainable development through ESG initiatives, having been recognized among the top 5% in corporate governance evaluations by the Taiwan Stock Exchange for ten consecutive years. Furthermore, our company began greenhouse gas inventory as early as 2005, completed ISO 14064 organizational greenhouse gas inventory verification from 2022, and continues to help suppliers complete their carbon inventories, implementing sustainable supply chain management. In the future, we aim to reduce carbon emissions by 4.2% annually, with a goal to reduce carbon emissions by 50% by 2030 compared to 2021, achieve 100% electrification of all factory vehicles, and reach net zero emissions by 2050. To foster social prosperity, our company also focuses on the elderly and regions in Taiwan with limited transportation resources, providing vehicles and funds through initiatives such as “Wheel of Happiness,” “9453 Friendly Travel,” and the “Taipei Long-Term Care Fleet,” helping to address transportation needs for all ages.

### ➤ Business plans for 2024 and beyond

The Company responds to the energy transformation and renewable energy policies of the government, and will continue to promote businesses in energy saving, energy creation and energy storage, and new business.



In terms of implementing vehicle model development and production, the delivery of the LUXGEN n7 electric vehicle commenced in the first quarter of 2024, positioning it to become the best-selling electric vehicle model domestically. In the development of green energy storage business, we continue to deepen our energy storage cabinet manufacturing technology and build energy storage systems, obtaining voluntary product certification for our proprietary energy storage system to gain customer trust with high quality and safety.

In September 2023, our company also celebrated the opening of Yulon City at our original site in Xindian. With a business area of 33,000 square meters, Yulon City has become the largest mixed-use shopping complex in New Taipei City, gathering over 250 quality brands in leisure, dining, shopping, and creative arts. This allows customers to experience a new level of consumption and contributes to creating a sustainable and livable community in the area. Since its opening, Yulon City has gradually become the core commercial district of Xindian, with the annual visitor count expected to exceed 10 million.

We appreciate support from shareholders, customers, suppliers and partners. We will continue to fight like an athlete and uphold teamwork, bravely take on challenges from the external environment, increase corporate competitiveness, and aim toward sustainable development. I wish you healthy, everything goes your way, and your family all the best!

Yen Chen Li-Lien, CEO



## II Company Profile

### I. Company Profile

(I) Date of incorporation:  
September 10, 1953.

(II) Company history:

Sep. 1953: The company was founded by Mr. Yen Ching-Ling under the name of “Yulon Machinery Manufacturing Co., Ltd.” The capital amount was NTD 2 million.

Dec. 1957: Signed a technical cooperation agreement with Nissan Motor Co., Ltd.

Sep. 1960: Officially changed name to “YULON MOTOR CO., LTD.”

July 1976: The Company's shares were officially listed on the centralized market of the stock exchange.

May 1981: The first phase construction of the San-yi plant was completed and production began.

Oct. 1986: The first Taiwanese designed and developed car, the Feeling 101, was launched.

Dec. 1991: Our cumulative production volume exceeded one million units.

Nov. 1995: Implemented plant and office consolidation

Oct. 1997: The first Wood Carving Golden Quality Award was held.

Oct. 1998: Awarded the “National Quality Award”, the highest honor for quality in the Republic of China, by the Executive Yuan.

Oct 1999: Invested in Philippine Plant (NMPI) to enter Southeast Asia market.

Oct. 2003: Yulon split into two companies, Yulon Motor and Yulon Nissan.

May 2005: Grand opening of Travel the World Auto Mall, combining the Dome Plaza and the Dome Theatre to provide the public with a rich city life.

Dec. 2005: Participated in the investment and establishment of Hua-Chuang Automobile Information Technical Center Co., Ltd. for research and development of innovative automobile electronic modules.

May 2008: Established Luxgen Motor Co., Ltd. to develop own brand.

Nov. 2011: Luxgen Motor Co., Ltd. was awarded “2011 Taiwan Innovative Enterprise” by the Ministry of Economic Affairs.

Jun. 2015: The Company was ranked among the top 5% in the first edition of corporate governance rating.

Jun. 2015: The Company announced its initiative to subscribe 1.89 million kWh of green power, becoming the first domestic automobile company to subscribe to green power.

Sep. 2016: The Company was awarded the Work-Life Balance Award by the Ministry of Labor, the only company in the domestic automobile industry to receive double recognition.

Nov. 2020: Develop green energy business, the first batch of energy storage products were produced by OEMs for exports.

Apr. 2021: LUXGEN URX LOHAS Model winning the German iF Design Award for the second year in a row.

Apr. 2021: Yulon Motor rated "Top 5% Corporate Governance" of listed companies for seven consecutive years.

Oct. 2021: Licensed for "Renewable Energy Power Generation" by the Energy Bureau of Ministry of Economic Affairs.

Dec. 2021: A solar power generation system was constructed with a cumulative capacity of 7.6MW.

Apr. 2022: Yulon Motor rated "Top 5% Corporate Governance" of listed companies for eight consecutive years.

Jun. 2022: ESG environmental sustainability plan was implemented, and a new store "Green Lake Park" was officially opened through donation.

Oct. 2022: A new facelift of NISSAN KICKS was launched.

Oct. 2022: The Company obtained IATF 16949:2016 automotive industry quality management system certification.

Nov. 2022: A facelift of LUXGEN URX NEO was launched.

Dec. 2022: A solar power generation system was constructed with a cumulative capacity of 11MW.

(III) 2023 operating results

Apr. 2023: Yulon Motor rated "Top 5% Corporate Governance" of listed companies for nine consecutive years.

May 2023: A facelift of LUXGEN U6 NEO was launched.

Jun. 2023: The Company won the 2023 Asia Corporate Social Responsibility Award - Social Welfare Development Award.

Aug. 2023: The first domestically produced NISSAN X-TRAIL hybrid was officially rolled off the

assembly line.  
Sep. 2023: "YES! LIFE - Yulon City" became the largest shopping mall in New Taipei City.  
Nov. 2023: Orders for the LUXGEN electric vehicle n7 exceeded 8,000 units.

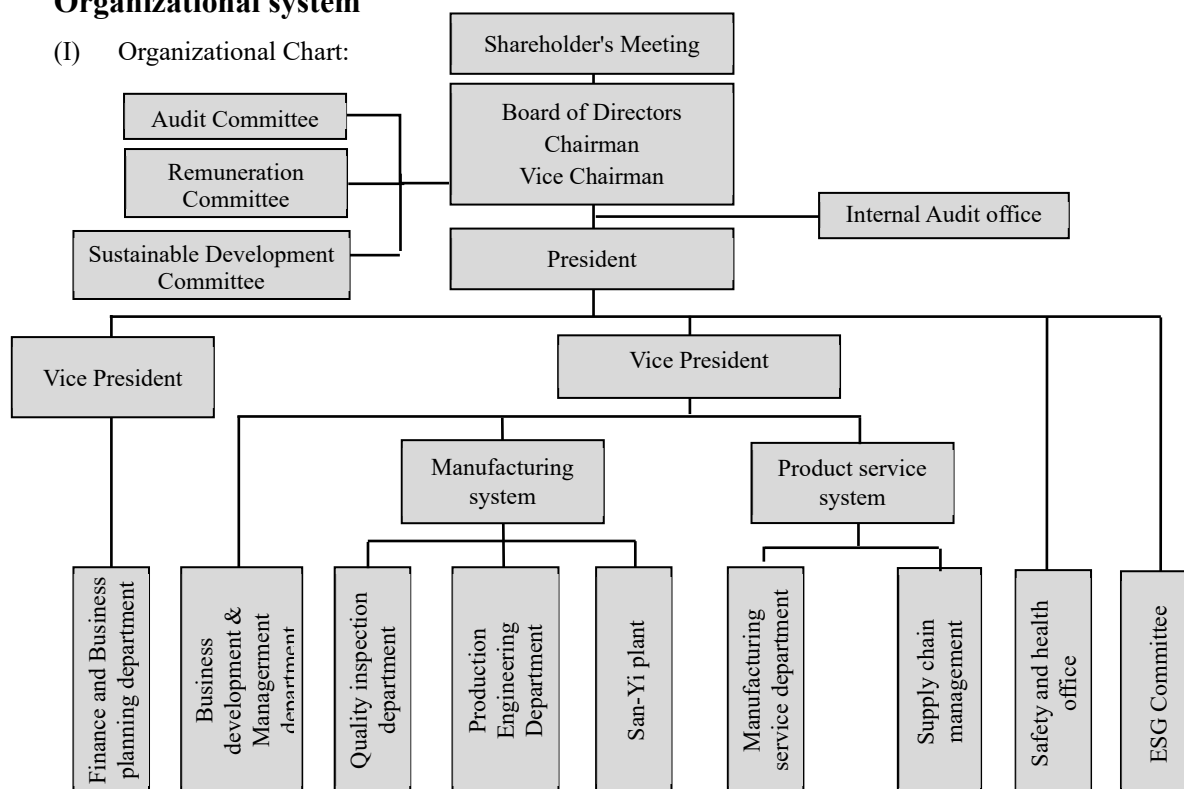
(IV) Other matters:

1. To repay debts and improve the financial structure, 70,000 thousand new shares were issued for cash capital increase and NTD 7 billion of the 3rd domestic unsecured convertible bonds issued.
2. In order to improve the subsidiary's financial structure and operational development needs, the Company increased the capital of "Hua-Chuang Automobile Information Technical Center Co., Ltd.," by NTD 6.6 billion.
3. Based on the comprehensive consideration of social responsibility, corporate image and protection of the rights and interests of policyholders, the Company increased its capital to Tokio Marine Nawa Insurance Co., Ltd. by NTD 3.725 billion yuan this year.

## III Governance report

### I. Organizational system

#### (I) Organizational Chart:



#### (II) Businesses of Major Departments

| Department                                   | Functions  |
|--|--|
| Internal Audit office                        | Responsible for planning and implementing the audit of the internal control systems for the Company and its subsidiaries and tracking its improvement.   |
| Safety and health office                     | Conduct industrial safety and health related business in accordance with the company's regulations, regularly perform labor environmental inspection and monitoring, prevent occupational disasters, and guide relevant units to implement related plans.  |
| ESG Committee                                | Promote the direction, strategy and objectives of ESG sustainable operation of the Company and its subsidiaries; Coordinate the evaluation of projects, strive for awards and ratings; PR business planning and execution.   |
| Finance and Business planning department     | Managing working capital, financial analysis, financing, taxation, accounting, and shareholder business; planning and executing human resources regulations, systems and projects; supervising corporate governance operations, strategic and operational planning, and business objectives.               |
| Business development & Management department | Planning and management of investee business; promotion of new brand (product) business development; support overseas business units in planning and execution of related business.  |
| Quality inspection department                | Planning and promotion of company-wide quality assurance strategy and quality assurance system; promotion and monitoring of product inspection and intelligence system; promotion of quality awareness and improvement activities and commissioning of vehicle testing business.                           |
| Production Engineering Department            | Management of new product production development and prototyping throughout the Company, planning and execution of production equipment, and development and implementation of production technology improvement plans.  |
| San-Yi plant                                 | Responsible for the production of products; management and maintenance of office buildings, plants, production equipment, power, water resources and environmental protection planning and supervision; operation of tourist factories.  |
| Manufacturing service department             | Planning and execution of production business; OEM contracting, production cost and OEM performance management; planning and management of the company's overall information resources.  |
| Supply chain management                      | Integrated production planning coordination, planning and control; parts material demand planning, purchase and control; production management logistics application system planning and establishment; replenishment productivity and storage cost control; parts export business planning and promotion. |

## II. Profiles of Directors, Supervisors, President and Vice Presidents, Associate Vice Presidents, Heads of the Departments and Branches

### (I) Information on directors

| Title<br>(Note 1) | Nationality/<br>Country of<br>Origin | Name   | Gender<br>Age<br>(Note 2)       | Date<br>Elected | Term<br>of<br>office | Date First<br>Elected<br>(Note 3) | Shareholding when Elected  |                        | Current Shareholding       |                        | Spouse & Minor Children<br>Current Shareholding |                        |
|-------------------|--------------------------------------|--|---------------------------------|-----------------|----------------------|-----------------------------------|----------------------------|------------------------|----------------------------|------------------------|---|------------------------|
|                   |                                      |  |                                 |                 |                      |                                   | Number of<br>shares        | Shareholdings<br>ratio | Number of<br>shares        | Shareholdings<br>ratio | Number of<br>shares                             | Shareholdings<br>ratio |
| Chairman          | R.O.C.                               | Tai Yuen<br>Textile Co.,<br>Ltd.<br>Representative:<br>Yen Chen Li-<br>Lien  | Female<br>51-60<br>years<br>old | 2022.07.01      | 3<br>years           | 1992.07.01                        | 181,128,973<br>*34,174,253 | 18.11<br>3.42          | 186,508,584<br>*34,174,253 | 17.43<br>3.19          | 0<br>*33,933,985                                | 0<br>3.17              |
| Vice Chairman     | R.O.C.                               | Tai Yuen<br>Textile Co.,<br>Ltd.<br>Representative:<br>Tso, Chi-Sen          | Male<br>61-70<br>years<br>old   | 2022.07.01      | 3<br>years           | 2021.02.26                        | 181,128,973<br>*0          | 18.11<br>0             | 186,508,584<br>*43,000     | 17.43<br>0.004         | 0<br>*2,014                                     | 0<br>0.0002            |
| Director          | R.O.C.                               | China Motor<br>Corporation<br>Representative:<br>Shin-I Lin                  | Male<br>71-80<br>years<br>old   | 2022.07.01      | 3<br>years           | 2007.07.13                        | 166,714,441<br>*0          | 16.67<br>0             | 171,382,445<br>*0          | 16.02<br>0             | 0<br>*0   | 0<br>0                 |
| Director          | R.O.C.                               | China Motor<br>Corporation<br>Representative:<br>Liang Zhang                 | Male<br>71-80<br>years<br>old   | 2022.07.01      | 3<br>years           | 2008.08.27                        | 166,714,441<br>*0          | 16.67<br>0             | 171,382,445<br>*0          | 16.02<br>0             | 0<br>*1,907                                     | 0<br>0.0002            |
| Director          | R.O.C.                               | Yen Ching-<br>Ling's<br>Foundation<br>Representative:<br>Jack, J.T.<br>Huang | Male<br>71-80<br>years<br>old   | 2022.07.01      | 3<br>years           | 1992.07.05                        | 10,990,936<br>*0           | 1.10<br>0              | 10,990,936<br>*0           | 1.03<br>0              | 0<br>*0   | 0<br>0                 |

March 30, 2024

| Shareholding by Nominee Arrangement |                     | Experience (Education)<br>(Note 4)  | Current position at the Company and other company(ies)<br>(Note 5)   | Executives, Directors or Supervisors who are spouses or within two degrees of kinship |      |          |
|-------------------------------------|---------------------|---|--|---|------|----------|
| Number of shares                    | Shareholdings ratio |   |  | Title   | Name | Relation |
| 0                                   | 0                   | Department of Physical Education, Chinese Culture University  | Chairman of Tai Yuen Textile Co., Ltd.<br>Chairman of China Motor Corporation<br>Chairman of Taiwan Acceptance Corporation<br>Chairman of Yulon Nissan Motor Co., Ltd.<br>Chairperson and president of Yulon-Administered Enterprises Company Limited<br><br>For the rest, please refer to "Information on Affiliates"   | None  | None | None     |
| 0                                   | 0                   | Entrepreneur Management Research Class, Department of Business Administration, National Chengchi University<br>Vice president of Hua-Chuang Automobile Information Technical Center Co., Ltd.<br>President of Dongnan (Fujian) Automobile Industry Co.<br>Special assistant of China Motor Corporation  | Vice Chairman of Foxtron Vehicle Technologies Co., Ltd.<br>Director of Taiwan Acceptance Corporation<br>Chairman and President of Luxgen Motor Co., Ltd.<br>Chairman of Electrified LUXGEN Motor Co.,Ltd.<br>Chairman of New LUXGEN North Motor Co., Ltd.<br>Chairman of New LUXGEN Central Motor Co., Ltd.<br>Chairman of New LUXGEN South Motor Co., Ltd.<br>Chairman of Luxgen Tainan Motor Co., Ltd. | None  | None | None     |
| 0                                   | 0                   | Department of Mechanical Engineering, National Cheng Kung University<br>Chairman of Industrial Technology Research Institute<br>Vice Chairman and President of China Motor Corporation<br>President of Taiwan Transportation Vehicle Manufacturers Association<br>Vice Premier of the Executive Yuan and Chairman of the Council for Economic Planning and Development<br>Minister of Economy | Director of China Motor Corporation<br>Managing and independent director of WEIER Electric Dalian Co., Ltd.  | None  | None | None     |
| 0                                   | 0                   | Ph.D. in Economics, State University of New York at Albany, USA.<br>Chairman of Jardine Matheson Group Taiwan<br>Vice Chairman of Global Financial Consulting Co., Ltd.<br>Independent Director of HSBC Bank (Taiwan) Limited   | Director of Taiwan Acceptance Corporation<br>Supervisor of Yulon-Administered Enterprises Company Limited<br>Independent director of My Humble House Hospitality Management Consulting<br>Independent director of Ho-Ping Power Company<br>Independent Director of International CSRC Investment Holdings Co., Ltd.<br>Director of Huang Da-fu Medical Education Promotion Foundation                    | None  | None | None     |
| 0                                   | 0                   | Doctor of Laws, Harvard University, USA<br>Principal Attorney of Jones Day International Law Firm<br>Chairman of Taiwan M&A and Private Equity Council  | Director of Tai Yuen Textile Co., Ltd.<br>Director of Yulon-Administered Enterprises Company Limited<br>Independent director of WPG Holdings<br>Independent director of Delta Electronics, Inc.  | None  | None | None     |

| Title<br>(Note 1)       | Nationality/<br>Country of<br>Origin | Name   | Gender<br>Age<br>(Note 2)     | Date<br>Elected | Term<br>of<br>office | Date First<br>Elected<br>(Note 3) | Shareholding when Elected |                        | Current Shareholding  |                        | Spouse & Minor Children<br>Current Shareholding |                        |
|-------------------------|--------------------------------------|--|-------------------------------|-----------------|----------------------|-----------------------------------|---------------------------|------------------------|-----------------------|------------------------|---|------------------------|
|                         |                                      |  |                               |                 |                      |                                   | Number of<br>shares       | Shareholdings<br>ratio | Number of<br>shares   | Shareholdings<br>ratio | Number of<br>shares                             | Shareholdings<br>ratio |
| Director                | R.O.C.                               | Yen Ching-Ling's<br>Foundation<br>Representative:<br>Zhen-Xiang<br>Yao | Male<br>61-70<br>years<br>old | 2022.07.01      | 3<br>years           | 2004.07.01                        | 10,990,936<br>*212,738    | 1.10<br>0.0213         | 10,990,936<br>*50,000 | 1.03<br>0.005          | 0<br>*0   | 0<br>0                 |
| Independent<br>Director | R.O.C.                               | Zhongqi Zhou   | Male<br>61-70<br>years<br>old | 2022.07.01      | 3<br>years           | 2016.07.01                        | *0                        | 0                      | *0                    | 0                      | *0  | 0                      |
| Independent<br>Director | R.O.C.                               | Yen-Chin, Tsai   | Male<br>61-70<br>years<br>old | 2022.07.01      | 3<br>years           | 2018.07.01                        | *0                        | 0                      | *0                    | 0                      | *0  | 0                      |
| Independent<br>Director | R.O.C.                               | Yun-Hua Yang   | Male<br>51-60<br>years<br>old | 2022.07.01      | 3<br>years           | 2022.07.01                        | *0                        | 0                      | *0                    | 0                      | *50,000   | 0.005                  |

Note 1: Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table (2) should be filled out.

Note 2: Please list age intervals, such as Age 41-50 or Age 51-60.

Note 3: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

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| Shareholding by Nominee Arrangement |                     | Experience (Education)<br>(Note 4)   | Current position at the Company and other company(ies)<br>(Note 5)   | Executives, Directors or Supervisors who are spouses or within two degrees of kinship |      |          |
|-------------------------------------|---------------------|--|--|---|------|----------|
| Number of shares                    | Shareholdings ratio |  |  | Title   | Name | Relation |
| 0                                   | 0                   | Curtin University MIB<br>Vice President of YULON MOTOR CO.,LTD   | Director of China Motor Corporation<br>Director of Taiwan Acceptance Corporation<br>Director of Yulon Nissan Motor Co., Ltd.<br>Director of Foxtron Vehicle Technologies Co., Ltd.<br>Vice Chairman of Yulon Construction Co., Ltd.<br>Chairman of Yulon Automotive (China) Investment Limited<br>For the rest, please refer to "Information on Affiliates"  | None  | None | None     |
| 0                                   | 0                   | Master of Science in Mathematics, Colorado State University, USA<br>Senior Consultant, Chairman's Office, Chunghwa Telecom Co.<br>President of Taiwan Star Telecom   | Audit Committee Member of YULON MOTOR CO.,LTD<br>Remuneration Committee Member of YULON MOTOR CO.,LTD<br>Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD<br>Independent director of Taiwan Acceptance Corporation<br>Remuneration Committee Member of Taiwan Acceptance Corporation<br>Independent director of Standard Foods Corporation<br>Remuneration Committee Member of Standard Foods Corporation  | None  | None | None     |
| 0                                   | 0                   | Ph.D. in Accounting from the University of California, Los Angeles<br>Dean, Department of Accounting, and Director, Institute of Accounting, National Taiwan University<br>Chairman of Taiwan Financial Reporting Standards Committee, Accounting Research and Development Foundation of the Republic of China<br>Chief Executive of Taiwan Financial Accounting Standards Committee, Accounting Research and Development Foundation of the Republic of China<br>Member of Sustainability Standards Committee of the Accounting Research and Development Foundation<br>External Member of Taiwan Stock Exchange Listing Review Committee | Audit Committee Member of YULON MOTOR CO.,LTD<br>Remuneration Committee Member of YULON MOTOR CO.,LTD<br>Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD<br>Independent Director of Genesys Logic, Inc.<br>Audit Committee Member of Genesys Logic, Inc.<br>Remuneration Committee Member of Genesys Logic, Inc.<br>Independent Director of Cowealth Medical Holding Co., Ltd.<br>Audit Committee Member of Cowealth Medical Holding Co., Ltd.<br>Consultant of Taiwan Financial Reporting Standards Committee, Accounting Research and Development Foundation of the Republic of China<br>Member of Sustainability Standards Committee of the Accounting Research and Development Foundation<br>Member of the Evaluation Team of the Financial Reconstruction Foundation of the Central Deposit Insurance Corporation<br>Director, Xin Miao Education Foundation | None  | None | None     |
| 0                                   | 0                   | Ph.D. of Laws, University of Tübingen, Germany<br>Professor of Law, National Chengchi University<br>Member of the Law Revision Committee of the Ministry of Justice  | Audit Committee Member of YULON MOTOR CO., LTD; Remuneration Committee Member of YULON MOTOR CO.,LTD<br>Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD<br>Independent director of Universal Vision Biotechnology Co., Ltd.<br>Independent Director of Yulon Nissan Motor Co., Ltd.   | None  | None | None     |

Note 4: For the current job-related experiences, such as, worked in the CPA firm or affiliate office responsible for the auditing and checking during the aforementioned period of time, the job title and responsibility should be stated.

Note 5: The chairman and the manager are neither the same person, nor spouses or first-degree relatives.

\* Indicates personal shareholding



(II) Major shareholders of the institutional shareholders

March 30, 2024

| Names of Institutional Shareholders (Note 1) | Major shareholders of the institutional shareholders (Note 2)   |
|--|---|
| 1. Tai Yuen Textile Co., Ltd.                | 1. Xiang Wei Investment Co., Ltd. (22.15%)<br>2. Yen Ching-Ling's Foundation (14.24%)<br>3. Hoffman Brothers Investment Company of the British Virgin Islands (9.80%)<br>4. British Virgin Islands Merchant Evans Limited (9.71%)<br>5. British Cayman Islands Commercial Western Bridge Investment Company (9.13%)<br>6. Liyuan Investment Corporation (7.17%)<br>7. Yongshun Investment Co., Ltd. (6.82%)<br>8. Diamond Hosiery & Thread Co., Ltd. (5.89%)<br>9. Lippen Investment Co., Ltd. (5.61%)<br>10. Yuanwei Investment Co., Ltd. (3.10%)        |
| 2. China Motor Corporation                   | 1. Tai Yuen Textile Co., Ltd. (25.19%)<br>2. Mitsubishi Motors Taiwan (14.00%)<br>3. YULON MOTOR CO., LTD (8.05%)<br>4. Diamond Hosiery & Thread Co., Ltd. (6.76%)<br>5. Finance Division, General Administration Division, Mega International Commercial Bank Co., Ltd. (2.26%)<br>6. Taiwan Life Insurance Co., Ltd. (1.80%)<br>7. New labor pension fund (1.05%)<br>8. Citi Commercial Bank's investment account with the Central Bank of Norway (0.89%)<br>9. Nan Shan Life Insurance Company, Ltd. (0.88%)<br>10. Fande Investment Co., Ltd. (0.87%) |
| 3. Yen Ching-Ling's Foundation               | The foundation is 100% funded by Mr. Yan Ching-Ling (deceased) and Ms. Wu Shun-Wen (deceased)   |

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be filled in.

Note 2: Enter the names of the major shareholders of the corporate directors (whose shareholdings are among the top ten) and their shareholdings. If the major shareholder is a corporation, the following Table (3) should be completed.

Note 3: For an institutional shareholder not a corporate entity, its name and shareholding ratio to be disclosed as stipulated above is the name and the investment or donation ratio of the investor or donor (see Judicial Yuan website announcement), and if the donor has passed away, a note of "deceased" should be added.

(III) Major shareholders of the Company's major institutional shareholders

March 30, 2024

| Names of corporate shareholders (Note 1)                               | Major shareholders of the corporate shareholders (Note 2)  |
|--|--|
| 1. Xiang Wei Investment Co., Ltd.                                      | 1. Tai Yuen Textile Co., Ltd. (90.60%)<br>2. Diamond Hosiery & Thread Co., Ltd. (9.40%)  |
| 2. Hoffman Brothers Investment Company of the British Virgin Islands   | Unavailable due to constraint of local practices   |
| 3. British Virgin Islands Merchant Evans Limited                       | Unavailable due to constraint of local practices   |
| 4. British Cayman Islands Commercial Western Bridge Investment Company | Unavailable due to constraint of local practices   |
| 5. Liyuan Investment Corporation                                       | 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (99.126%)<br>2. Diamond Hosiery & Thread Co., Ltd. (0.869%)<br>3. Fande Investment Co., Ltd. (0.001%)<br>4. Weitai Investment Co., Ltd. (0.001%)<br>5. Le Wen Investment Co., Ltd. (0.001%)<br>6. Vincent Investment Co., Ltd. (0.001%)<br>7. Wavin Investment Co., Ltd. (0.001%) |
| 6. Yongshun Investment Co., Ltd.                                       | 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (99.083%)   |

| Names of corporate shareholders (Note 1)   | Major shareholders of the corporate shareholders (Note 2)  |
|--|--|
|  | 2. Diamond Hosiery & Thread Co., Ltd. (0.912%)<br>3. Fande Investment Co., Ltd. (0.001%)<br>4. Weitai Investment Co., Ltd. (0.001%)<br>5. Le Wen Investment Co., Ltd. (0.001%)<br>6. Vincent Investment Co., Ltd. (0.001%)<br>7. Wavin Investment Co., Ltd. (0.001%)   |
| 7. Diamond Hosiery & Thread Co., Ltd.  | 1. British Virgin Islands Wanda Company (72.51%)<br>2. Tai Yuen Textile Co., Ltd. (21.97%)<br>3. Xiang Wei Investment Co., Ltd. (5.09%)<br>4. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (0.1684%)<br>5. Le Wen Investment Co., Ltd. (0.13%)<br>6. Wavin Investment Co., Ltd. (0.13%)<br>7. Yen Chen Li-Lien (0.0002%)<br>8. Pei-Yu Yen (0.0002%)<br>9. Son of Yen Chen Li-Lien (0.0002%)   |
| 8. Lippen Investment Co., Ltd.   | 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (98.993%)<br>2. Diamond Hosiery & Thread Co., Ltd. (1.002%)<br>3. Fande Investment Co., Ltd. (0.001%)<br>4. Weitai Investment Co., Ltd. (0.001%)<br>5. Le Wen Investment Co., Ltd. (0.001%)<br>6. Vincent Investment Co., Ltd. (0.001%)<br>7. Wavin Investment Co., Ltd. (0.001%)   |
| 9. Yuanwei Investment Co., Ltd.  | 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (91.513%)<br>2. Diamond Hosiery & Thread Co., Ltd. (8.477%)<br>3. Fande Investment Co., Ltd. (0.002%)<br>4. Weitai Investment Co., Ltd. (0.002%)<br>5. Le Wen Investment Co., Ltd. (0.002%)<br>6. Vincent Investment Co., Ltd. (0.002%)<br>7. Wavin Investment Co., Ltd. (0.002%)   |
| 10. Mitsubishi Motors Taiwan   | 1. Nissan Motor Co., Ltd. (34.01%)<br>2. Mitsubishi Corporation (20%)<br>3. Japan Mastatraso Trust Bank Co., Ltd. (Trust Port) (7.53%)<br>4. Japan Kastodaka Bank (Trust Port) (1.67%)<br>5. Mitsubishi Heavy Industries (1.44%)<br>6. MUFG Bank Ltd. (0.99%)<br>7. THE BANK OF NEW YORK MELLON 140044(0.82%)<br>8. JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO (0.66%)<br>9. JP MORGAN CHASE BANK 385781 (0.57%)<br>10. STATE STREET BANK WEST CLIENT - TREATY 505234 (0.54%)                  |
| 11. YULON MOTOR CO., LTD   | 1. Tai Yuen Textile Co., Ltd. (17.43%)<br>2. China Motor Corporation (16.02%)<br>3. Yen Chen Li-Lien (3.19%)<br>4. Taipei Branch of UBS received Pei-Yu Yen Trust Property Account (3.17%)<br>5. Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account (3.17%)<br>6. Fande Investment Co., Ltd. (1.78%)<br>7. Yen Ching-Ling's Foundation (1.03%)<br>8. Shih-Chung Lin (0.93%)<br>9. Diamond Hosiery & Thread Co., Ltd. (0.73%)<br>10. Yuea Ching Business Co., Ltd. (0.70%) |
| 12. Finance Division, General Administration Division, Mega International Commercial Bank Co., Ltd | Mega Financial Holding Company Ltd. (100%)   |
| 13. Taiwan Life Insurance Co., Ltd.  | CTBC Financial Holdings Co., Ltd (100%)  |
| 14. New labor pension fund   | Not applicable   |
| 15. Citi Commercial Bank's investment account with the Central Bank of Norway                      | Unavailable due to constraint of local practices   |

| Names of corporate shareholders (Note 1)  | Major shareholders of the corporate shareholders (Note 2)  |
|---|--|
| 16. Nan Shan Life Insurance Company, Ltd. | 1. Runcheng Investment Holdings Co., Ltd. (89.55%)<br>2. Ruen Hua Dyeing & Weaving Co., Ltd. (1.34%)<br>3. Ying-Tsung Tu (1.16%)<br>4. Runtex Co., Ltd. (0.97%)<br>5. Ruentex Development Co., Ltd. (0.23%)<br>6. Ruentex Industries Limited (0.21%)<br>7. Yuanxin Investment Co., Ltd. (0.16%)<br>8. Ruentex Leasing Co., Ltd. (0.12%)<br>9. Jipin Investment Co., Ltd. (0.11%)<br>10. Pan City Co., Ltd. (0.09%) |
| 17. Fande Investment Co., Ltd.            | 1. Weitai Investment Co., Ltd. (33.36%)<br>2. Wavin Investment Co., Ltd. (33.34%)<br>3. Le Wen Investment Co., Ltd. (33.30%)   |

Note 1: If the major shareholder in Table (2) above is a corporation, the name of the corporation should be filled in.

Note 2: Enter the names of the major shareholders of the corporations (whose shareholdings are among the top ten) and their shareholdings.

Note 3: For an institutional shareholder not a corporate entity, its name and shareholding ratio to be disclosed as stipulated above is the name and the investment or donation ratio of the investor or donor (see Judicial Yuan website announcement), and if the donor has passed away, a note of "deceased" should be added.

(IV) Disclosure of qualification and independence of directors and independent directors:

March 30, 2024

| Criteria<br>Name | Qualification and experience (Note 1)  | Independence status                         | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|------------------|--|---|---|
| Yen Chen Li-Lien | 1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views.<br>2. Does not fall into any circumstance stated in Article 30 of The Company Act.                        | Not applicable                              | 0   |
| Tso, Chi-Sen     | 1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views.<br>2. Does not fall into any circumstance stated in Article 30 of The Company Act.                        | Not applicable                              | 0   |
| Shin-I Lin       | 1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views.<br>2. Does not fall into any circumstance stated in Article 30 of The Company Act.                        | Not applicable                              | 1   |
| Liang Zhang      | 1. Professional skills: economic financing, operational judgment, industrial knowledge and global views.<br>2. Does not fall into any circumstance stated in Article 30 of The Company Act.  | Not applicable                              | 2   |
| Jack, J.T. Huang | 1. Professional skills: legal compliance, operational judgment, industrial knowledge and global views.<br>2. A licensed attorney.<br>3. Does not fall into any circumstance stated in Article 30 of The Company Act.                                 | Not applicable                              | 2   |
| Zhen-Xiang Yao   | 1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views.<br>2. Does not fall into any circumstance stated in Article 30 of The Company Act.                        | Not applicable                              | 0   |
| Zhongqi Zhou     | 1. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills.<br>2. Professional skills: economic financing, operational judgment, business administration, industrial knowledge and global views. | Conformable to all<br>(See note on page 13) | 2   |

| Criteria<br>Name | Qualification and experience (Note 1)   | Independence status                         | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|------------------|---|---|---|
| Yen-Chin, Tsai   | 1. Holding a lecturer or higher teaching position in public and private colleges on financial regulations.<br>2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills.<br>3. Professional skills: economic financing, operational judgment, industrial knowledge and global views.         | Conformable to all<br>(See note on page 13) | 2   |
| Yun-Hua Yang     | 1. Holding a lecturer or higher teaching position in public and private colleges on laws.<br>2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills.<br>3. A licensed attorney.<br>4. Professional skills: legal compliance, operational judgment, industrial knowledge and global views. | Conformable to all<br>(See note on page 13) | 2   |

Note 1: For the professional experience of Directors, please refer to "Information on Directors" on pages 6-9 of this Annual Report.

## (V) Board diversity and independence

### 1. Diversity:

We advocate the board diversity and respect the policy to strengthen corporate governance and consolidate board structure, in the belief that the diversity will help improve our overall performance. The appointment to board seats are based on the professional competence, with complementary capabilities across industrial domains, while the criteria consist of basic profiles (such as age, gender, nationality, etc.), industry experience and related skills (such as business administration, financial accounting, legal consulting, auto industry operations, etc.), as well as business judgment, operational management, leadership and crisis handling. In order to strengthen the functions of the Board of Directors and achieve the ideal goal of corporate governance, Article 20 of the Company's "Corporate Governance Best Practice Principles" specifies the capabilities of the Board of Directors as follows: (1.) Business judgment ability (2.) Accounting and financial analysis ability (3.) Operations management ability (4.) Crisis management capability (5.) Knowledge of the industry (6.) International market perspective (7.) Leadership ability (8.) Decision-making ability.

The current status of board diversity is as follows:

| Criteria<br>Director name     | Basic composition |        |                 | Tenure of independent directors |           | Industrial experience    |           |                       |                        |                         | Professional capabilities |                      |                  |                                |
|-------------------------------|-------------------|--------|-----------------|---------------------------------|-----------|--------------------------|-----------|-----------------------|------------------------|-------------------------|---------------------------|----------------------|------------------|--------------------------------|
|                               | Nationality       | Gender | Age             | Less than 3 years               | 6-9 years | Automobile Manufacturing | Financing | Textile manufacturing | Electrical engineering | Electronics information | Business administration   | Financial accounting | Legal consulting | Automobile industry operations |
| Yen Chen Li-Lien<br>Chairman  | R.O.C.            | Female | 51-60 years old | -                               | -         | V                        | V         | V                     | -                      | -                       | V                         | -                    | -                | V                              |
| Tso, Chi-Sen<br>Vice Chairman | R.O.C.            | Male   | 61-70 years old | -                               | -         | V                        | V         | -                     | -                      | -                       | V                         | -                    | -                | V                              |
| Shin-I Lin<br>Director        | R.O.C.            | Male   | 71-80 years old | -                               | -         | V                        | -         | -                     | V                      | -                       | V                         | -                    | -                | V                              |
| Liang Zhang<br>Director       | R.O.C.            | Male   | 71-80 years old | -                               | -         | -                        | V         | -                     | -                      | -                       | V                         | V                    | -                | -                              |
| Jack, J.T. Huang<br>Director  | R.O.C.            | Male   | 71-80 years old | -                               | -         | V                        | -         | -                     | -                      | V                       | V                         | -                    | V                | -                              |

| Criteria<br>Director name              | Basic composition |        |                 | Tenure of independent directors |           | Industrial experience    |           |                       |                        |                         | Professional capabilities |                      |                  |                                |
|--|-------------------|--------|-----------------|---------------------------------|-----------|--------------------------|-----------|-----------------------|------------------------|-------------------------|---------------------------|----------------------|------------------|--------------------------------|
|  | Nationality       | Gender | Age             | Less than 3 years               | 6-9 years | Automobile Manufacturing | Financing | Textile manufacturing | Electrical engineering | Electronics information | Business administration   | Financial accounting | Legal consulting | Automobile industry operations |
| Zhen-Xiang Yao<br>Director             | R.O.C.            | Male   | 61-70 years old | -                               | -         | V                        | V         | -                     | -                      | -                       | V                         | -                    | -                | V                              |
| Zhongqi Zhou<br>Independent Director   | R.O.C.            | Male   | 61-70 years old | -                               | V         | -                        | -         | -                     | -                      | V                       | V                         | V                    | -                | -                              |
| Yen-Chin, Tsai<br>Independent Director | R.O.C.            | Male   | 61-70 years old | -                               | V         | -                        | -         | -                     | -                      | V                       | -                         | V                    | -                | -                              |
| Yun-Hua Yang<br>Independent Director   | R.O.C.            | Male   | 51-60 years old | V                               | -         | -                        | -         | -                     | -                      | -                       | V                         | -                    | V                | -                              |

- (1) The 9 directors (3 independent) of the 17th Board of Directors are equipped as a whole with the capabilities of operational judgment, decision-making leadership, business administration, global views, and crisis handling. Among them, Chairwoman Yen Chen Li-Lien, Vice Chairman Tso Chi-Sen, and Director Lin Shin-I and Yao Zhen-Xiang are equipped with industrial experience and professional capabilities in leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views, while Director Huang Jack J.T. and Independent Director Yun-Hua Yang are competent in legal affairs, and Director Zhang Liang and Independent Director Zhou Zhongqi and Tsai Yen-Chin are experts in economic financing. The 17th board has 33% of the members with financial expertise, and 22% with legal compliance professionalism.
  - (2) The average term of office of our board directors is 10 years. All the independent directors are in consecutive terms of no more than three times. All board members are nationals, with three independent directors accounting for 33% of the total. Five directors are aged over 70, three aged 60–69, and one aged below 60. In addition to the above profile features, the gender equality is equally important in the board composition. The current board includes 1 female member, accounting for 11% of the total board seats, and adding higher proportion of female directors will be an objective to achieve in the future.
  - (3) The diversity for complementary features in the board composition has reached a higher level than the standards set out in Article 20 of the Company’s “Code of Corporate Governance.” Yet amendment and addition to the diversity policy will be made in the future depending on the board performance, business operations and development needs, including but not limited to two major aspects: essential qualifications and values, and professional knowledge and skills, to ensure that the board members are adequately equipped with the knowledge, skills and qualities necessary to perform their duties.
2. Board independence:

Pursuant to the requirements of the Listing Rules, all the independent non-executive directors have made their written statements to confirm their and their families’ independence of the corporate operations.

It is our belief that the independence of directors must be judged on the basis of substantive conditions, and explicitly stated in the "Board Diversity Policy". The Board is committed to persistently assessing the independence of directors, taking into account all relevant factors, including whether the directors concerned are able to continuously raise constructive proposals to the management team and other directors, whether the views expressed are independent of the management team and other directors, and whether their conducts inside and outside the board are appropriate. The conducts of all the independent non-executive directors have manifested the characteristics as expected under appropriate conditions. Based on the review by the following criteria (within 2 years prior to election and during term of office), all the independent non-executive directors are believed to be independent of the corporate operations:

- (1) Not employed by the company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or its affiliated companies (but if the independent director is appointed in accordance with the “Securities and Exchange Act” or the law and regulations of the local country, and concurrently serves as such at a public company and its parent or subsidiary or a subsidiary of the same parent, it is not subject to this requirement).
- (3) Not a natural person, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a managerial officer under Subparagraph (1) or any of the persons in Paragraph (2) and (3).
- (5) Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2 of Article 27 of the Company Act (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (6) Not a director, supervisor or employee of a company controlling over one half of the company’s director seats or voting shares under one person (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (7) Not a director of a company or institution whose chairperson and president or equivalent role is the same person or its spouse (except for independent directors of the company and its parent company, subsidiaries or the subsidiaries of the same parent company established in accordance with this Act or the local laws).
- (8) Directors, supervisors, managers or shareholders holding more than 5% of shares in specific companies or institutions that do not have financial or business dealings with the company (but individual directors appointed according to local laws and regulations holding other positions in possession of more than 20% and less than 50% of issued shares belonging to specific companies or institutions that are parent, subsidiary, or belonging to the same parent company are not applicable).
- (9) Not a professional individual, or an owner, partner, director (or governor), supervisor or officer of a sole proprietorship, partnerships, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the last 2 years had received cumulative remuneration exceeding NTD 500,000, or a spouse thereof. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(VI) Background information of the President, Vice President, Assistant Vice Presidents and heads of various departments and branches

| Title<br>(Note 1)              | Nationality | Name                   | Gender | Date<br>Elected<br>Date | Shareholding        |                        | Spouse & Minor<br>Shareholding |                        | Shareholding by<br>Nominee Arrangement |                        |
|--------------------------------|-------------|------------------------|--------|-------------------------|---------------------|------------------------|--------------------------------|------------------------|--|------------------------|
|                                |             |                        |        |                         | Number<br>of shares | Shareholdings<br>ratio | Number<br>of<br>shares         | Shareholdings<br>ratio | Number<br>of<br>shares                 | Shareholdings<br>ratio |
| President                      | R.O.C.      | Zhen-<br>Xiang<br>Yao  | Male   | 2013.08.08              | 50,000              | 0.005                  | 0                              | 0                      | 0                                      | 0                      |
| Vice<br>President              | R.O.C.      | Jian-<br>Hui Li        | Male   | 2020.08.10              | 5,038               | 0.0005                 | 0                              | 0                      | 0                                      | 0                      |
| Vice<br>President              | R.O.C.      | Wen-Yi<br>Lo           | Male   | 2023.11.09              | 30,762              | 0.003                  | 0                              | 0                      | 0                                      | 0                      |
| Assistant<br>Vice<br>President | R.O.C.      | Binglin<br>Chen        | Male   | 2020.11.10              | 0                   | 0                      | 0                              | 0                      | 0                                      | 0                      |
| Assistant<br>Vice<br>President | R.O.C.      | Hong-<br>Zheng<br>Chen | Male   | 2021.01.28              | 30,018              | 0.003                  | 0                              | 0                      | 0                                      | 0                      |
| Assistant<br>Vice<br>President | R.O.C.      | Shih-<br>Lin Wu        | Male   | 2023.12.16              | 5,000               | 0.0005                 | 0                              | 0                      | 0                                      | 0                      |

Note 1: This should include the information of the President, Asst. Vice Presidents, and supervisors of the various departments and branches; also, the information of the position equivalent to President or Asst. Vice Presidents, regardless of title, should be disclosed.

Note 2: For the current job-related experiences, such as, worked in the CPA firm or affiliate office responsible for the auditing and checking during the aforementioned period of time, the job title and responsibility should be stated.

Note 3: The major concurrent positions at other companies.

March 30, 2024

| Experience (Education) (Note 2)   | Current position at the Company and other company (Note 3)  | Managers who are Spouses or Within Two Degrees of Kinship |      |          |
|---|---|---|------|----------|
|   |   | Title   | Name | Relation |
| Curtin University MIB<br>Vice President of YULON MOTOR CO.,LTD  | Director of Yulon Nissan Motor Co., Ltd.<br>Director of Taiwan Acceptance Corporation<br>Director of China Motor Corporation<br>Director of Foxtron Vehicle Technologies Co., Ltd.<br><br>For the rest, please refer to “Information on Affiliates”   | None  | None | None     |
| Curtin University MIB<br>Assistant VP, Product Service System,<br>YULON MOTOR CO.,LTD   | Chairman of Yu Ching Business Co., Ltd.<br>Chairman of Uni Auto Parts Manufacture Co., Ltd<br>Director of Advance Power Machinery Co., Ltd.<br>Director of Sin Chi Co., Ltd.<br>Director of Yue Sheng Industrial Co., Ltd., etc.<br><br>For the rest, please refer to “Information on Affiliates” | None  | None | None     |
| University of Southampton MS<br>Accounting and Finance<br>Assistant VP, Finance and business<br>planning department, YULON MOTOR<br>CO.,LTD               | Chairman of China Cast Iron Pipe Co., Ltd.<br>Director of Hua-Chuang Automobile Information<br>Technical Center Co., Ltd.<br>Director of Sin Chi Co., Ltd.<br><br>For the rest, please refer to “Information on Affiliates”   | None  | None | None     |
| Curtin University MIB<br>Head of Dong Yu Motor Headquarters<br>Assistant VP, Product Service System,<br>YULON MOTOR CO.,LTD                               | Chairman of Chuang Jie New Energy Vehicle (HZ)<br>Limited<br>Chairman of Hangzhou Hua-chuang Automobile<br>Informati<br>Director of Coc Tooling & Stamping Co., Ltd.  | None  | None | None     |
| Curtin University MIB<br>Manager, Manufacturing service<br>department, YULON MOTOR CO.,LTD  | Chairman of China Engine Corporation<br>Director of Advance Power Machinery Co., Ltd.<br>Director of Yulon It Solutions Inc.<br><br>For the rest, please refer to “Information on Affiliates”   | None  | None | None     |
| Curtin University MIB<br>President of Yueki Industrial Co., Ltd.<br>Manager, Production management and<br>coordination department, YULON<br>MOTOR CO.,LTD | Chairman of Esinn Co., Ltd<br>Director of Director of R O C SPICER LTD.<br>Director of Yueki Industrial Co., Ltd.<br>Director of Yushin Motor Co., Ltd.<br><br>For the rest, please refer to “Information on Affiliates”  | None  | None | None     |



## (VII) Remuneration of Directors, President, and Vice President in 2023

## 1. Remuneration to Directors and Independent Directors (disclosure of individual names and remuneration methods)

| Title                  | Name  | Remuneration of Directors |   |                   |   |                                 |   |                           |   | The total amount of four items A, B, C and D and its proportion to the net profit after tax (Note 10) |   | Remuneration to directors also holding employee positions |   |                   |   |  |   | The total amount of seven items A, B, C, D, E, F and G and its proportion to the net profit after tax (Note 8) |   | Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 9) |                       |   |
|------------------------|---|---------------------------|---|-------------------|---|---------------------------------|---|---------------------------|---|---|---|---|---|-------------------|---|--|---|--|---|--|-----------------------|---|
|                        |   | Compensation (A) (Note 2) |   | Severance Pay (B) |   | Bonus to Directors (C) (Note 3) |   | For services (D) (Note 4) |   |   |   | Salary, Bonuses, and Allowances (E) (Note 5)              |   | Severance Pay (F) |   | Remuneration to employees (G) (Note 6) |   |  |   |  |                       |   |
|                        |   | The company               | Companies in the consolidated financial statements (Note 2) | The company       | Companies in the consolidated financial statements (Note 2) | The company                     | Companies in the consolidated financial statements (Note 2) | The company               | Companies in the consolidated financial statements (Note 2) | The company   | Companies in the consolidated financial statements (Note 2) | The company   | Companies in the consolidated financial statements (Note 2) | The company       | Companies in the consolidated financial statements (Note 2) | The company                            | Companies in the consolidated financial statements (Note 2) | The company  | Companies in the consolidated financial statements (Note 2) |  | The company           | Companies in the consolidated financial statements (Note 2) |
| Institutional Director | Tai Yuen Textile Co., Ltd.                                      | 0                         | 0   | 0                 | 0   | 15,518,235                      |   | 0                         | 0   | 15,518,235<br>0.3308%   | 15,518,235<br>0.3308%                                       | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 15,518,235<br>0.3308%  | 15,518,235<br>0.3308% | 0   |
| Institutional Director | China Motor Corporation   | 0                         | 0   | 0                 | 0   | 4,364,504                       | 4,364,504   | 0                         | 0   | 4,364,504<br>0.0930%  | 4,364,504<br>0.0930%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 4,364,504<br>0.0930%   | 4,364,504<br>0.0930%  | 0   |
| Institutional Director | Yen Ching-Ling's Foundation                                     | 0                         | 0   | 0                 | 0   | 4,364,504                       | 4,364,504   | 0                         | 0   | 4,364,504<br>0.0930%  | 4,364,504<br>0.0930%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 4,364,504<br>0.0930%   | 4,364,504<br>0.0930%  | 0   |
| Chairman               | Tai Yuen Textile Co., Ltd.<br>Representative: Yen Chen Li-Lien  | 13,000,400                | 28,842,513  | 0                 | 0   | 0                               | 0   | 960,000                   | 1,104,000   | 13,960,400<br>0.2976%   | 29,946,513<br>0.6384%                                       | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 13,960,400<br>0.2976%  | 29,946,513<br>0.6384% | 23,449,388  |
| Vice Chairman          | Tai Yuen Textile Co., Ltd.<br>Representative: Tso, Chi-Sen      | 0                         | 3,206,800   | 0                 | 0   | 0                               | 0   | 120,000                   | 484,000   | 120,000<br>0.0026%  | 3,690,800<br>0.0787%  | 9,447,196   | 9,447,196   | 112,170           | 112,170   | 199,985                                | 0   | 199,985  | 0   | 9,879,351<br>0.2106%   | 13,450,151<br>0.2868% | 0   |
| Director               | China Motor Corporation<br>Representative: Shim-I Lin           | 0                         | 0   | 0                 | 0   | 0                               | 0   | 120,000                   | 120,000   | 120,000<br>0.0026%  | 120,000<br>0.0026%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 120,000<br>0.0026%   | 120,000<br>0.0026%    | 2,520,000   |
| Director               | China Motor Corporation<br>Representative: Liang Zhang          | 0                         | 0   | 0                 | 0   | 0                               | 0   | 120,000                   | 216,000   | 120,000<br>0.0026%  | 216,000<br>0.0046%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 120,000<br>0.0026%   | 216,000<br>0.0046%    | 0   |
| Director               | Yen Ching-Ling's Foundation<br>Representative: Jack, J.T. Huang | 0                         | 0   | 0                 | 0   | 0                               | 0   | 1,158,569                 | 1,158,569   | 1,158,569<br>0.0247%  | 1,158,569<br>0.0247%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 1,158,569<br>0.0247%   | 1,158,569<br>0.0247%  | 0   |
| Director               | Yen Ching-Ling's Foundation<br>Representative: Zhen-Xiang Yao   | 0                         | 2,266,000   | 0                 | 0   | 0                               | 0   | 120,000                   | 264,000   | 120,000<br>0.0026%  | 2,530,000<br>0.0539%  | 9,693,392   | 9,693,392   | 361,850           | 361,850   | 199,549                                | 0   | 199,549  | 0   | 10,374,791<br>0.2212%  | 12,784,791<br>0.2726% | 120,000   |
| Independent Director   | Yen-Chin, Tsai  | 0                         | 0   | 0                 | 0   | 0                               | 0   | 1,050,000                 | 1,050,000   | 1,050,000<br>0.0224%  | 1,050,000<br>0.0224%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 1,050,000<br>0.0224%   | 1,050,000<br>0.0224%  | 0   |
| Independent Director   | Zhongqi Zhou  | 0                         | 0   | 0                 | 0   | 0                               | 0   | 1,550,000                 | 3,210,000   | 1,550,000<br>0.0330%  | 3,210,000<br>0.0684%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 1,550,000<br>0.0330%   | 3,210,000<br>0.0684%  | 0   |
| Independent Director   | Yun-Hua Yang  | 0                         | 0   | 0                 | 0   | 0                               | 0   | 1,050,000                 | 1,050,000   | 1,050,000<br>0.0224%  | 1,050,000<br>0.0224%  | 0   | 0   | 0                 | 0   | 0                                      | 0   | 0  | 0   | 1,050,000<br>0.0224%   | 1,050,000<br>0.0224%  | 1,240,000   |

1. Please describe the policy, systems, standards and structure of remuneration of independent directors; also, describe the relationship with the amount of remuneration according to the responsibilities, risks and invested time: Note 10
2. In addition to the above disclosure, the remunerations received by the directors in 2023 for providing services to the companies covered in the financial report (such as non-employees consultation for the companies and/or reinvested affiliates covered in the financial report); none

- Note 1: Directors' names should be presented separately (for institutional shareholders, state separately the name of the institutional shareholder and its representatives); the amount of benefits and allowances can be presented in aggregate sums. If the director is also the President or Vice President of the Company, please fill in this table and table (2).
- Note 2: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).
- Note 3: Please fill in the amount of remuneration to directors resolved in the most recent board meeting.
- Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration.
- Note 5: This refers to the salary, duty allowances, severance pay, bonuses, incentives, transportation allowance, special allowance, various allowances and accommodation, and company cars paid or offered to directors who concurrently hold position as an employee (incl. president, vice president, other managerial officers and employees). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.
- Note 6: For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Exhibit (7) 3. should be filled out.
- Note 7: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Directors.
- Note 8: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.
- Note 9:
- a. This field must state any form of remuneration the Director has received from The Company's invested businesses other than subsidiaries.
  - b. For Directors who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column I of the Remuneration brackets table. Change the name of column J to "All invested businesses."
  - c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's Director have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.
- Note 10: In accordance with the Company's Articles of Incorporation, independent directors are not allowed to participate in the distribution profit-sharing remuneration for directors' remuneration; remuneration for performing business is reviewed from time to time depending on actual operating conditions and relevant laws and regulations. The current remuneration standards for individual independent directors are determined by the Remuneration Committee with reference to the standards of other companies in the same industry, with consideration of their extent of participation in the Board of Directors and other functional committees and the value of their contributions, etc. Approved by the Board of Directors, the Company pays the independent directors from NTD 78,150 to NTD 120,000 per month, and NTD 10,000 each time for attending a functional committee meeting.
- \* The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

## 2. Remuneration to the President and Vice Presidents (disclosed collectively by names according to salary ranges)

| Title          | Name           | Salary (A)<br>(Note 2) |   | Severance Pay (B) |   | Bonuses and allowances<br>(C) (Note 3) |   | Remuneration to the employees (D)<br>(Note 4) |       |   |       | The total amount of four items A, B, C and D and its proportion to the net profit after tax (%) (Note 6) |   | Compensation paid to directors from an invested company other than the Company's subsidiaries (Note 7) |
|----------------|----------------|------------------------|---|-------------------|---|--|---|---|-------|---|-------|--|---|--|
|                |                | The company            | Companies in the consolidated financial statements (Note 5) | The company       | Companies in the consolidated financial statements (Note 5) | The company                            | Companies in the consolidated financial statements (Note 5) | The company                                   |       | Companies in the consolidated financial statements (Note 5) |       | The company  | Companies in the consolidated financial statements (Note 5) |  |
|                |                |                        |   |                   |   |  |   | Cash  | Stock | Cash  | Stock |  |   |  |
| President      | Zhen-Xiang Yao | 3,566,934              | 5,832,934   | 361,850           | 361,850   | 6,246,458                              | 6,390,458   | 199,549                                       | 0     | 199,549   | 0     | 10,374,791<br>0.2212%  | 12,784,791<br>0.2726%                                       | 120,000  |
| Vice President | Jian-Hui Li    | 1,941,108              | 2,530,806   | 237,035           | 237,035   | 3,119,544                              | 3,281,544   | 107,934                                       | 0     | 179,934   | 0     | 5,405,621<br>0.1152%   | 6,229,319<br>0.1328%  | 320,000  |
| Vice President | Wen-Yi Lo      | 1,762,007              | 2,336,294   | 216,767           | 216,767   | 2,808,707                              | 2,855,707   | 109,441                                       | 0     | 126,241   | 0     | 4,896,922<br>0.1044%   | 5,535,009<br>0.1180%  | 180,000  |

\* Disregarding position titles. All such job positions including presidents, vice presidents (e.g., President, Chief Executive Officer (CEO), Superintendent....) shall be disclosed.

Note 1: The names of the President and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums. If the director is also the President or Vice President of the Company, please fill in this table and previous table 1.

- Note 2: Refers to salaries, work subsidies, and severance pay made to the President and Vice Presidents in the latest year.
- Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.
- Note 4: Please fill in the remuneration amount to the president and vice president resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. And should also fill out following table 3.
- Note 5: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's President and Vice President.
- Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.
- Note 7: a. This field must state any form of remuneration the President and Vice President has received from The Company's invested businesses other than subsidiaries.  
 b. For President/Vice Presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column E of the Remuneration brackets table. Change the name of column E to "All invested businesses."  
 c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

### 3. Name of the managers received remuneration and the distribution of remuneration

December 31, 2023

Unit: NTD

|         | Title                    | Name            | Stock | Cash    | Total   | Total/after-tax profit |
|---------|--------------------------|-----------------|-------|---------|---------|------------------------|
| Manager | President                | Zhen-Xiang Yao  | 0     | 718,858 | 718,858 | 0.0153%                |
|         | Vice President           | Jian-Hui Li     |       |         |         |                        |
|         | Vice President           | Wen-Yi Lo       |       |         |         |                        |
|         | Assistant Vice President | Min-Hui Qiu     |       |         |         |                        |
|         | Assistant Vice President | Binglin Chen    |       |         |         |                        |
|         | Assistant Vice President | Hong-Zheng Chen |       |         |         |                        |
|         | Assistant Vice President | Shih-Lin Wu     |       |         |         |                        |

Note 1: The name and job title of each individual should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2: Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3: According to Notice Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003, the following managerial roles are subject to reporting:

- (1) President or equivalent
- (2) Vice President or equivalent
- (3) Assistant Manager or equivalent
- (4) Head of Finance
- (5) Head of Accounting
- (6) Any other authorized signatories involved in The Company's administrative affairs

Note 4: If directors, president and vice president receive employee remuneration (including stock and cash), this table should be filled out in addition to Exhibit 1.

4. Remuneration for the top five highest paid officers of the Company (names and method of remuneration should be disclosed individually)

| Title                          | Name            | Salary (A)<br>(Note 2) |   | Severance Pay (B) |   | Bonuses and allowances etc. (C)<br>(Note 3) |   | Profit sharing remuneration to employees<br>(D)<br>(Note 4) |       |  |       | The total amount of four items<br>A, B, C and D and its proportion<br>to the net profit after tax (%)<br>(Note 6) |   | Compensation paid to<br>directors from an<br>invested company<br>other than the<br>Company's<br>subsidiaries<br>(Note 7) |
|--------------------------------|-----------------|------------------------|---|-------------------|---|---|---|---|-------|--|-------|---|---|--|
|                                |                 | The company            | Companies in the<br>consolidated<br>financial<br>statements<br>(Note 5) | The company       | Companies in<br>the consolidated<br>financial<br>statements<br>(Note 5) | The company                                 | Companies in the<br>consolidated<br>financial<br>statements<br>(Note 5) | The company   |       | Companies in the<br>consolidated financial<br>statements<br>(Note 5) |       | The company   | Companies in<br>the consolidated<br>financial<br>statements |  |
|                                |                 |                        |   |                   |   |   |   | Cash  | Stock | Cash   | Stock |   |   |  |
| Vice<br>Chairman               | Tso, Chi-Sen    | 3,583,590              | 6,790,390   | 112,170           | 112,170   | 5,983,606                                   | 6,347,606   | 199,985   | 0     | 199,985  | 0     | 9,879,351<br>0.2106%  | 13,450,151<br>0.2868%                                       | 0  |
| President                      | Zhen-Xiang Yao  | 3,566,934              | 5,832,934   | 361,850           | 361,850   | 6,246,458                                   | 6,390,458   | 199,549   | 0     | 199,549  | 0     | 10,374,791<br>0.2212%   | 12,784,791<br>0.2726%                                       | 120,000  |
| Vice<br>President              | Jian-Hui Li     | 1,941,108              | 2,530,806   | 237,035           | 237,035   | 3,119,544                                   | 3,281,544   | 107,934   | 0     | 179,934  | 0     | 5,405,621<br>0.1152%  | 6,229,319<br>0.1328%  | 320,000  |
| Vice<br>President              | Wen-Yi Lo       | 1,762,007              | 2,336,294   | 216,767           | 216,767   | 2,808,707                                   | 2,855,707   | 109,441   | 0     | 126,241  | 0     | 4,896,922<br>0.1044%  | 5,535,009<br>0.1180%  | 180,000  |
| Assistant<br>Vice<br>President | Hong-Zheng Chen | 1,554,600              | 1,554,600   | 197,011           | 197,011   | 2,350,899                                   | 2,350,899   | 86,182  | 0     | 86,182   | 0     | 4,188,692<br>0.0893%  | 4,188,692<br>0.0893%  | 332,040  |

Note 1: The term "top five highest paid officers" refers to the managerial officers of the Company. The criteria for managerial officers are based on the scope of application of "managerial officers" as stipulated by the Securities and Futures Commission of the Ministry of Finance in its Order Tai-Cai-Sheng-San-Zi No. 0920001301 dated March 27, 2003. The "Top Five Highest Remuneration" calculation is based on the total amount of base salary, severance and pension, bonus and allowance received by the officers from all companies in the consolidated financial statements, as well as the amount of remuneration for employees (i.e., the total of the four items A+B+C+D), and then ranked by the top five highest remuneration. If a director is also the aforementioned officer, this table and the above table (7) 1 should also filled in.

Note 2: This is for the salary, duty allowance and severance of the top five highest paid officers in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for the top five highest paid officers in the most recent year. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: The amount of employee remuneration (including stock and cash) received by the top five highest paid officers in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Exhibit (7) 3.

Note 5: The total amount of remuneration paid to the top five highest paid officers of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.

Note 7: a. This column should explicitly state whether the top five highest paid officers of the Company "have" or "have not" received remuneration from investees other than subsidiaries.

b. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the top five highest paid officers of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

(VIII) Analysis of the total remuneration paid to directors, president, vice president and assistant vice president as a percentage of net profits after tax in the individual or standalone financial statements for the most recent 2 years by the Company and all companies in the consolidated financial statements, and explanation of the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the individual or standalone financial statements:

Unit: NTD

|                              | 2023               |                       |  | 2022               |                       |  |
|------------------------------|--------------------|-----------------------|--|--------------------|-----------------------|--|
|                              | Total remuneration | Net profits after tax | Remuneration as a percentage of total net profits in the on standalone basis (%) | Total remuneration | Net profits after tax | Remuneration as a percentage of total net profits in the on standalone basis (%) |
| Director                     | 63,510,354         | 4,690,522,699         | 1.3539%  | 35,849,842         | (4,696,692,432)       | (0.7633%)  |
| President and Vice President | 20,677,334         | 4,690,522,699         | 0.4408%  | 13,125,280         | (4,696,692,432)       | (0.2795%)  |

Note: Except for the permanent positions, which have established tasks and duties, and receive a fixed monthly salary, the rest are in accordance with Article 27 and Article 28 of the Company's Articles of Incorporation.

2. Total remuneration paid to directors, president, and vice president as a percentage of net profits after tax in the standalone financial statements by the Company and all companies in the consolidated financial statements:

Unit: NTD

|                              | 2023               |                       |  | 2022               |                       |  |
|------------------------------|--------------------|-----------------------|--|--------------------|-----------------------|--|
|                              | Total remuneration | Net profits after tax | Remuneration as a percentage of total net profits in the on standalone basis (%) | Total remuneration | Net profits after tax | Remuneration as a percentage of total net profits in the on standalone basis (%) |
| Director                     | 87,233,267         | 4,690,522,699         | 1.8597%  | 61,638,123         | (4,696,692,432)       | (1.3124%)  |
| President and Vice President | 24,549,119         | 4,690,522,699         | 0.5234%  | 16,302,381         | (4,696,692,432)       | (0.3471%)  |

Note: Except for the permanent positions, which have established tasks and duties, and receive a fixed monthly salary, the rest are in accordance with Article 27 and Article 28 of the Company's Articles of Incorporation.

3. The policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

The Remuneration Committee is responsible for setting and regularly reviewing the annual and long-term performance goals and remuneration policies, systems, standards and structures of the Company's directors and managerial officers, regularly evaluating the achievement of the Company's directors' and managerial officers' performance goals, and considering the amount of remuneration, payment methods and future operational risks, and then submitting them to the Board of Directors for approval. For distribution items in the earnings distribution table, they must also be submitted to the shareholders' meeting for approval.

- (1) Remuneration policy for directors (independent directors included)

The Corporate Charter Article 28 stipulates that the Board of Directors are authorized to determine the remunerations for directors based on their individual contributions to the company and the industrial standards are taken for reference, while the independent directors shall receive fixed remunerations and attendance allowances. According to Article 27-1 of the Corporate Charter, remunerations for the directors (independent directors

excluded) of the current year shall be no more than 0.5% of the current business profit, if any.

Remunerations for the directors (Chairman and independent directors excluded) are based on the indicators of the established "Board Evaluation Guideline" which includes participation in the corporate operations, professionalism and continuous learning, and internal control.

(2) Remuneration policy for executives

The company has established a remuneration system for its managerial officers, which integrates corporate governance and sustainable business operations and development to formulate reasonable remuneration.

The company has also established a "Performance appraisal methods" which managerial performance is assessed not only based on departmental goals and daily management performance but also on aspects such as corporate governance, social engagement, and environmental sustainability. Additionally, it takes into consideration the company's overall profit margin, goal achievement rate, operational efficiency, and contribution to calculate the remuneration ratio, providing fair remuneration. This approach aims to enhance operational performance, strengthen responsible management, and serve as a reference for remuneration, promotion incentives, and talent development.

To strengthen corporate governance and promote sustainable development, the linkage between sustainability performance indicators and the remuneration of senior executives (including the President and Vice President) has been expanding. Sustainable indicators (weighted at 5%) have established within the company's annual significant Key Performance Indicators (KPIs). These include promoting net zero waste and obtaining ISO14064-1 certification for organizational Greenhouse Gas inventory verification by 2024, as achieved in 2023. Additionally, the target of annual reduction in carbon intensity is at least 4.2%, with the aim of achieving a 30% reduction in carbon emissions by 2025 compared to 2021 levels. The execution of these targets is supervised by the Vice President and high-level managerial, and progress is monitored through monthly meetings chaired by the President, aiming to strengthen the implementation and execution of the company's sustainability development policy.

High-level Managerial Remuneration Calculation Principles:

1. Salary: Salaries are determined based on industry standards, individual performance, job title, position level, education background, professional abilities, and responsibilities.
2. Bonuses: In addition to traditional bonuses given during the Dragon Boat Festival, Mid-Autumn Festival, and a fixed year-end bonus, additional bonuses are allocated based on the company's annual operating profit and non-operating income, distributed according to individual performance. Individual performance is evaluated based on the "Performance Evaluation Guidelines" applicable to managers and employees. The indicators for evaluating executives include (1) department-specific objectives of professional of management and operations (90%), e.g. fulfillment of targeted operating income and profit, compliance with new product schedules, product quality improvement, vehicle supply satisfaction, domestic parts development and new business development); (2) management aspects (10%), e.g. improvement of functional committees, talent cultivation, innovative proposals); and (3) daily managerial performance, by taking into account the Company's overall profitability, target achievement rate, operating efficacy, and contributions, and then the remuneration is proportionately calculated and given for a reasonable distribution which, however, is subject to timely review of actual operational status and statutory regulations.
3. Retirement Benefits: According to the Labor Standards Act, retirement benefits for managerial personnel have provided separately by the company; for those covered under the New Pension Scheme, the company makes monthly contributions to their individual retirement accounts.

4. Employee Rewards: In accordance with Article 27-2 of the company's regulations, if the company operates with profit, a minimum of 0.1% of the annual profit should be allocated to employee rewards for the year.
5. Employee Stock Options: In response to the company's capital increase in the 2023, employee stock options have granted based on the company's Employee Stock Option Regulations, with the number of shares available for subscription determined by the Chairman of the Board for managerial personnel.

### III. The operation of corporate governance

#### (I) The Function of the Board of Directors

For the most recent year, the Board of Directors held 6 meetings, and the attendance of directors and independent directors is as follows.

| Title                | Name (Note 1)   | Number of attendance in person | Number of attendance by proxy | Attendance in person (%) (Note 2) | Remarks (Note 2) |
|----------------------|---|--------------------------------|-------------------------------|-----------------------------------|------------------|
| Chairman             | Tai Yuen Textile Co., Ltd.<br>Representative: Yen Chen Li-Lien  | 6                              | 0                             | 100%                              |                  |
| Vice Chairman        | Tai Yuen Textile Co., Ltd.<br>Representative: Tso, Chi-Sen      | 6                              | 0                             | 100%                              |                  |
| Director             | China Motor Corporation<br>Representative: Shin-I Lin           | 6                              | 0                             | 100%                              |                  |
| Director             | China Motor Corporation<br>Representative: Liang Zhang          | 4                              | 2                             | 66.7%                             |                  |
| Director             | Yen Ching-Ling's Foundation<br>Representative: Jack, J.T. Huang | 5                              | 1                             | 83.3%                             |                  |
| Director             | Yen Ching-Ling's Foundation<br>Representative: Zhen-Xiang Yao   | 6                              | 0                             | 100%                              |                  |
| Independent Director | Zhongqi Zhou  | 6                              | 0                             | 100%                              |                  |
| Independent Director | Yen-Chin, Tsai  | 5                              | 1                             | 83.3%                             |                  |
| Independent Director | Yun-Hua Yang  | 6                              | 0                             | 100%                              |                  |

#### Other notes:

- I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:
  - (I) The content of the particulars described in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee in July 2016, therefore, Article 14-5 of the Securities and Exchange Act is applicable, excluding Article 14-3 of the Securities and Exchange Act, please refer to the description of the "Operation of the Audit Committee" for relevant resolutions.
  - (II) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.
- II. The recusal of the directors from motions that involved a conflict of interest. (Specify the names of the directors, the content of the motions, and reason for recusal, and the participation in voting):  
The Company has established the "Procedure for Board of Directors Meetings," which stipulates the terms of recusal of directors from motions involving conflict of interest and handles it in accordance with the relevant regulations.
- III. Information on the periodicity and period, scope, method and content of the self-evaluation (or peer evaluation) by the Board of Directors:  
Please refer to Note 3 for the implementation of the Board of Directors' evaluation.
- IV. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation.
  1. In addition to the establishment of the Remuneration Committee as approved by the Board of Directors on August 26, 2011, the Company also elected two independent directors for the 14th term at the 2013 regular shareholder meeting in accordance with Article 14-2 of the Securities and Exchange Act, with a view to strengthening the functions of the Board of Directors and enhancing the effectiveness of corporate governance, and established an Audit Committee in July 2016 to replace the former supervisory system to strengthen the internal control mechanism of the Company.
  2. In addition, in order to comply with the international trend of corporate governance, the Company revised the "Procedure for Board of Directors Meetings" and "Audit Committee Charter" on March 7, 2024 in order to

- continuously improve corporate governance.
3. To enhance the transparency of information, the Company announces important resolutions on the Market Observation Post System (MOPS) immediately after the Board of Directors' meetings and updates the relevant organizational rules on the Company's website to protect shareholders' rights and interests and to enhance investors' understanding and recognition of the Company.
  4. The Company adopted the Board of Directors Evaluation Measures on November 9, 2015, made the third revision thereto on November 10, 2020, and evaluated the internal operation of the Board of Directors, the Board of Directors, Board Members and Functional Committee for 2023, for which the evaluation results ranged from 96.50–100 points.

Note 1: If directors and supervisors are institutions, names of shareholders and the representative of the institutions shall be disclosed.

Note 2: (1) In the event that directors or supervisors leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of board of directors meetings held during service and the frequency number of attendance (being seated) in the meetings.

- (2) Before a year is completed, upon any re-election of directors or supervisors, names of the said directors/supervisors, new and old, shall be listed and it shall be specified in the remark column that a specific director or supervisor is old, new, or re-elected, and the date of re-election. The actual attendance (seated) rate (%), on the other hand, is to be calculated by the number of board of directors meetings held during service and the frequency number of attendance (being seated) in the meetings.

Note 3: Information on the operation of the Board of Directors

| Evaluation periodicity    | Evaluation period                    | Evaluation scope   | Evaluation method   | Evaluation content  |
|---------------------------|--------------------------------------|--|---------------------|---|
| Once in every three years | January 1, 2021 to December 31, 2021 | 1. Board of Directors  | External evaluation | 1. Evaluation of the operation of the Board of Directors<br>(1) Professional skills<br>(2) Decision making efficacy<br>(3) Internal control<br>(4) Corporate Social Responsibility  |
| Once a year               | January 1, 2023 to December 31, 2023 | 1. Performance of the Board of Directors<br>2. Board member<br>3. Audit Committee<br>4. Remuneration Committee<br>5. Sustainable Development Committee | Self-evaluation     | 1. Evaluation of the operation of the Board of Directors<br>(1) Participation in the operation of the Company<br>(2) Quality of the Board of Directors' decision making<br>(3) Composition and structure of the Board of Directors<br>(4) Election and continuing education of the directors<br>(5) Internal control<br>2. Self-evaluation of directors<br>(1) Participation in the operation of the Company<br>(2) Election and continuing education of the directors<br>(3) Internal control<br>(4) Understanding of the Company and perception of responsibilities<br>3. Operation of the Audit, Remuneration and Sustainable Development Committee:<br>(1) Participation in the operation of the Company<br>(2) Improvement in the quality of the committee's decision-making.<br>(3) Composition and structure of the committee<br>(4) Appointment of the committee member |



(II) The operation of the Audit Committee:

1. The composition and duties of the Audit Committee

The Audit Committee of the Company was established on July 1, 2016 to oversee the quality and integrity of the Company's performance in relation to the fair presentation of financial statements, the effective implementation of internal controls, the selection (dismissal) of CPAs, independence, competence, and compliance with relevant laws and regulations.

2. Information on the operation of the Audit Committee

The Audit Committee met six times (A) in the most recent year to consider matters including audit of financial statements, assessment of the effectiveness of the internal control system, significant asset or derivative transactions, significant funds lending and endorsement and guarantees, legal compliance and appointment of CPAs, their independence, performance evaluation and professional fees, and the attendance of independent directors as follows.

| Title                | Name           | Number of actual attendees(B) | Number of attendance by proxy | Attendance rate (%) (B/A) (Note 1, 2) | Remarks                                 |
|----------------------|----------------|-------------------------------|-------------------------------|---------------------------------------|---|
| Independent Director | Zhongqi Zhou   | 6                             | 0                             | 100%                                  | with management and financial expertise |
| Independent Director | Yen-Chin, Tsai | 6                             | 0                             | 100%                                  | with financial expertise                |
| Independent Director | Yun-Hua Yang   | 6                             | 0                             | 100%                                  | with legal expertise                    |

Other notes:

I. If the Audit Committee operation falls under any of the following circumstances, the date, session, proposals of the Committee meeting, as well as objections, reservations or material suggestions from independent directors, and meeting resolutions, and the Company's response to the Committee's opinions should be explicitly stated.

(I) The content of the particulars inscribed in Article 14-5 of the Securities and Exchange Act.

| Date of the Audit Committee meeting | Session of the Audit Committee meeting         | Summary of the motion   | Independent Director and Audit Committee's opinion | The Company's handling of the Audit Committee's opinion |
|-------------------------------------|--|---|--|---|
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Preparations for the 2023 shareholders' meeting   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's 2022 final operating reports  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The proposal for the distribution of earnings of the Company in 2022;                             | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's endorsement and guarantee facility for 2023   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendment to certain provisions of the Company's "Articles of Incorporation."                     | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings." | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company participated in the capital increase in Tokio Marine Newa Insurance                   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's sale of the Class A preferred shares in Yurong                                      | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company sold the 12th, 14th and 16th floors of the Dunnam Building                            | Approved as submitted.                             | Executed as resolved                                    |

| Date of the Audit Committee meeting | Session of the Audit Committee meeting         | Summary of the motion   | Independent Director and Audit Committee's opinion | The Company's handling of the Audit Committee's opinion |
|-------------------------------------|--|---|--|---|
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company intends to increase cash capital in 2023 for issuance of new shares and the issuance of the third domestic unsecured and convertible corporate bonds        | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's bank facility application for 2023  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's issuance of Letter of Operating Support (LOS) in 2023.  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2023  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | A lease agreement between the Company and a related party for real estate right-of-use assets   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | The Company's Statement of Internal Control System for 2022   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendments to the "General Rules for Internal Control Systems" and "Implementation Rules for Internal Audit" of the Company.  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles".   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendment to certain provisions of the Company's "Corporate Sustainable Development Best Practice Principles"   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/3/7                            | 3rd interim meeting of the 4th Audit Committee | Amendment to certain provisions of the Company's Accounting Professional Judgment Procedures, Accounting Policies and Management Measures for Estimation Change Process | Approved as submitted.                             | Executed as resolved                                    |
| 2023/5/9                            | 5th interim meeting of the 3rd Audit Committee | Financial statements of the Company for 2023, Q1  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/5/9                            | 5th interim meeting of the 3rd Audit Committee | The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd.  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/5/9                            | 5th interim meeting of the 3rd Audit Committee | The Company's participation in the increase of common stock capital of Tokio Marine Newa Insurance Co., Ltd.  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/5/9                            | 5th interim meeting of the 3rd Audit Committee | The Company's sale of the Class A preferred shares in Taiwan Acceptance Corporation   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/5/9                            | 5th interim meeting of the 3rd Audit Committee | The Company's 2023 cash capital increase for 2023 includes employee subscription procedures and distribution for manager's subscription                                 | Approved as submitted.                             | Executed as resolved                                    |

| Date of the Audit Committee meeting | Session of the Audit Committee meeting         | Summary of the motion  | Independent Director and Audit Committee's opinion | The Company's handling of the Audit Committee's opinion |
|-------------------------------------|--|--|--|---|
| 2023/8/3                            | 6th interim meeting of the 3rd Audit Committee | Financial statements of the Company for 2023, Q2   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/8/3                            | 6th interim meeting of the 3rd Audit Committee | To adjust the cash dividend payout ratio for 2023 earnings distribution                              | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | Financial statements of the Company for 2023, Q3   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | The Company's donation to the Wu Shun-Wen's News Scholarship Foundation                              | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | To change the Company's paid-in capital and setting the record date for new share issuance           | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | A lease agreement between the Company and a related party for real estate right-of-use assets        | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | The Company's 2024 audit plan  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."    | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | Amendments to certain provisions of the internal control systems for stock operations of the Company | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/7                           | 7th interim meeting of the 3rd Audit Committee | Amendment to certain provisions of the Company's "Regulations Governing Related Party Transactions"  | Approved as submitted.                             | Executed as resolved                                    |
| 2023/11/22                          | 1st interim meeting of the 3rd Audit Committee | Disposal of Yulon Motor Finance (China) Limited by the Company                                       | Approved as submitted.                             | Executed as resolved                                    |
| 2023/12/19                          | 8th interim meeting of the 3rd Audit Committee | The Company's 2024 business objectives   | Approved as submitted.                             | Executed as resolved                                    |
| 2023/12/19                          | 8th interim meeting of the 3rd Audit Committee | Partial amendments to the Company's personal information protection management measures              | Approved as submitted.                             | Executed as resolved                                    |
| 2023/12/19                          | 8th interim meeting of the 3rd Audit Committee | A lease agreement between the Company and a related party for real estate right-of-use assets        | Approved as submitted.                             | Executed as resolved                                    |
| 2023/12/19                          | 8th interim meeting of the 3rd Audit Committee | Estimated transaction of the Company's purchases and sales with related parties in 2024              | Approved as submitted.                             | Executed as resolved                                    |

(II) In addition to the aforementioned motions, other motions without approval by the Auditing Committee but passed by the Board with 2/3 of the Directors: None.

- II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions.  
The Company has established the "Audit Committee Charter," which stipulates the terms of recusal of independent director members of the committee from motions involving conflict of interest and handles it in accordance with the relevant regulations.
- III. Communication between the Independent Director and the internal audit supervisor and CPAs e.g., discussions of major affairs on the Company's financial status and business performance, the methods through which the discussions were carried out and the results, etc.)

## 1. Highlights of the separate communication between independent directors and internal audit officer

| Date       | Independent Director and Head of Audit   | Committee members' opinions |
|------------|--|-----------------------------|
| 2023/3/9   | 1. Implementation of the regularly reported matters in 2023 (January - February)<br>2. Implementation status of audit declarations as required by laws and regulations<br>3. The progress of the two brand companies in the promotion of distributor management<br>4. Proposals discussed in the Board of Directors meeting  | No opinion                  |
| 2023/5/11  | 1. Implementation of the regularly reported matters in 2023 (March - April)<br>2. Suggestions of independent directors made on the audit meetings from January to March and their implementation status<br>3. Implementation status of audit declarations as required by laws and regulations<br>4. The progress of the two brand companies in the promotion of distributor management | No opinion                  |
| 2023/8/8   | 1. Implementation of the regularly reported matters in 2023 (April - July)<br>2. Implementation status of audit declarations as required by laws and regulations<br>3. Suggestions made by directors in May and their implementation status<br>4. Fine for Yulon Motor Finance (China) Limited<br>5. Report on the results of routine audits   | No opinion                  |
| 2023/11/9  | 1. Implementation of the regularly reported matters in 2023 (August - October)<br>2. Report on handling of whistleblowing<br>3. The Company's 2024 audit plan  | No opinion                  |
| 2023/12/19 | 1. Implementation of the regularly reported matters in 2023 (November–December)<br>2. Report on the results for 2023 annual plan's execution<br>3. Reportable plan and execution report of 2024  | No opinion                  |

## 2. Highlights of the separate communication between independent directors and CPAs

| Date                             | Purpose of communication  | Communication topics between independent directors and CPAs  | Committee members' opinions |
|----------------------------------|---|--|-----------------------------|
| 2023/3/9<br>(Pre-audit meeting)  | 1. 2022 Financial Statements<br>2. CPA's audit statement<br>3. Material accounting events<br>4. Risk identification and key audits<br>5. Explanations on updates to important regulations | 1. Governing unit's responsibilities<br>2. Group audit strategy and audit results of individual members<br>3. Significant accounting policies, estimates, events or transactions<br>4. Significant risks and key audit items<br>5. Audit results of individual and consolidated financial statements for 2022<br>6. Updates on laws<br>7. CPA advice and communication matters | No opinion                  |
| 2023/5/11<br>(Pre-audit meeting) | 1. 2023 Q1 Quarterly Report<br>2. Significant subsequent events<br>3. Corporate governance  | 1. Results of the review of the consolidated financial statements for the first quarter of 2023<br>2. Significant subsequent events<br>3. Corporate governance<br>4. CPA advice and communication matters  | No opinion                  |
| 2023/8/8<br>(Pre-audit meeting)  | 1. 2023 Q2 Quarterly Report<br>2. Corporate governance  | 1. Results of the review of the consolidated financial statements for the second quarter of 2023<br>2. Corporate governance<br>3. CPA advice and communication matters   | No opinion                  |
| 2023/11/9<br>(Pre-audit meeting) | 1. 2023 Q3 Quarterly Report<br>2. CPA's audit statement<br>3. Risk identification and key audits<br>4. Quality management system of the firm  | 1. Results of the review of the consolidated financial statements for the third quarter of 2023<br>2. 2023 Planning of annual audit of financial statements<br>3. Identification of significant risks and key audit items<br>4. Deloitte & Touche - Quality Management System<br>5. CPA advice and communication matters   | No opinion                  |

Note 1: In the event that independent directors leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Audit Committee meetings held during service and the frequency number of attendance (being seated) in the meetings.

Note 2: Before the end of the year, if there was an election of directors and supervisors, the names of new and former directors and supervisors should be filled in and the company should remark in the remarks section whether the directors and supervisors are former, newly elected, or reelected, as well as the day of the reelection. The actual attendance rate to committee session (%) shall be calculated on the basis of the number of sessions held by the Audit Committee in such period and the attendance in person in the sessions.

(III) The performance of corporate governance and the variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation

| Items   | Actual governance (Note 1) |    |  | The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation |
|---|----------------------------|----|--|---|
|   | Yes                        | No | Summary  |   |
| I. Has the Company instituted and disclosed the corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”? | V                          |    | The Company has established the Best-Practice Principles for Corporate Governance which have been disclosed on the Market Observation Post System and the Company’s website.   | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |
| II. The shareholdings structure and shareholders’ equity of the Company   |                            |    |  |   |
| (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?          | V                          |    | (I) The Company convenes shareholders' meetings in accordance with the provisions of the Company Act and related laws and regulations, and has established complete rules of meeting procedure, and implemented matters that should be resolved by the shareholders' meetings in accordance with the rules of procedure. In addition, the Company has a spokesperson to respond to shareholders' suggestions or questions, and a dedicated stock affairs unit as the service window to handle related matters. | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |
| (II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?   | V                          |    | (II) The Company keeps abreast of the shareholding by directors, managers and the shareholders whose shareholdings are among the top ten).   | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |
| (III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?  | V                          |    | (III) The Company implements the risk control and firewall mechanism for affiliates in accordance with the "Processing Procedures for Related-Person Transactions", "Operating Procedures for Capital Lending to Others", "Management Measures for Endorsements & Guarantees" and other specifications.  | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |
| (IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?  | V                          |    | (IV) The Company has established the “Management Measures for Preventing Insider Trading,” which clearly regulate the targets of insider trading, the filing and announcement of insider information, the disclosure of material information, and the handling of such disclosure. The Measures are also posted on the Company's website.  | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |
| III. Composition and responsibility of the Board of Directors   |                            |    |  |   |
| (I) Has the board devised diversified guidelines and implemented them based on member makeup?   | V                          |    | The Company's Corporate Governance Best Practice Principles have stipulated that the composition of the Board of Directors should be determined with diversity in consideration, and has formulated appropriate diversity policy (basic criteria and values, professional knowledge and skills...) with respect to its operations,   | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |

| Items  | Actual governance (Note 1) |    |   | The variation with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and the reasons for the variation |
|--|----------------------------|----|---|---|
|  | Yes                        | No | Summary   |   |
| (II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees? | V                          |    | <p>business model and development needs and implemented them. The 17th Board has one female director, Yen Chen Li-Lien, and all board members are equipped with various professional skills. Chairwoman Yen Chen Li-Lien, Vice Chairman Tso Chi-Sen, and Director Lin Shin-I and Yao Zhen-Xiang are experts in leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views, while Director Huang Jack J.T. and Independent Director Yang Yun-Hua are experts in legal affairs, and Director Zhang Liang and Independent Director Zhou Zhongqi and Tsai Yen-Chin are experts in economic financing.</p> <p>The independent directors account for 33% of the total board seats, and female directors account for 11%. Two independent directors have taken the seat for 6–9 years, one for 1–3 years. There are five directors aged over 70, three between 60–69, and one under 60.</p> <p>(I) The "Corporate Governance Best Practice Principles" defines standards in two major aspects to formulate diversity policy based on the business, operations and development needs.</p> <p>(1) The prerequisites and value norms for the board composition require that female directors take up to one third of the board seats for the goal of diversity.</p> <p>(2) The Company also places emphasis on the professional knowledge and skills of its Board of Directors. In addition to expertise in the automobile industry and management, the percentage of directors with expertise in finance and law is expected to reach 20%.</p> <p>(II) Considering the size of the Company's Board of Directors and the number of independent directors, in addition to establishing a Remuneration Committee and Audit Committee as required by law, the Company has set up internal control management mechanisms and projects, operations and decision-making meetings for each business. Through such meetings, important issues are evaluated to provide the Board of Directors with input to carry out its oversight responsibilities. The Company has set up an Audit Committee to replace supervisors in July 2016, a CSR Committee (ESG Committee) in 2018 and a Sustainable Development Committee in 2022 to actively practice sustainable development while engaging in business</p> | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."                                   |

| Items  | Actual governance (Note 1) |    |  | The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation |
|--|----------------------------|----|--|---|
|  | Yes                        | No | Summary  |   |
| (III) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment? | V                          |    | <p>operations in accordance with the Sustainable Development Best-Practice Principles, so as to keep up with the international trend of balancing the development of environment, social and corporate governance and promote corporate responsibility-based competitive advantages.</p> <p>(III) On November 9, 2015, the Company adopted the “Board of Directors Evaluation Measures,” which stipulates that the Company's Board of Directors shall conduct a performance evaluation of the Board of Directors and its members at least once a year as a reference for the election of directors and the remuneration of directors, and that the evaluation shall be conducted by an external professional and independent organization or a team of external experts and scholars at least once every three years. In November 2020, the Company completed the amendment of certain provisions of the “Board of Directors Evaluation Measures,” which was approved by the Board of Directors. The Company has completed the internal evaluation of the Board of Directors, Board Members and Functional Committee and the external evaluation of the Board of Directors for 2021 in December 2021. The internal evaluation of the Board, Board Directors and Functional Committee was completed in December 2021, and rated 97.07–100 points, while the external evaluation of the Board performance was rated 95.29–95.60 points. Based on the results of the Board of Directors' performance evaluation for 2021, the overall operation of the Board of Directors is good. The results of internal evaluation of the Board operation, Board of Directors, Board members and Functional Committee for 2022 were rated 96.67–100 points. The 2023 internal evaluation with questionnaires was based on the Board operation, the directors' engagement as well as the operation of the Audit Committee, Remuneration Committee and Sustainable Development Committee, and the results were rated 96.50–100 points. Based on the results of the Board of Directors' performance evaluation for 2023, the overall operation of the Board of Directors is good.</p> | In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies.”                                   |

| Items  | Actual governance (Note 1) |    |  | The variation with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and the reasons for the variation |
|--|----------------------------|----|--|---|
|  | Yes                        | No | Summary  |   |
| (IV) Will the Company have the independence of the public accountant evaluated regularly?  | V                          |    | (IV) The Company prepared the CPA Independence and Suitability Assessment Sheet with reference to the Bulletin of the Code of Ethics for Certified Public Accountant of the Republic of China No. 10 - "Integrity, Objectivity and Independence" and the 13 Audit Quality Index (AQI) items (please refer to Note 1 for details). The Company has obtained the declaration of independence and the AQI Report from the CPA firm, and the Audit Committee and the Board of Directors regularly (once a year) in order to evaluate the independence and suitability of the CPAs. The evaluation of the independence and suitability of CPAs in 2023 was completed and approved by the Board of Directors in March 2023.  | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."                                   |
| IV. Does the Company as a listed company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meetings and shareholders' meetings related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)? | V                          |    | <p>The corporate governance officer of the Company was appointed as approved by the Board of Directors on May 10, 2019, and is the Assistant VP of the Finance and business planning department, who has more than 3 years of experience in financial and meeting administration in public companies, and is in compliance with the establishment criteria. A corporate governance group has also been established to handle corporate governance related matters.</p> <p>The corporate governance officer is responsible for corporate governance-related matters and the protection of shareholders' rights and interests, as well as strengthening the functions of the Board of Directors, including providing information necessary for directors and independent directors to carry out their business, assisting directors and independent directors to strictly comply with the law, handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law, handling business registrations and change registrations, and preparing minutes of Board of Directors meetings and shareholder meetings, etc.</p> <p>The execution of the function for 2023:</p> <ol style="list-style-type: none"> <li>1. Assisted independent directors and regular directors in carrying out their duties, provided necessary information and arranged for directors' further education.</li> <li>2. Assisted in the proceedings and resolutions of the board of directors meetings and shareholders' meetings</li> <li>3. Execution of directors' liability insurance for 2023 and reported to the Board of Directors meeting in May.</li> <li>4. In order to implement corporate governance, a performance evaluation of the Board of</li> </ol> | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."                                   |



| Items | Actual governance (Note 1) |    |  | The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation |
|-------|----------------------------|----|--|---|
|       | Yes                        | No | Summary  |   |
|       |                            |    | <p>Directors, Directors, and various functional committees for 2022 was conducted and with a report presented to the Board of Directors in March 2023.</p> <p>5. In 2023, the Company held four corporate briefings to disclose the necessary information to market investors, so that the shareholders' rights and interests were well protected. In addition, in July 2023, an additional corporate communication meeting was held to focus on the key topics and problems of corporate concern.</p> <p>6. In 2023, the general shareholders' meeting was convened early in May, the date of the shareholders' meeting was registered according to laws, the meeting notice, meeting handbook, and minutes were prepared before the statutory deadline.</p> <p>7. Notified the directors of the proposed agenda 7 days in advance of the board meeting, convened the meeting and provided meeting materials, and completed and sent the minutes of the board meeting afterwards.</p> <p>8. Assisted in the operation of functional committees such as the Audit Committee, Remuneration Committee and Sustainable Development Committee, including convening meetings and providing meeting materials, and sending the committee meeting minutes after the meetings.</p> <p>9. Promoted the blueprint for sustainable development of corporate governance and strive for the top 5% of TWSE/TPEX-listed companies in terms of governance evaluation, including protecting shareholders' rights and interests, treating shareholders equally, strengthening the structure and operation of the Board of Directors, improving information transparency, and promoting sustainable development.</p> <p>Continuing education in 2023:</p> <p>1. Development Trend of Internet Technology and New Thoughts of Internal Audit Personnel (6 hours) → Hosted by Accounting Research and Development Foundation</p> <p>2. Sustainability Risk Trends and Response Strategies (3 hours) → Hosted by Taiwan Corporate Governance Association</p> <p>3. Strengthening Digital Resilience and Building Strategies for Intensifying Information Security Governance of TWSE Listed Companies (3 hours) → Hosted by Taiwan Corporate Governance Association</p> |   |

| Items   | Actual governance (Note 1) |    |   | The variation with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies," and the reasons for the variation   |
|---|----------------------------|----|---|---|
|   | Yes                        | No | Summary   |   |
| V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders? | V                          |    | Stakeholders (customers, employees, shareholders, suppliers, distributors, community ..... ) can communicate with the Company through the business departments or spokesperson. We have also set up an investor relations contact window on our website to provide information, or they can contact us by phone, fax or e-mail along these smooth channels.   | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."   |
| VI. Does the Company commission a professional stock service agent to handle shareholders' affairs?   |                            | V  | In order to have good control of the list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders in a timely matter, the Company handles its own stock affairs. To ensure that shareholders' meetings are held in a legal, effective and safe manner, an internal control system and internal audit procedure of stock affairs have been established, and the Company is subject to regular external audits by the Taiwan Depository & Clearing Corporation every year. | In order to have good control of the list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders in a timely matter, the Company handles its own stock affairs. |
| VII. Information disclosure   |                            |    |   |   |
| (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?   | V                          |    | (I) The Company has set up a website to disclose financial and operational information in a timely manner. The Company's website: <a href="http://www.yulon-motor.com.tw">http://www.yulon-motor.com.tw</a> .   | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."   |
| (II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?                                     | V                          |    | (II) The Company has dedicated personnel responsible for the collection of corporate information and disclosure of important matters, and has implemented a spokesperson and acting spokesperson system; corporate briefing presentations are also available on the website and an English website has been set up to achieve the purpose of full disclosure of information.  | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."   |
| (III) Has the Company announced and declared its financial report within 2 months after the end of the fiscal year, and announced and declared the quarterly financial report of Q1, Q2, and Q3 and the monthly business report before the deadline?  |                            | V  | (III) The annual, quarterly and monthly financial statements are currently reported within the legal deadlines.   | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."   |
| VIII. Is there any further information that may help to understand the status of corporate governance of the Company better (including but not limited to employees' rights, employee care, investor relation, supplier relation, stakeholders' rights, the continuing education of the Directors and Supervisors, risk                             | V                          |    | 1. Employee rights and interests and care: Please refer to the description under "Industrial Relations" in Section 5 of Chapter 5 of this Annual Report.<br>2. Investor relations<br>The Company has a stock affairs unit to serve as a bridge between the Company and its shareholders, and a spokesperson system to provide a window of contact with  | In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies."   |

| Items  | Actual governance (Note 1) |   |   | The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation |         |
|--|----------------------------|---|---|---|---------|
|  | Yes                        | No                                      | Summary   |   |         |
| management policy and risk assessment in action, the pursuit of customer policy, and the protection of the Directors and Supervisors with professional liability insurance)? |                            |   | <p>shareholders and institutional investors.</p> <p>3. Supplier relations<br/>The Company deals with our suppliers based on the concept of co-existence and co-prosperity. We have a dedicated internal unit to monitor and counsel our suppliers, and we have an incentive system to reward suppliers for their excellent performance. The communication channels with suppliers are also diversified and effective. In addition, we have established the “Practice Standards for Safety and Health Management of Outsourcing Contractors” and “Regulations for the Management of Operations in Outsourcing Contractors' Sites,” which require us to cooperate with suppliers and follow the relevant regulations on environmental protection, safety and health issues, and jointly strive to enhance corporate social responsibility.</p> <p>4. Rights of Stakeholders.<br/>The Company respects and protects the legitimate rights and interests of the stakeholders, and establishes different communication methods to facilitate the effective communication of the opinions of each stakeholder in a timely manner.</p> |   |         |
| 5. The continuing education of directors and independent directors (2023.01.01 - 2023.12.31)   |                            |   |   |   |         |
| Title  | Name                       | Course organizer                        | Course name   | Training hours  | Remarks |
| Chairman   | Yen Chen Li-Lien           | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6   |         |
| Vice Chairman  | Tso, Chi-Sen               | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6   |         |
| Director   | Shin-I Lin                 | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6   |         |
| Director   | Liang Zhang                | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6   |         |
| Director   | Jack, J.T. Huang           | Taiwan Institute of Directors           | ChatGPT triggers the opportunity of AI boom industry, escaping from the organizational framework organizational strategy and key talent development   | 6   |         |

| Items                | Actual governance (Note 1)  |   |   | Summary        | The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons for the variation |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|----------------------|---|---|---|----------------|---|------|------------------|-------------|----------------|---------|----------|----------------|---|---|---|--|----------------------|--------------|---|---|---|--|----------------------|----------------|---|---|---|--|----------------------|--------------|---|---|---|--|--|
|                      | Yes   | No                                      |   |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Course organizer</th> <th>Course name</th> <th>Training hours</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>Zhen-Xiang Yao</td> <td>Taiwan Corporate Governance Association</td> <td>Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies</td> <td>6</td> <td></td> </tr> <tr> <td>Independent Director</td> <td>Zhongqi Zhou</td> <td>Taiwan Corporate Governance Association</td> <td>Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies</td> <td>6</td> <td></td> </tr> <tr> <td>Independent Director</td> <td>Yen-Chin, Tsai</td> <td>Taiwan Corporate Governance Association</td> <td>Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies</td> <td>6</td> <td></td> </tr> <tr> <td>Independent Director</td> <td>Yun-Hua Yang</td> <td>Taiwan Corporate Governance Association</td> <td>Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies</td> <td>6</td> <td></td> </tr> </tbody> </table> |   |   |                | Title   | Name | Course organizer | Course name | Training hours | Remarks | Director | Zhen-Xiang Yao | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies | 6 |  | Independent Director | Zhongqi Zhou | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies | 6 |  | Independent Director | Yen-Chin, Tsai | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies | 6 |  | Independent Director | Yun-Hua Yang | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies | 6 |  |  |
| Title                | Name  | Course organizer                        | Course name   | Training hours | Remarks   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| Director             | Zhen-Xiang Yao  | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6              |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| Independent Director | Zhongqi Zhou  | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6              |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| Independent Director | Yen-Chin, Tsai  | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6              |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| Independent Director | Yun-Hua Yang  | Taiwan Corporate Governance Association | Strengthen Digital Resilience and Build Strategies for Intensifying Information Security Governance of TWSE Listed Companies, and Exploring Sustainable Developments Trends and Response Strategies   | 6              |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| 6.                   | Implementation of risk management policies and risk measurement standards.<br>Please refer to the description under “Risk Management and Assessment” in Chapter 7, Section 6 of this Annual Report.   |   |   |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| 7.                   | Implementation of consumer or customer protection policies.<br>The Company has a 24-hour 0800 toll-free telephone consultation service line, which provides a comprehensive channel of consultation and services for consumers' rights and interests, including inquiries about dealership business and service locations, new car information, towing assistance, customer needs assistance, advice and complaints handling, etc.  |   |   |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| 8.                   | The company's purchase of liability insurance for directors and independent directors.<br>The directors and independent directors of the Company have performed their duties in good faith and with due care and attention, and no litigation or illegal acts have occurred. However, in order to fully protect the interests of stakeholders, the Company appointed Tokio Marine Newa Insurance Co., Ltd. to plan and underwrite the directors' liability insurance from July 1, 2023 to July 1, 2024.   |   |   |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
| IX.                  | Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: (Not applicable to the companies that are not subject to the evaluation)<br>In the 10th Corporate Governance Evaluation, improvement for the indicators with no points achieved in the 9th Session was proposed as follows:   |   |   |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | Indicators with no points achieved in the 9th Session 2022  |   | Countermeasures in the 10th Session 2023  |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | Does the Company report the remuneration paid to directors at the general shareholders' meeting, including the remuneration policy, details and amounts of individual remunerations?  |   | Considering the schedule and agenda of the shareholders' meeting, only the directors' remuneration, remuneration policy, individual remuneration and amount of the directors are submitted to the annual report of the shareholders' meeting. |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | Has the Company published the annual financial report certified by the CPA within two months after the end of the fiscal year?  |   | Considering that there are up to 100 companies reinvested by the Company, the Company has complied with laws and regulations and prepares an annual financial statement that is audited and certified by a CPA within 75 days.                |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | Has the Company voluntarily disclosed the remuneration paid to individual directors in the annual report?   |   | Since 2019, the Company has voluntarily disclosed the remuneration of individual directors, regardless of the annual profit or loss.  |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |
|                      | Has the Company voluntarily disclosed the remuneration paid to President and Vice President in the annual report?   |   | Since 2019, the Company has voluntarily disclosed the remuneration of the President and Vice President, regardless of the annual profit or loss.  |                |   |      |                  |             |                |         |          |                |   |   |   |  |                      |              |   |   |   |  |                      |                |   |   |   |  |                      |              |   |   |   |  |  |

Note 1: Evaluation Form for CPA Independence and Suitability:

| Items for assessment   | Yes/No |
|--|--------|
| <b>I. Independence</b>   |        |
| 1. The members of the audit service team and their family members have no significant direct or indirect financial interests with the Company.   | Yes    |
| 2. The Company or its directors have not engaged in mutual financial transactions or guarantees with members of the audit service team or their family members (The commercial activity of lending and borrowing under normal circumstances of a financial institution is not subject to this restriction.)  | Yes    |
| 3. There is no close business relationship between the CPA firm or members of the audit service team and the Company or affiliates.  | Yes    |
| 4. There is currently no potential employment relationship between the members of the audit service team and the Company.  | Yes    |
| 5. Members of the audit service team, who have not served as a director of the Company or any position that has a significant impact on the audit cases in the past two years.   | Yes    |
| 6. The audit fees paid by the Company to the CPAs are a fixed amount and are not contingent upon specific outcomes. There were no overdue fees that would affect the independence of the audit.  | Yes    |
| 7. The non-audit services provided by the CPA firm and its affiliates to the Company, including advanced fees and travel expenses, which did not directly affect the important subjects of the audit case, and the Company's management functions were not involved, did not make decisions on behalf of the Company, and did not compromise their independence.                           | Yes    |
| 8. The members of the audit service team are not entrusted to defend the Company's position or opinions, or to coordinate on behalf of the Company in conflict with a third party.   | Yes    |
| 9. After being appointed in this year, the CPAs have served for three years, but did not exceed seven years.   | Yes    |
| 10. Members of the audit service team are not related to the Company's directors, managers or personnel who have a significant impact on the audit cases.  | Yes    |
| 11. The Company's directors and managers did not give any valuable gifts to the members of the audit team.   | Yes    |
| 12. None of the Company's directors, managers, or personnel who have a significant impact on the audits has retired/resigned from the accounting firm within one year.   | Yes    |
| 13. Independent directors of the Company did not work for such accounting firm during the two years before and during their term of office. The Company's Remuneration Committee members are not professionals providing commercial, legal, financial, accounting services or consultations during the two years prior to and during the term of office.                                   | Yes    |
| 14. The Company did not subject audit service team members to intimidation that would prevent them from maintaining objectivity and clarifying professional doubts. For example, inappropriate requests were made regarding accounting policy choices or financial statement disclosure, with the pretext of reducing audit fees, demanding a reduction in the necessary audit procedures. | Yes    |
| 15. The members of the audit service team have not violated the Certified Public Accountant Act.   | Yes    |
| <b>II. Suitability</b>   |        |
| 1. The CPAs have not been disciplined by the competent authority or the Institute of Certified Public Accountants, or disciplined in accordance with Article 37, Paragraph 3 of the Securities and Exchange Act.   | Yes    |
| 2. Do the CPAs voluntarily update the Company on taxation, securities regulations and the newly revised IFRSs accounting standards on a regular basis?   | Yes    |
| 3. Do the CPAs maintain good communication with the Company's management (including internal auditors) and directors?  | Yes    |
| 4. Do the CPAs provide the Company with financial and tax consulting services from time to time, and assist in the communication and coordination with the competent authorities?  | Yes    |
| 5. Do the CPAs complete the financial statements of the Company for each period as scheduled? The official financial statements of the first three quarters should be completed within 45 days after the end of the quarter, and the annual financial statements should be completed within 3 months after the end of the year.  | Yes    |
| 6. Do the CPAs complete the review or audit of the financial statements of the invested companies on schedule?   | Yes    |
| 7. Do the CPAs perform the audit of the financial statements in accordance with the generally accepted auditing standards and the Rules Governing Auditing and Attestation of Financial Statements by CPAs?  | Yes    |
| 8. Whether the quality and timeliness of the auditing and taxation services provided by the CPAs meet the needs.   | Yes    |
| 9. Does the accounting firm have sufficient scale and resources to provide audit services for the Company, and are the members of the audit service team stable.   | Yes    |
| 10. Do the CPAs perform the mid-term and annual audits in accordance with the service items in the letter of appointment, and no inappropriate matters have occurred.  | Yes    |
| 11. Does the CPA firm notify the Company's management and the Board of Directors of any significant issues and developments in a timely manner, including risk management, corporate governance, financial accounting and related risk control.  | Yes    |
| 12. Do the CPAs make recommendations for the Company's internal control audit?   | Yes    |

Note 2: Whether the Company selects "Yes" or "No" in the operating condition, it should explain the situation in the summary space.

(IV) If the Company has a compensation committee, it should disclose its composition, duties and operations.

1. The composition and duties of the Remuneration Committee

The Remuneration Committee was established on August 26, 2011 as approved by the Board of Directors and is responsible for setting and regularly reviewing the policies, systems, standards and structures of annual and long-term performance goals and remuneration for the Company's directors and managerial

officers, regularly evaluating the achievement of the Company's performance goals for its directors and managerial officers, and setting the content and amount of their individual remuneration. The members of the Remuneration Committee for the most recent year are as follows:

| Role   | Criteria Name  | Qualification and experience  | Independence status | Number of other public companies where the member is also a member of their remuneration committees |
|--|----------------|---|---------------------|---|
| Independent Director (Convenor of the 5th session) | Zhongqi Zhou   | Please refer to disclosure of qualification and independence of directors and independent directors on page 11 hereof |                     | 2   |
| Independent Director                               | Yen-Chin, Tsai |   |                     | 2   |
| Independent Director                               | Yun-Hua Yang   |   |                     | 2   |

## 2. Information on the operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) Term of office of the current Committee: The term of office of the 5th Remuneration Committee is from July 1, 2022 to June 30, 2025. As of April 1, 2024, the 5th Remuneration Committee met five times (A), and the qualifications and attendance of the members are as follows:

| Title            | Name           | Number of actual attendees(B) | Number of attendance by proxy | Actual attendance rate (%) (B/A) (Note 1) | Remarks (Note 2)              |
|------------------|----------------|-------------------------------|-------------------------------|---|-------------------------------|
| Convener         | Zhongqi Zhou   | 5                             | 0                             | 100%                                      | Reelected on July 1, 2022     |
| Committee member | Yen-Chin, Tsai | 5                             | 0                             | 100%                                      | Reelected on July 1, 2022     |
| Committee member | Yun-Hua Yang   | 5                             | 0                             | 100%                                      | Newly elected on July 1, 2022 |

### Other notes:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, period, proposal content, resolution of the board, and its handling of the committee's opinions (if the remuneration approved by the board is better than the recommendation proposed by the committee, the difference and reasons should be stated):  
No such matter.
2. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated:  
No such matter.
3. The date and period of the Remuneration Committee meeting in 2023, the content of the motion, the result of the resolution of the Committee and the Company's handling of the opinions of the Committee.

| Remuneration Committee Date | Session of the Remuneration Committee meeting         | Summary of the motion   | Remuneration Committee's opinion | The Company's handling of the Remuneration Committee's opinion               |
|-----------------------------|---|---|----------------------------------|--|
| 2023/3/7                    | 2nd meeting of the 5th Remuneration Committee         | Distribution of remuneration to employees and directors for 2022  | Approved as submitted.           | Presented to the Board of Directors and approved by all attending directors. |
| 2023/5/9                    | 1st interim meeting of the 5th Remuneration Committee | The Company's "Procedure of 2023 Employee Stock Subscription for Cash Increase" and manager share subscription plan | Approved as submitted.           | Presented to the Board of Directors and approved by all attending directors. |
| 2023/11/7                   | 3rd meeting of the 5th Remuneration Committee         | 2023 executive salary adjustment  | Approved as submitted.           | Presented to the Board of Directors and approved by all attending directors. |
|                             |   | Annual plan for the Remuneration Committee in 2024  | Approved as submitted.           | Executed as resolved   |

Note 1: In the event that the Remuneration Committee members leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Remuneration Committee meetings held during service and the frequency number of attendance (being seated) in the meetings.

Note 2: Before the end of the year, if there was a re-election of the Remuneration Committee, the names of new and former Remuneration Committee members should be filled in and the company should state on the remarks section whether the members are former, newly elected, or reelected, as well as the day of the reelection. The attendance rate to committee session (%) shall be calculated on the basis of the number of sessions held in such period and the actual number of presence in the sessions.

(V) If the Company has a Sustainable Development Committee, it should disclose its composition, duties and operations.

1. The composition and duties of the Sustainable Development Committee

- (1) The establishment of the Sustainable Development Committee was approved by the board of directors on November 11, 2022. It is formed by all independent directors, and aims to establish a good corporate governance structure, fulfill the corporate social responsibility and implement corporate sustainable operating management. To enhance overall practice of corporate sustainable development, the Committee shall assist in development of the board of directors, and give advice on organizational operation and management of the board of directors. The Committee aims to fulfill corporate sustainable operation including environment, society and corporate governance.
- (2) Our Sustainable Development Committee consists of three directors, including three independent directors, Yang Yun-Hua, Zhou Zhongqi and Tsai Yen-Chin. They all have professional qualification and experience in Sustainable Operation Committee. Please refer to “Disclosure of qualification and independence of directors and independent directors” on Page 13 of the annual report. Their responsibility are as follows:
  - I. Review the corporate sustainable operation strategy
  - II. Review environmental sustainability, social engagement, corporate governance (ESG) work promotion
  - III. Review the mid and long term strategy planning and promotion.

2. Information on the operations of the Sustainable Development Committee

- (1) Term of office of the current Committee: The term of office of the First Sustainable Development Committee is from November 11, 2022 to June 30, 2025. From January 1, 2023 to December 31, 2023, the First Sustainable Development Committee met two times (A), and the qualifications and attendance of the members are as follows:

| Title            | Name           | Number of actual attendees(B) | Number of attendance by proxy | Actual attendance rate (%) (B/A) (Note) | Remarks                                 |
|------------------|----------------|-------------------------------|-------------------------------|---|---|
| Convener         | Yun-Hua Yang   | 2                             | 0                             | 100%                                    | with legal expertise                    |
| Committee member | Zhongqi Zhou   | 2                             | 0                             | 100%                                    | with management and financial expertise |
| Committee member | Yen-Chin, Tsai | 2                             | 0                             | 100%                                    | with financial expertise                |

Other notes:

1. The date and period of the Sustainable Development Committee meeting in 2023, the content of the motion, the result of the resolution of the Committee and the Company's handling of the opinions of the Committee.

| Date of the Sustainable Development Committee meeting | Session of the Sustainable Development Committee meeting         | Summary of the report   | Opinion from the Sustainable Development Committee |
|---|--|---|--|
| 2023/8/3  | 2nd interim meeting of the 1st Sustainable Development Committee | Confirmation of minutes of previous meetings and implementation status of resolutions | No objection                                       |
|   |  | KPI achievement of the company  | No objection                                       |
|   |  | Table of cash flows and cash increase in convertible bonds                            | No objection                                       |
|   |  | Operating condition of re-investment company  | No objection                                       |
|   |  | New car and new business report   | No objection                                       |
|   |  | Yulon City commercial district Progress   | No objection                                       |
|   |  | Promotion of energy storage in new businesses   | No objection                                       |
|   |  | Revitalization of Sanyi Plant   | No objection                                       |
| 2023/12/19  | 3rd interim meeting of the 1st Sustainable Development Committee | ESG work promotion  | No objection                                       |
|   |  | No discussion during this session   |  |
|   |  | Confirmation of minutes of previous meetings and implementation status of resolutions | No objection                                       |
|   |  | KPI achievement of the Company  | No objection                                       |
|   |  | Main business development   | No objection                                       |
|   |  | New business layout   | No objection                                       |
|   |  | Reinvestment business layout  | No objection                                       |
| Other important plans                                 | No objection   |   |  |
|   |  | No discussion during this session   |  |

2. Sustainable development promotion in 2023

- (1) With regards to the 2023 summary report of stakeholder communication, the ESG report has been prepared based on

the indicator and TCFD climate-related financial disclosure structure listed by Global Reporting Initiative (GRI). (The structure describes details such as other important information in the annual report that helps people understand how to promote sustainable development is included in the structure.) The 2023 summary report of stakeholder communication identifies stakeholder communication.

(2) Environmental sustainability, social engagement, corporate governance (ESG) work promotion report

A. Description for all awards and honors in 2023

- a. Top 5% in the corporate governance among all listed companies evaluated by Financial Supervisory Commission (Top 5% for nine years in a row)
- b. AREA Asian Corporate Social Responsibility Award - Social Welfare Development Award
- c. Commonwealth Magazine Large Enterprise Award under the Sustainable Citizen Award (selected as one of the top 100 sustainable companies)
- d. TCSA Awards - Comprehensive Performance of Sustainability, Social Inclusion Leadership, and Report of Sustainability
- e. Arts and Business Award from the Ministry of Culture - Silver Award
- f. "Business Weekly Top 100 Enterprises in Carbon Competitiveness"
- g. Outstanding Green Procurement Unit of Environmental Protection Department of Miaoli County Government - Distinction Award
- h. Selected as a constituent stock of the FTSE 4 Good TIP Taiwan ESG Index
- i. D&B ESG Sustainability Mark

B. Direction for ESG work promotion: Continue to use the core advantage and resource of main automobile business, elaborate the influence of green remote ecological chain, implement cross-domain, cross-industry collaboration, gradually implement ESG sustainability action of low carbon emission, low energy consumption, and increase sustainable operations value.

- a. Environmental sustainability (E): Collaborate with the third-party supplier of the Group, distributor, service factory and strategic business partner to promote ESG sustainable actions such as green power, energy saving, waste reduction and carbon reduction.
- b. Social engagement (S): Collaborate with public sectors in Miaoli County, New Taipei City and Taipei, enterprises in the industrial park, social welfare agencies, and communities and neighborhoods to introduce local care activities and support.
- c. Corporate governance (G): Continue to score higher on corporate governance evaluation score and challenge for being the top 5% in corporate governance evaluation for listed companies for ten years in a row.

3. The sustainable development issue was presented to the Board of Directors four times in 2023. Supervision by the Board of Directors is described below:

Management strategy

1. GHG inventory

Goal: Acquire the third-party verification of GHG inventory of the parent company by June 2023

Performance: Acquire the GHG verification statement issued by AFNOR Asia Ltd., an external professional certification company, by April 2023.

2. Implementation status of the Sustainable Development Committee

Goal: Hold regular meetings to maintain the operations of the Sustainable Development Committee

Achievements: The 1st meeting was held in August 2023, and the 2nd meeting was held in December 2023

3. Maintain our ranking for corporate governance evaluation.

Goal: Top 5% among listed companies

Performance: Ranked the top 5% in the 9th corporate governance evaluation for listed companies in June 2023.

4. Win international awards

Target: 1 international award

Achievements: Received the Asia Corporate Social Responsibility Award - Social Welfare Development Award, on June 2023

5. Increase solar power generated

Target: 15.3 MW of solar power installations by 2023

Achievements: 15.4MW of solar installations completed in 2023

Note: In the event that the Sustainable Development members leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the number of Sustainable Development meetings held during service and the frequency number of attendance (being seated) in the meetings.



(VI) Implementation status of promoting sustainable development:

1. Implementation of sustainable development, and discrepancies from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the causes.

| Projects engaged  | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons for the variation |
|---|--------------------------------|----|--|---|
|   | Yes                            | No |  |   |
| I. Is there a governance structure for sustainable development implemented by a dedicated (or part-time) unit led by a high level management team authorized and supervised by the Board?   | V                              |    | <p>The CSR Committee established in July 2018, renamed as the ESG Committee in January 2022, and chaired by the President, is equipped with a secretariat to assist with ESG tasks and preparation of sustainability reports. Under which, working groups were set up in three major aspects, including sustainable environment, social participation and corporate governance, led by the ministerial-level head to promote ESG project tasks in the division of labor.</p> <p>The above Committee meets once a month to review, track and share the progress on and achievements of ESG projects, reporting to the Board of Directors at regular intervals every quarter (a total of four times in 2023), at least once on the work results of the current year, and promote and plan the direction of follow-up ESG work with approval of the Board of Directors.</p>   | In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."                                   |
| II. Does the Company perform risk assessment with respect to the issues of environment, social and corporate governance related to the business operation of the Company based on the materiality principle and establish relevant risk management policies or strategies? (Note 2) | V                              |    | <p>In order to maintain stable operations and reduce operational risks, the Company has responsible units for management and auditing in the areas of management, safety and health, environment, and information, and the internal audit office will include major auditing items in the annual audit plan based on risk assessment results, perform audits on the internal control system, and disclose the audit results in the audit report, and follow the Plan→Do→Check→Action (P.D.C.A.) to track and improve.</p> <p>I. Operational risk management</p> <ol style="list-style-type: none"> <li>1. The corporate governance team collaborates with the financial and business planning department in the planning and objectives to evaluate and control the working capital and operational risks.</li> <li>2. The financial and business planning department collaborates with responsible units to provide from time to time necessary information such as industrial trends, variations of material statutory regulations from home and abroad, and technological changes, for the decision making by the management team to reduce operational risks.</li> <li>3. Control the annual KPI achievement rate of each unit of the Company and its invested subsidiaries to reduce the risk of operational performance.</li> </ol> <p>II. Foreign exchange risk management</p> <ol style="list-style-type: none"> <li>1. The Company has established a foreign exchange hedging operation group to be responsible for foreign exchange hedging operations in order to reduce the risk of exchange rate fluctuations.</li> <li>2. We have an exchange rate risk sharing measure with Nissan Motor Co., Ltd., a major material supplier, to ensure stable and reasonable material supply prices.</li> </ol> | In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."                                   |

| Projects engaged | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation |
|------------------|--------------------------------|----|--|---|
|                  | Yes                            | No |  |   |
|                  |                                |    | <p>III. Safety and health risk management</p> <ol style="list-style-type: none"> <li>1. Risk management is coordinated and executed by the Safety and Health Office.</li> <li>2. Safety and health audits are conducted by the president, plant manager, managers, and department heads on a regular basis to discover potential risk conditions and to identify opportunities for improvement in advance to avoid risks.</li> <li>3. The safety and health office will be responsible for tracking, statistics and management of the defects inspected until they are completely improved.</li> <li>4. In addition to the company’s internal safety audits, the scope of audits has been expanded to include the eight external third-party companies since 2015, and the “Third-Party Supplier Value Chain Committee” project has been established to evaluate and counsel, and to track and request third-party companies to implement safety audits, and to report the improvement progress of each supplier to the president at the monthly promotion meeting and the monthly environmental safety meeting to ensure that there are no risk incidents inside or outside the Company.</li> </ol> <p>IV. Climate change risk management</p> <p>The Company is concerned about the issue of climate change and is actively identifying and responding to the risks and impacts of extreme weather.</p> <ol style="list-style-type: none"> <li>1. Develop company-wide energy saving and carbon reduction, greenhouse gas reduction... KPI, and monthly review and control the achievement rate and set improvement measures.</li> <li>2. Upgrade the equipment and optimize the energy efficiency of the process.</li> <li>3. The "Energy Conservation Service Team" established in 2012 along with the "Energy Conservation Committee" and the "Third Party Value Chain Committee" established in 2018 were continuous efforts to help our subcontractors engage in environmental protection to build a green supply chain.</li> <li>4. Working with Hon Hai (Foxconn) with a total solution for electric vehicle chassis and key component modules to shorten the development process of electric vehicles, so that the products can be put into the market more quickly.</li> </ol> <p>V. Information risk management</p> <ol style="list-style-type: none"> <li>1. Compliance with information security management system: The Company has established relevant internal operation regulations in accordance with Article 9, “Computerized Information System Processing,” of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” in order to reduce the risk of unknown information security threats arising</li> </ol> |   |

| Projects engaged   | Implementation Status (Note 1) |    | Summarized explanation (Note 2)   | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation |
|--|--------------------------------|----|---|---|
|  | Yes                            | No |   |   |
|  |                                |    | <p>from information technology applications and environmental changes.</p> <p>2. The Company continues to improve its information security governance system and enhance its information security capabilities. All information operations must not only comply with information security standards and procedures, but also with information security laws and regulations.</p> <p>3. Since 2017, as the Group's [Cyber Security Development Blueprint] has gradually been improved, a number of projects aimed at cyber security have been carried out to strengthened the overall information security, including “anti-hacker of internal and external network transmission,” “employee information security awareness enhancement,” “malicious website prevention and control,” “remote work connection protection,” “system vulnerability improvement/enhancement,” “data leakage protection(DLP),” “cross-company off-site server room/enhancement,” and “Enhancement of IT infrastructure”.</p> <p>We have planned the 2021–2023 blueprint of “Information Security Risk Internal Control Management Measures” to steadily promote the medium to long-term information security strategies by constantly improving infrastructure information construction, smart manufacturing protection, and information security training. (For details, please refer to the Sustainability Report for Yulon Motor in 2023 [2.4 Risk Management])</p> |   |
| <p>III. Environmental issue</p> <p>(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?</p> | V                              |    | <p>(I) The automobile industry is a technology-intensive and capital-intensive industry with a huge industrial chain that involves a wide range of related industries. To address the characteristics of this industry, we have set up a Green Energy Task Force to regularly review and improve our CO2, waste and other emission targets. The Company has passed the ISO 14001 environmental management system and ISO 14064 GHG inventory, which covered the Sanyi Plant of Yulon Motor Co., Ltd.</p>  | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |
| <p>(II) Is the company dedicated to improving energy efficiency and using recycled materials with low impact on the environment?</p>                                     | V                              |    | <p>(II) In order to improve the efficiency of energy use, the Company promotes net zero energy consumption, waste reduction, and a nine-step energy saving program, and has established an energy saving system. In line with our policy using recycled materials, and to promote sustainable resource circulation towards a circular economy, we have developed a plan to promote resource recycling and reuse. This plan encompasses all stages, including procurement, production waste, and recycling, to ensure sustainable material circulation. The entire Company is committed to promoting waste resource utilization.</p>   | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |

| Projects engaged   | Implementation Status (Note 1) |    | Summarized explanation (Note 2)   | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation |
|--|--------------------------------|----|---|---|
|  | Yes                            | No |   |   |
| (III) Has the company assessed the current and future risks and opportunities from climate change, and taken corresponding measures?   | V                              |    | <p>(III) The Company has long been concerned about the impact of climate change on its operations, and actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities.</p> <ol style="list-style-type: none"> <li>1. Develop company-wide energy saving and carbon reduction, greenhouse gas reduction... KPI, and monthly review and control the achievement rate and set improvement measures.</li> <li>2. Upgrade the equipment and optimize the energy efficiency of the process.</li> <li>3. Established the “Energy Saving Service Group” in 2012, and set up the “Energy Saving Committee” and the “Value Chain Committee of Third-Party Suppliers” in 2018 to guide third-party companies in their efforts to protect the environment and actively create a green supply chain.</li> <li>4. Develop zero-carbon emission smart electric vehicles and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly.</li> </ol> <p>Please refer to Note 3 for the Company's identification of opportunities and measures to address climate risk issues.</p> | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |
| (IV) Has the Company analyzed the total weight of the greenhouse gas emission, water consumption and wastes over the past two years? Does the Company establish the management policies for greenhouse gas emission, water consumption and wastes? | V                              |    | <p>(IV) The Company has been conducting greenhouse gas inventories since 2006, and established the Green Energy Project in 2008 to set annual reduction targets for greenhouse gas, waste, and water consumption, and has continued to promote energy saving and waste reduction PDCA activities since then. Under the ISO 14001 environmental management system certification, the Company regularly reviews the status of environmental objectives and improvement performance to ensure the implementation of energy saving and carbon reduction plans and achievement of targets.</p> <p>Specific measures are described below:</p> <ol style="list-style-type: none"> <li>1. Energy-reducing low carbon manufacturing: <ol style="list-style-type: none"> <li>(1) Under the promotion platform of “Energy Saving Committee”, the “Nine Steps to Energy Saving” combined with the “Intelligent Energy Management System” to monitor energy consumption data to verify the energy saving effect.</li> <li>(2) 61 improvement projects were completed in 2023, reducing carbon emissions by 352.6 metric tons per year (49 projects for electricity, reducing carbon emissions by 235.1 metric tons per year; 12 projects for gas, reducing carbon emissions by</li> </ol> </li> </ol>                | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |

| Projects engaged | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation |
|------------------|--------------------------------|----|--|---|
|                  | Yes                            | No |  |   |
|                  |                                |    | <p>117.5 metric tons per year)</p> <p>(3) Total CO<sub>2</sub> emissions from the Sanyi Plant: 10,985.71 metric tons in 2023 (Scope 1: 6,054.79 metric tons, Scope 2: 4,930.92 metric tons, GHG emission intensity at 0.4356 tons CO<sub>2</sub>e/NTD million). 12,601.63 metric tons in 2022 (Scope 1: 6,926.47 metric tons, Scope 2: 5,675.16 metric tons, GHG emission intensity at 0.5623 tons of CO<sub>2</sub> e/NTD million).</p> <p>(4) GHG management strategy: Reduce GHG emission by 4.2% linearly each year. This will be achieved through strategies such as solar system installation, transportation vehicle electrification, zero waste resource circulation, process and equipment performance improvement, and GHG inventory education and training.</p> <p>2. Water resources reduction measures:</p> <p>(1) The wastewater from the pure water washing process in the coating plant is reused and recycled as the washing water in the front section.</p> <p>(2) The water is recycled and reused from the storm test of finished cars.</p> <p>(3) Total water consumption of the Sanyi Plant: 194,816 metric tons in 2023, with a water intensity of 7.72 tons/NTD million, and 285,799 metric tons in 2022, with a water intensity of 12.75 tons/NTD million.</p> <p>(4) Reduction target: Reduce water consumption per unit of product by 30% (based on 2021) to 8.13 cubic meters per unit by 2023.</p> <p>3. Waste reduction and management:</p> <p>(1) Conduct an inventory of waste output to identify improvement opportunities and promote recycling initiatives.</p> <p>(2) Assess the source reduction of waste, including promotion of source reduction and material conversion.</p> <p>(3) The packaging and classification of waste in the factory are implemented to prevent the weight of waste from increasing due to rain and environmental factors.</p> <p>(4) Continuously implement the program of changing the anti-collision material of parts rack to recyclable material, recycling the packaging material of service parts, and increasing the revenue of waste by 9 categories to realize the goal of recycling economy to protect earth resources.</p> |   |

| Projects engaged  | Implementation Status (Note 1) |    | Summarized explanation (Note 2)   | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation |
|---|--------------------------------|----|---|---|
|   | Yes                            | No |   |   |
|   |                                |    | <p>(5) Total waste in Sanyi plant: 2,627 metric tons in 2023 (hazardous waste: 27 metric tons, non-hazardous waste: 2,600 metric tons, waste intensity at 0.10 metric tons/NTD million). 2,549 metric tons in 2022 (hazardous waste: 31 metric tons, non-hazardous waste: 2,530 metric tons, and the waste intensity at 0.11 metric ton/NTD million).</p> <p>(6) Waste management and reduction target: Reduce the output at the source, and implement the effective resource recycling of 9 categories of waste, and reduce the waste by at least 4.2% every year.</p>   |   |
| <p>IV. Social issue</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p> | V                              |    | <p>(I) The human resources unit of the Company formulates the management policies and procedures in accordance with the existing labor-related laws and regulations, and implements them. In addition, the Company complies with relevant labor laws and regulations and protects the legitimate rights and interests of employees in accordance with the provisions of the “Sustainable Development Best-Practice Principles” established by the Company. The Company recognizes and adheres to the "International Human Rights Law," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," "International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work," "Organization for Economic Cooperation and Development OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidelines for Business Conduct”, and other international human rights conventions. Additionally, we comply with relevant labor laws and regulations in the region where the company is located to prevent any violations or infringements of human rights, treating all employees, customers, and stakeholders with dignity. The human rights policy applies to all employees of the Company, including full-time employees, part-time workers, interns, contract workers, as well as subsidiaries and other corporate shareholders within the group of companies or organizations with substantial control capabilities. This policy is divided into the following six main topics:</p> <ol style="list-style-type: none"> <li>1. Provide a safe and healthy working environment</li> <li>2. Eliminate unlawful discrimination to ensure equal work opportunities</li> <li>3. Prohibit child labor</li> <li>4. Prohibit forced labor</li> <li>5. Assist employees to maintain physical and</li> </ol> | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”                                   |

| Projects engaged | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation |
|------------------|--------------------------------|----|--|---|
|                  | Yes                            | No |  |   |
|                  |                                |    | <p>mental health and work-life balance</p> <p>6. Policies and plans to support employees in forming and joining labor unions to exercise their labor rights and human rights:</p> <p>(1) Provide a safe and healthy workplace:<br/>The Company abides by the relevant laws and regulations on occupational safety and health, and establishes a special unit for occupational safety and health, employs professional doctors and nursing personnel, and regularly conducts education and training on safety and health, fire protection, etc., and takes the necessary preventive measures to prevent occupational disasters and mitigate the risks of the working environment (for details, please refer to "Protection Measures for Working Environment and Employee Safety" under Section 5 of Chapter 5, Industrial Relations ). In addition, in order to effectively achieve workplace safety management, the Company has formulated the "Regulations Governing Prevention of Illegal Infringement during Implementation of Duties", to conduct workplace bullying prevention publicity, and facilitate colleagues to understand workplace bullying, avoid bullying, and jointly create a friendly workplace.</p> <p>(2) Equal appointment: In addition to upholding the principle of fairness and objectivity, the Company will not engage in any form of discrimination and sexual harassment and other violations of human rights, and strives to over-utilize employees with mental and physical disorder to promote diversity and equality. Provide effective protection of labor rights and interests and establish friendly and harmonious industrial relations, maintain fairness in employment, remuneration and benefits, training, evaluation and promotion opportunities, and develop effective and appropriate grievance mechanisms to avoid and respond to situations that endanger the rights and interests of employees.</p> <p>(3) No child labor or forced labor: To perform the responsibility to protect physical and mental development for children and protect children's rights to receive education, the Company has excluded child labor under the age of 15 when selecting job applicants, and no</p> |   |

| Projects engaged   | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” and the reasons for the variation |
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|  | Yes                            | No |  |   |
|  |                                |    | <p>child labor is currently employed. The labor services are provided and arranged in accordance with laws and regulations, excluding, but not limited to, corporal punishment, physical or psychological abuse or coercion, intimidation or other verbal violence, seizure of identity documents or other unlawful forced labor practices.</p> <p>(4) Assist employees to maintain physical and mental health and balance between work and life by providing employees with appropriate rest space and equipment, such as: comprehensive gymnasium, swimming pool, fitness equipment, etc., club funding subsidies, and organizing and planning educational activities for dependents, such as: family days, summer camps for employees' children, employee travel, etc. Care for the physical and mental health of employees, provide free health examinations and hold health management seminars on a regular basis; Promote work-life balance by launch of no overtime on one day per month and no meeting day on 2 days per month.</p> <p>(5) Support employees to organize and join trade unions in accordance with the law to exercise labor rights: respect and protect the basic human rights of employees, safeguard employees' right to organize trade unions and collective bargaining, and hold routine labor-management meetings to discuss the rights, interests and welfare of employees. Provide diversified and smooth labor-management communication channels to protect the rights and interests of employees, promote labor-management harmony, enhance industrial relations, and create a friendly workplace.</p> |   |
| (II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees? | V                              |    | (II) According to the Company's Articles of Incorporation, in addition to the profit sharing remuneration to employees if the Company makes profits, the Company also provides incentive bonuses such as three festival bonuses, additional annual bonuses, and bonuses for the management team and incentive bonuses for high-performing teams based on the operating performance and individual performance of employees to encourage employees to achieve better performance for the Company and shareholders.  |   |



| Projects engaged  | Implementation Status (Note 1) |    | Summarized explanation (Note 2)  | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation |
|---|--------------------------------|----|--|---|
|   | Yes                            | No |  |   |
| (III) Does the Company provide employees with a safe and healthy working environment, and provide safety and health education to employees regularly?   | V                              |    | (III) The Company has set up a medical office and a safety and health room to help employees maintain their health, added “group insurance” for all employees, their spouses and children, conducted relevant education and training for new employees, and provided regular weekly health education by the safety and health office. We are committed to providing a safe and healthy working environment. For more details, please refer to “Protective Measures for Working Environment and Employees' Personal Safety” in Chapter 5, Section 5, Labor Relations.   | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |
| (IV) Has the company established an effective career development and training program for employees?  | V                              |    | (IV) The Company has a technical training framework to enhance employees' professional skills. For detailed examples of education and training, please refer to the description under Chapter 5, Section 5, “Labor Relations.”   | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |
| (V) Regarding the customer health and safety, customer privacy, and marketing and labeling in relation to the products and services, does the company comply with statutory regulations and international standards, and set policies to protect consumers' rights and procedures for customers to file complaints? | V                              |    | (V) The Company adheres to the principle of green design and green manufacturing to provide customers with fuel-efficient and environmentally friendly green products for a wide range of vehicles. The mass production of vehicles always comes with the certificate of safety test from the Ministry of Transportation and Communications, certificate of pollution and noise test from the Environmental Protection Agency, and certificate of fuel consumption test from the Energy Bureau of the Ministry of Economic Affairs, to ensure that the product quality meets statutory regulations.<br>After the products are sold, all processes must be carried out to prevent product liability through the joint implementation of all employees and the dealership system to prevent the occurrence of defects in products that cause damage to consumer rights. As for product defects that cause damage to the rights and interests of consumers. As for the after-sales warranty of the products, the warranty terms and conditions are clearly listed in the owner's manual to inform consumers of their rights and benefits and to help them deal with the system.<br>All product assurance standards and procedures are regularly reviewed and revised by the Company in accordance with ISO standards to provide a rigorous and comprehensive product assurance system. The principle of handling product liability incidents is to give priority to consumers' rights and interests, and to follow government regulations. Also, to quickly and properly handle product liability cases, guidelines such as “Customer Complaints Handling Standards”, “After-Sales Service Compensation Standards”, and “Vehicle Recall and Correction Regulations” have been established to assist | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”                                   |

| Projects engaged  | Implementation Status (Note 1) |    |   | The variation with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” and the reasons for the variation |
|---|--------------------------------|----|---|---|
|   | Yes                            | No | Summarized explanation (Note 2)   |   |
|   |                                |    | customers and consumers in solving liability issues so that their rights and interests are protected. The Company also has a toll-free 0800 service line with a 24-hour live service system that provides a transparent and effective consumer complaint process for the Company's products and services.   |   |
| (VI) Does the Company establish supplier management policies and ask suppliers to follow relevant regulations on the issues of environmental protection, occupational safety and health or labor rights? What is the implementation status of these policies?   | V                              |    | (VI) We regularly audit and evaluate suppliers, and request continuous improvement plans for suppliers with bad records in order to meet the spirit of green procurement. As for the management of the suppliers, in addition to incorporating green purchase as an important reference indicator, we actively encourage our third-party suppliers to pass the ISO 14001 certification and require them to comply with the Labor Standards Act to assure the protection specified in the human rights regulations. The Company has strictly selected its suppliers in accordance with Nissan's procurement regulations, and the Company may terminate or cancel the contract if the counterparty is involved in dishonest behavior.                                   | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.                                   |
| V. Does the Company refer to internationally accepted report preparing guidelines or guides to compile its Sustainability Reports or other reports disclosing non-financial information on the Company? Are assurance or certification opinions of a third-party verification institution acquired for the above mentioned reports?   | V                              |    | In addition to disclosing relevant and reliable sustainable development-related information in the annual report, the Company also publishes a Sustainability Report on its website for stakeholders to download and read. The sustainability reports prepared in accordance with the GRI, SASB, and TCFD standards. The report was verified by an external rating agency and received an A+ grade for 2011. The 2023 annual report has been entrusted to the independent and credible firm Deloitte & Touche in accordance with the principles set forth in the ISAE No. 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” to provide limited assurance on the sustainability report prepared based on the GRI standards | In compliance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”.                                   |
| <p>VI. For the companies which have established sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the implementation practices and the deviation from the Principles established:</p> <p>The Company has established rules and regulations related to corporate governance, such as the Rules of Procedures for Shareholders' Meetings, the Procedure for Board of Directors Meetings, the Procedures for the Management of Confidential Documents, the Procedures for Disclosure and Handling of Confidential Information, the Standard Operating Procedures for the Announcement Process, the Internal Control System, the Procedures for the Acquisition or Disposal of Assets, and the Procedures for the Lending of Funds to Others.</p> <p>In addition, measures to control air pollution, waste water, and toxic chemical substances are all set in place including the policies stipulated in the "Environmental Management Procedures", "Environmental Objective, Targets and Programs", and "Yulon Environmental Safety and Health Handbook", to save energy and reduce greenhouse gas emission, water usage and waste generation, whereas the environmental objectives and targets are being fulfilled by stages with the considerations of the environmental impact from our manufacturing processes, activities, products and services.</p> <p>Operational standards and procedures have been enacted by the Company for corporate governance, development sustainability, social welfare engagement, and information disclosure, conformable to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>The Company has prepared the "Ethical Corporate Management Best Practice Principles", which was submitted to the</p> |                                |    |   |   |

| Projects engaged  | Implementation Status (Note 1) |    |   | The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons for the variation |
|---|--------------------------------|----|---|---|
|   | Yes                            | No | Summarized explanation (Note 2)   |   |
|   |                                |    | Board of Directors for approval in May 2014; in conjunction with the change to the name of the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies promulgated by Taiwan Stock Exchange, the Company's "Ethical Corporate Management Best Practice Principles" were renamed as "Sustainable Development Best-Practice Principles", and all subsidiaries within the Group were required to comply with the Principles. In addition, in accordance with the provisions of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the letter from Taiwan Stock Exchange dated December 23, 2022 to amend the provisions of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", the Audit Committee and the Board of Directors agreed to amend partial provisions of the "Sustainable Development Best Practice Principles" of the Company in March 2023. |   |
| <p>VII Other material information helpful to understand the sustainability practice:</p> <p>(1) Implementation of sustainable development of environmental protection</p> <ol style="list-style-type: none"> <li>The Company has established the "Environmental and Safety and Health Handbook" as our environmental and safety and health policy in accordance with the spirit of ISO 14001, and we have also established other management measures for air pollution, waste water, toxic chemicals, etc.</li> <li>The Company's production process relies on raw materials and components provided by our suppliers to assemble finished vehicles. In order to strengthen the green partnership with our suppliers, we have adopted Carbon Footprint and energy saving and carbon reduction as one of our supplier's business evaluation items.</li> <li>In December 2005, Hua-Chuang Automobile Information Technical Center Co., Ltd. was established to focus on the research and development of electric vehicles and to launch electric vehicles under the Taiwan brand name. In addition, a joint venture established with Foxconn named Foxtron Inc., developed N7 Electric Vehicle in 2020, and went into mass production and launched on the market in 2024. Electric vehicles represent the Company's most tangible contribution to addressing global climate change and achieving a low-carbon economy.</li> <li>In addition, in order to implement the concept of environmental safety, improve the prevention of environmental pollution, and protect the safety and health of the Company's employees, we have set up various special promotion groups such as the Labor Safety and Health Committee and the Greenhouse Gas Inventory to promote various safety, health and environmental protection projects and have gradually formulated policies on energy saving and carbon reduction, greenhouse gas reduction, and reduction of water consumption or other wastes.</li> <li>Please refer to the Company's sustainable report for specific achievements in environmental protection, greenhouse gas reduction, and waste treatment in recent years.</li> </ol> <p>(2) Sustainable development on social engagement and community welfare:</p> <p>➤ <b>Long-term promotion of wood carving art and culture</b></p> <p>For 17 consecutive years from 1996 to 2013, the Company has organized the "Yulong Wood Carving Innovation Award," rewarding Taiwan's woodcarving artists with a high total prize money (about \$2 million) each year for their continuous creation, building a platform for them to connect with the international community and increase their visibility.</p> <p>Since 2014, to assist the Miaoli County Government in promoting the art of wood carving, the Company has shifted the funding originally for the "Yulon Wood Carving Innovation Award" to the local government. The Company has been working with the Cultural and Tourism Bureau of Miaoli County Government to hold the Taiwan International Wood Carving Competition every year (2 million per year from 2014 to 2023) by establishing two special awards, the "Yulong Wood Carving Heritage Award" and the "Yulong Wood Carving Innovation Award" (300,000 per year for each award from 2014 to 2023), aiming to inspire more passionate creators and dreamers in the field of wood carving art and allow more people to experience the charm of wood carving arts. In support of the woodcraft culture and environmental sustainability, the Company also donated the pruned wood from the factory to the units of the "Sanyi Woodcarving Art Festival" in 2023. These materials were used as onsite woodcraft DIY activities and installation art for the festival, embodying the concept of "Wood regeneration, Yulon co-creation" and promoting a circular economy mindset. In addition, in order to pass on the waning art of woodcarving in Taiwan, the Company is determined to take root in the local culture of Sanyi. In 2021 and 2022, the Company organized the "Yulon Woodcarving Experience Workshop," offering free participation to students from local junior and senior high schools in Miaoli and Sanyi who are interested in woodcarving. In 2023, following the tradition of "Yulon Wood Carving Experience Workshop", local woodcarving technicians from Sanyi were invited to lead students to create their own unique works through the use of wood in Yulon's factory, aiming to extend the lifecycle of wood and create recycled value. In 2023, we also sponsored the funds of the woodcarving course of Sanyi Senior High School and Junior High School, hoping to cultivate the appreciation of woodcarving, encouraging students to practice and create woodcarving.</p> |                                |    |   |   |

| Projects engaged | Implementation Status (Note 1) |    |  | The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation |
|------------------|--------------------------------|----|--|---|
|                  | Yes                            | No | Summarized explanation (Note 2)  |   |
|                  |                                |    | <p>thereby enhancing the possibility for personal and local cultural dialogues.</p> <p>➤ <b>Care for the vulnerable</b></p> <p>Since 1998, the Company has been caring for the temporary workers of the Environmental Protection Bureau of the Taipei City Government by sponsoring the annual "Employer's Compensation Contract Liability Insurance" to alleviate their injuries and burden of living caused by sudden accidents. The Company has been providing the nearly 1,300 temporary workers of the Environmental Protection Bureau of the Taipei City Government with an insurance policy to protect them in the event of a safety accident on duty (the annual contribution was NTD 1 million from 1998 to 2003, and was changed to a joint contribution of NTD 1 million with Yulon Nissan Motor after the business split in 2003). In 2018, the Company donated \$200,000 to produce 200 LED reflective vests for the cleaning team members to enhance their work safety. In 2023, the Company donated insurance money for the 25th consecutive year, covering temporary workers, short-term employed temporary workers, with a total of 1,600 of them benefited from this initiative.</p> <p>Not only that, but to give back to the community, the Company has also donated annually to the cleaning team of Sanyi Township since 2014, where we are located, providing them with insurance coverage for employer's liability insurance, ensuring peace of mind for their work and life.</p> <p>➤ <b>Give back to the local community</b></p> <p><b>[Yulon Sanyi Scholarship]</b></p> <p>The Company is committed to the implementation of corporate ESG sustainable development, and the "Yulon Sanyi Scholarship" has been provided for the long-term to reward students from elementary and junior high schools in Sanyi Township. Between 2015 and 2019, the Company extended and rewarded students of colleges, universities and graduate schools in Sanyi Township. In 2023, a total of NTD 529,000 of "Yulon Sanyi Scholarship" was awarded to 439 students from Jianzhong, Ciaocheng, Liyues, Yuying (including Longteng campuses) and Sanyi Junior High School.</p> <p><b>[Yulon Motor Youth Training Scholarship]</b></p> <p>To cultivate talents in the auto industry and encourage young people to learn mechanic, electrical and electronic knowledge, the "Yulon Motor Youth Training Scholarship" has been running since 2020 to award the scholarship to the students from Miaoli County high schools and vocational schools enrolled to auto-related departments of specific colleges, and encourage these students to engage in volunteer services as feedback to the community. 8 students received the scholarship in 2023, with each awarded NTD 50,000.</p> <p><b>[Yulon Sanyi Children's Basketball Summer Camp]</b></p> <p>We have been promoting basketball in Taiwan for a long time and have been holding the "Yulong Sanyi Children's Basketball Summer Camp" every summer since 2015, which is open for free enrollment by Sanyi Elementary School students in grade 3 or above. The Yulon Luxgen basketball team members are coaching the camp, teaching the students in Sanyi Township proper basketball knowledge and basketball skills, and providing them with healthy and relaxing summer recreational activities. The annual [Yulon Sanyi Children's Basketball Summer Camp] was very popular, receiving 100 elementary school children from Sanyi Township for the summer activities every year, guided by the Yulon Luxgen Dinos professional basketball players. From 2020 to 2022, due to the COVID-19 pandemic, this event was suspended in order to prevent the trainees from getting infected. We resumed the event in 2023. The event was warmly supported and recognized by the students from Sanyi, and an additional event was opened in Xindian for students near Yulon City to participate.</p> <p><b>"Yulon Environmental Education Workshop"</b></p> <p>The Company is committed to maintaining ecological diversity, and established the "Yu Miao Shan Qiu (Seeding the Hills)" - Taiwan Reforestation Center in 2023 as the starting point for the concept of ecological sustainability and environmental education. The "Environmental Education Experience Workshop" was held simultaneously to invite local teachers and students of the school participated in the experience activities of making paper mulberry, restoring the native species of Taiwan Maesa, and DIY from waste wood to practice the sustainable action of "Wood regeneration, Yulon co-creation," hoping to create a diverse and innovative teaching area to root the concept of sustainability and encourage the public to realize the possibility of protecting the environment to coexist.</p> <p><b>[Other "give back to the community" activities]</b></p> <ol style="list-style-type: none"> <li>Every year, the Company sponsors the Respect for the Elderly activities on the Double Ninth Festival, funding seven communities in Sanyi Township, including Longteng, Guangsheng, Shengxing, Shuangtan, Shuanghu, West Lake, and Liyu.</li> </ol> |   |

| Projects engaged | Implementation Status (Note 1) |    |   | The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons for the variation |
|------------------|--------------------------------|----|---|---|
|                  | Yes                            | No | Summarized explanation (Note 2)   |   |
|                  |                                |    | <p>2. Since 2005, we have been donating and adopting 100 street lamps to Sanyi Township every year.</p> <p>(3) The Company's corporate social responsibility operations in social contribution and social services</p> <p><b>[Yen Ching-Ling's Foundation]</b><br/>Yen Ching-Ling's Foundation was established in 1973 to combine the academic and human resources of National Taiwan University and National Cheng Kung University to promote forward-looking engineering technology research and development and industry-academia cooperation, so that industrial technology can take root downward and develop upward.</p> <p><b>[Yen Ching-Ling's Medical Research Foundation]</b><br/>In 1979, the Yen Ching-Ling's Medical Research Foundation was established to provide scholarships for excellent doctors to study abroad and to conduct research on the prevention and treatment of special diseases.</p> <p><b>[Wu Shun-Wen's News Scholarship Foundation]</b><br/>In 1986, the Wu Shun-Wen's News Scholarship Foundation was established to reward outstanding journalists and to serve as an invisible force to correct the social atmosphere and cleanse the mind. In 2023, the Company introduced the "Mr. Yan Kai-Tai Sustainability Journalism Reporting Award" to encourage journalists to pay attention to sustainable development topics.</p> <p><b>[Wu Shun-Wen's Industrial Development and Investment Promotion Committee]</b><br/>In 1990, the Wu Shun-Wen's Industrial Development and Investment Promotion Committee was established to promote the exchange of information between domestic and foreign government agencies, academic and business sectors, and to help facilitate the development of industrial and commercial enterprises, in order to promote domestic industrial manufacturing capabilities, improve product quality, and enhance the image of domestic manufacturers.</p> <p><b>[Long-term promotion of domestic basketball]</b><br/>The Company has spared no effort to promote domestic basketball for a long time. In 1964, the Company established the first Division I basketball team composed of domestic private enterprises to boost the domestic basketball culture. In addition, the "Yulon Luxgen Dinos" was officially established in 1992, and have been funded by a large amount of corporate funds every year consecutively. We continued the tradition of sponsoring their operational expenses in 2023, enabling Yulon Luxgen Dinos to compete vigorously in domestic competitions and achieve remarkable results. The team proudly clinched the SBL championship in May 2023, adding to their long list of achievements.</p> <p><b>[Yulon Volunteer Club]</b><br/>The Company established the "Yulon Motor and Yulon Nissan Volunteer Club" in 2015 with the aim of "local care, themed service" to show concern for the neighborhood and local disadvantaged groups, and realizing the true meaning of "giving is more blessed than receiving." Since its inception, "Yulon Motor and Yulon Nissan Volunteer Club" have been organizing a number of charity events every year, such as Miaoli Houlong Beach Cleaning Event, donation of white rice to elderly living alone in Sanyi Township, accompany children of Family Support Center to professional basketball games, collect charity materials, donate Christmas gifts to children in kindergartens, assist the nearby poor households in Sanyi Township to clean their homes, and arranged weekend entertainment activities for children in kindergartens, etc.</p> <p>The Yulong Volunteer Association organized the following events in 2023:</p> <ol style="list-style-type: none"> <li>1. In May-In order to alleviate the blood shortage, Yulon Volunteer Club specially launched blood donation in the Yulon Motor factory complex on 5/18, encouraging colleagues to donate blood and show love, and a total of 70 bags of blood were collected on the same day, with a total blood collection volume of 18,000cc.</li> <li>2. June - Yulong Volunteer Club entered the community and visited the residence of the solitary elders in Sanyi Township together with the Huashan Social Welfare Foundation to assist in thorough cleaning and repairing of old objects in their home, also showing concern for the living conditions of the elders.</li> <li>3. July - Yulon Volunteer Club invited 15 students from St. Francis Xavier Home for Children and Juvenile of Miaoli to visit the Yulon Motor - Tourism Factory and showed them the production lines of Yulon Motor. Additionally, a traffic safety course was arranged to reinforce pedestrians' awareness and cyclists' attention to road safety while walking or cycling through roads and intersections. We aim to provide students with intellectual and educational experiences, from observing automobile production to promoting road safety awareness, thereby enhancing their learning.</li> <li>4. September - In order to alleviate the blood shortage, Yulon Volunteer Club launched the second blood donation event in the Sanyi plant on September 12, calling on colleagues to donate blood and show support. Colleagues</li> </ol> |   |

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|------------------|--------------------------------|----|--|---|
|                  | Yes                            | No | Summarized explanation (Note 2)  |   |
|                  |                                |    | <p>responded enthusiastically, with a total of 64 bags of blood collected that day, and a total blood collection volume of 16,000cc.</p> <p>5 December - In order to stabilize the medical capacity, Yulon Volunteer Club organized a blood donation event "Love Meets You, Youth &amp; Passion for Health Donation" for the third time on December 15. Despite the low temperature, many colleagues rolled up their sleeves and donated blood. A total of 116 bags of blood (29,000 cc of blood) were collected that day.</p> <p>6. December - Yulon Volunteer Club launched the Year-end Heart-Warming Donation, a charity fundraising activity within the Company, during which a total of NTD 759,500 was raised from love donations, and donated to seven social welfare units, including Guangai House of Correction, Youan House of Correction, Mingde House of Correction, Huashan Foundation, Genesis Social Welfare Foundation, St. Francis Nursery Home, and Happy Dog Halfway House Association.</p> <p>(4) Implementation of sustainable consumer rights and interests</p> <ol style="list-style-type: none"> <li>1. For the production process, the “Yulon Quality Manual” has been established according to the framework of ISO 9001, and the product quality is strictly demanded from the input of raw materials at the front end of production to the output of finished vehicles.</li> <li>2. For the early stage of new vehicle launch, we have set up the “New Vehicle Quality Mechanic Team Operation Standards” to quickly control the quality of new vehicles at the early stage of launch and immediately respond to the relevant units for immediate countermeasures and to improve service levels.</li> <li>3. For the handling mechanism of after-sales service, there is a system such as “After-sales Market Quality Handling Standards” and “Market Quality Feedback Handling Method” to grasp the market vehicle quality information and feed back to the responsible department as the basis for quality improvement.</li> <li>4. On the consumer side, we have set up the “After-sales Market Return Vehicle Operation Standards” and “After-sales Service Compensation Operation Standards” in order to strive for timely and smooth completion of various service compensation operations and to satisfactorily achieve the purpose of serving our customers.</li> <li>5. The Company also has a toll-free 0800 service line with a 24-hour live service system that provides a transparent and effective consumer complaint process for the Company's products and services.</li> <li>6. The Company has adopted a series of consumer protection measures and treatments from production to after-sales, and has received good results and recognition from J.D. Power, an internationally credible research organization, in both the SSI (Sales Satisfaction Index) for new car sales and the CSI (Customer Service Index) for after-sales service.</li> </ol> <p>(5) Sustainable development on human rights and safety health<br/>For sustainability of human rights, safety and health, see the description in Chapter Five, Section 5 "Labor Relations".</p> <p>(6) Implementation of sustainable development by suppliers as per our request</p> <ol style="list-style-type: none"> <li>1. The Company makes green material procurement an important reference indicator for evaluation, and takes measures such as advice, deduction of payment, and order reduction for manufacturers who do not offer green materials, in order to drive all third party suppliers to pay attention to related sustainable development at the same time.</li> <li>2. Actively promote the ISO 14001 certification of our suppliers, who must comply with the Labor Standards Law, in order to protect human rights regulations.</li> <li>3. We have launched a supplier sustainability project, conducted questionnaire surveys on the three major aspects of the green supply chain, safety and health, and labor rights, and implemented vendor classification, and conducted vendor counseling and vendor audits according to different levels of suppliers.</li> <li>4. We have established the “Practice Standards for Safety and Health Management of Outsourcing Contractors” and “Regulations for the Management of Operations in Outsourcing Contractors’ Sites” and “Safety and Health Practice Standards,” which require suppliers to follow the relevant regulations on environmental protection, safety and health issues, and jointly strive to enhance sustainable development.</li> <li>5. The actual operation has been gradually taken seriously by suppliers, please refer to our sustainable report for detailed implementation results.</li> </ol> <p>(7) Implementation of other sustainability programs</p> <ol style="list-style-type: none"> <li>1. The Company in 1999 obtained the international standard ISO 14001 environmental management system certification.</li> <li>2. Since 2009, the Environmental Protection Administration of the Executive Yuan has been promoting the “Energy Saving and Carbon Reduction Action Mark” campaign, and the Company has been awarded the “Energy Saving and Carbon Reduction Action Mark” by the Environmental Protection Administration of the Executive Yuan several times.</li> </ol> |   |

| Projects engaged | Implementation Status (Note 1) |    | Summarized explanation (Note 2)   | The variation with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons for the variation |
|------------------|--------------------------------|----|---|---|
|                  | Yes                            | No |   |   |
|                  |                                |    | <p>3. The Company has always insisted that environmental protection and corporate competitiveness are both important and do not contradict each other. In our successive sustainability reports, we have clearly declared and expressed our policy on dealing with stakeholders such as shareholders, customers, suppliers, communities and employees, and have integrated environmental protection into our business philosophy and included it in the annual projects and targets of each unit as a key point for implementation of daily work items.</p> <p>4. For detailed CSR results, see the sustainability report at <a href="https://www.yulon-motor.com.tw/csr_report.aspx">https://www.yulon-motor.com.tw/csr_report.aspx</a>.</p> |   |

Note 1: If "Yes" is ticked in the implementation option, specify the major policies, strategies, and measures implemented; if "No" is ticked, explain in the column of "Discrepancies from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes", and describe the policies, strategies and measures to be taken in the future to rectify the discrepancies.

Note 2: Materiality refers to environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders. However, in relation to the promotion of projects 1 and 2, TWSE or TPEX listed companies should describe the governance and supervision structure for sustainable development, including but not limited to management policies, strategies and target formulation, review measures, etc. The Company's risk management policies or strategies on environmental, social and corporate governance issues related to its operations, and its assessment should also be described.

Note 3: The Company's identification of opportunities and measures to address climate risk issues.

| Risk type        | Items                  | Potential financial impact  | Response strategies   |   |
|------------------|------------------------|---|---|---|
| Transition risks | Operational risk       | Material shortages and increased logistics costs  | Delay in delivery, increasing OEM costs   | Investing or mentoring component factories, integrating the supply chain, and formulate various emergency response standard operating procedures with regular drills  |
|                  | Policy and regulations | <ol style="list-style-type: none"> <li>Phase VI Emission Standards Act</li> <li>Implementation of the fuel consumption regulation (CAFÉ)</li> <li>Prohibition on the sale of gasoline-powered vehicles</li> <li>Climate Change Response Act, Carbon Fee, Carbon Tax, Water Fee, Procedures of Renewable Energy Power Generation Equipment Management</li> </ol> | <ol style="list-style-type: none"> <li>Increase the cost of engines and emission components</li> <li>Revenue from OEM affected by restrictions on the sale of fuel-powered vehicles</li> <li>Invest capital expenditures to increase OEM costs</li> <li>Increase OEM costs due to investment in process energy saving and carbon reduction upgrades, manpower and costs for GHG inventory verification, and carbon emissions and water consumption costs</li> </ol> | <ol style="list-style-type: none"> <li>Improve energy efficiency and reduce operating costs</li> <li>Continue to track the evolution of laws and regulations, and upgrade technology to improve the energy efficiency of products</li> <li>Link the development of partners and OEM electric vehicles</li> <li>Promote energy conservation and emission reduction (including process improvement, enhancing equipment efficiency, electrification of official transportation, waste reduction and recycling, etc.), increase the use of renewable energy, introduce rainwater and process recycling systems, and install flow meters and sensors for real-time monitoring of water consumption</li> </ol> |
|                  | Market risks           | Consumers purchase eco-friendly, energy-efficient, and low-consumption vehicles   | Influence on the purchase intention of stakeholders and OEM revenue   | <ol style="list-style-type: none"> <li>Link the development of partners and electric vehicle and energy storage businesses</li> <li>Introduce energy-efficient vehicles and electric vehicles to meet the environmental protection and energy conservation needs of stakeholders</li> </ol>   |
|                  | Reputational Risks     | Report occupational accidents to the competent authority  | Increase in insurance and legal fees and fines by the competent authority   | Formulate various onsite tasks and emergency response standard operating procedures, and conduct regular drills   |

| Risk type      |         | Items  | Potential financial impact  | Response strategies   |
|----------------|---------|--|---|---|
| Physical risks | Chronic | 1. Natural disasters: typhoon, drought/flood, lightning strike, fire<br>2. Climate change: global warming, extreme climate | 1. Cost of maintenance and renewal of buildings and equipment, medical treatment and compensation for casualties, and loss of revenue<br>2. Increase the cost of testing (high and low temperature, extreme climate) and countermeasures before mass production of vehicles | 1. Review building structure and equipment disaster stress testing, formulate emergency response SOP, and conduct regular drills<br>2. Cooperate with the parent plant to develop and ensure the quality of climate change-responsive vehicles for production |
|                | Acute   | Diseases - COVID-19, Influenza   | Affect production line operations due to supply chain shortages, resulting in increased OEM costs   | Establish a response center, form a response team, formulate emergency response SOP, and implement production segmentation by zone, shift, and line.  |

## 2. Implementation status of climate-related information

| Items   | Implementation Status   |
|---|---|
| 1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.                   | The Board of Directors of Yulon Motor is the highest governing unit responsible for formulating corporate social responsibility and sustainable development strategies. We have established an ESG Committee to promote climate change adaptation and ESG activities. The Committee is chaired by the President and a Sustainable Development Organization is set up as the specific executing unit. Annually, the Committee reports ESG achievements to the Board of Directors, which supervises the implementation of actions taken by the Company in response to climate change and examines operational risks related to climate-related risks. In order to strengthen its sustainability actions, Yulon Motor has incorporated sustainability issues into its employee remuneration management mechanism, and continues to incorporate sustainability into corporate operations by linking performance evaluations with sustainability-related issues. |
| 2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, mid-, and long-term). | The ESG Committee of Yulon Motor Co., Ltd., assembled the responsible units of various departments and conducted the analysis with reference to Scenario SSP 5-8.5 of the AR6 Report published by the Intergovernmental Panel on Climate Change (IPCC). The geographical characteristics of Yulon Motor's industry and business locations were taken into account in examining the scope and severity of impacts that climate change may have on all business locations over different time scales (1 year in the short-term, 1 to 3 years in the mid-term, and 3 to 5 years in the long-term). We prioritized and adapted to the identified risks and impact, and have compiled a list of Yulon Motor's risk and opportunity issues. Please refer to 6-1-2 Climate Change Management of the Company's 2023 Sustainability Report.  |
| 3. Describe the financial impact of extreme climate events and transformation actions.  | For the Company's identification of opportunities to climate risk issues and countermeasures (including potential financial impacts), please refer to Note 3 in chapter 03-03-06 of this annual report on the implementation status of sustainable development issues.  |
| 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.         | The Company's ESG Committee uses a cycle of Plan, Do, Check, and Action to assess and identify climate change risks. This involves regularly adjusting and reviewing the Company's risk management policies and methods, as well as timely adjustments to the risk management frameworks and processes.   |
| 5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis              | The Company conducted the analysis with reference to the SSP5-8.5 scenarios of the AR6 report regularly released by the Intergovernmental Panel on Climate Change (IPCC). The 1.5°C and 2.5°C warming scenario explanations are as follows:<br>(1) 1.5°C temperature increase scenario:<br>A. Net zero emissions and carbon management: In response to global efforts   |



| Items   | Implementation Status  |
|---|--|
| factors, and main financial impacts used shall be described.  | <p>to limit warming to 1.5°C, we align with national pathways to achieve net zero emissions by 2050.</p> <p>B. Implement sustainable production: Promote environmental management, set reduction targets, and reduce the environmental impact of product production.</p> <p>C. Deployment of renewable energy: Continue to deploy the solar energy installation in Sanyi site to increase the utilization ratio of renewable power.</p> <p>D. Energy transition management: Process improvement and equipment performance enhancement, electrification of office and logistics vehicles.</p> <p>E. Zero waste of resource recycling: Reduce, reuse, and recycle waste to improve the conversion rate of waste to reduce environmental impact.</p> <p>F. Responding to climate change: Establish a climate change management framework with the TCFD as the framework to identify risks and opportunities, and disclose the progress to stakeholders on a regular basis.</p> <p>(2) 2.5°C temperature increase scenario: When the premise of the temperature increase scenario deteriorates, we will increase the intensity of temperature emission reduction (e.g. 100% use of green power in the entire site, 100% electrification of public utilities and logistics equipment, and 100% recycling of resources with zero waste, etc.).</p> |
| 6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks. | <p>The Company has long been concerned about the impact of climate change on its operations, and actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities.</p> <ol style="list-style-type: none"> <li>1. Formulate company-wide KPIs for energy conservation, carbon reduction, and GHG reduction, and check the control achievement rate on a monthly basis to formulate improvement measures.</li> <li>2. Upgrade the equipment and optimize the energy efficiency of the process.</li> <li>3. Established the “Energy Saving Service Group” in 2012, and set up the “Energy Saving Committee” and the “Value Chain Committee of Third-Party Suppliers” in 2018 to guide third-party companies in their efforts to protect the environment and actively create a green supply chain.</li> <li>4. Develop zero-carbon emission smart electric vehicles and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly.</li> </ol>  |
| 7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.  | <p>The Company continues to collect internal carbon pricing practices and operational models. As of the publication date of the annual report, the Company has not yet used internal carbon pricing as a planning tool, therefore not applicable.</p>  |
| 8. If climate-related goals are set, the activities covered, the scope of GHG emissions, the planning period, and the progress of each year shall be explained.   | <p>In accordance with the national carbon dioxide reduction policy, Yulon Motor signed the “Greenhouse Gas Inventory and Voluntary Reduction Declaration” in 2006, continuously promoting efforts to reduce GHG emissions and setting reduction targets for carbon dioxide emissions in various departments. The Company's GHG emission reduction targets are divided into Scope 1 and Scope 2 carbon intensity targets (metric tons of carbon dioxide equivalent/NTD millions of production value) which are set to reduce by 4.2% per year.</p>  |
| 9. GHG inventory and assurance status, as well as reduction targets, strategies and specific action plans (indicated in 2-1 and 2-2 separately).  | <p>Please refer to the descriptions in 2-1 and 2-2.</p>  |

## 2-1 The Company's Greenhouse Gas Inventory and Assurance Status in the Recent Two Years

## 2-1-1 Greenhouse Gas Inventory Information

Describe the GHG emission volume (metric tons of CO<sub>2</sub>e), intensity (metric tons of CO<sub>2</sub>e/NTD million), and data coverage for the most recent two years.

Total CO<sub>2</sub> emissions from the Sanyi Plant: 10,985.71 metric tons in 2023 (Scope 1: 6,054.78 metric tons, Scope 2: 4,930.92 metric tons, GHG emission intensity at 0.4356 tons CO<sub>2</sub>e/NTD million). 12,601 metric tons in 2022 (Scope 1: 6,926 metric tons, Scope 2: 5,675 metric tons, GHG emission intensity at 0.5623 tons of CO<sub>2</sub>e/NTD million).

Note 1: Direct emissions (Scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect emissions from energy (Scope 2, i.e. indirect GHG emissions due to imported electricity, heat or steam).

Note 2: GHG inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO).

## 2-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

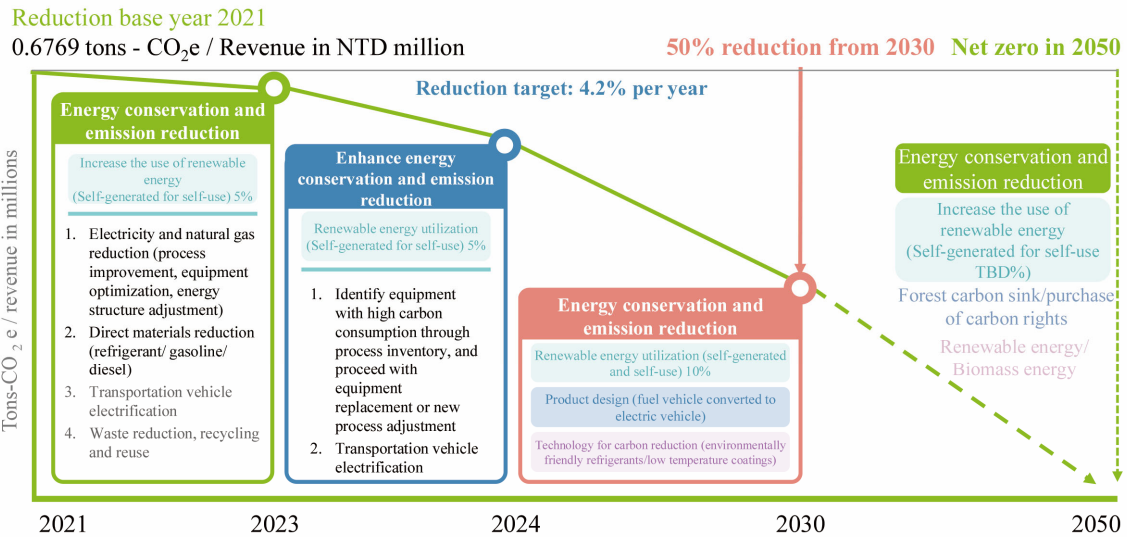
The Company has conducted GHG emission inventory and reduction plans over the years, and voluntarily disclosed the results publicly in the sustainability report and the Company's website, and has completed the ISO 14064 GHG inventory certification in 2022 and 2023.

| Indicator item                              | Explanation of assurance status for 2022   | Explanation of assurance status for 2023  |
|---|--|---|
| Direct (Scope 1) GHG emissions              | 1. Emission volume 9,774.8956 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064   | 1. Emission volume: 6,054.7888 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064 |
| Indirect energy (Scope 2) GHG emissions     | 1. Emission volume: 5,675.1591 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064  | 1. Emission volume: 4,930.9186 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064 |
| Other indirect (Scope 3) GHG emissions      | 1. Emission volume: 3,493.5035 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064  | 1. Emission volume: 3,223.7694 tons of CO <sub>2</sub> e<br>2. Data boundary: Yulon Motor Sanyi Plant<br>3. Certification: Yes<br>4. Verification Institution: AFNOR<br>5. Verification standard: ISO 14064 |
| GHG emission intensity                      | 1. GHG emission intensity: 0.5623 tons of CO <sub>2</sub> e/NTD million<br>2. Category: Others (turnover in millions)<br>3. Scope of data: Scope 1 and Scope 2   | 1. GHG emission intensity: 0.4356 tons of CO <sub>2</sub> e/NTD million<br>2. Category: Others (turnover in millions)<br>3. Scope of data: Scope 1 and Scope 2  |
| Strategy, method and goal of GHG management | Reduce GHG emission by 4.2% linearly every year. This is achieved through initiatives such as the deployment of solar energy installations, electrification of vehicles, zero waste resource recycling, process improvements, enhancement of equipment efficiency, and GHG inventory education and training. |   |

2-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Describe the GHG reduction base year and data, reduction goals, strategies, and specific action plans and achievement of the reduction goals.

Yulon Motor keeps a close eye to the impact of climate change. Net zero carbon emission by 2050 is an important environmental sustainability goal for us. We focus on emissions along the value chain by utilizing the Science-Based Targets initiatives (SBTi) method and recommendations from internal and external experts. From policy development and target-setting to project implementation, Yulon Motor establishes management processes and takes action to reduce emissions of both Scope 1 and 2 of GHG. Yulon Motor’s energy-saving and emission-reduction measures include process improvements and the implementation of digital energy management systems, enhancement of equipment efficiency and introduction of digital electronic boards, electrification of office vehicles, and reduction of waste and promoting recycling. Additionally, we increase the use of renewable energy, transition to smart electric vehicle manufacturing, and engages in forest carbon sinks. Through regular internal meetings and review of the progress towards GHG emission reduction goals, we ensure that carbon reduction mechanisms and resources are optimally allocated.



## (VII) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies:

Proper enforcement of business integrity

| Items for assessment   | Actual governance (Note 1) |    |  | Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons |
|--|----------------------------|----|--|--|
|  | Yes                        | No | Summary  |  |
| 1. Establishment of ethical corporate management policies and plans  |                            |    |  |  |
| (I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?   | V                          |    | (I) The Company has established a “Ethical Corporate Management Best Practice Principles,” which was submitted to and approved by the Board of Directors for approval. In accordance with the Company’s organizational structure, the Company has established departmental manuals for each department, requiring all employees of the Company, including the Board of Directors and management, to actively implement honest management, treat shareholders with care and loyalty, and use professional and diligent management of shareholders’ investments to ensure fair, sustainable and competitive returns to create We will ensure fair, sustainable and competitive returns on our shareholders’ investments to create the best interests of our shareholders.  | Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”                |
| (II) Has the company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?” | V                          |    | (II) In order to clearly regulate the relationship between the rights and obligations of employees and management, and to improve the organization and establish the management system, the Company has established various internal work regulations according to the relevant laws and regulations to provide a framework for corporate and employee actions. In the event of unethical behavior of the Company's personnel, the Company will notify the judicial and prosecution authorities in accordance with the relevant facts, and notify the governmental ethics departments in the event that a public authority or public official is involved.<br>The Company has established and submitted to the board of directors for approval ethical corporate management best practice principles as a basis for preventing unethical conduct and they are implemented. | Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”                |
| (3) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?  | V                          |    | (III) The Company has established the “Management Measures for Preventing Insider Trading,” the “Regulations for Management Review,” and the “Operating Standards for Management Meetings” as the relevant regulations for the implementation of the Ethical Corporate Management Best Practice Principles and has implemented them, and amended them in accordance with the laws and regulations.   | Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”                |

| Items for assessment  | Actual governance (Note 1) |    |  | Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons  |
|---|----------------------------|----|--|---|
|   | Yes                        | No | Summary  |   |
| <p>II. Implementation of ethical corporate management</p> <p>(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?</p> | V                          |    | <p>(I) The contracts entered into by the Company are reviewed by legal professionals, and the Company may terminate or cancel the contracts if the counter-parties are involved in unethical acts.</p> <p>(II) The Company's ethical corporate management related rules are coordinated by the Company's corporate governance officer, Vice President of finance and business planning department and the corporate governance group is responsible for its implementation. Departmental manuals for each department are established according to the department, requiring all employees, including the Board of Directors and management, to actively implement ethical corporate management and reporting the annual performance to the Board of Directors at least once a year. In 2023, the following items were promoted for ethical corporate management.</p> <ol style="list-style-type: none"> <li>1. Promoted ethical corporate management measures to new employees and conducted education and training.</li> <li>2. Promoted ethical corporate management to new managerial officers and had them signed the statement of the ethical corporate management best practice principles.</li> <li>3. In accordance with the ethical corporate management best practice principles, the independent directors shall act as the mailbox administrators, and the independent directors shall periodically confirm the reporting of unethical acts to ensure the implementation of the anonymous reporting system.</li> <li>4. On-the-job training for directors:               <ol style="list-style-type: none"> <li>(1) Enhance Digital Resilience and Build an Enhanced Information Security Governance Strategy for Listed Companies (3 Hours) → Hosted by Taiwan Corporate Governance Association</li> <li>(2) Discussion of Sustainability Risk Trends and Response Strategies (3 Hours) → Hosted by Taiwan Corporate Governance Association.</li> </ol> </li> </ol> | <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> |
| <p>(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?</p>  | V                          |    | <p>(III) In addition to the “Procedure for Board of Directors Meetings” for relevant stipulations for recusal due to conflict of interest, the Company has provided appropriate channels for the Board of Directors to proactively state whether there is a conflict of interest.</p>  | <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>  |

| Items for assessment   | Actual governance (Note 1) |    | Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons   |   |
|--|----------------------------|----|--|---|
|  | Yes                        | No |  |   |
| (IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit? | V                          |    | (IV) In addition to the Company's best practice principles and regulations on ethical corporate management, the Company has established an internal control system for related party transactions and insider trading. In addition to conducting regular internal audits, the Internal Audit Office will immediately notify members of the Board of Directors and the relevant authorities if it receives any reports of illegal activities and conduct inspections at any time to ensure that the system is designed and implemented effectively.   | Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” |
| (V) Does the Company regularly organize internal and external education and training on ethical corporate management?  | V                          |    | (V) In accordance with the resolution of the Board of Directors and the updates of the relevant laws and regulations, the Company has held centralized education and training at least annually, and has repeatedly made education propaganda about its implementation at various meetings of the Company to achieve the purpose and spirit of ethical corporate management.<br>Related courses held in 2023:<br>1. Intellectual property rights - patent search analysis: 11 participants totaling 22 hours.<br>2. Understanding copyright: 11 participants totaling 22 hours.<br>3. Handling of patent disputes: 7 participants totaling 14 hours.<br>4. TIPS introduction and verification for all employees and internal audit training: 14 participants totaling 61 hours.<br>5. Hierarchical intellectual property management training: 2 participants totaling 48 hours.<br>6. Common legal topics that Managers must be aware of: 11 participants totaling 64 hours.<br>7. Personal Information Protection Awareness - Overview of Personal Data Protection Act (digital course): 68 participants totaling 20 hours.<br>8. Understanding Intellectual Property Rights (digital course): 28 participants totaling 52 hours.<br>9. Insider Trading Tips (digital course): 61 participants totaling 10 hours.<br>10. Online course on workplace unlawful infringement awareness and prevention (digital course): 60 participants totaling 12.2 hours. | Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” |

| Items for assessment   | Actual governance (Note 1) |    |   | Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons   |
|--|----------------------------|----|---|--|
|  | Yes                        | No | Summary   |  |
| <p>III. Implementation of the whistleblowing system</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p> <p>(II) Has the Company established the standard operation procedures for the investigation of complaints as reported, follow-up actions after the investigation, and related mechanisms for confidentiality?</p> <p>(III) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?</p>   | V                          |    | <p>(I) The Company has established “Work Rules” and “Employee Compliant Handling Measures;” for violations of the rules and regulations, if the investigation by the Complaint Committee is substantiated, the work rules will be enforced. If necessary, we will seek damages through legal proceedings to protect the Company's reputation and rights.</p> <p>(II) The Company has established a whistleblower system and an internal independent whistleblower mailbox, which is managed by an independent director, who will assign the receiving unit for each whistleblower case. The record and preservation of whistleblowing cases, and their investigation process, results and related documents.</p> <p>(III) The Company has established measures to protect the identity of the whistleblower and the content of the report, to protect the whistleblower from improper treatment and to reward the whistleblower for the report.</p> | <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p> |
| <p>IV. Enhancement of information disclosure</p> <p>(I) Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?</p>   | V                          |    | <p>(I) The Company has published the relevant corporate governance rules on the Company's website, which investors can download and read. The Company discloses information to the competent authorities or to the public in a complete, appropriate, accurate, timely and understandable manner, and has a corporate spokesperson and an acting spokesperson, and a standardized speaking procedure that requires management and employees to keep financial and business secrets and not to disseminate information arbitrarily. In addition, the Company discloses relevant and reliable information in its annual reports and sustainable reports.</p>  | <p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>   |
| <p>V. For the companies which have established ethical corporate management best practice principles in accordance with the “Ethics Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe the implementation practices and the deviation from the Principles established:<br/>The Company has established the Rules of Procedures for Shareholders' Meetings, the Procedure for Board of Directors Meetings, the Procedures for the Management of Confidential Documents, the Procedures for Disclosure and Handling of Confidential Information, the Standard Operating Procedures for the Announcement Process, the Internal Control System, and the implementation of the operating systems have all met the requirements of the Principles. As of the publication of this annual report, the Company has prepared a “Ethical Corporate Management Best Practice Principles,” submitted to and approved by the Board of Directors in May, 2014, and requested all subsidiaries to refer to the principles for thorough implementation.</p> |                            |    |   |  |
| <p>VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity)<br/>The Company discloses its ethical corporate management practices in its internal regulations, annual reports, and corporate website, and announces them at external events, such as product launches and corporate briefings, so that suppliers, customers, shareholders, and other business-related organizations and personnel can clearly understand the Company's ethical corporate management philosophy and standards.</p>  |                            |    |   |  |

Note 1: Whether the Company selects “Yes” or “No” in the operating condition, it should explain the situation in the summary space.

(VIII) The Company has established the corporate governance best practice principles and related rules for inquiries.

The Company's corporate governance and ethical corporate management regulations are disclosed in the "Investor Section" on the Company's website and are updated from time to time. Investors can download them directly. Significant events resolved by the Board of Directors and significant information are announced and uploaded to the Market Observation Post System in a timely manner.

(IX) Other important information that is helpful to understand the implementation of ethical corporate management:

Under the corporate governance evaluation mechanism jointly developed by the TWSE and the TPEx, the Company was ranked among the top 5% in the first to 10th evaluations and received awards from the organizers.



(X) The implementation of internal control system

1. Internal Control System Statement

YULON MOTOR CO., LTD  
Internal Control System Statement

Date: March 7, 2024

With respect to the results of self-evaluation of company's internal control system in 2023, it is hereby stated as below:

- I. The company acknowledges that establishing, implementing and maintaining the internal control system is the responsibilities of the Board of Directors and managers. The company has established such system. The purpose is to provide reliable, timely and transparent report of the effect and efficiency of the operation (including profits, performance and asset security) and reasonably assurance the compliance of relevant regulations and laws.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The company determines whether or not the design and implementation of its internal control system are effective based on the criteria of effectiveness of internal control system as set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). According to the determination criteria mentioned in the Regulations, the internal control system consists of five elements through the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring. Each element consists of several items. Please see the Regulations for the foregoing items.
- IV. The company has applied the internal control system determination criteria as above to evaluate the effectiveness of the design and implementation of internal control system.
- V. Based on the foregoing evaluation results, the company considers that its internal control system on December 31, 2023 (including monitoring and managing its subsidiaries), including the understanding of operational effects, efficiency target achievement, and reports, is reliable, timely, transparent, and compliant with the regulations; the design and implementation of the internal control system related to regulatory compliance are effective and provide reasonable assurance for achieving the objectives.
- VI. This statement will be the primary content of the company's annual report and prospectus and disclosed to the public. The above disclosure is subject to the liabilities of false statement and concealment pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on March 7, 2024. Among the nine directors present, none of them held opposing views, and the rest of them agreed to the contents of this statement.

YULON MOTOR CO., LTD

Chairman Yen Chen Li-Lien Signature



President: Zhen-Xiang Yao Signature



2. If the internal control policy was reviewed by an external auditor, the report of such a review must be disclosed: Not applicable.

(XI) As of 2023 and the up to the publication date of this annual report, if the Company or the internal personnel have been legally punished, or if the Company has imposed punishments on internal personnel for violating internal control system regulations, and if the results of such matter may have significant impact on shareholders equity or securities prices, the details of such punishments, material deficiencies, and improvement measures should be disclosed:

No such matter.

(XII) Important resolutions of the shareholders' and board meetings in the most recent year to the day this Annual Report was published in 2023.

1. Important resolutions of the shareholder and board meetings:

| Date      | Meeting type                                       | Important motions  |
|-----------|--|--|
| 2023/3/9  | 4th interim meeting of the 17th Board of Directors | <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Preparations for the 2023 shareholders' meeting</li> <li>2. The Company's 2022 final operating reports</li> <li>3. The proposal for the distribution of earnings of the Company in 2022;</li> <li>4. The distribution of profit sharing remuneration to employees and directors for 2022</li> <li>5. The Company's endorsement and guarantee facility for 2023</li> <li>6. Amendment to certain provisions of the Company's "Articles of Incorporation."</li> <li>7. Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."</li> <li>8. The Company participated in the capital increase in Tokio Marine Newa Insurance</li> <li>9. The Company's sale of the Class A preferred shares in Yurong</li> <li>10. The Company sold the 12th, 14th and 16th floors of the Dunnam Building</li> <li>11. The Company intends to increase cash capital in 2023 for issuance of new shares and the issuance of the third domestic unsecured and convertible corporate bonds</li> <li>12. The Company's bank facility application for 2023</li> <li>13. The Company's issuance of Letter of Operating Support (LOS) in 2023.</li> <li>14. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2023</li> <li>15. A lease agreement between the Company and a related party for real estate right-of-use assets</li> <li>16. 7th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> <li>17. The Company's Statement of Internal Control System for 2022</li> <li>18. Amendments to the "General Rules for Internal Control Systems" and "Implementation Rules for Internal Audit" of the Company.</li> <li>19. Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles".</li> <li>20. Amendment to certain provisions of the Company's "Corporate Sustainable Development Best Practice Principles"</li> <li>21. Amendment to certain provisions of the Company's Accounting Professional Judgment Procedures, Accounting Policies and Management Measures for Estimation Change Process</li> </ol> |
| 2023/5/11 | 5th interim meeting of the 17th Board of Directors | <p>Proposals:</p> <ol style="list-style-type: none"> <li>1. 8th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Financial statements of the Company for 2023 Q1</li> <li>2. The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd.</li> <li>3. The Company's participation in the increase of common stock capital of Tokio Marine Newa Insurance Co., Ltd.</li> <li>4. The Company's sale of the Class A preferred shares in Taiwan Acceptance Corporation</li> <li>5. The Company's 2023 cash capital increase includes employee subscription procedures and distribution for manager's subscription</li> <li>6. The appointment of the Company's managerial officer</li> </ol>   |
| 2023/5/31 | General Meeting of shareholders                    | <p>Proposals:</p> <ol style="list-style-type: none"> <li>1. Adoption of the 2022 Financial Statements.</li> <li>2. Adoption of the Distribution of 2022 profits.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Amendment to certain provisions of the Company's "Articles of Incorporation".</li> <li>2. Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings".</li> </ol>   |
| 2023/8/8  | 6th interim meeting of the 17th Board of Directors | <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Financial statements of the Company for 2023 Q2</li> <li>2. To adjust the cash dividend payout ratio for 2023 earnings distribution</li> <li>3. The appointment of the Company's managerial officer</li> <li>4. 9th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> </ol>   |
| 2023/11/9 | 7th interim meeting of the 17th Board of Directors | <p>Proposals:</p> <ol style="list-style-type: none"> <li>1. 10th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Financial statements of the Company for 2023 Q3</li> </ol>   |

| Date       | Meeting type                                       | Important motions   |
|------------|--|---|
|            |  | <ol style="list-style-type: none"> <li>2. The Company's donation to the Wu Shun-Wen's News Scholarship Foundation</li> <li>3. To change the Company's paid-in capital and setting the record date for new share issuance</li> <li>4. A lease agreement between the Company and a related party for real estate right-of-use assets</li> <li>5. The Company's 2024 audit plan</li> <li>6. Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."</li> <li>7. Amendments to certain provisions of the internal control systems for stock operations of the Company</li> <li>8. Amendment to certain provisions of the Company's "Regulations Governing Related Party Transactions"</li> <li>9. Proposal for 2023 executive salary adjustment</li> <li>10. Promotion of the Company's managers</li> </ol>   |
| 2023/12/21 | 8th interim meeting of the 17th Board of Directors | <p>Proposals:</p> <ol style="list-style-type: none"> <li>1. 11th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. The Company's 2024 business objectives</li> <li>2. Partial amendments to the Company's personal information protection management measures</li> <li>3. Promotion (appointment) of the Company's managers</li> <li>4. A lease agreement between the Company and a related party for real estate right-of-use assets</li> <li>5. Estimation of the Company's purchases and sales with related parties in 2024</li> </ol>  |
| 2024/3/7   | 9th interim meeting of the 17th Board of Directors | <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Preparations for the 2024 shareholders' meeting</li> <li>2. The Company's 2023 final operating reports</li> <li>3. For the distribution of earnings of the Company in 2023;</li> <li>4. The distribution of profit sharing remuneration to employees and directors for 2023</li> <li>5. The Company's endorsement and guarantee facility for 2024</li> <li>6. The Company's bank facility application for 2024</li> <li>7. The Company's issuance of Letter of Operating Support (LOS) in 2024.</li> <li>8. A lease agreement between the Company and a related party for real estate right-of-use assets</li> <li>9. The Company obtained the project from the related party, Huifeng Motor, for the construction of Baoqiao Section No. 1352, Xindian District</li> <li>10. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2024</li> <li>11. 12th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> <li>12. The Company's Statement of Internal Control System for 2023</li> <li>13. Amendments to certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings" and "Details of Internal Audit Implementation Rules for the Operation and Management of Board of Directors Meetings"</li> <li>14. Amendments to certain provisions of the Company's "Organizational Rules of the Audit Committee" and "Details of Audit Committee Meeting Operation and Internal Audit Implementation Regulations"</li> <li>15. To adjust the Chief Information Officer and the dedicated manager for Information Security</li> </ol> |

2. Review of the implementation of the resolutions of the 2023 annual general meeting

| Resolutions                                   | Review of the implementation   |
|---|--|
| Adoption of the 2022 Financial Statements.    | According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted.  |
| Adoption of the Distribution of 2022 profits. | According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted. The Company's dividends shall be allocated in accordance with Article 27 of the Company's Articles of Incorporation, i.e. to be allocated through cash dividend or stock dividend. The amount of either cash dividend or stock dividend shall be duly proposed by the Board of Directors and resolved by the shareholders' meeting. For the Company in 2022, the cash dividend is proposed to be distributed at NTD 1 per share. |

| Resolutions   | Review of the implementation   |
|---|--|
|   | It is further scheduled that August 31, 2023 be the base day for cash dividends distribution.  |
| Amendment to certain provisions of the Company's "Articles of Incorporation".                     | According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted. The amendment has been completed and announced on the Company's website. |
| Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings". | According to the voting result, the number of vote rights in favor of the motion met the statutory requirements, and the motion was adopted as submitted. The amendment has been completed and announced on the Company's website. |

(XIII) Any directors or independent directors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in 2023 through the publication date of the annual report:

None of the directors or independent directors disagreed with the important resolutions passed by the Board of Directors.

(XIV) For 2023 through the date of publication of the annual report, any resignation and dismissal of the Company's chairperson, president, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer: None.

(XV) Other matters to be disclosed: None.

#### IV. Information on CPA Fees

##### CPA fees

Currency unit: NTD 1,000

| CPA firm          | CPA name     | CPA auditing period                  | Audit fee | Non-audit fee | Total  | Remarks   |
|-------------------|--------------|--------------------------------------|-----------|---------------|--------|---|
| Deloitte & Touche | Guo Li-Wen   | January 1, 2023 to December 31, 2023 | 18,546    | 3,205         | 21,751 | Others include NTD 374 thousand for investment commission application, NTD 307 thousand for advanced payments, NTD 1,660 thousand for taxation and certification, NTD 364 thousand for sustainability report assurance, NTD 410 thousand for service fees for capital increase and bond issuance, and NTD 90 thousand for the registration of sustainability establishment. |
|                   | Tai Shun-Wai | January 1, 2023 to December 31, 2023 |           |               |        |   |

Note: If there is any CPA or CPA Firm being replaced in current year, the auditing period should be indicated separately and the reason for such replacement should be detailed in the remark column; also, the information regarding the audit and non-audit fee paid should be disclosed. Non-audit CPA fees should be annotated to explain the service content.

- (I) In the event of changing the accounting firm and the resulting CPA fee is less than that of the previous year, the CPA fees before and after the change of accounting firm and the reason for the change should be disclosed: N/A.
- (II) If the auditing fee is reduced by more than 10% than the previous year, disclose the reduced amount and proportion of the auditing fees and the reason for reduction: Not applicable  
Not applicable.

**V. Information on change of CPAs: If there is a change of CPAs in the last two years and the subsequent period, the following information should be disclosed.**

(I) Predecessor CPA:

|  |  |                                    |                |
|--|--|------------------------------------|----------------|
| Date of change   | Approved by the Board of Directors on March 9, 2023  |                                    |                |
| Reason for change and explanation  | The attesting CPAs appointed by the Company were formerly Guo Li-Wen and Fan You-Wei from Deloitte & Touche. In accordance with the internal rotation requirement of Deloitte & Touche, the appointed CPAs of the Company have been changed from Guo Li-Wen and CPA Fan You-Wei to Guo Li-Wen and Tai Shun-Wai from the first quarter of 2023. |                                    |                |
| Indicate whether the appointment is terminated or not accepted by the client or CPA  | Party involved   |                                    | Client         |
|  | Condition  | CPA                                |                |
|  | Proactively terminate the appointment  | Not applicable                     | Not applicable |
|  | Not accept (continue) the appointment  | Not applicable                     | Not applicable |
| Opinions in and reason for audit reports issued other than unqualified opinion in the last two years                         | None   |                                    |                |
| Disagreement with the issuer (Yes/No)  | Yes  | Accounting principles or practices |                |
|  |  | Disclosure of financial statements |                |
|  |  | Audit scope or procedure           |                |
|  |  | Other                              |                |
|  | None   | ✓                                  |                |
|  | Description  | Not applicable                     |                |
| Other disclosures (Matters to be disclosed as set out in Item 1-4 to 1-7, Subparagraph 6 of Article 10 of these Regulations) | None   |                                    |                |

(II) Successor CPAs:

|   |                                  |
|---|----------------------------------|
| CPA firm  | Deloitte & Touche                |
| CPA name  | CPAs Guo Li-Wen and Tai Shun-Wai |
| Date of engagement  | March 27, 2023                   |
| Subjects of consultation and consultation results in case, prior to the formal engagement of the successor certified public accountant, the company consulted the newly engaged accountant regarding the accounting treatment of or application of accounting principles to a specified transaction or the type of audit opinion that might be rendered on the company's financial report | Not applicable                   |
| Written opinion of the successor CPA on matters on which the successor CPA disagreed with the predecessor CPA   | Not applicable                   |

(II) Reply letter from the predecessor CPAs: Not applicable.

**VI. Where the company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the preceding year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm, the name and position of the person and the period during which the position was held shall be disclosed: None.**

## VII. Transfer and change of shareholding of directors, managerial officers and shareholders holding more than 10% of the shares from 2023 through the date of publication of the annual report

### (I) Changes in shareholdings of directors, managerial officers and major shareholders

| Title                    | Name                        | 2023 (Note 1)                      |                                       | 2024 up to April 1                 |                                       |
|--------------------------|-----------------------------|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
|                          |                             | Increase (decrease) in shares held | Increase (decrease) in shares pledged | Increase (decrease) in shares held | Increase (decrease) in shares pledged |
| Institutional Director   | Tai Yuen Textile Co., Ltd.  | 5,379,611                          | (24,158,917)                          | -                                  | -                                     |
| Institutional Director   | China Motor Corporation     | 4,668,004                          | -                                     | -                                  | -                                     |
| Institutional Director   | Yen Ching-Ling's Foundation | -                                  | -                                     | -                                  | -                                     |
| Chairman                 | Yen Chen Li-Lien            | -                                  | -                                     | -                                  | -                                     |
| Vice Chairman            | Tso, Chi-Sen                | 50,000                             | -                                     | (7,000)                            | -                                     |
| Director                 | Shin-I Lin                  | -                                  | -                                     | -                                  | -                                     |
| Director                 | Liang Zhang                 | -                                  | -                                     | -                                  | -                                     |
| Director                 | Jack, J.T. Huang            | -                                  | -                                     | -                                  | -                                     |
| Director                 | Zhen-Xiang Yao              | 50,000                             | -                                     | -                                  | -                                     |
| Independent Director     | Zhongqi Zhou                | -                                  | -                                     | -                                  | -                                     |
| Independent Director     | Yen-Chin, Tsai              | -                                  | -                                     | -                                  | -                                     |
| Independent Director     | Yun-Hua Yang                | -                                  | -                                     | -                                  | -                                     |
| President                | Zhen-Xiang Yao              | 50,000                             | -                                     | -                                  | -                                     |
| Vice President           | Jian-Hui Li                 | 5,000                              | -                                     | -                                  | -                                     |
| Vice President           | Wen-Yi Lo (Note 2)          | 30,040                             | -                                     | -                                  | -                                     |
| Assistant Vice President | Binglin Chen                | -                                  | -                                     | -                                  | -                                     |
| Assistant Vice President | Min-Hui Qiu (Note 3)        | -                                  | -                                     | -                                  | -                                     |
| Assistant Vice President | Hong-Zheng Chen             | 30,000                             | -                                     | -                                  | -                                     |
| Assistant Vice President | Shih-Lin Wu (Note 4)        | 5,000                              | -                                     | -                                  | -                                     |
| Manager                  | Shi-Ting Chen (Note 5)      | (2,000)                            | -                                     | -                                  | -                                     |
| Manager                  | Li-Hua Wu (Note 6)          | (5,000)                            | -                                     | -                                  | -                                     |
| Manager                  | Wen-Yuan Li                 | 12,000                             | -                                     | -                                  | -                                     |
| Manager                  | Chong-Yuan Chen             | 1,000                              | -                                     | -                                  | -                                     |
| Manager                  | Meng-Yue Jie                | 25,000                             | -                                     | -                                  | -                                     |
| Manager                  | Shen-Guo Wang               | 5,000                              | -                                     | (1,000)                            | -                                     |
| Manager                  | Hsun-Kuei Hsieh             | 10,000                             | -                                     | -                                  | -                                     |
| Manager                  | Chiung-Hui Huang (Note 7)   | 25,000                             | -                                     | -                                  | -                                     |
| Manager                  | Yu-Hsun Lin                 | -                                  | -                                     | -                                  | -                                     |
| Manager                  | Pai-Chun Peng               | 16,000                             | -                                     | -                                  | -                                     |
| Manager                  | Che-Yu Cho                  | 15,000                             | -                                     | -                                  | -                                     |
| Manager                  | Tsung-Lin Wu                | 25,000                             | -                                     | -                                  | -                                     |
| Manager                  | Liang-Wei Kuo (Note 8)      | -                                  | -                                     | -                                  | -                                     |
| Manager                  | Ching-Tsung Lin (Note 9)    | -                                  | -                                     | -                                  | -                                     |
| Manager                  | Chun-Hsien Li (Note 10)     | -                                  | -                                     | -                                  | -                                     |
| Major Shareholders       | Tai Yuen Textile Co., Ltd.  | 5,379,611                          | (24,158,917)                          | -                                  | -                                     |
| Major Shareholders       | China Motor Corporation     | 4,668,004                          | -                                     | -                                  | -                                     |
| Major Shareholders       | Li-Lien Yen Chen (Note 11)  | -                                  | -                                     | -                                  | -                                     |

Note 1: The increase (decrease) in the number of shares held in 2023 includes the increase in shares from cash capital increase.

Note 2: Promoted on November 9, 2023.

Note 3: Retired and resigned on July 1, 2023.

- Note 4: Promoted on December 16, 2023.
- Note 5: Retired and resigned on January 1, 2024.
- Note 6: Retired and resigned on September 1, 2023.
- Note 7: Retired and resigned on March 1, 2024.
- Note 8: Newly elected on May 22, 2023.
- Note 9: Newly elected on September 1, 2023.
- Note 10: Newly elected on January 01, 2024.
- Note 11: Resigned on June 26, 2023

- (II) Information on the related party of the equity transfer: None.
- (III) Information on the related party of the equity pledge: None.

### VIII. Information on the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship:

March 30, 2024

| Name<br>(Note 1)  | Shareholder               |                         | Shareholding of spouse and minor children (Note 2) |                         | Total shareholding in the name of others (Note 2) |                         | The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another. (Note 3) |                     | Remarks |
|---|---------------------------|-------------------------|--|-------------------------|---|-------------------------|--|---------------------|---------|
|   | Number of shares          | Shareholdings ratio (%) | Number of shares                                   | Shareholdings ratio (%) | Number of shares                                  | Shareholdings ratio (%) | Name   | Relation            |         |
| Tai Yuen Textile Co., Ltd.<br>Representative:<br>Yen Chen Li-Lien | 186,508,584<br>34,174,253 | 17.43<br>3.19           | -  | -                       | -   | -                       | China Motor Corporation  | Same chairperson    | -       |
|   |                           |                         |  |                         |   |                         | Yen Ching-Ling's Foundation  | Same chairperson    | -       |
|   |                           |                         |  |                         |   |                         | Diamond Hosiery & Thread Co., Ltd.   | Same chairperson    | -       |
| China Motor Corporation<br>Representative:<br>Yen Chen Li-Lien    | 171,382,445<br>34,174,253 | 16.02<br>3.19           | -  | -                       | -   | -                       | Tai Yuen Textile Co., Ltd.   | Same chairperson    | -       |
|   |                           |                         |  |                         |   |                         | Yen Ching-Ling's Foundation  | Same chairperson    | -       |
|   |                           |                         |  |                         |   |                         | Diamond Hosiery & Thread Co., Ltd.   | Same chairperson    | -       |
| Yen Chen Li-Lien  | 34,174,253                | 3.19                    | 33,933,985   | 3.17                    | -   | -                       | Taipei Branch of UBS received Pei-Yu Yen Trust Property Account  | Mother and daughter | -       |
|   |                           |                         |  |                         |   |                         | Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account  | Mother and son      |         |
| Taipei Branch of UBS received Pei-Yu Yen Trust Property Account   | 33,933,985                | 3.17                    | -  | -                       | -   | -                       | Yen Chen Li-Lien   | Mother and daughter | -       |
|   |                           |                         |  |                         |   |                         | Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account  | Sister and brother  |         |



| Name<br>(Note 1)   | Shareholder              |                         | Shareholding of spouse and minor children (Note 2) |                         | Total shareholding in the name of others (Note 2) |                         | The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another. (Note 3) |   | Remarks |
|--|--------------------------|-------------------------|--|-------------------------|---|-------------------------|--|---|---------|
|  | Number of shares         | Shareholdings ratio (%) | Number of shares                                   | Shareholdings ratio (%) | Number of shares                                  | Shareholdings ratio (%) | Name   | Relation  |         |
| Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account    | 33,933,985               | 3.17                    | -  | -                       | -   | -                       | Yen Chen Li-Lien   | Mother and son  | -       |
|  |                          |                         |  |                         |   |                         | Taipei Branch of UBS received Pei-Yu Yen Trust Property Account  | Sister and brother  | -       |
| Fande Investment Co., Ltd.<br>Representative: Mao Xiao-Ling            | 19,061,678               | 1.78                    | -  | -                       | -   | -                       | Tai Yuen Textile Co., Ltd.   | The chairman of Pan German Universal Motors is a board director of Tai Yuen Textile | -       |
| Yen Ching-Ling's Foundation<br>Representative: Yen Chen Li-Lien        | 10,990,936<br>34,174,253 | 1.03<br>3.19            | -  | -                       | -   | -                       | China Motor Corporation  | Same chairperson  | -       |
|  |                          |                         |  |                         |   |                         | Tai Yuen Textile Co., Ltd.   | Same chairperson  | -       |
|  |                          |                         |  |                         |   |                         | Diamond Hosiery & Thread Co., Ltd.   | Same chairperson  | -       |
| Shih-Chung Lin   | 10,000,960               | 0.93                    | -  | -                       | -   | -                       | None   | None  | -       |
| Diamond Hosiery & Thread Co., Ltd.<br>Representative: Yen Chen Li-Lien | 7,803,362<br>34,174,253  | 0.73<br>3.19            | -  | -                       | -   | -                       | Tai Yuen Textile Co., Ltd.   | Same chairperson  | -       |
|  |                          |                         |  |                         |   |                         | China Motor Corporation  | Same chairperson  | -       |
|  |                          |                         |  |                         |   |                         | Yen Ching-Ling's Foundation  | Same chairperson  | -       |
| Yuea Ching Business Co., Ltd.  | 7,526,431                | 0.70                    | -  | -                       | -   | -                       | None   | None  | -       |

Note 1: Illustrate the top-ten shareholders. The name of the corporate shareholders and the name of its representative should be illustrated separately.

Note 2: The calculation of shareholding ratio refers to the shareholding ratio calculated in accordance with the shareholding of the shareholders, spouse, minor children, and in the name of others.

Note 3: The relationship among the shareholders (including legal person and natural person) in the preceding paragraph should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**IX. The total number of shares and the consolidated equity stake percentage held in any single reinvested enterprise by the Company, its directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company**

December 31, 2023

| Investee (Note)  | Investment by the Company                               |                         | Investment by directors, supervisors, managerial officers and directly or indirectly controlled enterprises |                         | Total investment  |                         |
|--|---|-------------------------|---|-------------------------|---|-------------------------|
|  | Number of shares (Investment amount, thousands of NTD*) | Shareholding percentage | Number of shares (Investment amount, thousands of NTD*)   | Shareholding percentage | Number of shares (Investment amount, thousands of NTD*) | Shareholding percentage |
| China Motor Corporation                                      | 44,592,177  | 8.05%                   | 183,564,199   | 33.16%                  | 228,156,376   | 41.21%                  |
| Taiwan Acceptance Corporation                                | 234,713,381   | 42.81%                  | 9,298,558   | 1.70%                   | 244,011,939   | 44.51%                  |
| Taiwan Acceptance Corporation - preferred stock A            | 12,992  | 0.01%                   | 25,359,608  | 25.36%                  | 25,372,600  | 25.37%                  |
| Yueki Industrial Co., Ltd.                                   | 12,766,887  | 65.58%                  | 2,985,888   | 15.34%                  | 15,752,775  | 80.92%                  |
| Yue Sheng Industrial Co., Ltd.                               | 28,800,000  | 100.00%                 | 0   | 0.00%                   | 28,800,000  | 100.00%                 |
| Sin Chi Co., Ltd.  | 80,500,000  | 100.00%                 | 0   | 0.00%                   | 80,500,000  | 100.00%                 |
| China Cast Iron Pipe Co., Ltd.                               | 24,850  | 77.66%                  | 6,109   | 19.09%                  | 30,959  | 96.75%                  |
| Uni Auto Parts Manufacture Co., Ltd                          | 21,728,516  | 25.01%                  | 13,033,137  | 15.00%                  | 34,761,653  | 40.01%                  |
| Uni-Calsonic Corp.   | 5,982,575   | 30.68%                  | 6,883,525   | 35.30%                  | 12,866,100  | 65.98%                  |
| Yu Chang Motor Co., Ltd.                                     | 13,998,500  | 64.99%                  | 1,000   | 0.01%                   | 13,999,500  | 65.00%                  |
| Coc Tooling & Stamping Co., Ltd.                             | 25,469,581  | 37.76%                  | 41,986,541  | 62.23%                  | 67,456,122  | 99.99%                  |
| Yuanlong Automobile Co., Ltd.                                | 7,999,000   | 20.00%                  | 1,000   | 0.00%                   | 8,000,000   | 20.00%                  |
| Yu Ching Business Co., Ltd.                                  | 42,660,000  | 60.00%                  | 28,440,000  | 40.00%                  | 71,100,000  | 100.00%                 |
| Yu Pong Business Co., Ltd.                                   | 13,470,422  | 100.00%                 | 0   | 0.00%                   | 13,470,422  | 100.00%                 |
| Yung Hang Investment Co., Ltd.                               | 32,622,000  | 100.00%                 | 0   | 0.00%                   | 32,622,000  | 100.00%                 |
| Yushin Motor Co., Ltd.                                       | 19,999,000  | 99.99%                  | 1,000   | 0.01%                   | 20,000,000  | 100.00%                 |
| China Engine Corporation                                     | 16,113,500  | 38.16%                  | 21,999,750  | 52.10%                  | 38,113,250  | 90.26%                  |
| Chenglong Automobile Service Limited                         | 13,935,351  | 27.00%                  | 1,714   | 0.00%                   | 13,937,065  | 27.00%                  |
| Director of R O C SPICER LTD                                 | 102,302   | 20.46%                  | 148,096   | 29.62%                  | 250,398   | 50.08%                  |
| Yutang Automobile Co., Ltd.                                  | 7,117,075   | 20.33%                  | 1,675   | 0.01%                   | 7,118,750   | 20.34%                  |
| EMPOWER MOTORS CO., LTD.                                     | 5,998,780   | 20.00%                  | 8,101,220   | 27.00%                  | 14,100,000  | 47.00%                  |
| Yulon It Solutions Inc.                                      | 16,663,998  | 87.71%                  | 2,336,002   | 12.29%                  | 19,000,000  | 100.00%                 |
| Esinn Co., Ltd   | 17,999,000  | 99.99%                  | 1,000   | 0.01%                   | 18,000,000  | 100.00%                 |
| Yulon Overseas Investment Co., Ltd.                          | 1,072,085,084   | 100.00%                 | 0   | 0.00%                   | 1,072,085,084   | 100.00%                 |
| Nissan Motor Co., Ltd.                                       | 143,500,000   | 47.83%                  | 11,029,000  | 3.68%                   | 154,529,000   | 51.51%                  |
| Y-Teks Co., Ltd.   | 602,124   | 34.00%                  | 212,388   | 11.99%                  | 814,512   | 45.99%                  |
| Tokio Marine Nawa Insurance Co., Ltd.                        | 223,517,245   | 18.63%                  | 370,190,497   | 30.85%                  | 593,707,742   | 49.48%                  |
| Hua-Chuang Automobile Information Technical Center Co., Ltd. | 2,073,600,107   | 99.99%                  | 0   | 0.00%                   | 2,073,600,107   | 99.99%                  |
| Huilian Automobile Co., Ltd.                                 | 6,116,138   | 20.34%                  | 1,000   | 0.01%                   | 6,117,138   | 20.35%                  |
| Luxgen Motor Co., Ltd.                                       | 92,700,000  | 100.00%                 | 0   | 0.00%                   | 92,700,000  | 100.00%                 |
| Yulon Construction Co., Ltd.                                 | 144,078,000   | 100.00%                 | 0   | 0.00%                   | 144,078,000   | 100.00%                 |
| YU HSIN INT'L INVESTMENT (HK) CO., LTD.                      | 1,584,917   | 20.50%                  | 2,288,459   | 29.60%                  | 3,873,376   | 50.10%                  |
| Fujian Taiya Automobile Industry Co., Ltd.                   | USD 5,166 thousand*                                     | 20.50%                  | USD 7,308 thousand*   | 29.00%                  | USD 12,474 thousand*                                    | 49.50%                  |
| Yulon Motor Finance (China) Limited                          | RMB 510,000 thousand*                                   | 51.00%                  | RMB 490,000 thousand*   | 49.00%                  | RMB 1,000,000 thousand*                                 | 100.00%                 |
| Advance Power Machinery Co., Ltd.                            | 20,500,000  | 100.00%                 | 0   | 0.00%                   | 20,500,000  | 100.00%                 |
| YU KE CO.,LTD  | 1,500,000   | 100.00%                 | 0   | 0.00%                   | 1,500,000   | 100.00%                 |
| YUH YAU CO.,LTD  | 1,500,000   | 100.00%                 | 0   | 0.00%                   | 1,500,000   | 100.00%                 |
| New Energy World Motor CO., LTD.                             | 7,375,000   | 20.00%                  | 29,500,000  | 80.00%                  | 36,875,000  | 100.00%                 |

Note: The Company's equity-method investments.

## IV. Status of Capital Planning

### I. Capital and Shares

#### (I) Source of Capital

##### 1. Formation of capital

April 1, 2024

Unit: NTD

| Year and month | Issuing price | Authorized capital |                | Paid-up capital  |                | Remarks   |                                    |  |
|----------------|---------------|--------------------|----------------|------------------|----------------|---|------------------------------------|--|
|                |               | Number of shares   | Amount         | Number of shares | Amount         | Sources of shares and dividends                               | Paid in properties other than cash | Other  |
| 1997.09        | 10            | 1,300,000,000      | 13,000,000,000 | 1,186,800,000    | 11,868,000,000 | Capital increase by cash                                      | -                                  | (1997) Tai-Cai-Sheng (I) No. 70410 on 1997.9.22.   |
| 1998.06        | 10            | 1,780,000,000      | 17,800,000,000 | 1,424,160,000    | 14,241,600,000 | Capital increase from earnings                                | -                                  | (1998) Tai-Cai-Sheng (I) No. 48031 on 1998.6.2.    |
| 1999.05        | 10            | 1,780,000,000      | 17,800,000,000 | 1,566,576,000    | 15,665,760,000 | Capital increase from earnings                                | -                                  | (1999) Tai-Cai-Sheng (I) No. 49148 on 1999.5.26.   |
| 2000.12        | 10            | 2,000,000,000      | 20,000,000,000 | 1,644,904,800    | 16,449,048,000 | Capital increase from earnings                                | -                                  | (2000) Tai-Cai-Sheng (I) No. 102246 on 2000.12.26. |
| 2001.06        | 10            | 2,000,000,000      | 20,000,000,000 | 1,726,300,040    | 17,263,000,400 | Capital increase from earnings                                | -                                  | (2001) Tai-Cai-Sheng (I) No. 136949 on 2001.6.11.  |
| 2002.09        | 10            | 2,000,000,000      | 20,000,000,000 | 1,829,146,403    | 18,291,464,030 | Capital increase from earnings                                | -                                  | Jing-Shou-Shang-Zi No. 09101377780 on 2002.9.16.   |
| 2004.01        | 10            | 2,000,000,000      | 20,000,000,000 | 1,371,216,258    | 13,712,162,580 | Capital reduction   | -                                  | Jing-Shou-Shang-Zi No. 09301008840 on 2004.1.20.   |
| 2004.08        | 10            | 2,000,000,000      | 20,000,000,000 | 1,391,784,501    | 13,917,845,010 | Capital increase from earnings                                | -                                  | Jing-Shou-Shang-Zi No. 09301155140 on 2004.8.26.   |
| 2005.09        | 10            | 2,000,000,000      | 20,000,000,000 | 1,412,603,608    | 14,126,036,080 | Capital increase from earnings                                | -                                  | Jing-Shou-Shang-Zi No. 09401173740 on 2005.9.6.    |
| 2006.09        | 10            | 2,000,000,000      | 20,000,000,000 | 1,433,760,592    | 14,337,605,920 | Capital increase from earnings                                | -                                  | Jing-Shou-Shang-Zi No. 09501198260 on 2006.9.4.    |
| 2007.03        | 10            | 2,000,000,000      | 20,000,000,000 | 1,445,538,359    | 14,455,383,590 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09601052210 on 2007.3.19.   |
| 2007.08        | 10            | 2,000,000,000      | 20,000,000,000 | 1,449,897,329    | 14,498,973,290 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09601201720 on 2007.8.21.   |
| 2007.12        | 10            | 2,000,000,000      | 20,000,000,000 | 1,477,262,657    | 14,772,626,570 | Conversion of corporate bonds, capital increase from earnings | -                                  | Jing-Shou-Shang-Zi No. 09601304650 on 2007.12.12.  |
| 2008.04        | 10            | 2,000,000,000      | 20,000,000,000 | 1,537,426,961    | 15,374,269,610 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09701090620 on 2008.4.18.   |
| 2008.08        | 10            | 2,000,000,000      | 20,000,000,000 | 1,547,343,087    | 15,473,430,870 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09701194450 on 2008.8.11.   |
| 2008.09        | 10            | 2,000,000,000      | 20,000,000,000 | 1,570,404,491    | 15,704,044,910 | Capital increase from earnings                                | -                                  | Jing-Shou-Shang-Zi No. 09701249270 on 2008.8.11.   |
| 2009.09        | 10            | 2,000,000,000      | 20,000,000,000 | 1,570,435,418    | 15,704,354,180 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09801203160 on 2009.9.7.    |
| 2010.01        | 10            | 2,000,000,000      | 20,000,000,000 | 1,570,686,264    | 15,706,862,640 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09901006830 on 2010.1.18.   |
| 2010.04        | 10            | 2,000,000,000      | 20,000,000,000 | 1,572,919,909    | 15,729,199,090 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 09901069120 on 2010.4.12.   |
| 2020.08        | 10            | 2,000,000,000      | 20,000,000,000 | 1,000,000,000    | 10,000,000,000 | Capital reduction   | -                                  | Jing-Shou-Shang-Zi No. 10901157830 on 2020.8.18.   |
| 2023.07        | 10            | 2,000,000,000      | 20,000,000,000 | 1,070,000,000    | 10,700,000,000 | Capital increase by cash                                      | -                                  | Jing-Shou-Shang-Zi No. 11230126730 on 2023.7.10    |
| 2023.12        | 10            | 2,000,000,000      | 20,000,000,000 | 1,070,001,251    | 10,700,012,510 | Convertible corporate bonds                                   | -                                  | Jing-Shou-Shang-Zi No. 11230222050 on 2023.12.1.   |

Note 1: Information is presented up till the publication date of this annual report.

Note 2: Date and document reference of effected (approved) incremental capital have been presented.

Note 3: Shares issued at prices lower than face value have been labeled in a visible manner.

Note 4: In-kind capital payments such as monetary debt and technology are described separately with details on the types and amounts of contribution provided.

Note 5: Private placements have been highlighted in a visible manner.

## 2. Stock Type

Unit: shares

| Stock Type   | Authorized capital                  |                 |               | Remarks |
|--------------|-------------------------------------|-----------------|---------------|---------|
|              | Shares in circulation (TWSE-listed) | Unissued Shares | Total         |         |
| Common stock | 1,070,001,251                       | 929,998,749     | 2,000,000,000 |         |

Note: Please indicate whether the stock is listed on TWSE or TPEX (add a note if it is restricted from being listed or traded on TWSE or TPEX).

## (II) Shareholder structure

March 30, 2024

| Shareholder structure<br>Quantity                       | Government agency | Financial institution | Other corporations | Individual  | Foreign institutions and foreigners | Total         |
|---|-------------------|-----------------------|--------------------|-------------|-------------------------------------|---------------|
| No. of People   | 8                 | 18                    | 260                | 125,649     | 266                                 | 126,201       |
| Number of shares held                                   | 7,118,391         | 6,980,430             | 517,083,938        | 481,597,427 | 57,221,065                          | 1,070,001,251 |
| Shareholdings (%)                                       | 0.67              | 0.65                  | 48.32              | 45.01       | 5.35                                | 100.00        |
| Shareholding percentage by Mainland China investors: 0% |                   |                       |                    |             |                                     |               |

Note: All TWSE/TPEX/Emerging Stock Market companies listing for the first time are required to disclose Chinese investors' holding interests. A Chinese investor refers to an individual, corporation, organization, or institution of Mainland origin, or any company owned by the above party in a foreign location, as defined in Article 3 of the "Regulation Governing Mainland Residents' Investment in Taiwan."

## (III) Diversity of Ownership

March 30, 2024

(Denomination of \$10 per share)

| Range of Shares      | No. of Shareholders | Number of shares held | Shareholdings (%) |
|----------------------|---------------------|-----------------------|-------------------|
| 1 to 999             | 64,634              | 13,430,622            | 1.26              |
| 1,000 to 5,000       | 47,735              | 95,652,814            | 8.94              |
| 5,001 to 10,000      | 6,961               | 52,162,701            | 4.88              |
| 10,001 to 15,000     | 2,319               | 29,061,943            | 2.72              |
| 15,001 to 20,000     | 1,216               | 22,070,906            | 2.06              |
| 20,001 to 30,000     | 1,162               | 28,821,735            | 2.69              |
| 30,001 to 40,000     | 568                 | 19,982,019            | 1.87              |
| 40,001 to 50,000     | 331                 | 15,105,613            | 1.41              |
| 50,001 to 100,000    | 695                 | 48,371,044            | 4.52              |
| 100,001 to 200,000   | 313                 | 43,538,480            | 4.07              |
| 200,001 to 400,000   | 153                 | 42,968,745            | 4.02              |
| 400,001 to 600,000   | 50                  | 25,288,304            | 2.36              |
| 600,001 to 800,000   | 13                  | 8,962,049             | 0.84              |
| 800,001 to 1,000,000 | 10                  | 8,973,500             | 0.84              |
| Over 1,000,001       | 41                  | 615,610,776           | 57.52             |
| Total                | 126,201             | 1,070,001,251         | 100.00            |

Preferred stock: None.

(IV) List of Major Shareholders

List of major shareholders (shareholding of 5% or more or shareholding of the top ten major shareholders)

March 30, 2024

| Names of Major Shareholders   | Shares | Number of shares held | Shareholding percentage |
|---|--------|-----------------------|-------------------------|
| Tai Yuen Textile Co., Ltd.  |        | 186,508,584           | 17.43%                  |
| China Motor Corporation   |        | 171,382,445           | 16.02%                  |
| Yen Chen Li-Lien  |        | 34,174,253            | 3.19%                   |
| Taipei Branch of UBS received Pei-Yu Yen Trust Property Account     |        | 33,933,985            | 3.17%                   |
| Taipei Branch of UBS received Hsiang-Nan Yen Trust Property Account |        | 33,933,985            | 3.17%                   |
| Fande Investment Co., Ltd.  |        | 19,061,678            | 1.78%                   |
| Yen Ching-Ling's Foundation   |        | 10,990,936            | 1.03%                   |
| Shih-Chung Lin  |        | 10,000,960            | 0.93%                   |
| Diamond Hosiery & Thread Co., Ltd.                                  |        | 7,803,362             | 0.73%                   |
| Yuea Ching Business Co., Ltd.                                       |        | 7,526,431             | 0.70%                   |

(V) Information Relating to Market Price, Net Worth, Earnings, and Dividends per Share for the Last Two Years

| Items                           | Year  |   | 2022                    | 2023                      | The current year up to April 1, 2024 (Note 8) |
|---------------------------------|---|---|-------------------------|---------------------------|---|
|                                 |   |   |                         |                           |   |
| Market price per share (Note 1) | Highest                                     |   | 71.00                   | 94.50                     | 75.50   |
|                                 | Lowest                                      |   | 38.00                   | 61.70                     | 66.10   |
|                                 | Average                                     |   | 45.29                   | 79.02                     | 70.03   |
| Net value per share (Note 2)    | Before Distribution                         |   | 48.13                   | 55.99                     | -   |
|                                 | After Distribution                          |   | 44.05                   | -                         | -   |
| Earnings per share              | Weighted average number of shares           |   | 977,705 thousand shares | 1,012,976 thousand shares | -   |
|                                 | Earnings per share (Note 3)                 |   | (4.80)                  | 4.63                      | -   |
| Dividends per share             | Cash dividends                              |   | 1.00                    | 1.40                      | -   |
|                                 | Stock dividends distribution                | - | -                       | -                         | -   |
|                                 |   | - | -                       | -                         | -   |
|                                 | Cumulative undistributed dividends (Note 4) |   | -                       | -                         | -   |
| Analysis of ROI                 | P/E ratio (Note 5)                          |   | (9.44)                  | 17.07                     | -   |
|                                 | P/D ratio (Note 6)                          |   | 45.29                   | 56.44                     | -   |
|                                 | Cash dividends yield (Note 7)               |   | 2.21%                   | 1.77%                     | -   |

\* Where stock dividends were paid from earnings or capital reserves, the information on the market price and cash dividends adjusted retroactively according to the number of shares issued shall also be disclosed.

Note 1: The highest and lowest market prices of common stock each year are shown and the annual average market price is calculated according to the strike price and the trading volume in each year.

Note 2: Calculated based on the number of outstanding shares at year-end; amount of distribution resolved in Board of Directors or next year's shareholders meeting is presented in the table.

Note 3: If retroactive adjustments are required because of free share distribution, earnings per share before and after adjustments shall be shown.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up till the current year is disclosed separately.

Note 5: P/E ratio = Average closing price per share in current year/earnings per share

Note 6: P/D ratio = Average closing price per share in current year/cash dividends per share

Note 7: Cash dividend yield = Cash dividends per share / average closing price per share in current year

Note 8: Net worth per share and earnings per share should be based on audited (auditor-reviewed) data as at the latest quarter before the publishing date of this annual report. For all other fields, data should be provided as at the end of their respective years.

(VI) The Company's dividends policy and execution

1. The Company's dividends policy

The payment of dividends is important to shareholders' interests. To clarify the dividend policy, the Company's Articles of Incorporation provide as follows:

With the earnings surplus of the Company shown in the final accounting reports in a fiscal year, after the sum to make good loss in previous year(s) and to pay taxes, a sum 10% shall be first withheld as legal reserve and as special reserve as required by the competent authority. The final balance, if any, in combination with the beginning unappropriated retained earnings, shall be distributable surplus.

Where the Company operates business amidst an environment as a mature and stable industry, given such facts notably the Company's profitability, future operating plans, funding needs and changes in the industrial environments and taking into account the long-term shareholders' equity and the Company's long-term financial planning, the Company's dividends distribution plan is mapped out not below 10% of the total surplus available for distribution in the current year in principle. The dividends are distributed in either cash or in stocks among which the proportion of cash dividends shall not be less than 20% of the aggregate total dividends. Eventually, the Board of Directors shall work out the percentage of distribution to be resolved in the shareholders' meeting.

2. Dividends distribution proposed for the next annual general meeting:

The Company shall propose to distribute cash dividends of NTD 1.4 per share at the 2024 regular shareholder meeting and set August 30, 2024 as the base date for cash dividend distribution.

3. Significant changes in the expected dividend policy are described below.

The Company's dividends policy for the next three years is intended to be implemented in accordance with the aforementioned distribution policy without significant changes.

(VII) Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting:

This is not applicable as no issuance of bonus shares is carried out in the present fiscal year.

(VIII) Profit sharing remuneration for employees and directors

1. Proportion or range of employees' bonuses and Directors' remuneration specified in the Articles of Incorporation:

The Company shall set aside profit sharing remuneration as enumerated below for a year with profit:

1. Remuneration to directors: At 0.5% maximum, provided, that the independent directors shall not participate in the distribution of the aforementioned remuneration.
2. Remuneration to employees at 0.1% minimum. The aforementioned remuneration to employees shall be duly distributed in either stocks or in cash as resolved by the Board of Directors. The distribution of remuneration to employees and directors should be reported in the shareholders' meeting.
3. The amount to make up such loss shall be retained beforehand before distribution based on the percentages mentioned in the preceding Paragraphs.

In addition to the profit sharing remuneration to employees, the Company also provides incentive bonuses such as three festival bonuses, additional annual bonuses, and bonuses for the management team based on the operating performance and individual performance of employees to encourage employees to achieve better performance for the Company and shareholders.

2. The basis to estimate remunerations for employees and directors in the current period, the basis to estimate the number of shares for employee compensations distributed by stocks, and the accounting practice for discrepancies between actually distributed from estimated amounts:

- (1) Based on the 2023 pretax profit, 0.823% was allocated for the employee compensations and 0.498% for the director's remunerations.
- (2) In the event of discrepancies between actually distributed and estimated amounts, adjustments will be made in the following year according to the changes of accounting estimates.

3. Remuneration proposals approved by the board of directors:

- (1) The proposed NTD 40,096 thousand of employees' compensations and NTD 24,247 thousand of director's remunerations had no discrepancy from the 2023 estimates.
- (2) The compensations and remunerations proposed for employees and directors approved by the board of directors were all paid in cash, with no stock dividends.

4. Appropriation of employees' and directors' profit sharing remuneration from prior year's earnings:

There was no profit after tax in 2022. According to the Articles of Incorporation, the Board of Directors approved that the remuneration to employees and directors will not be distributed.

(IX) Repurchase of treasury shares: The Company has no repurchase of treasury shares, therefore, it is not applicable.

## II. Issuance of corporate bonds

| Type of corporate bonds  | 2017 1st domestic unsecured ordinary corporate bonds   | 2018 1st domestic unsecured ordinary corporate bonds  | 3rd domestic unsecured convertible corporate bonds  |  |
|--|--|---|---|--|
| Issue Date   | 2017.12.12   | 2018.12.25  | 2023.05.25  |  |
| Face value   | NT\$ 1,000,000   | NT\$ 1,000,000  | NT\$ 100,000  |  |
| Place of Issue and Trading   | Domestic   | Domestic  | Domestic  |  |
| Issuing price  | Issued at 100% of face value   | Issued at 100% of face value  | Issued at 102% of face value  |  |
| Total amount   | NTD 10,000,000,000   | NTD 5,300,000,000   | NTD 7,000,000,000   |  |
| Interest rate  | Bond A 5-year interest rate of 1.04% per annum<br>Bond B 7-year interest rate of 1.17% per annum                       | Bond A 5-year interest rate of 1.18% per annum<br>Bond B 10-year interest rate of 1.80% per annum | 5-year interest rate of 0% per annum  |  |
| Maturity   | Bond A 5-year \$7 billion due on 2022.12.12.<br>Bond B 7-year \$3 billion due on 2024.12.12.                           | Bond A 5-year \$3.6 billion due on 2023.12.25.<br>Bond B 10-year \$1.7 billion due on 2028.12.25. | 5-year \$7.0 billion due on 2028.5.25.  |  |
| Guarantee Institution  | None   | None  | None  |  |
| Trustee  | Mega International Commercial Bank Co., Ltd.   | Mega International Commercial Bank Co., Ltd.  | Bank SinoPac  |  |
| Consignee  | KGI Securities Co., Ltd.   | Yuanta Securities Co., Ltd.   | KGI Securities Co., Ltd.  |  |
| Certified Lawyer   | Yisheng United Law Firm<br>Guo Hui-Ji, lawyer  | Zhongda International Law Firm<br>Wang Huai-Yu, lawyer  | Handsome Attorneys-at-Law<br>Chiu Ya-Wen, lawyer  |  |
| Attesting CPA  | Deloitte & Touche<br>Tai Shun-Wai, Fan You-Wei, CPAs   | Deloitte & Touche<br>Tai Shun-Wai, Fan You-Wei, CPAs  | Deloitte & Touche<br>Guo Li-Wen, Fan You-Wei, CPAs  |  |
| Repayment Methods  | One-off repayment of principal at maturity from the date of issue  | One-off repayment of principal at maturity from the date of issue                                 | One-off repayment of principal at maturity from the date of issue   |  |
| Outstanding amount to be repaid  | NTD 3,000,000,000  | NTD 1,700,000,000   | NTD 6,999,900,000   |  |
| Clause on redemption or earlier redemption                                     | None   | None  | Please refer to the prospectus for the convertible corporate bonds.   |  |
| Restrictive clause   | None   | None  | None  |  |
| Name of the credit rating agency, rating date, and rating results              | Taiwan Ratings Co., Ltd.<br>January 23, 2024, twBBB+   | Taiwan Ratings Co., Ltd.<br>January 23, 2024, twBBB+  | Taiwan Ratings Co., Ltd.<br>January 23, 2024, twBBB+  |  |
| Other equity attached  | Amount of common stock, foreign depositary receipts or other marketable securities converted (exchanged or subscribed) | Not applicable  | Not applicable  | Converted to 1,251 shares  |
|  | Rules for issuing and conversion (either by exchange or purchase)  | Not applicable  | Not applicable  | Please refer to the bond issuance information in the bond section of the Market Observation Post System. |
| Possible dilution of shareholdings and impact on existing shareholders' equity | Not applicable   | Not applicable  | The convertible corporate bonds do not have the dilution effect on the equity before the creditors demand the exercise of the conversion right. The creditors can choose to convert at a more favorable time point during the convertible period, so the dilution has the effect of deferred dispersion.<br>If the outstanding corporate bonds are fully converted at the current conversion price, the equity expansion rate is expected to be about 7.57%, with limited impact on shareholders' equity. |  |
| Custody Agency Name for the Exchange Target                                    | None   | None  | Not applicable  |  |

## Information on convertible corporate bonds

| Type of corporate bonds (Note 1)  | 3rd (term) domestic unsecured convertible corporate bonds        |  |        |
|---|--|--|--------|
| Year  | 2023   | The current year up to March 20, 2024                            |        |
| Items   |  |  |        |
| Market price of convertible bonds                                       | Highest  | 118.45   | 107.4  |
|   | Lowest   | 105.5  | 104.05 |
|   | Average  | 110.49   | 105.83 |
| Conversion price  | 82<br>80.8 (Note 1)<br>79.9 (Note 2)                             | 79.9 (Note 2)  |        |
| Date of issuance (process) and conversion price at the time of issuance | Issue Date: May 25, 2023<br>Conversion price at issuance: NTD 82 | Issue Date: May 25, 2023<br>Conversion price at issuance: NTD 82 |        |
| Method of performing the conversion obligation                          | Issuance of new shares   | Issuance of new shares   |        |

Note 1: Due to the capital increase in cash, the conversion price was adjusted to NTD 80.8 on June 30, 2023.

Note 2: Due to the ex-dividend cash dividend distribution, the conversion price was adjusted to NTD 79.9 on August 31, 2023.

**III. Preferred stock: None.****IV. Disclosure relating to depository receipts: None.****V. Status of employee stock certificates: None.****VI. The new shares from restricted employee stock option: None.****VII. Disclosure on new shares issued in exchange of other company shares: None.****VIII. Progress on the use of funds:****(I) Contents of the plan:**

For each previous issuance or private placement of marketable securities that has not yet been completed or has been completed within the last three years and the benefits of the plan have not yet been demonstrated, please provide details of the plan: None

**(II) Execution:**

For each plan, if the implementation progress or benefits do not meet the estimated target, the reasons should be specified: None.



## V. Operation overview

### I. Description of business

#### (I) Scope of business

##### 1. Major business content

- (1) Manufacture and sales, design, testing, inspection, processing, repair of a variety of automobiles and related raw materials, parts & components, molds, fixtures, tools, and other mechanical parts and the like; operation of type A auto repair shops, sales of auto parts (accessories), vehicular body refitting and sales, agency services rendered for car inspection business as well as car sales business.
- (2) A variety of raw materials and components oriented to automobiles to be supplied to Nissan Motor Co., Ltd. and those overseas automobile-affiliated enterprises.
- (3) Installation, sales and import & export of low-power radio frequency motor equipment as oriented to vehicles.
- (4) Wholesale of Telecommunication Apparatus
- (5) Retail of Telecommunication Apparatus
- (6) General import and export trade related businesses (excluding such businesses subject to special permits)
- (7) Technical consultation & advisory services linked up with the aforementioned business lines.
- (8) Consulting for general corporate management (except for accounting business) (except for securities investment consulting).
- (9) Housing and Building Development and Rental
- (10) Factory/plant leasehold services.
- (11) Warehouse leasehold services.
- (12) Office building leasehold services.
- (13) Electrical industry
- (14) Energy technology services
- (15) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Major business items and proportion

The manufacture and sale of various automobiles and related components accounted for 92.31% of business.

##### 3. The Company's major products

- (1) NISSAN:
  - SENTRA series: 5th generation X-CVT , non-shift,automatic transmission sedan.
  - X-TRAIL series: 5th-generation X-CVT, non-shift,automatic transmission RV.
  - X-TRAIL e-POWER series: VC-TURBO 1.5L engine power RV.
  - KICKS series: 5th generation X-CVT, non-shift, automatic transmission RV
  - KICKS e-POWER Series: HR12DE 1.2L engine-powered SUV.
  - NEW JUKE: DCT dual-clutch transmission with 7-speed automated manual transmission.
  - ALTIMA series: VC-Turbo variable compression ratio turbocharged engine sedan.
  - LEAF models: Lithium-ion battery electric car.
- (2) INFINITI:
  - Q50 series: V6 twin-turbocharged engine sports car.
  - QX50 series: VC-Turbo variable compression ratio engine RV.
  - QX55 models: VC-Turbo inline 4-cylinder variable compression ratio turbo engine sports car.
  - QX60 series: Naturally aspirated V6 engine RV.
- (3) LUXGEN:
  - URX models: 1.8L twin-scroll turbocharged engine utility vehicle.
  - U6 models: AISIN intelligent six-speed automated manual transmission sports SUV.
  - N7 models: Battery Electric vehicle SUV.

**(II) Industrial Overview****1. Analysis of the macroeconomic environment:****(1) International Situation.**

International institutions estimate the global economic growth rate to be in the 2.40% - 3.10% range, mainly due to uncertainties such as international political conflicts, monetary policy interest rate cuts, and slowdown of inflation, resulting in a slowdown of international economic growth.

The estimated global economic growth rate for 2024 is shown in the following table:

|                             | IHS Markit(S&P Global) | IMF              | The World Bank  |
|-----------------------------|------------------------|------------------|-----------------|
| Global Economic Growth Rate | 2.50% ('2024/02)       | 3.10% ('2024/02) | 2.40% ('2024/2) |

Note: ( ) for the forecast date.

**(2) Domestic Economy.**

Taiwan's economic growth rate is expected to be in the range of 3.00% - 3.43%, mainly due to the slowdown of inflation, the growth of foreign trade and export, and the gradual increase in domestic private consumption, which makes the domestic economic growth rate increase.

The following table shows the estimated economic growth rate of Taiwan in 2024:

|                               | Directorate-General of Budget, Accounting and Statistics | IHS Global Insight | IMF              |
|-------------------------------|--|--------------------|------------------|
| Taiwan's economic growth rate | 3.43% ('2024/02)   | 3.24% ('2024/02)   | 3.00% ('2024/02) |

Note: ( ) for the forecast date.

**2. Industry condition and development**

Taiwan's automobile industry has been developing for more than 60 years and has reached the standards of advanced countries in terms of R&D, design, manufacturing quality and management capabilities. However, in recent years, fluctuations in international oil prices, stagnant growth in real income, lengthening of the life cycle of vehicles, saturation of the domestic market and other unfavorable factors, resulting in low capacity utilization and rising production costs; in addition, in recent years, the surge in demand for imported vehicles, but also a serious share of domestic car manufacturers market share, business difficulties have worsened year by year. Looking ahead, Taiwan's automobile market is gradually maturing and there is limited room for significant growth. Therefore, all car manufacturers are committed to strengthening their R&D capabilities and technical standards, improving the added value of their products, and expanding their export markets in order to break through the bottleneck of survival and development. In recent years, the Company has devoted itself to the operation of its private brand, Luxgen, relying on independent research and development and efforts to meet market trends, and will actively expand overseas markets in addition to the Taiwan market.

**3. Association between upstream, midstream, and downstream industry participants**

The automobile industry is technology and capital intensive, involving the industries of steel, plastics, rubber, glass, machinery, electrics, electronics, finance, and services, requiring professionals for R&D, manufacturing, procurement, marketing, management, and maintenance, which can create industrial outputs in hundreds of billions of NT dollars every year, driving economic growth and providing hundreds of thousands jobs. Export of whole cars and components that can bring in huge trade surplus is literally the locomotive of economic development. The Company's efforts in its private brand and independent research and development in recent years have not only driven the development of Taiwan's automobile value chain-related industries, but also enhanced the competitiveness of the industry and increased employment opportunities, which is beneficial to society, the government and the overall market.

**4. Product development trend and competition situation**

In response to changes in the industry environment and future development opportunities, Yulon Group has initiated the strategic transformation of its private brand since 2019, opening up the vehicle platform and R&D energy in the automobile R&D value chain to external parties in order to compete for diversified customers, create scale and reduce costs through the sharing of resources. Under the strategy of open platform transformation, our company has striven for the OEM business and export opportunities of energy storage products, actively expand the diversified customer markets. We hope to be the first to take advantage of our strengths in the transformation process and create a solid base for our company.

In 2020, the Company established the joint venture, Foxtron Vehicle Technologies, with Hon Hai. Through the joint venture, we promote the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide electric vehicle solutions to our global target customers.

(III) Technological research and development

1. Research and development expenses from 2023 through to the publication date of the annual report

Unit: Thousands of NTD

| Year | R&D expenses | Operating revenues | R&D expenses as a percentage of operating revenues (%) |
|------|--------------|--------------------|--|
| 2023 | 231,050      | 82,120,679         | 0.28%  |

2. Work results in the last three years

- (1) Feb. 2021: Nissan TIIDA 2021 Model was officially launched.
- (2) Mar. 2021: Luxgen U6 AR Limited Edition was launched.
- (3) Jul. 2021: Nissan TIIDA J was officially launched.
- (4) Aug. 2021: Luxgen URX ADAS Cruise Model was launched.
- (5) Sep. 2021: Nissan KICKS New Limited Edition was launched.
- (6) Oct. 2021: Nissan X-TRAIL New Acoustic Gentleman Model Limited Edition was launched.
- (7) Nov. 2021: Nissan ALL NEW SENTRA "Black Belt Charm Edition" Limited Edition was launched.
- (8) Dec. 2021: Luxgen URX ADAS New Gentleman Model was launched.
- (9) Feb. 2022: Yulon NISSAN KICKS NIGHT EDITION was launched in limited quantities.
- (10) Feb. 2022: Yulon NISSAN X-TRAIL NIGHT EDITION was launched in limited quantity.
- (11) Mar. 2022: Luxgen URX new model of Panorama LOHAS Edition was launched.
- (12) Mar. 2022: NISSAN ALL NEW SENTRA Black Jazz Edition was launched in limited quantity.
- (13) Mar. 2022: NISSAN TIIDA J Black Jazz Edition was launched in limited quantity.
- (14) Apr. 2022: Luxgen U6 GT AERO was launched.
- (15) Jun. 2022: Luxgen URX WILDFUN Edition was launched.
- (16) Oct. 2022: A new facelift of NISSAN KICKS was launched.
- (17) Nov. 2022: Luxgen URX NEO was launched.
- (18) Feb. 2023: Yulon NISSAN KICKS TRENDY edition was launched in limited quantities.
- (19) Apr. 2023: NISSAN ALL NEW SENTRA Dazzling Black Edition was launched in limited quantity.
- (20) May 2023: U6 NEO was launched.
- (21) Jul. 2023: Yulon NISSAN KICKS Radium edition was launched in limited quantities.
- (22) Sep. 2023: Yulon Nissan X-TRAIL diesel fuel gas diesel fuel model was launched.

3. Future R&D plan

- (1) Inspection of electric vehicle components, vehicle production and testing capabilities
- (2) Motor power and battery total verification capability
- (3) Construction of process production capacity of the energy storage system
- (4) The process detection capability developed for the energy storage cabinet
- (5) Industry-university cooperation research and development of laser welding technology

The Company has budgeted approximately \$457 million for 2024 capital expenditures and expenses for the above R&D programs, including approximately \$125 million for professional and technical personnel costs, labor costs and other expenses for R&D programs.

(IV) Long and Short-term Business Development Plans

Short-term business development plans.

1. Automobile value chain strategy transformation.

- (1.) Light asset and efficiency: By opening up the vehicle platform and R&D energy, competing for diversified customers, sharing resources and sharing scale, and reducing R&D and operating costs, the Luxgen brand is operated in a light asset mode, integrating functional units of the value chain and improving operating efficiency.
- (2.) Development of new energy vehicles: As net zero emissions has become a global consensus, in response to government policies in line with world trends, we will continuously expand resource investment in electric vehicle R&D and production technology, develop self-owned brand EV models, drive the integrated manufacturing, component development and energy storage of electric vehicles as a whole, prepare for the coming generation of new energy vehicles, and continue to develop and introduce new models.

- (3.) Full opening up and diversified OEM: In response to market demand and to achieve economies of scale, Yulon is actively transforming its value chain strategy and opening up its operations. Strive for diversified customers and orders from overseas and domestic customers to enhance our professional OEM services.
2. Multi-brand manufacturing.

In addition to continuing to focus on the current OEM production and sales of NISSAN and INFINITI, the Company has also released its own brand LUXGEN M7/U7/S5/U6/S3/V7/U5/URX and other vehicle models since 2009. We also worked with Hon Hai on the development of the N7 all-electric SUV. In the future, the Company will continue to develop and introduce high-quality and eco-friendly products to fully meet the vehicle needs of all generations.
3. Increase the satisfaction level of manufacturing services.

Yulon is a professional manufacturer for many brands. In order to meet the needs of multi-brand business, Yulon strives to improve the manufacturing quality, cost, delivery time and service satisfaction of each brand and provide customized services for each brand as well as the most competitive manufacturing quality, so that the brand companies, Yulon and consumers can create a win-win-win situation.
4. Activation of asset utilization.

Yulon City officially opened its door in September 2023. By combining business, technology, life and humanity, Yulon City offers the service capacity including recreation and leisure, food and shopping, culture, creativity and arts, and the automobile value chain of Yulon Group. An excellent, convenient one-day social circle is provided, and our business concept of “human, car, life” is realized to offer a new consumption experience to clients.
5. Internal process improvement.

The Company continues to improve the effectiveness of risk management, control and monitoring processes through internal process improvement and internal audits. We also use the Kernel Objectives Management (KOM) system to grasp the implementation status of each department's objectives, and actively work on cost reduction, quality improvement, and promotion of industrial safety, environmental protection, and hygiene to effectively improve the company's operational management performance and quality.
6. Quality resource integration.

The Company obtained IATF 16949 automotive industry quality management system certification in October 2022 and connected the industrial supply chain with the assembly factory as the center. We will take the initiative to go to the collaborative factories for quality management, introduce the production system, sales system, inventory system and customer service system one by one, and form the operation mechanism of the quality value chain, and adopt a two-way control mode to drive the overall industrial value chain.

#### Long-term business development plans.

1. Alliances with ICT industry, solutions and eco-system services.
  - (1) Through the joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, we promote the new business model of MIH open platform in the global automobile industry, creating an open EV ecosystem that fosters collaboration in the mobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources and providing brand factories with complete value chain resources to provide overall solutions to our global target customers.
  - (2) With the advanced open platform and shared resources of JV, Luxgen will continue to cultivate its private brand, focus on brand sales and channels, and launch new products that are competitive and meet market demand.
2. Value chain strategic transformation and diversified manufacturing services: seeking opportunities of passenger vehicles other than four-wheeled ones, deeply cultivating the green energy storage business, expanding the export orders and production technology of energy storage cabinets, and continuous evaluation and acquisition of other OEM opportunities.

## II. Market and Sales Overview

### (I) Market Analysis

#### 1. Sales areas of main products

The Company's products are medium and small sedans, RVs, etc. The main sales area is Taiwan. In 2023, the Company's total sales volume in Taiwan reached 26,197 units (including Nissan & Luxgen), down 4.63% from 2022, with a total market share of 5.6%.

The overall sales situation of the automobile market(excluding heavy-duty vehicles) in Taiwan in 2023 is shown in the following table:

| Sales year         | 2022    | 2023    |
|--------------------|---------|---------|
| Total sales volume | 415,439 | 466,016 |
| Domestic cars      | 226,531 | 241,539 |
| Imported cars      | 188,908 | 224,477 |

#### 2. Market supply and demand situation

##### (1) Market Overview and Outlook

The total market sales for 2023 were approximately 466,000 units, a 12.2% increase over 2022. In 2023, the sales of domestically produced cars and imported cars were about 242,000 units and about 224,000 units. Both domestically produced cars and imported cars have increased compared to the previous year, mainly due to the gradual recovery of automobile production capacity resulting from the lifting of the pandemic restrictions and the alleviation of the shortage of wafers in 2023. The sales of vehicles and imported vehicles accounted for 52% and 48% of the total market.

In 2024, the Taiwanese auto market is expected to grow to 440,000 units for the year. This year, the Company will actively strengthen its management structure, continue to innovate business models, create opportunities amidst challenges, and pursue stable business growth.

##### (2) Competitive niche

The Company has joint venture brands with Nissan and its own private brand, Luxgen, professional OEM plants and its own R&D team for vehicle models with a complete value chain of automobile R&D, production and sales, and is able to generate stable revenue by putting Nissan's joint venture brands and Luxgen's own brand into the vehicle market.

In the face of unfavorable factors such as the increasing proportion of imported cars in Taiwan's car market and the growth of luxury cars due to the M-shaped society's car buying behavior, although imported cars have a good brand image from the consumer's point of view, domestic brands not only have the advantage of high quality and medium price, but also can provide a perfect service mechanism and affordable prices. Therefore, in the face of the threat of imported vehicles, the Luxgen brand, with its technological advantage of independent research and development, and the Nissan brand, combined with the marketing experience of localized partners, will continue to provide differentiated products to meet consumer demand.

#### 3. Development prospect of favorable and unfavorable factors

Favorable factors:

##### (1) New Energy Technology Application

Taiwan's high degree of urbanization, high population density, and widespread distribution of electric power systems, coupled with domestic policy support, are particularly suitable for the development of electric vehicles, and the Company has more than 60 years of manufacturing technology capabilities, and in line with the government's exemplary pilot run and power companies to adopt cross-industry cooperation to jointly develop new energy application technologies for electric vehicles.

In response to global climate change, the use of renewable energy in the industry is growing significantly, and the demand for energy storage equipment is increasing along with the trend of electricity liberalization, the Company has integrated the resources of new energy vehicle R & D, assembly technology, and common use to build a new production line of energy storage products and strive for business opportunities in the energy storage market.

##### (2) Alliances with ICT industry, solutions and eco-system services.

The joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, promotes the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide overall solutions to our global target customers. With the advanced open platform and shared resources of Foxtron Vehicle Technologies, Luxgen will continue to cultivate its private brand, focus on brand sales and channels, and launch new products that are competitive and meet market demand.

## (3) Combine innovative thinking to improve differentiated added value

Innovation has always been our corporate culture. In response to the rapid changes in the global market, our company will uphold innovative technology, innovative product design, innovative thinking and service to meet the changing needs of our customers and enhance our competitiveness and added value of our products with innovation, so that our company can transform into an innovative manufacturing service industry.

## (4) Manufacturing capability and quality standards are on par with those of major international manufacturers

The Company has accumulated several decades of automobile manufacturing technology, manufacturing capacity and quality standards have reached a considerable level, and has the ability to produce a small amount of multiple samples flexibly. In terms of production management, we specialize in various process improvement techniques to maintain a high degree of product stability, and have won numerous international quality awards, which have been recognized and favored by international manufacturers.

## (5) Strive for regional economic cooperation opportunities

Through global economic and trade regional integration or the signing of inter-regional FTAs, barriers to the flow of products, talents, capital and information can be effectively reduced. In the face of the China market, the Company has adopted an aggressive competitive and cooperative strategy to pursue opportunities for cross-strait cooperation in the automobile industry. Since the cross-strait automobile industry is highly complementary in R&D, manufacturing and marketing, the construction of a cooperation platform can effectively reduce production costs, expand the production scale of a single vehicle model, reduce R&D, mold sharing costs and the cross-strait division of labor mechanism, etc., bringing into play complementary effects and jointly enhancing the regional competitiveness of both sides.

## (6) Government Preferential Policies

The government policy to extend the excise tax reduction for replacing old cars with new ones for another five years up to 2026 reduced the economic burden of people buying cars, along with the launches of new models by all car manufacturers, a prosperous in 2024 car market was as expected.

Unfavorable factors:

## (1) Uncertainty in the international situation

In 2023, the economies of various countries gradually recovered as the pandemic restrictions were lifted, and the operations of various industries. However, the evolution of COVID-19 is full of uncertainties, coupled with the fact that the Russian-Ukrainian war continues to trigger inflation, as well as the U.S.-led policy of high interest rates and the Chip Act, and other factors, the issues derived will cause an impact on the automotive industry. Due to this, the future international situation still requires continuous attention.

## (2) The domestic car market cycle has reached its peak, and the growth rate is limited

The growing popularity of mass transit systems, the extended life span of automobiles, and the impact of a child-less/aging society are all factors that may change consumer habits.

## (3) Increase in operating costs due to relevant regulations and policies

The government's promotion of energy-saving and carbon-reduction policies and related regulations, such as: emission regulations, implementation of formal safety certification, waste vehicle disposal fees, air pollution fees, and luxury taxes and other fees, have all contributed to the increase in business operating costs.

## (4) High end cars getting affordable

In recent years, international manufacturers have successfully penetrated the domestic mid-range car market through premium car entry models, coupled with affordable prices, and new consumer groups have been re-formed, gradually affecting domestic car sales.

4. Countermeasures:

In the face of increasing competition in the domestic car market, the Company will continue to maintain its market position through various strategies and core competencies in response to global market and industry changes, as shown in the table below.

|  |   |
|--|---|
| <p><b>Advantages:</b></p> <ol style="list-style-type: none"> <li>1. Multi-brand professional manufacturing capability, flexible production technology</li> <li>2. High quality &amp; international factory standard vehicle assembly technology</li> <li>3. Ability in the development of electric vehicle core technology independent capacity / mass production</li> </ol> | <p><b>Disadvantages:</b></p> <ol style="list-style-type: none"> <li>1. Synchronization and digital integration with companies in the value chain need to be further enhanced</li> <li>2. A large number of customization and new technology into the car prompt the need for a more effective quality control program</li> <li>3. In response to the emergence of a large number of IT and new energy vehicles and the improvement of production technology, quality inspection needs to be improved</li> </ol> |
| <p><b>Opportunities:</b></p> <ol style="list-style-type: none"> <li>1. AI artificial intelligence and big data to enhance the competitiveness of the Group's value chain</li> <li>2. Industry chain open architecture and platform sharing</li> <li>3. The popularity of handheld smart devices and accelerated data transmission</li> </ol>                                 | <p><b>Threats:</b></p> <ol style="list-style-type: none"> <li>1. Taiwan's auto market is maturing and growth is limited</li> <li>2. Major car manufacturers are competing to invest in digital/intelligent manufacturing</li> <li>3. Shortened time to market for product development</li> <li>4. Climate change threats that require Taiwan to reach the target of net-zero carbon emissions by 2050</li> </ol>  |

The following challenges are what Yulon must address:

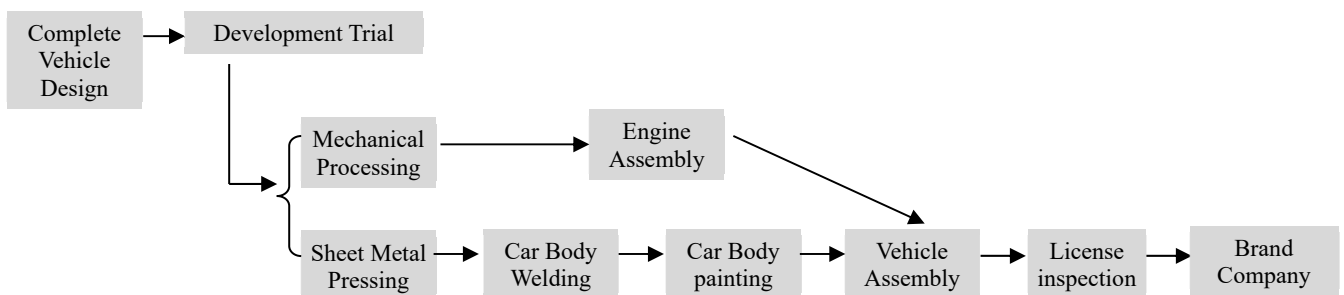
- (1) Set up smart production lines/intelligent warehouses and other related indicators in line with the Internet trend.
- (2) Shorten the test assembly time through design review verification and digital simulation.
- (3) Establish a mechanism to strengthen supplier counseling and rounds to ensure the quality of parts development.
- (4) Combine network and reality integration, smart networking technology, intelligent mobility and huge amount of data, and create a comprehensive system integration solution for industrial development.
- (5) The open structure of the industrial chain can improve the efficiency of vehicle manufacturing.
- (6) Carbon management capabilities, full-scale solar energy installations, and carbon footprint self-inspection mechanism are all required to move towards carbon neutrality.

(II) Key applications and production processes of major products

1. Key applications of major products

The Company mainly designs, develops and produces various kinds of sedans and RVs, which are mainly used for transportation of passengers, leisure and travels, and produces parts for automobile assembly and maintenance.

2. Production processes of major products



## (III) The supply of main raw materials

The Company's raw materials are mainly purchased from Nissan Japan and domestic and foreign collaborative suppliers. Due to their long-term cooperation and long-term supply contracts, we can ensure stable raw material prices and secure the supply of raw materials.

## (IV) The names of suppliers and customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease

## 1. Information on the major suppliers in the most recent 2 years:

Unit: Thousands of NTD

| Items | 2022                   |            |   |   | 2023                   |            |   |   |
|-------|------------------------|------------|---|---|------------------------|------------|---|---|
|       | Name                   | Amount     | Percentage in the net annual percentage of purchase (%) | Relation with the issuer  | Name                   | Amount     | Percentage in the net annual percentage of purchase (%) | Relation with the issuer  |
| 1     | Yulon Nissan Motor     | 12,218,882 | 16.5  | Invested company measured using the equity method                   | Yulon Nissan Motor     | 13,176,669 | 13.8  | Invested company measured using the equity method                   |
| 2     | Nissan Motor Co., Ltd. | 7,765,831  | 10.5  | Investment companies that use the equity method to value affiliates | Nissan Motor Co., Ltd. | 10,013,574 | 10.5  | Investment companies that use the equity method to value affiliates |
| 3     | Other                  | 54,009,345 | 73.0  |   | Other                  | 72,113,469 | 75.7  |   |
|       | Net purchase amount    | 73,994,058 | 100   |   | Net purchase amount    | 95,303,712 | 100   |   |

Note 1: Name of supplier representing more than 10% of total purchases in the previous two years, and the amount and percentage of purchase; code names can be used instead if any contract prohibits the Company from disclosing the supplier's name, or if the counterparty is a non-related party.

Note 2: Financial information audited and reviewed by CPAs up to the date of publication of the annual report  
Analysis of the increase and decrease ratio: no significant changes with major suppliers.

## 2. Information on the major customers in the most recent 2 years:

Unit: Thousands of NTD

| Items | 2022               |            |                               |   | 2023               |            |                               |   |
|-------|--------------------|------------|-------------------------------|---|--------------------|------------|-------------------------------|---|
|       | Name               | Amount     | Ratio of annual net sales (%) | Relation with the issuer                          | Name               | Amount     | Ratio of annual net sales (%) | Relation with the issuer                          |
| 1     | Yulon Nissan Motor | 9,646,518  | 23.6                          | Invested company measured using the equity method | Yulon Nissan Motor | 10,997,145 | 27.1                          | Invested company measured using the equity method |
| 2     | Other              | 31,251,767 | 76.4                          |   | Other              | 29,653,570 | 72.9                          |   |
|       | Net sales          | 40,898,285 | 100                           |   | Net sales          | 40,650,715 | 100                           |   |

Note 1: Name of customer representing more than 10% of total purchases in the previous two years, and the amount and percentage of sales; code names can be used instead if any contract prohibits the Company from disclosing the customer's name, or if the counterparty is a non-related party.

Note 2: Financial information audited and reviewed by CPAs up to the date of publication of the annual report  
Analysis of the change in the increase or decrease percentage: There is no significant change in major sales customers, and the percentage of increase or decrease is still reasonable



(V) The production volume and value of the last two years

Unit: Car, Unit  
Value: Thousands of NTD

| Year<br>Production<br>volume & value<br>Main Products<br>(By department) | 2022                |        |              | 2023                |        |              |
|--|---------------------|--------|--------------|---------------------|--------|--------------|
|  | Production capacity | Yield  | Output value | Production capacity | Yield  | Output value |
| Vehicle  | 80,000              | 24,962 | 11,883,242   | 80,000              | 23,885 | 12,986,838   |
| Total  | 80,000              | 24,962 | 11,883,242   | 80,000              | 23,885 | 12,986,838   |

Note: The above figures are compiled from unconsolidated viewpoint.

(VI) Sales volume and value in the last two years

Unit: Car, Unit  
Value: Thousands of NTD

| Year<br>Sales volume<br>and value<br>Main Products<br>(By department) | 2022           |            |              |        | 2023           |            |              |        |
|---|----------------|------------|--------------|--------|----------------|------------|--------------|--------|
|   | Domestic sales |            | Export sales |        | Domestic sales |            | Export sales |        |
|   | Volume         | Amount     | Volume       | Amount | Volume         | Amount     | Volume       | Amount |
| Vehicle   | 27,687         | 17,466,802 | 0            | 0      | 27,374         | 20,054,591 | 0            | 0      |
| Parts   | 0              | 3,237,822  | 0            | 1,045  | 0              | 3,227,481  | 0            | 0      |
| Total   | 27,687         | 20,704,624 | 0            | 1,045  | 27,374         | 23,282,072 | 0            | 0      |

Note: The above figures are compiled from unconsolidated viewpoint.

### III. Employees

April 1, 2024

| Year                     |                          | 2022            | 2023            | 2024 up to April 1 |
|--------------------------|--------------------------|-----------------|-----------------|--------------------|
| Number of employees      | Staff                    | 323 people      | 324 people      | 325 people         |
|                          | Technician               | 814 people      | 795 people      | 783 people         |
|                          | Administrative Assistant | 18 people       | 17 people       | 17 people          |
|                          | Total                    | 1,155 people    | 1,136 people    | 1,125 people       |
| Average age              |                          | 41.54 years old | 41.73 years old | 41.83 years old    |
| Average years of service |                          | 14.77 years     | 14.84 years     | 14.86 years        |
| Education distribution   | Doctor                   | 0.17%           | 0.18%           | 0.27%              |
|                          | Master                   | 17.92%          | 18.31%          | 18.58%             |
|                          | University and College   | 36.10%          | 36.62%          | 36.36%             |
|                          | Senior high school       | 43.55%          | 43.05%          | 42.93%             |
|                          | Below senior high school | 2.25%           | 1.85%           | 1.87%              |

Note: The data for 2023 and 2022 is cut off at December 31 of the year.

| Year  | 2022         | 2023         | 2024 up to March 31 |
|---|--------------|--------------|---------------------|
| Number of employees of the Company and its subsidiaries | 9,938 people | 9,851 people | 10,191 people       |

Note: The data for 2023 and 2012 is cut off at December 31 of the year.

#### IV. Information on environmental protection expenditures

(I) Losses due to environmental pollution in 2023 and as of the report date: None

(II) Future countermeasures and possible expenditures

| Item/Year   | 2024  | 2025  | 2026  |
|---|---|---|---|
| Estimated improvement   | In compliance with environmental regulations & international trends   | In compliance with environmental regulations & international trends   | In compliance with environmental regulations & international trends   |
| The proposed pollution prevention and control equipment and expenditure<br>Estimated amount<br>(NTD thousand) | Investment in energy saving and pollution control equipment<br>35,000 | Investment in energy saving and pollution control equipment<br>35,000 | Investment in energy saving and pollution control equipment<br>35,000 |
| Expenditure<br>Estimated amount<br>(NTD thousand)   | Environmental fee<br>14,000   | Environmental fee<br>14,000   | Environmental fee<br>14,000   |
| Expenditure<br>Estimated amount<br>(NTD thousand)   | Management fee<br>13,500  | Management fee<br>13,500  | Management fee<br>13,500  |
| Total estimated amount (NTD thousand)   | 62,500  | 62,500  | 62,500  |

(III) The impact of the improvement.

| Items \ Year                   | 2024   | 2025  | 2026  |
|--------------------------------|--|---|---|
| Effect on net profits          | Increase in depreciation expense by \$7,500 thousand per year                          | Increase in depreciation expense by \$7,500 thousand per year | Increase in depreciation expense by \$7,500 thousand per year |
| Effect on Competitive Position | Save energy and reduce waste, enhance corporate image and contribute to social welfare | Same as the left  | Same as the left  |

(IV) Whether the Company has a policy of energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste?

- GHG reduction: Since the establishment of the "Energy Saving and Carbon Reduction Promotion Project" in 2007, the annual target of reducing carbon emissions has been reduced by 2%, and the target has been tightened to 4.2% since 2023; Annual Scope 1 and 2 emissions were 16,456 tons-CO<sub>2</sub> in 2021, 12,601 tons-CO<sub>2</sub> in 2022, 10,985.71 tons-CO<sub>2</sub> in 2023, reducing the speed of global warming.
- Reduction of water consumption: The water consumption per plant in 2023 reduced by 10.2% (8.8 metric tons/unit → 7.9 metric tons/unit) compared to that in 2022. We will continue to reduce the water consumption of our plants every year to slow down the consumption of water resources on earth. All process effluents have been treated and discharged by a wastewater treatment plant (the sampling inspection value is COD 22.4 mg/L in 2023), which is better than the regulatory (below 100 mg/L) requirement to reduce the environmental impact.
- Waste reduction: the total amount of waste in 2023 increased by 2.9% (2,549 metric tons → 2,623 metric tons) compared to that in 2022. We will continue to reduce the output by 1% every year, with the waste reuse rate being 90% the above.
- The Company's energy saving and carbon reduction activities such as greenhouse gas reduction, water reduction, waste production reduction, VOCs emission reduction, etc. are carried out in accordance with ISO-14001 norms in a continuous PDCA cycle.
- Yulon Motor's ongoing environmental objectives
  - GHG emission intensity: More than 4.2% reduction per year (stricter 2 → 4.2% from 2023)
  - Volatile organic gas emissions per unit: more than 2% reduction per year
  - Water consumption per unit: more than 1% reduction per year
  - Waste resource: 100% recycled and reused
  - General waste: Reduce the total amount of waste by more than 1% per year
  - Toxic chemical substance: Not used

- (7) Noise control: the introduction of new equipment noise shall not exceed 90 decibels control

For the specific environmental policies of the Company, please refer to the section of “Fulfillment of Social Responsibility” in Chapter 2.

## V. Labor relations

### (I) Current significant labor-management agreements, employee benefits and their implementation

#### 1. Labor-management agreements

- (1) The company holds regular labor-management meetings to fully communicate and improve various problems between labor and management.
- (2) Send staff to attend the union directive and supervisory meetings to understand and respond to the union's demands and promote labor management harmony.
- (3) Regularly consult and discuss relevant issues with labor administration officials, experts, scholars, or consultants.
- (4) Continuously strengthen the labor education of the union's leaders, so that employees and management can have more consistent ideas.
- (5) Assist employees to resolve work difficulties and protect their rights and interests through the employee complaint handling system.
- (6) Cultivate the management mindset in department heads consistent with the Company's corporate culture and build consensus, in addition to conducting consensus camps for supervisors and holding talks with the union leaders..
- (7) In order to stabilize labor-management relations, promote labor-management harmony, and improve labor welfare, the collective agreement, procedure was initiated on March 21, 2019. During the process, both parties uphold the spirit of labor-management autonomy and the principle of good faith, and negotiated on labor-related matters covering labor conditions, welfare measures, occupational safety, internal grievance system, operation of labor unions, and the use of facilities in the enterprise, etc. After 9 months and 6 meetings, the two parties finally concluded a collective agreement, on November 21, 2019. The labor conditions set forth in the collective agreement remain in effect from the date of signing to the time when the contract has not been renewed or a new contract has been signed, and the coverage rate of the collective agreement is 100%. The conditions set forth in the collective agreement are superior to the labor laws and regulations, including: "In recognition of the long-term service and dedication of senior employees, the Company will provide a one-time travel allowance of NTD 20,000 for employees who have been with the Company for over 25 years," "Employees and their dependents are covered with group comprehensive insurance. The insurance premiums are borne by the Company. The insurance items include accidental injury insurance, term life insurance, hospitalization medical insurance, and cancer medical insurance for employees and their spouses and children," "Leave is provided such as 1 day off for children's first day at elementary school, and leave for marriage/ bereavement of siblings of the employee or their spouses," and "Employees who give birth are invited to participate in the activity for newborn babies organized by the Company and will be given a maternity subsidy of NTD 6,000."The Company also fully recognizes that corporate profits should be shared with employees at the same time. According to the collective agreement, it is stipulated that the profit should be settled at the end of the business year. If there is profit, we will take into account the situation of the industry, the salary adjustment of civil servants, and the price level, etc. in the course of sharing profits. The salary, bonus, and remuneration of employees are adjusted in accordance with their performance in a timely manner.

#### 2. Employee Welfare Services

- (1) Provide winter and summer uniforms, safety shoes, commuter transportation in Miaoli and the central part of the country, and a shuttle bus to the north.
- (2) We provide a safe, convenient and quiet environment for free dormitory.
- (3) Set up a welfare park for employees, including indoor basketball court, badminton court, recreational vegetable garden, swimming pool, outdoor tennis court, basketball court, health trail, audio-visual center, reading room, restaurant, welfare club and gymnasium, and other recreational and leisure facilities.
- (4) There are 2 staff cafeterias offering buffets, noodles, special meals, etc.; the Company also provides refreshments for staff working 3 hours consecutively overtime on site.
- (5) Regularly organize large-scale sports activities such as basketball leagues, badminton tournaments, factory road runs, and diversified club activities such as yoga, aerobics, jogging, guitar, photography, etc. to promote employees' physical and mental health and cultivate diversified interests.
- (6) Annual employee-care events are given, including welcome party for newcomers, summer camp for employees' children, year-end dinner party lottery, and outstanding employees' awards.

- (7) Establish a volunteer club to plan volunteer service activities such as beach purification, blood donation, orphanage support, disadvantaged children care, community service, and year-end donation every year.
- (8) The Employee Welfare Committee was established to subsidize the employees for their children's education, family vacations, car purchases, health examination, car warranties and car rental and year-end bonuses, as well as organize sports activities (basketball games/road running), local and overseas company trips, and festive celebrations.
- (9) Provide group insurance covering employees and family dependents.
- (10) In addition to the leave granted by law, leave and paid leaves are also given for the day of the child's entrance into school, the child's marriage, and the sibling's wedding day according to the customary needs.
- (11) In accordance with production equipment maintenance, adjust the rest days and arrange long vacations such as spring break and summer vacation, and travel with domestic and foreign employees to increase the time for employees to spend with their families and promote parent-child interaction while relieving work pressure.
- (12) In order to promote work-life balance, implement a "punctual off-duty day" in which each production line is scheduled to have 8 hours of productivity and no overtime work is scheduled on that day. We hope that our employees can arrange family activities, self-growth courses and sports activities.
- (13) In order to implement maternity protection and to be considerate of the inconvenience of working for pregnant female colleagues, provide exclusive parking spaces in the factory for pregnant women.
- (14) In accordance with the announcement and the implementation of the amended "Act of Gender Equality in Employment", the Company shall grant pre-maternity medical leave for 7 days during the pregnancy of an employee of the Company, and each pre-maternity medical leave shall be granted by unit of 30 minutes with pays.
- (15) In compliance with the "Gender Employment Equality Act", the factory has set up breastfeeding rooms for mothers to breastfeed their children less than two years of age, breastfeeding time is not restricted and considered as working hours.
- (16) A total of 7 days of paid paternity inspection leave and paternity leave are granted during the spouse's pregnancy and within 15 days before or after the day of childbirth.
- (17) Employees are given 8 days of wedding leave for marriage, and considering that the related plan may be affected by the epidemic, they are allowed to take the leave by units of days within 6 months from 10 days before marriage registration, and their wages are paid during the wedding leave.
- (18) Cooperate with Lifeline Association to promote Employee Assistance Program (EAP) and provide free employee psychological counseling services.
- (19) For employees as new parents, packaged parenting care is given with a variety of caring benefits in different stages from pregnancy, to childbirth and parenting, including pregnancy care manuals, subsidies for self-funded prenatal checkups, parenting seminars, and newborn baby gifts from corporate executives.
- (20) The annual seminars on happiness have experts in different fields to give lectures on wealth management, DIY handicraft, exercise and health care, and stress relief, helping employees balance their work and everyday living.
- (21) In the event of a wedding celebration, employees may apply to the Company for a company car to be used as a limousine.
- (22) New employees are subsidized conditionally for purchase of new cars of local brands to facilitate their commuting and to keep talented employees.

### 3. Retirement system:

In order to protect employees' pension rights and interests, the Company makes regular contributions to labor pensions in accordance with the Labor Standards Act and the Labor Pension Act and other relevant regulations.

- (1) The pension system under the Labor Pension Act (new scheme) is subject to the following regulations.
  - A. Employees of the Company who started working on or after July 1, 2005 are subject to the pension system of the Labor Pension Act.
  - B. In accordance with Article 14 of the Labor Pension Act, the Company shall contribute 6% of the monthly salary of the employees under the new scheme to a personal pension account established in the Bureau of Labor Insurance, which is owned by the employee. The employees may also make voluntary contributions to their pensions within 6% of their monthly salary.
- (2) The pension system under the Labor Standards Act (old scheme) is subject to the following regulations.
  - A. After the Labor Pension Act came into effect on July 1, 2005, if an employee chooses to continue to be under the pension provisions of the Labor Standards Act (the old scheme) or chooses to be

under the pension system of the Labor Pension Act (the new scheme) and retains his or her years of service in the old scheme, his or her pension benefits for his or her years of service in the old scheme shall be governed by the provisions of the Labor Standards Act.

- B. In accordance with Article 56(1) of the Labor Standards Act, the Company contributes 7% of the monthly salary of the employees for their years of service under the old scheme to the Labor Retirement Reserve Fund, which shall be deposited in a special account for the exclusive use and is owned by the Company, and the Bank of Taiwan (Trust Department) is responsible for the receipt, custody and use of the fund. When an employee with years of service under the old scheme applies for a pension, the Company withdraws from the special account for the Labor Retirement Reserve Fund and pays the pension to the employee.
  - C. In accordance with Paragraph 2 of Article 56 of the Labor Standards Act and IAS 19, the Company reviews the balance of the Labor Retirement Reserve Fund before the end of the year to see if it is sufficient to support the old scheme retirement applications for the following year and submit to the Labor Retirement Reserve Fund Supervisory Committee of the Company for review; if the balance is insufficient, the Company shall make a lump sum make-up of the difference before the end of March of the following year.
  - D. The Company has established the “Labor Retirement Reserve Fund Supervisory Committee,” which consists of three representatives from management and six representatives from employees, and holds quarterly meetings to jointly supervise the use of the retirement reserve fund.
  - E. The standard for calculating pensions for employees in accordance with the Labor Standards Act is as follows:
    - Two bases will be awarded for each year of service. However, for each year of service in excess of 15 years, one base is given for each year of service, up to a maximum of 45 bases. Services less than half a year are counted as half a year; services more than half a year are counted as one year.
    - If an employee retires due to mental or physical disability as a result of performing his or her duties, he or she shall be paid 20% more in accordance with the preceding paragraph.
    - The standard of pension base refers to the average monthly salary at the time of approved retirement.
- (3) Retirement standards for employees are in accordance with the following rules.
- A. Employees may apply for retirement on their own in one of the following circumstances.
    - a. Those who have worked for the Company for at least 15 years and are at least 55 years old.
    - b. Those who have worked for the Company for at least 25 years
    - c. Those who have worked for the Company for at least 10 years and are at least 60 years old.
  - B. Employees shall not be compelled to retire unless one of the following applies.
    - a. Aged 65 or older.
    - b. Mentally or physically incapacitated for work.
4. Employee conduct or code of ethics

In order to clearly regulate the relationship between the rights and obligations of employees and management, and to improve the organization and establish the management system, the Company has established various internal work regulations according to the relevant laws and regulations to provide a framework for corporate and employee actions. For the above purposes, the Company has these rules:

- (1) Rules and regulations for promotion, performance appraisal, attendance and salary management, and related internal control operations, in order to ensure that all employees understand and comply with them.
- (2) Work rules for employees: All of the hiring, salary, leave, overtime, rewards and punishments of the Company’s employees, and related office regulations have been clearly regulated to govern the behavior of our employees.
- (3) In order to effectively manage internal network and Internet resources, respect intellectual property rights, and maintain the company's corporate image, we specifically promote and require employees to sign the “Affidavit for Prohibition of Illegal Software” and the “Agreement on Intellectual Property Rights and Confidentiality;” and in order to comply with the relevant laws and regulations on personal data protection, new employees are informed of the personal data management methods when they report to work, and they are asked to authorize the use of personal data.
- (4) In order to make the company's internal document management, data formulation and review, and operation process specification follow, the “Document Management Measures” are formulated to provide continuous improvement of the Company's internal operation and to improve the management system.

#### 5. Employee health and safety

- (1) The Company provides labor insurance for each employee in accordance with the labor related laws.
- (2) Group insurance for employees, covering the employees themselves, their spouses and children, at the expense of the Company.
- (3) Set up “Employee Clinic” as a special clinic for universal health insurance to provide medical, surgical and quit smoking clinics as well as health education and consultation on various medical and health care services to enhance the convenience of medical treatment and the health of employees and their family dependents.
- (4) In accordance with the labor protection related rules, the Company conducts regular employee health checks to maintain employee health.
- (5) The company employs a medical specialist in occupational medicine to take care of the occupational safety and health of its employees and to assist the company in promoting individual employee care and protection practices.
- (6) Provide a good and safe working environment.
  - In accordance with the fire prevention laws and regulations, we have established complete protective equipment, an automatic regional fire prevention monitoring and reporting system, and conduct annual fire prevention training for our staff to strengthen their emergency response capabilities.
  - Access is controlled and patrolled by security personnel around the clock and dynamically. The main intersections in the area are monitored by a network of surveillance systems to ensure the movement of people and vehicles throughout the area to maintain safety.
- (7) Pay attention to the physical and mental health of our employees, and regularly provide health promotion themed literature and conduct health education seminars to provide comprehensive health management for our employees.

#### 6. Staff Development: Education and Training

The Company adheres to the four guiding principles of “Lifelong Learning, Diversified Development, Deep Cultivation Spirit, and Human Orientation” to cultivate and develop human resources. We actively provide a learning and development environment for our employees, construct a training system through the Talent Development Quality Management System (TTQS), and develop education and training programs based on the strategic planning of the Company's vision for medium- and long-term goals. According to the needs of the business category, we implement multiple learning channels such as on-the-job training, nanny system, job rotation, project work, digital learning, and on-the-job training to enhance the skills required for the profession. Use multiple training outcome assessments, including L1 response assessment, L2 learning assessment, L3 behavior assessment and L4 outcome assessment, to ensure that employees learn and grow before and after training and apply what they have learned in the workplace.

According to the skills required for the job, provide common, professional and management training courses. Training costs in 2023 were about \$4,122 thousand, the average training costs per employee were about \$3,629, the total training hours were 18,040, and the average training hours per employee were 15.88 hours per year; the training courses provided by our company include:

- (1) Training for newcomers: In order to familiarize newcomers with the company's corporate culture and working environment, we arrange unified training for newcomers and arrange vehicle disassembly and test assembly courses for newcomers from R&D, production and quality management departments, so that newcomers can better understand the overall structure of vehicles and the relationship between various components.
- (2) Training on professional ability: In order to improve the professional ability of colleagues, offer basic and advanced courses of technical progress, TPM training, Myes training, expert cultivation, ILU skills training, professional and skill training of each workshop, the supervisor of each unit confirms the knowledge, skills and attitudes that colleagues should have, and conducts education and training through internal and external training, OJT, and learning methods.
- (3) Management skill training: Various management training themes are planned according to the management capabilities of department heads at different levels, including motivational consensus camps for middle and senior department heads; management skills courses for middle-level department heads and seminars on management practices; and on-site management skills courses for management trainees.
- (4) Annual special training: Training exclusively designed for the Company's vision, business philosophy, business strategy, medium and long-term plan, annual business plan and meet the requirements of the managers (inclusive) or above supervisors for ability of employees.
- (5) Environmental safety and health training: Enhance colleagues' concept of labor safety and health, and avoid unconscious exposure to hazardous working environments, resulting in accidents and major

injuries, physically and mentally.

- (6) Common capacity training: Common training courses for all company employees, including international business law series seminars, patent discovery courses, Excel computer operation courses, Power BI data analysis, RPA robotic process automation
- (7) Self-development training: encourage colleagues to learn about knowledge and concepts out of the work scope after work, and arrange self-development training, such as life lectures, experience seminars, sports seminars, financial management seminars, stress relief lectures and other courses.

The Company encourages a learning culture and has set up two employee growth days each month since 2020 to encourage supervisors to mentor and care for employees, or to exchange new knowledge and skills within the unit.

(II) Losses suffered from labor disputes from 2023 up to the date of publication and the annual report: None.

(III) Employee communication channels

The Company is committed to providing open and transparent channels of communication between supervisors and employees to promote labor-management harmony and create a win-win situation for both companies and employees. Multiple communication channels include:

1. From time to time, hold employee care seminars to understand and value the needs and voices of employees and promote labor harmony.
2. Hold regular employee satisfaction surveys every year and make improvements on items with low satisfaction scores.
3. If employees find major management negligence, illegal or unethical behavior, they can directly complain to the human resources unit, and the investigation will be conducted by the human resources unit or a task force according to the type of incident, and a project meeting will be held for consideration.
4. Set up EIP “Employee Information Portal” system, so that employees can immediately receive the company's major dynamic announcements, and can also put forward their personal opinions and ideas at any time, and the relevant units will assist in handling them and then immediately reply to colleagues on the results.
5. Provide employee care service line as a channel for employees to reflect their opinions on work, environment and life assistance.
6. Sexual harassment prevention and management measures.

In order to protect the rights and interests of employees, safeguard gender equality, and prevent sexual harassment and gender discrimination in the workplace, the Company has established the “Prevention of Unlawful Acts of Assault in the Performance of Duties”, “Rules for Complaints and Discipline on Measures to Prevent Sexual Harassment in the Workplace”, and “Guidelines for Handling Complaints and Investigations on Sexual Harassment” to protect the basic rights of employees.

If an employee encounters the above situation in the factory, he or she may file a complaint with the Compliant Committee in accordance with the procedures of the Company's Complaint Procedure.

## (IV) Working environment and employee safety protection measures

In view of the importance of safety protection measures at working environment and for employees. Based on the ISO 14001 (certification effective 2023/7/6-2026/7/5) & ISO 45001 (certification effective 2021/7/25-2024/7/24), risk control on major environmental considerations/occupational safety and health was executed with target and program management to prioritize improvement, while operations with lower risks are managed with operational control methods, and all the measures have been improved to result in significant control efficacy. Major goals and management programs are as follows:

| Objective/Target   | Program   | Current Status  | Implementation Status   |
|--|---|---|---|
| Reduce CO2 emission intensity by over 2%   | Electricity - change the frequency of motor, change the lighting to LED, change the fixed frequency to variable frequency air compressor at night, change the continuous operation of conveyor belt to induction operation, do not operate the compressor below 25 degrees Celsius for air conditioning temperature control. Reduce fresh air intake, shorten oven warm-up time and earlier shutdown for natural gas-fired incineration (RTO) systems.<br>Heavy oil: change to natural gas boiler, shorten warm-up time, reduce steam pressure, improve heat dissipation. | 1. Motor without variable frequency control, additional inverter variable frequency control according to the end demands.<br>2. Traditional lamps, mercury lamps changed to low-power LED, additional point extinguisher, etc.<br>3. Regenerative Thermal Oxidizer (RTO) to introduce a lower proportion of fresh air.<br>4. Shorten the daily warm-up time and early shutdown for ovens, RTOs and boilers. | 19.6%<br>2022: 0.5047<br>(Tons-CO <sub>2</sub> /Car)<br>↓<br>2023: 0.4585<br>(Tons-CO <sub>2</sub> /Car)<br>(Scope 1 and Scope 2) |
| Domestic waste reduced to 1%   | Nine garbage sorting boards for all staff education and training, reuse of resources, regular audits of sorting scores and promotion  | Through the environmental safety executive meeting to promote and regularly audit the classification situation, the three green a beauty committee monthly meeting to control and promote.  | 19.0% (22.24<br>→18.01 ton/year)  |
| Injuries at the factory 4 (incidents/year)   | Regular implementation of 5S inspection, TOP survey, and improvement of false alarms.   | Through various routine inspections and improvements, to reduce the occurrence of harm.   | 3 (incidents/year)  |
| Equipment safety function effectiveness 100 (%)  | Develop automatic inspection method to perform safety function test of equipment in daily use operation   | The on-site operation unit performs the safety function test of the equipment during the operation to ensure the normal function and reduce the occurrence of hazards.  | 100 %   |
| Water quality monitoring of plant discharge water<br>COD < 100 mg/L<br>Total Chrome < 1.5 mg/L<br>Copper < 1.5mg/L<br>Zinc < 3.5mg/L<br>Cadmium < 0.02mg/L<br>Nickel < 0.7mg/L | Analyze discharge water COD (1~2 times/day)<br>Total chromium, copper, zinc, cadmium, nickel, heavy metals (2 times/week)   | Water quality is regularly sampled and analyzed to ensure that discharge water meets and exceeds regulations.   | COD 22.4 mg/L<br>Total Chromium ND<br>Copper ND<br>Zinc 0.01 mg/L<br>Cadmium ND<br>Nickel 0.06 mg/L                               |

The program for the management of physical security measures for employees is as follows.

1. Access control security: For day, night and holiday, security companies are hired to maintain the security of the factory and staff dormitories around the clock and set up surveillance systems.
2. Equipment maintenance and inspection: In accordance with the Fire Services Law, the on-site units will inspect the firefighting facilities on their own every month, and then appoint external firefighting agencies to carry out inspection and reporting every quarter. Regular (daily, weekly, monthly, quarterly, semi-annually, annually) maintenance and inspection of machines (cranes, elevators, presses, etc.) or equipment (boilers, high and low voltage electrical equipment, etc.).
3. Disaster prevention measures and contingency planning: In accordance with the "Emergency Preparedness and Contingency Management Regulations," the responsibilities of each relevant unit, contingency measures, notification procedures, task contents, etc. are clearly defined and drills are conducted twice a year.



4. Health care.

- (1) Health examination: physical examination of new recruits. The regular labor force periodically undergoes employee health examinations in accordance with labor safety and health protection rules. Special operators will undergo a special medical examination once a year.
- (2) Health education and promotion: employ factory doctors and occupational doctors to provide clinical services twice a month (including) (content: prevention and treatment of occupational injuries and diseases and general injuries and diseases, health consultation and first aid and emergency disposal, health education, health promotion and health guidance...etc.).
- (3) Half-yearly implementation of vector mosquito control and disinfection in the plant.
- (4) Specify smoking ban in indoor places and limit smoking to designated area (24 places in the whole factory).

## VI. Information security management

(I) Information security policy and management scheme:

The Company has established relevant internal operation regulations in accordance with Article 9, “Computerized Information System Processing,” of the “Regulations Governing Establishment of Internal Control Systems by Public Companies” in order to reduce the risk of unknown information security threats arising from emerging information technology applications and environmental changes. In order to grasp the information security risk management, the response and prevention of risk incidents are dealt with from three aspects: (1) Before occurrence: regular autonomous inventory inspections, from the process and technical aspects, to proactively prevent information security incidents; (2) when incidents occur: damage control, emergency response, establishment of an effective disaster response mechanism, rapid damage control hemostasis, application of drill experience, return to normal in the shortest time possible, and maintenance of continuous corporate operations; (3) after occurrence: trace and include in the prevention, check the system records to track the cause of the problem, formulate new preventive measures, and introduce weakness detection teams to offset blind spots and improve the reliability of the internal control mechanism.

(II) Management programs and resources engaged:

To reinforce the overall information security, a number of projects have been carried out, including "Anti-hacker of internal and external network transmission", "Employee information security awareness", "prevention of malicious attacks", "Remote work Internet protection", "System weakness improvement /penetration test", "Data leakage protection", "Remote system/backup enhancement", "Enhanced IT framework (ISO/ISMS)", "Portable storage device control", "Email system optimization", and "Trade secret file management"; also, a blueprint for the 2021-2025 "Internal Control of Information Security Risks" has been drafted for persistent deployment and continuous optimization of an overall information security strategy. In response to the transformation of the Yulon Group in the context of "full openness, customer diversity, and resources sharing", the idea of "confidentiality risk" is accentuated to reinforce the information security, and the protection is upgraded to international standards for prevention of sensitive data leakage and higher customer trust. The audit unit reports the status and future plans of information security management to the board of directors every year to implement information security risk management.

Information security has been the key operation assurance item of the Company. The required information security management matters and the resource input plan are as follows:

1. Dedicated manpower: The information security organization promotes the establishment of "Chief Security Officer". One chief information security officer, one information security supervisor, and three dedicated security personnel are responsible for the Company's overall information security planning, technology introduction, and related auditing matters. The Company holds a monthly information security meeting to implement and continuously strengthen information security.
2. Customer satisfaction: 0 major information security incidents and 0 customer complaints.
3. Education and training: All new employees have completed a 3-hour information security education and training course before they joined the Company; all employees have completed 3 hours of physical information security education and training and assessment; conducted a total of 2 social engineering phishing email tests in 2022, and continued to conduct regular phishing email tests in 2023. A total of 82 employees accidentally clicked on the phishing link, and the rate was 13.4%.
4. Information security announcement: An information security announcement is issued every month to convey various information security protection regulations, emerging information security situation information and precautions to all employees.
5. Website security: The WAF website application firewall mechanism is introduced to ensure the connection security of external key system websites.
6. Data security: Cloud-based remote backup mechanism and offline backup mechanism were introduced as the main server to implement the 321-compliant backup mechanism. Employee OA computers are also

equipped with a data backup mechanism. All 369 computers of the administrative staff of the plants are included to ensure the protection of operational data.

7. Host protection: Work with a multi-party team of information security experts to introduce the emerging endpoint detection and response (EDR), network detection and response (NDR), security information and event management (SIEM), and a joint defense platform (SOC) for cross-domain joint defense (Gartner: SOC visibility triad). By doing this, information security threats can be seen, prevented, and managed to ensure complete protection of information systems.
8. Information security of production lines: Four major factories are separated by firewalls to prevent the risk of lateral spread of the virus. There was one information security incident in 2023, which affected the operation of the production line for about 10 hours. There was no recurrence after the follow-up resolution.
9. Mail information security: Yulon Mail's global detection service continued to be implemented to stop phishing emails. A total of 987 emails were detected and prevented in 2023. In addition, the Company is in line with international big firms to introduce the high-standard mail testing (DMARC).
10. Risk detection: Before all newly introduced information systems went online, at least 2 vulnerability scanning and patching operations were completed to prevent exposure of potential vulnerabilities. In addition, we cooperated with TWCERT/Information Security Institute/domestic information security practitioners/international multi-source intelligence agencies to introduce 5,735 real-time pieces of security intelligence information, 83,000 indicators of compromise (IOC), 435 indicators of attack (IoA), and 266 product vulnerabilities. We also use NDR and SOC to detect and inventory the latest risks, improve and contain them, so that risk detection can be prevented and controlled.

- (III) Major information security risks and incidents in 2023 and up to the printing date of the annual report: In 2023 and as of the report date, there were no major information security risks and incidents.

For detailed regulations on information security, visit the "Information Security Risk Management Framework" of the investors page under the corporate governance at [https://www.yulonmotor.com.tw/investors\\_regulations.aspx](https://www.yulonmotor.com.tw/investors_regulations.aspx).

## VII. Major contracts

| Nature               | Party involved                              | Effective period  | Major contents  | Restrictive clause   |
|----------------------|---|---|---|--|
| Vehicle OEM contract | Yulon Nissan Motor Consulting Co., Ltd.     | From 2015.5.1 to 2020.4.30, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter. As of December 31, 2023, it is the 4th year of automatic extension. | Assembly OEM for Nissan brand vehicles and components | 1. Non disclosure of confidential information<br>2. Restrictions on the Transfer of Rights and Obligations |
| Vehicle OEM contract | Luxgen Motor Co., Ltd. Consulting Co., Ltd. | From 2015.5.1 to 2020.4.30, the contract will be automatically extended for one year without written notice of non-renewal three months prior to the expiration date, and thereafter. As of December 31, 2023, it is the 4th year of automatic extension. | Assembly OEM for Luxgen brand vehicles and components | 1. Non disclosure of confidential information<br>2. Restrictions on the Transfer of Rights and Obligations |

## VI. Financial Status

### I. Condensed financial statements for the most recent 5 years

#### (I) Condensed balance sheet and comprehensive income statement - IFRS

##### Consolidated condensed balance sheet

Unit: Thousands of NTD

| Items   | Year                        | Financial information from the past five years (Note 1) |             |             |             |             |
|---|-----------------------------|---|-------------|-------------|-------------|-------------|
|   |                             | 2023  | 2022        | 2021        | 2020        | 2019        |
| Current assets  |                             | 288,248,644   | 270,783,114 | 235,281,902 | 215,186,668 | 231,944,241 |
| Property, plant and equipment (Note 2)                    |                             | 44,658,230  | 38,905,387  | 35,566,354  | 35,542,275  | 36,381,174  |
| Intangible assets   |                             | 1,042,511   | 703,673     | 672,483     | 804,348     | 6,770,533   |
| Other assets (Note 2)                                     |                             | 53,794,441  | 50,039,440  | 52,342,040  | 49,789,455  | 38,795,595  |
| Total assets  |                             | 387,743,826   | 360,431,614 | 323,862,779 | 301,322,746 | 313,891,543 |
| Current liabilities                                       | Before Distribution         | 273,704,673   | 253,571,875 | 226,995,138 | 201,009,483 | 230,603,249 |
|   | After distribution (Note 4) | -   | 253,571,875 | 228,495,138 | 202,009,483 | 230,603,249 |
| Non-current liabilities                                   |                             | 25,286,903  | 34,347,887  | 26,168,118  | 35,437,943  | 26,207,143  |
| Total liabilities   | Before Distribution         | 298,991,576   | 287,919,762 | 253,163,256 | 236,447,426 | 256,810,392 |
|   | After distribution (Note 4) | -   | 287,919,762 | 254,663,256 | 237,447,426 | 256,810,392 |
| Equity attributable to shareholders of the parent company |                             | 59,914,496  | 48,130,933  | 52,651,863  | 48,738,468  | 45,836,408  |
| Capital stock   |                             | 10,700,013  | 10,000,000  | 10,000,000  | 10,000,000  | 15,729,199  |
| Capital surplus   |                             | 16,051,927  | 7,923,262   | 6,578,018   | 6,563,888   | 6,566,495   |
| Retained earnings   | Before Distribution         | 33,274,696  | 29,851,250  | 36,025,088  | 32,147,077  | 23,775,185  |
|   | After distribution (Note 4) | -   | 29,851,250  | 34,525,088  | 31,147,077  | 23,775,185  |
| Other equity  |                             | 264,161   | 732,722     | 425,061     | 403,807     | 141,833     |
| Treasury stock  |                             | (376,301)   | (376,301)   | (376,304)   | (376,304)   | (376,304)   |
| Predecessor interests under joint controls (Note 6)       |                             | -   | -           | -           | -           | -           |
| Non-controlling interests                                 |                             | 28,837,754  | 24,380,919  | 18,047,660  | 16,136,852  | 11,244,743  |
| Total equity  | Before Distribution         | 88,752,250  | 72,511,852  | 70,699,523  | 64,875,320  | 57,081,151  |
|   | After distribution (Note 4) | -   | 71,511,852  | 69,199,523  | 63,875,320  | 57,081,151  |

\* The Company has prepared individual financial statement; therefore, the below condensed individual balance sheets and Income Statement within five years are provided otherwise.

\* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, financial information adopting Taiwan Enterprise Accounting Standard is provided otherwise.

Note 1: Any year that has not been audited and attested by CPAs should be noted.

Note 2: If assets have been revalued in the current year, the date of revaluation and the amount of revaluation surplus should be indicated.

Note 3: IFRSs are adopted and the Q1 financial information has been reviewed by CPAs.

Note 4: The "amount after distribution" in the preceding paragraph refers to the amount resolved in the Board of Directors or shareholders' meeting in the following year.

Note 5: For the financial data corrected or recomposed internally upon the notice of the competent authorities, the corrected or recomposed amount should be applied to prepare the financial report with the fact and reason for correction or re-composition noted.

Note 6: On March 6, 2020, the Company signed a joint venture agreement with Hua-Chuang Automobile Information Technical Center Co., Ltd. and Hon Hai Precision Industry Co., Ltd. In accordance with IFRS 10 on Consolidated Financial Statements, the Company has been in control of Hua-Chuang Automobile Information Technical Center Co., Ltd since December 31, 2019, considering its ability to control the relevant activities of Hua-Chuang Automobile Information Technical Center Co., Ltd. Since Hua-Chuang Automobile Information Technical Center Co., Ltd is under the common control of both the Company and Tai Yuen Textile, the consolidated balance sheet and the consolidated statement of changes in equity as of December 31, 2018 should be restated as if it had been consolidated from the beginning for the purpose of preparing the comparative consolidated financial statements.

## Parent company only condensed balance sheet

Unit: Thousands of NTD

| Items   | Year                        | Financial information from the past five years (Note 1) |            |            |            |            |
|---|-----------------------------|---|------------|------------|------------|------------|
|   |                             | 2023  | 2022       | 2021       | 2020       | 2019       |
| Current assets  |                             | 14,490,450  | 11,109,773 | 12,048,474 | 13,430,414 | 27,778,211 |
| Property, plant and equipment (Note 2)                    |                             | 7,647,402   | 7,449,773  | 7,633,561  | 7,424,065  | 6,711,446  |
| Intangible assets   |                             | 78,627  | 54,643     | 50,849     | 57,361     | 1,263,090  |
| Other assets (Note 2)                                     |                             | 66,639,694  | 62,122,494 | 58,865,453 | 58,281,188 | 44,166,602 |
| Total assets  |                             | 88,856,173  | 80,736,683 | 78,598,337 | 79,193,028 | 79,919,349 |
| Current liabilities                                       | Before Distribution         | 11,390,510  | 11,869,938 | 12,880,622 | 9,951,525  | 6,082,477  |
|   | After distribution (Note 3) | -   | 12,869,938 | 14,380,622 | 10,951,525 | 6,082,477  |
| Non-current liabilities                                   |                             | 17,551,167  | 20,735,812 | 13,065,852 | 20,503,035 | 28,000,464 |
| Total liabilities   | Before Distribution         | 28,941,677  | 32,605,750 | 25,946,474 | 30,454,560 | 34,082,941 |
|   | After distribution (Note 3) | -   | 33,605,750 | 27,446,474 | 31,454,560 | 34,082,941 |
| Equity attributable to shareholders of the parent company |                             | 59,914,496  | 48,130,933 | 52,651,863 | 48,738,468 | 45,836,408 |
| Capital stock   |                             | 10,700,013  | 10,000,000 | 10,000,000 | 10,000,000 | 15,729,199 |
| Capital surplus   |                             | 16,051,927  | 7,923,262  | 6,578,018  | 6,563,888  | 6,566,495  |
| Retained earnings   | Before Distribution         | 33,274,696  | 29,851,250 | 36,025,088 | 32,147,077 | 23,775,185 |
|   | After distribution (Note 3) | -   | 28,851,250 | 34,525,088 | 31,147,077 | 23,775,185 |
| Other equity  |                             | 264,161   | 732,722    | 425,061    | 403,807    | 141,833    |
| Treasury stock  |                             | (376,301)   | (376,301)  | (376,304)  | (376,304)  | (376,304)  |
| Total equity  | Before Distribution         | 59,914,496  | 48,130,933 | 52,651,863 | 48,738,468 | 45,836,408 |
|   | After distribution (Note 3) | -   | 47,130,933 | 51,151,863 | 47,738,468 | 45,836,408 |

\* The Company has prepared individual financial statement; therefore, the below condensed individual balance sheets and Income Statement within five years are provided otherwise.

\* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, financial information adopting Taiwan Enterprise Accounting Standard is provided otherwise.

Note 1: Any year that has not been audited and attested by CPAs should be noted.

Note 2: If assets have been revalued in the current year, the date of revaluation and the amount of revaluation surplus should be indicated.

Note 3: The "amount after distribution" in the preceding paragraph refers to the amount resolved in the Board of Directors or shareholders' meeting in the following year.

Note 4: For the financial data corrected or recomposed internally upon the notice of the competent authorities, the corrected or recomposed amount should be applied to prepare the financial report with the fact and reason for correction or re-composition noted.

**Consolidated condensed comprehensive income statement**

Unit: Thousands of NTD

| Items \ Year  | Financial information from the past five years (Note 1) |             |            |             |              |
|---|---|-------------|------------|-------------|--------------|
|   | 2023  | 2022        | 2021       | 2020        | 2019         |
| Operating revenues (Note 5)   | 82,120,679  | 77,079,263  | 78,047,772 | 82,597,514  | 85,578,910   |
| Gross profits (Note 5)  | 28,861,985  | 27,456,297  | 23,423,534 | 18,629,605  | 5,725,273    |
| Operating profits and losses (Note 5)   | 8,591,508   | 10,106,173  | 7,135,785  | (1,218,462) | (30,747,539) |
| Non-operating income and expenses (Note 5)                                      | 2,200,368   | (8,725,901) | 2,562,023  | 6,942,010   | 7,310,391    |
| Profit before income tax  | 10,791,876  | 1,380,272   | 9,697,808  | 5,723,548   | (23,437,148) |
| Profit before income tax from continuing operations                             | 8,494,230   | (1,188,037) | 7,742,315  | 4,839,562   | (24,533,477) |
| Losses from discontinued operations (Note 3)                                    | -   | -           | -          | -           | -            |
| Net profits (losses) for the period   | 8,494,230   | (1,188,037) | 7,742,315  | 4,839,562   | (24,533,477) |
| Other comprehensive gains and losses (after-tax net value)                      | (453,331)   | 719,534     | 149,839    | 240,989     | (304,732)    |
| Total comprehensive income for the period                                       | 8,040,899   | (468,503)   | 7,892,154  | 5,080,551   | (24,838,209) |
| Net income attributable to shareholders of the parent company                   | 4,690,523   | (4,696,692) | 4,715,516  | 2,739,210   | (24,465,408) |
| Predecessor Equity under joint controls   | -   | -           | -          | -           | (564,712)    |
| Net profit attributable to non-controlling interests                            | 3,803,707   | 3,508,655   | 3,026,799  | 2,100,352   | 496,643      |
| Comprehensive income attributable to Shareholders of the parent company         | 4,360,841   | (4,099,224) | 4,899,266  | 2,949,501   | (24,603,974) |
| Predecessor Equity under joint controls   | -   | -           | -          | -           | (564,712)    |
| Total consolidated profits and losses attributable to non-controlling interests | 3,680,058   | 3,630,721   | 2,992,888  | 2,131,050   | 330,477      |
| Earnings (losses) per share   | 4.63  | (4.80)      | 4.82       | 2.80        | (26.13)      |

\* The Company has prepared individual financial statement; therefore, the below condensed individual balance sheets and Income Statement within five years are provided otherwise.

\* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, financial information adopting Taiwan Enterprise Accounting Standard is provided otherwise.

Note 1: Any year that has not been audited and attested by CPAs should be noted.

Note 2: IFRSs are adopted and the Q1 financial information has been reviewed by CPAs.

Note 3: The loss of the discontinued department is booked for an amount net of income tax.

Note 4: For the financial data corrected or recomposed internally upon the notice of the competent authorities, the corrected or recomposed amount should be applied to prepare the financial report with the fact and reason for correction or re-composition noted.

Note 5: The Company considered it more appropriate to include impairment loss on lease assets (previously recorded as administration expenses) and gain on recovery of doubtful accounts (previously recorded as other operating income) as a deduction from lease costs and expected credit impairment loss, respectively, and therefore changed the presentation of the consolidated statement of income in 2020 and reclassified the comparative information in 2019 to make the presentation consistent.

Note 6: On August 11, 2020, the Company reduced capital to make up for losses, so the earnings per share for 2019 was adjusted retroactively.

**Parent company only condensed comprehensive income statement**

Unit: Thousands of NTD

| Item   | Year | Financial information from the past five years (Note 1) |             |            |            |              |
|--|------|---|-------------|------------|------------|--------------|
|  |      | 2023  | 2022        | 2021       | 2020       | 2019         |
| Operating revenues   |      | 25,222,538  | 22,410,271  | 24,310,315 | 28,271,894 | 30,261,929   |
| Gross profits  |      | 2,216,688   | 2,026,949   | 2,323,993  | 2,326,374  | 2,637,334    |
| Operating profit and loss                                  |      | 547,738   | 752,581     | 1,043,326  | 1,013,256  | 1,047,888    |
| Non-operating income and expenses                          |      | 4,256,592   | (5,317,514) | 3,774,088  | 1,625,139  | (26,084,898) |
| Profit before income tax                                   |      | 4,804,330   | (4,564,933) | 4,817,414  | 2,638,395  | (25,037,010) |
| Profit before income tax from continuing operations        |      | 4,690,523   | (4,696,692) | 4,715,516  | 2,739,210  | (25,030,120) |
| Losses from discontinued operations (Note 2)               |      | -   | -           | -          | -          | -            |
| Net profits (losses) for the period                        |      | 4,690,523   | (4,696,692) | 4,715,516  | 2,739,210  | (25,030,120) |
| Other comprehensive gains and losses (after-tax net value) |      | (329,682)   | 597,468     | 183,750    | 210,291    | (138,566)    |
| Total comprehensive income for the period                  |      | 4,360,841   | (4,099,224) | 4,899,266  | 2,949,501  | (25,168,686) |
| Earnings (losses) per share                                |      | 4.63  | (4.80)      | 4.82       | 2.80       | (26.13)      |

\* The Company has prepared individual financial statement; therefore, the below condensed individual balance sheets and Income Statement within five years are provided otherwise.

\* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, financial information adopting Taiwan Enterprise Accounting Standard is provided otherwise.

Note 1: Any year that has not been audited and attested by CPAs should be noted.

Note 2: The loss of the discontinued department is booked for an amount net of income tax.

Note 3: For the financial data corrected or recomposed internally upon the notice of the competent authorities, the corrected or recomposed amount should be applied to prepare the financial report with the fact and reason for correction or re-composition noted.

**(II) Names and audit opinions of the attesting CPAs for the last five years**

| Year          | 2023                       | 2022                      | 2021                      | 2020                      | 2019                        |
|---------------|----------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Attesting CPA | Guo Li-Wen<br>Tai Shun-Wai | Guo Li-Wen<br>Fan You-Wei | Guo Li-Wen<br>Fan You-Wei | Guo Li-Wen<br>Fan You-Wei | Tai Shun-Wai<br>Fan You-Wei |
| Audit Opinion | Unqualified<br>Opinion     | Unqualified<br>Opinion    | Unqualified<br>Opinion    | Unqualified<br>Opinion    | Unqualified<br>Opinion      |

## II. Analysis of important financial ratios for the last five years

### (I) Consolidated financial ratio analysis - IFRS

| Analysis items (Note 3) |  | Financial Analysis of the Past Five Years |          |          |          |          |
|-------------------------|--|---|----------|----------|----------|----------|
|                         |  | 2023                                      | 2022     | 2021     | 2020     | 2019     |
| Financial structure (%) | Debts to assets ratio (%)                                | 77.11                                     | 79.88    | 78.17    | 78.47    | 81.82    |
|                         | Long-term capital to property, plant and equipment ratio | 255.36                                    | 274.67   | 272.36   | 282.22   | 164.54   |
| Solvency %              | Current ratio  | 105.31                                    | 106.79   | 103.46   | 107.05   | 100.58   |
|                         | Quick ratio  | 100.20                                    | 102.36   | 97.65    | 99.43    | 91.97    |
|                         | Interest coverage multiplier                             | 18.93                                     | 3.90     | 21.29    | 7.97     | (19.88)  |
| Operating performance   | Accounts receivable turnover rate (times)                | 0.32                                      | 0.33     | 0.40     | 0.48     | 0.56     |
|                         | Average collection days                                  | 1,140.62                                  | 1,093.47 | 907.90   | 765.64   | 648.36   |
|                         | Inventory turnover rate (times)                          | 4.59                                      | 4.75     | 4.64     | 4.29     | 4.57     |
|                         | Accounts payable turnover rate (times)                   | 11.01                                     | 9.83     | 9.45     | 6.37     | 5.74     |
|                         | Average sales days                                       | 79.52                                     | 76.82    | 78.60    | 84.99    | 79.93    |
|                         | Property, plant and equipment turnover rate (times)      | 1.97                                      | 2.07     | 2.20     | 2.30     | 2.32     |
|                         | Total asset turnover rate (times)                        | 0.22                                      | 0.23     | 0.25     | 0.27     | 0.28     |
| Profitability           | Return on assets (%)                                     | 2.40                                      | (0.24)   | 2.60     | 1.79     | (7.63)   |
|                         | Return on equity (%)                                     | 10.53                                     | (1.66)   | 11.42    | 7.94     | (35.01)  |
|                         | Ratio of net profit before tax to paid-in capital (%)    | 100.86                                    | 13.80    | 96.98    | 57.24    | (149)    |
|                         | Net profit margin (%)                                    | 10.34                                     | (1.54)   | 9.92     | 5.86     | (28.67)  |
|                         | Earnings per share (NTD)                                 | 4.63                                      | (4.8)    | 4.82     | 2.80     | (26.13)  |
| Cash flow               | Cash flow ratio (%)                                      | (4.75)                                    | (11.82)  | (8.90)   | 2.07     | (10.80)  |
|                         | Cash flow adequacy ratio (%)                             | (224.52)                                  | (289.26) | (263.89) | (236.87) | (221.79) |
|                         | Cash reinvestment ratio (%)                              | (11.98)                                   | (26.34)  | (19.52)  | 2.40     | (25.13)  |
| Leverage                | Operating leverage                                       | 2.40                                      | 2.09     | 2.44     | (7.83)   | 0.67     |
|                         | Financial leverage                                       | 1.08                                      | 1.05     | 1.07     | 0.60     | 0.96     |

Analysis of financial ratio differences for the last two years.

1. The decrease in ratio of long-term funds to property, plant and equipment was mainly due to the net amount of fixed assets in 2023 increased from 2022.
2. The increase in interest coverage multiplier was mainly due to the increase in profits before tax in 2023 compared to 2022.
3. The increase in average collection days was mainly due to the increase in accounts receivable.
4. The increase in return on assets was mainly due to profit in 2023.
5. The increase in return on shareholders' equity was mainly due to profit in 2023.
6. The increase in ratio of net profit before tax to paid-in capital ratio increased was mainly due to the pre-tax profit and loss in 2023 increased from 2022.
7. The increase in net profit margin was mainly due to the profit in 2023.
8. The increase in Earnings per share, mainly profit in 2023.
9. The increase in cash flow ratio was mainly due to the decrease in net cash outflow from operating activities in 2023 from 2022.
10. The increase in cash reinvestment ratio was mainly due to the increase in net cash outflow from operating activities in 2023 from 2022.

## (II) Parent company only financial ratio analysis - IFRS

| Analysis items (Note 3) |  | Financial Analysis of the Past Five Years |         |        |        |          |
|-------------------------|--|---|---------|--------|--------|----------|
|                         |  | 2023                                      | 2022    | 2021   | 2020   | 2019     |
| Capital Structure (%)   | Debts to assets ratio (%)                                | 32.57                                     | 40.39   | 33.01  | 38.46  | 42.65    |
|                         | Long-term capital to property, plant and equipment ratio | 1,012.97                                  | 924.41  | 860.91 | 932.66 | 682.96   |
| Solvency (%)            | Current ratio  | 127.22                                    | 93.60   | 93.54  | 134.96 | 456.69   |
|                         | Quick ratio  | 88.38                                     | 60.26   | 61.87  | 90.54  | 383.62   |
|                         | Interest coverage multiplier                             | 14.05                                     | (19.88) | 25.48  | 13.25  | (114.41) |
| Operating performance   | Accounts receivable turnover rate (times)                | 62.10                                     | 38.60   | 41.21  | 47.35  | 32.67    |
|                         | Average collection days                                  | 5.88                                      | 9.46    | 8.86   | 7.71   | 11.17    |
|                         | Inventory turnover rate (times)                          | 5.49                                      | 5.07    | 5.18   | 5.86   | 6.10     |
|                         | Accounts payable turnover rate (times)                   | 11.18                                     | 9.03    | 8.28   | 8.92   | 9.35     |
|                         | Average sales days                                       | 66.51                                     | 71.97   | 70.51  | 62.26  | 59.84    |
|                         | Property, plant and equipment turnover rate (times)      | 3.34                                      | 2.97    | 3.23   | 4.00   | 4.59     |
|                         | Total asset turnover rate (times)                        | 0.30                                      | 0.28    | 0.31   | 0.36   | 0.34     |
| Profitability           | Return on assets (%)                                     | 5.88                                      | (5.68)  | 6.18   | 3.66   | (28.09)  |
|                         | Return on equity (%)                                     | 8.68                                      | (9.32)  | 9.30   | 5.79   | (42.58)  |
|                         | Ratio of net profit before tax to paid-in capital (%)    | 44.90                                     | (45.65) | 48.17  | 26.38  | (159.18) |
|                         | Net profit margin (%)                                    | 18.60                                     | (20.96) | 19.40  | 9.69   | (82.71)  |
|                         | Earnings per share (NTD)                                 | 4.63                                      | (4.80)  | 4.82   | 2.80   | (26.13)  |
| Cash flow               | Cash flow ratio (%)                                      | 5.77                                      | (1.37)  | 5.44   | 31.52  | (2.04)   |
|                         | Cash flow adequacy ratio (%)                             | 7.01                                      | 1.07    | 5.02   | 4.01   | 16.18    |
|                         | Cash reinvestment ratio (%)                              | (0.49)                                    | (2.84)  | (0.54) | 5.15   | (1.73)   |
| Leverage                | Operating leverage                                       | 2.19                                      | 1.59    | 1.41   | 1.39   | 1.40     |
|                         | Financial leverage                                       | 3.05                                      | 1.41    | 1.23   | 1.27   | 1.26     |

Analysis of financial ratio differences for the last two years.

1. The increase in current ratio and quick ratio was mainly due to the disposal of reinvestment companies.
2. The increase in multiple of interest protection was mainly due to the company turn a loss into profit in 2023.
3. The increase in receivables turnover rate and the decrease in average collection days were mainly due to the decrease in average receivables balance in 2023 from 2022.
4. The increase in turnover rate of payables was mainly due to the decrease in the average balance of payables in 2023 from 2022.
5. The increase in return on assets and equity was mainly due to the company turn a loss into profit in 2023.
6. The increase in ratio of net profit before tax to paid-in capital, net profit ratio and earnings per share was mainly due to the company turn a loss into profit in 2023.
7. The increase in cash flow ratio and cash reinvestment ratio is mainly due to the increase in net cash inflow from operating activities in 2023.
8. The increase in cash flow adequacy ratio was mainly due to the increase in net cash flow from the accumulated operating activities for the most recent five years
9. The increase in operating leverage was mainly due to the operating profit in 2023 was lower than that in 2022.
10. The increase in financial leverage was mainly due to the increase in interest expense in 2023 compared to 2022.

\* If the Company prepares parent company only financial statements, it should prepare a separate analysis of the Company's parent company only financial ratios.

\* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, financial information adopting Taiwan Enterprise Accounting Standard is provided otherwise.

Note 1: Any year that has not been audited and attested by CPAs should be noted.

Note 2: TWSE or TPEX listed companies should include the financial information of the current year ending one quarter before the publication date of the annual report in the analysis.

Note 3: The following equation shall be identified at the end of the annual report:

1. Financial structure

(1) Liabilities to total asset = total liabilities/total assets.

(2) Long-term fund to property, plant and equipment = (total equity + non-current liabilities)/net value of property, plant and equipment.

2. Solvency ratio

(1) Current ratio = current assets/current liabilities.

(2) Quick ratio = (current assets – inventories – prepaid expense) / current liabilities

(3) Interest protection multiples = Pre-income tax and interest profits/interest expenditure of the term

3. Operating performance

(1) Receivables (including accounts receivable and notes receivable resulting from operations) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation)



- (2) Average collection days = 365/receivables turnover
  - (3) Inventory turnover = cost of goods sold/ average inventory
  - (4) Payables (including accounts payable and bills payable that are incurred as a result of business operation) = sales cost/balance from average payables of each term (including accounts payable and bills payable)
  - (5) Average days in sales = 365/ inventory turnover.
  - (6) Property, plant and equipment turnover = net sales/average net property, plant and equipment.
  - (7) Total assets turnover = net sales/average total assets
4. Profitability
    - (1) ROA = [income after income tax + interest expense\*(1-tax rate)]/average total assets.
    - (2) Return on equity = net income / average total equity
    - (3) EBIT margin = net income / net sales amount
    - (4) Earnings per share = (profits or loss attributable to owners of the parent company - preferred stock dividend) / weighted average stock shares issued (Note 4)
  5. Cash Flow
    - (1) Cash flow ratio = Net cash flow from business activities/current liabilities
    - (2) Net cash flow adequacy ratio = net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend for the most recent five years)
    - (3) Cash re-investment ratio = (net cash flow from operating activities – cash dividends) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital). (Note 5)
  6. Leverage:
    - (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6)
    - (2) Financial leverage = Operating income/(operating income - interest expenses)
- Note 4: For the calculation formula of the earnings per share (EPS) above, the following aspects should be particularly taken into account:
1. EPS shall be based on the weighted average number of ordinary shares, rather than the number of outstanding shares at year-end.
  2. In case of any capital increase in cash or trading of treasury stocks, the weighted average number of shares should be calculated within the negotiation period.
  3. In case of any capitalization of earnings or capital reserves, such amount should be adjusted retroactively when the EPS for the previous years and the last six months is calculated.
  4. If the prefer stock is inconvertible cumulative preferred stock, the current stock dividend (regardless distributed or not) should be deducted from the net income or added to the net loss. In case of non-cumulative preferred shares with net profit after tax, the dividends on preferred shares should be deducted from the net profit after tax; in case of any loss, no adjustment will be required.
- Note 5: During the cash flow analysis, the following aspects should be particularly taken into account:
1. “Net cash flow from operating activities” refers to the net cash inflow from operating activities indicated in the cash flow statement.
  2. “Capital expenditure” refers to the cash outflow from annual capital investment.
  3. The increase in inventory should be included where the ending balance is more than the opening balance. If the inventory decreases at the end of that year, zero will be recorded.
  4. Cash Dividends includes the dividends in cash paid to holders of common shares and preferred shares.
  5. The gross property, plant, and equipment refer to the total amount of property, plant, and equipment before deducting the accumulated depreciation.
- Note 6: The issuer shall classify operating costs and expenses into the fixed or variable group. If any estimation or subjective judgment, it is necessary to ensure the rationality and maintain consistency.
- Note 7: If the Company's stock has no face value or the face value per share is not NTD 10, the ratios related to paid-in capital in the preceding paragraph should be replaced with the ratio of equity attributable to shareholders of the parent in the balance sheet.

### III. Audit Committee's review report

YULON MOTOR CO., LTD

#### Audit Committee's Review Report

The Board of Directors had duly worked out the Company's 2023 Business Report, Financial Statement (including Consolidated Financial Statement) and proposal for distribution of earnings. Among them, the Financial Statement (including Consolidated Financial Statement) have been duly audited by Certified Public Accountants Kuo Li-Wen and Tai Shun-Wai of Deloitte and Touche Tohmatsu International Taiwan who have duly issued the Audit Report. The aforementioned Business Report, Financial Statement (including Consolidated Financial Statement) and proposal for distribution of earnings have been duly reviewed by us, the Undersigned Audit Committee and prove authentic to the facts. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, we have duly worked out the present Report and hereby submit the same for verification.

Best regards

2024 Regular Shareholders' Meeting

YULON MOTOR CO., LTD

Convener of the Auditing Committee: Yen-Chin, Tsai



March 14, 2024

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Yulon Motor Company Ltd.

### **Opinion**

We have audited the accompanying financial statements of Yulon Motor Company Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for the year ended December 31, 2023 are stated as follows:

### Estimated Impairment of Trade Receivable from Invested Subsidiary (Yulon Finance Co, Ltd.)

As described in Note 5, the determination of the estimated impairment of trade receivables of the Company's horizontal segments subsidiary - Yulon Finance Co., Ltd. - takes into consideration the present value of estimated future cash flows based on assumptions about the risk of default and expected loss rates. Yulon Finance Co., Ltd. uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on Yulon Finance Co., Ltd.'s historical experience, existing market conditions as well as forward-looking estimates as of the end of each reporting period. When the actual future cash inflows are less than expected, a material impairment loss may arise. The key assumptions and inputs used involved significant management judgment and estimation uncertainty; thus, the estimated impairment of trade receivable from Yulon Finance Co, Ltd is determined as a key audit matter.

Our audit procedures included the following:

1. We understood the policies on impairment of trade receivables and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and reperformance of related internal controls.
2. We tested Yulon Finance Co., Ltd.'s system that generated related documents used by management in the evaluation and determination of default rate and expected loss rate; the tests verified the correctness of the assumptions used in the determination of default rate and expected loss rate.
3. We recalculated the impairment based on the impairment policy.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li-Wen Kuo and Hsin-Wei Tai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2024

#### Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

## YULON MOTOR COMPANY LTD.

### BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| ASSETS   | 2023                 |            | 2022                 |            |
|--|----------------------|------------|----------------------|------------|
|  | Amount               | %          | Amount               | %          |
| <b>CURRENT ASSETS</b>  |                      |            |                      |            |
| Cash and cash equivalents (Note 6)   | \$ 2,133,848         | 3          | \$ 2,585,364         | 3          |
| Financial assets at fair value through profit or loss (Note 7)             | 50,140               | -          | 332,610              | 1          |
| Financial assets at amortized cost (Note 9)                                | -                    | -          | 582,698              | 1          |
| Notes and trade receivables (Note 10)                                      | 10,254               | -          | 8,740                | -          |
| Notes and trade receivables from related parties (Notes 10 and 30)         | 340,738              | -          | 452,546              | 1          |
| Other receivables (Notes 11 and 30)  | 292,715              | -          | 210,990              | -          |
| Inventories (Note 12)  | 8,997,530            | 10         | 6,633,430            | 8          |
| Non-current assets held for sale (Note 13)                                 | 2,425,100            | 3          | 121,488              | -          |
| Other current assets   | <u>240,125</u>       | -          | <u>181,907</u>       | -          |
| Total current assets   | <u>14,490,450</u>    | <u>16</u>  | <u>11,109,773</u>    | <u>14</u>  |
| <b>NON-CURRENT ASSETS</b>  |                      |            |                      |            |
| Financial assets at fair value through profit or loss (Note 7)             | 71,985               | -          | 71,985               | -          |
| Financial assets at fair value through other comprehensive income (Note 8) | 507,848              | 1          | 2,314,357            | 3          |
| Investments accounted for using the equity method (Note 14)                | 51,800,475           | 58         | 44,302,969           | 55         |
| Property, plant and equipment (Notes 15 and 30)                            | 7,647,402            | 9          | 7,449,773            | 9          |
| Right-of-use assets (Note 16)  | 4,532                | -          | 5,829                | -          |
| Investment properties (Note 17)  | 13,070,842           | 15         | 14,151,099           | 18         |
| Intangible assets  | 78,627               | -          | 54,643               | -          |
| Deferred tax assets (Note 25)  | 383,000              | -          | 411,873              | -          |
| Net defined benefit assets (Note 21)                                       | 1,849                | -          | -                    | -          |
| Other non-current assets   | <u>799,163</u>       | <u>1</u>   | <u>864,382</u>       | <u>1</u>   |
| Total non-current assets   | <u>74,365,723</u>    | <u>84</u>  | <u>69,626,910</u>    | <u>86</u>  |
| <b>TOTAL</b>   | <u>\$ 88,856,173</u> | <u>100</u> | <u>\$ 80,736,683</u> | <u>100</u> |

| LIABILITIES AND EQUITY   | 2023                 |            | 2022                 |            |
|--|----------------------|------------|----------------------|------------|
|  | Amount               | %          | Amount               | %          |
| <b>CURRENT LIABILITIES</b>   |                      |            |                      |            |
| Short-term borrowings (Note 18)  | \$ 2,100,000         | 2          | \$ 2,800,000         | 4          |
| Short-term bills payable (Note 18)   | 1,994,820            | 2          | 1,394,836            | 2          |
| Financial liabilities at fair value through profit or loss (Note 7)                  | 7,699                | -          | -                    | -          |
| Trade payables   | 904,006              | 1          | 1,445,942            | 2          |
| Trade payables to related parties (Note 30)  | 1,002,029            | 1          | 760,799              | 1          |
| Other payables (Notes 20 and 30)   | 1,328,053            | 2          | 1,513,112            | 2          |
| Lease liabilities (Note 16)  | 1,306                | -          | 1,293                | -          |
| Current portion of bonds payable (Note 19)   | 3,000,000            | 4          | 3,600,000            | 4          |
| Current portion of long-term borrowings (Note 18)                                    | 750,000              | 1          | -                    | -          |
| Other current liabilities  | <u>302,597</u>       | -          | <u>353,956</u>       | -          |
| Total current liabilities  | <u>11,390,510</u>    | <u>13</u>  | <u>11,869,938</u>    | <u>15</u>  |
| <b>NON-CURRENT LIABILITIES</b>   |                      |            |                      |            |
| Bonds payable (Note 19)  | 8,313,968            | 9          | 4,700,000            | 6          |
| Long-term borrowings (Note 18)   | 5,045,000            | 6          | 8,500,000            | 10         |
| Long-term bills payable (Note 18)  | 999,673              | 1          | 999,650              | 1          |
| Deferred tax liabilities (Note 25)   | 2,511,731            | 3          | 2,493,450            | 3          |
| Lease liabilities (Note 16)  | 3,310                | -          | 4,615                | -          |
| Net defined benefit liabilities (Note 21)  | -                    | -          | 24,702               | -          |
| Deposits received  | 674,557              | 1          | 888,158              | 1          |
| Investments accounted for using the equity method in credit (Note 14)                | -                    | -          | 3,120,841            | 4          |
| Other non-current liabilities  | <u>2,928</u>         | -          | <u>4,396</u>         | -          |
| Total non-current liabilities  | <u>17,551,167</u>    | <u>20</u>  | <u>20,735,812</u>    | <u>25</u>  |
| Total liabilities  | <u>28,941,677</u>    | <u>33</u>  | <u>32,605,750</u>    | <u>40</u>  |
| <b>EQUITY (Note 22)</b>  |                      |            |                      |            |
| Share capital  |                      |            |                      |            |
| Ordinary shares  | <u>10,700,013</u>    | <u>12</u>  | <u>10,000,000</u>    | <u>12</u>  |
| Capital surplus  | <u>16,051,927</u>    | <u>18</u>  | <u>7,923,262</u>     | <u>10</u>  |
| Retained earnings  |                      |            |                      |            |
| Legal reserve  | 8,769,623            | 10         | 8,769,623            | 11         |
| Special reserve  | 20,078,565           | 22         | 22,228,565           | 27         |
| Unappropriated earnings (accumulated deficit)  | <u>4,426,508</u>     | <u>5</u>   | <u>(1,146,938)</u>   | <u>(1)</u> |
| Total retained earnings  | <u>33,274,696</u>    | <u>37</u>  | <u>29,851,250</u>    | <u>37</u>  |
| Other equity   |                      |            |                      |            |
| Exchange differences on translation of foreign operations                            | (1,227,435)          | (2)        | (776,164)            | (1)        |
| Unrealized gain on financial assets at fair value through other comprehensive income | <u>1,491,596</u>     | <u>2</u>   | <u>1,508,886</u>     | <u>2</u>   |
| Treasury shares  | <u>264,161</u>       | -          | <u>732,722</u>       | 1          |
| Treasury shares  | <u>(376,301)</u>     | -          | <u>(376,301)</u>     | -          |
| Total equity   | <u>59,914,496</u>    | <u>67</u>  | <u>48,130,933</u>    | <u>60</u>  |
| <b>TOTAL</b>   | <u>\$ 88,856,173</u> | <u>100</u> | <u>\$ 80,736,683</u> | <u>100</u> |

The accompanying notes are an integral part of the financial statements.



**YULON MOTOR COMPANY LTD.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)**

|  | 2023              |            | 2022               |             |
|--|-------------------|------------|--------------------|-------------|
|  | Amount            | %          | Amount             | %           |
| OPERATING REVENUE (Notes 23 and 30)  |                   |            |                    |             |
| Sales  | \$ 23,352,322     | 93         | \$ 20,839,755      | 93          |
| Other operating revenue  | <u>1,870,216</u>  | <u>7</u>   | <u>1,570,516</u>   | <u>7</u>    |
| Total operating revenue  | <u>25,222,538</u> | <u>100</u> | <u>22,410,271</u>  | <u>100</u>  |
| OPERATING COSTS (Notes 12, 21, 24 and 30)  |                   |            |                    |             |
| Cost of goods sold   | 22,912,274        | 91         | 20,321,994         | 91          |
| Other operating costs  | <u>83,337</u>     | <u>-</u>   | <u>56,217</u>      | <u>-</u>    |
| Total operating costs  | <u>22,995,611</u> | <u>91</u>  | <u>20,378,211</u>  | <u>91</u>   |
| GROSS PROFIT   | 2,226,927         | 9          | 2,032,060          | 9           |
| UNREALIZED GAIN ON TRANSACTIONS<br>WITH SUBSIDIARIES, ASSOCIATES AND<br>JOINT VENTURES | <u>(10,239)</u>   | <u>-</u>   | <u>(5,111)</u>     | <u>-</u>    |
| REALIZED GROSS PROFIT  | <u>2,216,688</u>  | <u>9</u>   | <u>2,026,949</u>   | <u>9</u>    |
| OPERATING EXPENSES (Notes 10, 24 and 30)   |                   |            |                    |             |
| Selling and marketing expenses   | 122,200           | -          | 96,117             | -           |
| General and administrative expenses  | 1,395,510         | 6          | 1,014,022          | 4           |
| Research and development expenses  | <u>151,240</u>    | <u>1</u>   | <u>164,229</u>     | <u>1</u>    |
| Total operating expenses   | <u>1,668,950</u>  | <u>7</u>   | <u>1,274,368</u>   | <u>5</u>    |
| PROFIT FROM OPERATIONS   | <u>547,738</u>    | <u>2</u>   | <u>752,581</u>     | <u>4</u>    |
| NON-OPERATING INCOME   |                   |            |                    |             |
| Share of profit (loss) of subsidiaries, associates<br>and joint ventures (Note 14)     | 4,491,428         | 18         | (4,391,389)        | (19)        |
| Other income (Note 24)   | 36,415            | -          | 58,216             | -           |
| Interest income  | 89,275            | -          | 49,221             | -           |
| Finance costs  | (368,080)         | (1)        | (218,591)          | (1)         |
| Other gains and losses (Note 24)   | <u>7,554</u>      | <u>-</u>   | <u>(814,971)</u>   | <u>(4)</u>  |
| Total non-operating income (loss)  | <u>4,256,592</u>  | <u>17</u>  | <u>(5,317,514)</u> | <u>(24)</u> |
| PROFIT (LOSS) BEFORE INCOME TAX  | 4,804,330         | 19         | (4,564,933)        | (20)        |
| INCOME TAX EXPENSE (Note 25)   | <u>113,807</u>    | <u>1</u>   | <u>131,759</u>     | <u>1</u>    |

(Continued)

**YULON MOTOR COMPANY LTD.**
**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)**

|   | 2023                |            | 2022                  |             |
|---|---------------------|------------|-----------------------|-------------|
|   | Amount              | %          | Amount                | %           |
| NET PROFIT (LOSS) FOR THE YEAR  | \$ 4,690,523        | 18         | \$ (4,696,692)        | (21)        |
| OTHER COMPREHENSIVE (LOSS) INCOME   |                     |            |                       |             |
| Items that will not be reclassified subsequently to profit or loss:   |                     |            |                       |             |
| Remeasurement of defined benefit plans (Note 21)  | 94                  | -          | 116,606               | 1           |
| Unrealized gain on investments in equity instruments at fair value through other comprehensive income                               | 33,024              | -          | 16,620                | -           |
| Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method | 88,471              | 1          | (46,971)              | -           |
|   | <u>121,589</u>      | <u>1</u>   | <u>86,255</u>         | <u>1</u>    |
| Items that may be reclassified subsequently to profit or loss:  |                     |            |                       |             |
| Share of the other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method | (451,271)           | (2)        | 511,213               | 2           |
|   | <u>(451,271)</u>    | <u>(2)</u> | <u>511,213</u>        | <u>2</u>    |
| Other comprehensive (loss) income for the year, net of income tax   | <u>(329,682)</u>    | <u>(1)</u> | <u>597,468</u>        | <u>3</u>    |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR  | \$ <u>4,360,841</u> | <u>17</u>  | \$ <u>(4,099,224)</u> | <u>(18)</u> |
| EARNINGS (LOSS) PER SHARE (Note 26)   |                     |            |                       |             |
| Basic   | \$ <u>4.63</u>      |            | \$ <u>(4.80)</u>      |             |
| Diluted   | \$ <u>4.45</u>      |            | \$ <u>(4.80)</u>      |             |

The accompanying notes are an integral part of the financial statements.

(Concluded)

## YULON MOTOR COMPANY LTD.

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

|   | Share Capital | Capital Surplus | Retained Earnings |                 |  | Exchange Differences on Translating Foreign Operations | Other Equity  |                                    | Treasury Shares | Total Equity  |
|---|---------------|-----------------|-------------------|-----------------|--|--|---|------------------------------------|-----------------|---------------|
|   |               |                 | Legal Reserve     | Special Reserve | (Accumulated Deficit) Undistributed Earnings |  | Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income | Gain/(Loss) on Hedging Instruments |                 |               |
| BALANCE, JANUARY 1, 2022  | \$ 10,000,000 | \$ 6,578,018    | \$ 8,281,822      | \$ 22,228,565   | \$ 5,514,701                                 | \$ (1,287,377)   | \$ 1,712,376  | \$ 62                              | \$ (376,304)    | \$ 52,651,863 |
| Appropriation of the 2021 earnings  |               |                 |                   |                 |  |  |   |                                    |                 |               |
| Legal reserve   | -             | -               | 487,801           | -               | (487,801)                                    | -  | -   | -                                  | -               | -             |
| Cash dividends distributed by the company (NT\$1.5 per share)   | -             | -               | -                 | -               | (1,500,000)                                  | -  | -   | -                                  | -               | (1,500,000)   |
| Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method   | -             | 1,103           | -                 | -               | (36,103)                                     | -  | -   | -                                  | -               | (35,000)      |
| Disposal of the Corporation's shares held by subsidiaries   | -             | -               | -                 | -               | -  | -  | -   | -                                  | 3               | 3             |
| Change in the Company's capital surplus due to the distribution of dividends to subsidiaries  | -             | 11,290          | -                 | -               | -  | -  | -   | -                                  | -               | 11,290        |
| Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition | -             | (792)           | -                 | -               | -  | -  | -   | -                                  | -               | (792)         |
| Changes in percentage of ownership interests in subsidiaries  | -             | 1,333,643       | -                 | -               | (230,850)                                    | -  | -   | -                                  | -               | 1,102,793     |
| Net loss for the year ended December 31, 2022   | -             | -               | -                 | -               | (4,696,692)                                  | -  | -   | -                                  | -               | (4,696,692)   |
| Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax   | -             | -               | -                 | -               | 218,676                                      | 511,213  | (132,359)   | (62)                               | -               | 597,468       |
| Total comprehensive income (loss) for the year ended December 31, 2022  | -             | -               | -                 | -               | (4,478,016)                                  | 511,213  | (132,359)   | (62)                               | -               | (4,099,224)   |
| Disposal of the investment in equity instruments designed as at fair value through other comprehensive income   | -             | -               | -                 | -               | (4,200)                                      | -  | 4,200   | -                                  | -               | -             |
| Disposal of the investment in equity instruments designed as at fair value through other comprehensive income by associate  | -             | -               | -                 | -               | 75,331                                       | -  | (75,331)  | -                                  | -               | -             |
| BALANCE, DECEMBER 31, 2022  | 10,000,000    | 7,923,262       | 8,769,623         | 22,228,565      | (1,146,938)                                  | (776,164)  | 1,508,886   | -                                  | (376,301)       | 48,130,933    |
| Appropriation of 2022 earnings  |               |                 |                   |                 |  |  |   |                                    |                 |               |
| Special reserve   | -             | -               | -                 | (2,150,000)     | 2,150,000                                    | -  | -   | -                                  | -               | -             |
| Cash dividends distributed by the Company (NT\$0.93 per share)  | -             | -               | -                 | -               | (1,000,000)                                  | -  | -   | -                                  | -               | (1,000,000)   |
| Equity component of convertible bonds issued by the Company   | -             | 573,028         | -                 | -               | -  | -  | -   | -                                  | -               | 573,028       |
| Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method   | -             | 2,864,604       | -                 | -               | (332,865)                                    | -  | -   | -                                  | -               | 2,531,739     |
| Change in the Company's capital surplus due to the distribution of dividends to subsidiaries  | -             | 7,034           | -                 | -               | -  | -  | -   | -                                  | -               | 7,034         |
| Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition | -             | 14,057          | -                 | -               | (68,197)                                     | -  | -   | -                                  | -               | (54,140)      |
| Changes in percentage of ownership interests in subsidiaries  | -             | 512,625         | -                 | -               | (4,894)                                      | -  | -   | -                                  | -               | 507,731       |
| Issuance of ordinary share for cash   | 700,000       | 4,052,000       | -                 | -               | -  | -  | -   | -                                  | -               | 4,752,000     |
| Convertible bonds   | 13            | 81              | -                 | -               | -  | -  | -   | -                                  | -               | 94            |
| Employee share options  | -             | 105,236         | -                 | -               | -  | -  | -   | -                                  | -               | 105,236       |
| Net profit for the year ended December 31, 2023   | -             | -               | -                 | -               | 4,690,523                                    | -  | -   | -                                  | -               | 4,690,523     |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax   | -             | -               | -                 | -               | 22,746                                       | (451,271)  | 98,843  | -                                  | -               | (329,682)     |
| Total comprehensive income (loss) for the year ended December 31, 2023  | -             | -               | -                 | -               | 4,713,269                                    | (451,271)  | 98,843  | -                                  | -               | 4,360,841     |
| Disposal of the investment in equity instruments designed as at fair value through other comprehensive income   | -             | -               | -                 | -               | 74,296                                       | -  | (74,296)  | -                                  | -               | -             |
| Disposal of the investment in equity instruments designed as at fair value through other comprehensive income by associate  | -             | -               | -                 | -               | 41,837                                       | -  | (41,837)  | -                                  | -               | -             |
| BALANCE, DECEMBER 31, 2023  | \$ 10,700,013 | \$ 16,051,927   | \$ 8,769,623      | \$ 20,078,565   | \$ 4,426,508                                 | \$ (1,227,435)   | \$ 1,491,596  | \$ -                               | \$ (376,301)    | \$ 59,914,496 |

The accompanying notes are an integral part of the financial statements.

**YULON MOTOR COMPANY LTD.****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

|   | 2023           | 2022             |
|---|----------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                |                  |
| Profit (loss) before income tax   | \$ 4,804,330   | \$ (4,564,933)   |
| Adjustments for:  |                |                  |
| Depreciation expense  | 618,262        | 410,911          |
| Amortization expense  | 22,447         | 24,565           |
| Net loss on fair value change of financial assets and liabilities<br>designated as at fair value through profit or loss | 7,769          | 43,563           |
| Finance costs   | 368,080        | 218,591          |
| Interest income   | (89,275)       | (49,221)         |
| Dividend income   | (31,013)       | (109,578)        |
| Compensation costs of employee share options  | 105,236        | -                |
| Share of (profit) loss of subsidiaries, associates and joint ventures   | (4,491,428)    | 4,391,389        |
| Gain on disposal of property, plant and equipment   | (8)            | -                |
| Impairment loss recognized on non-financial assets  | 31,873         | 642,930          |
| Unrealized loss on the transactions with subsidiaries, associates<br>and joint ventures                                 | 761,813        | 4,230            |
| Unrealized gain on foreign currency exchange  | (15,359)       | (27,054)         |
| Changes in operating assets and liabilities   |                |                  |
| Financial assets mandatorily classified as at fair value through<br>profit or loss                                      | 286,976        | 499,449          |
| Notes and trade receivable  | 110,326        | (95,155)         |
| Other receivables   | (81,444)       | (33,972)         |
| Inventories   | (498,304)      | 122,383          |
| Other current assets  | (82,412)       | 11,763           |
| Other operating assets  | (436,993)      | (589,516)        |
| Trade payables  | (285,564)      | (110,269)        |
| Other payables  | (184,244)      | (746,270)        |
| Other current liabilities   | (51,359)       | 60,271           |
| Net defined benefit assets and liabilities  | (24,608)       | (69,532)         |
| Other operating liabilities   | 120,021        | (1,439)          |
| Cash generated from operations  | 965,122        | 33,106           |
| Interest received   | 83,718         | 33,261           |
| Interest paid   | (317,637)      | (222,517)        |
| Income tax paid   | (73,954)       | (6,562)          |
| Net cash generated from (used in) operating activities  | <u>657,249</u> | <u>(162,712)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                |                  |
| Purchase of financial assets at fair value through other<br>comprehensive income  | -              | (15,000)         |
| Proceeds from disposal of financial assets at fair value through other<br>comprehensive income                          | 1,840,558      | 4,416            |
| Purchase of financial assets at amortized cost  | -              | (577,113)        |
| Proceeds from disposal of financial assets at amortized cost  | 582,673        | 1,091,077        |

(Continued)

## YULON MOTOR COMPANY LTD.

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

|   | 2023                       | 2022                       |
|---|----------------------------|----------------------------|
| Purchase of financial assets at fair value through profit or loss - non-current           | \$ -                       | \$ (30,000)                |
| Acquisition of investments accounted for using equity method                              | (3,725,287)                | (3,553,015)                |
| Proceeds from disposal of investments accounted for using the equity method               | -                          | 128,697                    |
| Acquisition of subsidiaries   | (7,085,933)                | (2,710,320)                |
| Proceeds from the capital reduction of investments accounted for using the equity method  | 1,239,744                  | 130,261                    |
| Acquisition of property, plant and equipment  | (283,356)                  | (223,722)                  |
| Proceeds from disposal of property, plant and equipment                                   | 8                          | -                          |
| Payments for intangible assets  | (14,937)                   | (14,945)                   |
| Payments for investment properties  | (848,287)                  | (691,042)                  |
| Dividends received  | <u>2,917,195</u>           | <u>3,058,671</u>           |
| Net cash used in investing activities   | <u>(5,377,622)</u>         | <u>(3,402,035)</u>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                            |                            |
| (Repayment of) proceeds from short-term borrowings  | (700,000)                  | 2,800,000                  |
| Proceeds from short-term bills payable  | 599,984                    | 396,038                    |
| Proceeds from long-term bills payable   | -                          | 999,650                    |
| Issuance of convertible bonds   | 7,136,606                  | -                          |
| Repayment of bonds  | (3,600,000)                | (7,000,000)                |
| Proceeds from long-term borrowings  | 5,045,000                  | 8,500,000                  |
| Repayment of long-term borrowings   | (7,750,000)                | -                          |
| Decrease in guarantee deposits received   | (213,601)                  | (147,158)                  |
| Payments for lease  | (1,343)                    | (1,240)                    |
| Dividends paid  | (1,000,000)                | (1,500,000)                |
| Proceeds from issuance of ordinary shares   | <u>4,752,000</u>           | <u>-</u>                   |
| Net cash generated from financing activities  | <u>4,268,646</u>           | <u>4,047,290</u>           |
| <b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b> |                            |                            |
|   | <u>211</u>                 | <u>6,991</u>               |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>                               | <b>(451,516)</b>           | <b>489,534</b>             |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                             | <u><b>2,585,364</b></u>    | <u><b>2,095,830</b></u>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                                   | <u><b>\$ 2,133,848</b></u> | <u><b>\$ 2,585,364</b></u> |

The accompanying notes are an integral part of the financial statements.

(Concluded)

## YULON MOTOR COMPANY LTD.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

#### 1. GENERAL INFORMATION

Yulon Motor Company Ltd. (the “Company”) was incorporated in September 1953. It manufactures and markets automobiles and parts.

The Company’s shares have been listed on the Taiwan Stock Exchange since July 1976.

The financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 7, 2024.

#### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the Financial Supervisory Commission (FSC) for application starting from 2024

| <u>New, Amended and Revised Standards and Interpretations</u>                 | <u>Effective Date Announced by IASB (Note 1)</u> |
|---|--|
| Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”              | January 1, 2024 (Note 2)                         |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2024                                  |
| Amendments to IAS 1 “Non-current Liabilities with Covenants”                  | January 1, 2024                                  |
| Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”                | January 1, 2024 (Note 3)                         |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <b>New, Amended and Revised Standards and Interpretations</b>  | <b>Effective Date Announced by IASB (Note 1)</b> |
|--|--|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | To be determined by IASB                         |
| IFRS 17 "Insurance Contracts"  | January 1, 2023                                  |
| Amendments to IFRS 17  | January 1, 2023                                  |
| Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"                              | January 1, 2023                                  |
| Amendments to IAS 21 "Lack of Exchangeability"   | January 1, 2025 (Note 2)                         |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Statement of Compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, (the "Regulations").

##### Basis of Preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligations less the fair value of the plan

assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to [investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements

### **Classification of Current and Non-current Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within an operating cycle after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- c. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities are classified as non-current.



## Foreign Currencies

In the preparation of financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

The assets and liabilities of the Company's foreign operations (including those of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used that are different from that used by the Company in presenting its financial statements) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

## Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process, which are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

## Investments in Subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the financial statements of the invested company as whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries of entities that are not related to the Company.

### **Investments in Associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs

from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of the equity of associates. If the Company's ownership interest is reduced due to the additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When a Company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate of entities that are not related to the Company.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization.

These assets are depreciated and placed in the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method and units of production method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

An entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue in accordance with IFRS 15 “Revenue from Contracts with Customers”. IFRS 5 does not apply when assets held for sale in the ordinary course of business are transferred to inventories.

Assets held for rental that are transferred to inventories at their carrying amount are classified under operating activities.

### **Investment Properties**

Investment properties are properties held for earning rentals and/or for capital appreciation, including property under construction that meets the definition of investment property. Investment properties also include land held for a currently undetermined future use.

The Company’s investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer from the investment properties classification to inventories, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of development with a view to future sale.

For a transfer from the property, plant and equipment classification to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount.

Investment properties under construction are stated at cost less impairment, if any. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the construction is completed and the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

### **Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment

loss. Amortization is recognized on a straight-line and unit production method basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for prospectively. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

### **Impairment of Property, Plant, and Equipment, Right-of-Use Assets, Investment Property and Intangible Assets Other Than Goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment property and intangible assets, excluding goodwill, for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of a corporate asset, the asset is tested for impairment in the context of the cash-generating unit (CGU) to which the asset belongs. If a portion of the carrying amount of the asset can be allocated on a reasonable and consistent basis to the CGU, the Company compares the carrying amount of the CGU, including the portion of the asset's carrying amount allocated to the CGU, with the recoverable amount of the CGU to which the asset belongs. If this reasonable and consistent basis of allocation cannot be applied to the CGU to which the asset belongs and can be applied instead to the smallest group of CGUs to which the CGU belongs, this smallest group is used for impairment testing.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication of asset impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Company recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Company expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When the carrying amount of the asset or CGU is increased to a revised estimate of its recoverable amount, the impairment loss is reversed, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or CGU in prior years. A reversal of an impairment loss is recognized in profit or loss.

### **Non-current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for

immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan results in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary will be classified as held for sale, regardless of whether there is any residual interest in that subsidiary after the sale. However, such investment is still accounted for using the equity method.

## Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### a. Financial assets

All regular way purchases or sale of financial assets are recognized and derecognized on a trade date basis.

#### 1) Measurement category

##### a) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 29.

##### b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and

cash equivalents, notes receivable at amortized cost, trade receivables, treasury bills and other receivables and government bonds, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- ii. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits and treasury bills with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable, trade receivables, and other receivables), finance lease receivables, as well as contract assets.

The Company always recognizes lifetime Expected Credit Loss (ECL) for notes receivables, trade receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

### 3) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

#### b. Equity instruments

Debt and equity instruments issued by the Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

#### c. Financial liabilities

##### 1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

##### 2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.



d. Convertible bonds

The component parts of convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the convertible bonds as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

### **Revenue Recognition**

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

a. Revenue from sale of goods

Revenue from the sale of goods comes from sales of cars and materials.

The Company recognize revenue on goods delivered to subcontractors because this delivery involve a transfer of control.

The horizontal segment's revenue from sale of goods comes from sales of operating assets held for rental to others. Sales of operating assets held for rental to others are recognized as revenue when ownership of the goods are transferred to the buyers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances. Sales returns are recognized at the time of sale if the Company can reliably estimate future returns and a liability for returns is recognized on the basis of previous experience and relevant factors.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received on the sale of properties and

installment payments are presented in the balance sheets under current liabilities.

Under the Company's award scheme, the sale of goods that results in award credits for customers is accounted for as a multiple element revenue transaction, and award credits are accounted for as a separately identifiable component of a sales transaction in which these credits are granted ("initial sale"). The fair value of the consideration received or receivable is allocated between the award credits granted and other components of the sale. The consideration allocated to the award credits is measured at their fair value, i.e., the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale but is deferred and recognized as revenue when the award credits are redeemed and the Company's obligations to supply the award have been fulfilled.

b. Rental revenue

A lease is classified as a finance lease if it transfers substantially all the risks, and rewards upon transfer of property or asset. Otherwise, it is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When the lease contains both land and building, the Company is based on whether almost all the risks and compensation attached to the ownership of the elements have been transferred to the lessee to assess whether the elements are classified as financial or business leases. The lease payment shall be distributed to the land and buildings in proportion to the fair value of the lease rights of the land and buildings at the date of the establishment of the contract. If lease payments can be reliably allocated to these two elements, each element is treated according to the applicable lease classification. If the lease payment cannot be reliably apportioned to these two elements, then the overall lease is classified as a financial lease, but if both elements clearly meet the operating lease criteria, the overall lease is classified as an operating lease.

c. Investment income

For security transactions by Yung Hong Investment Company, the difference between the carrying amount of security and the actual selling price is recognized in profit or loss when Yung Hong Investment Company transfer substantially all the risks and rewards of security

ownership to another party.

d. Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

### **Leasing**

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

#### The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise in-substance fixed payments and variable lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

## Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of these assets, until the time the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, borrowing costs are recognized in profit or loss in the period in which they are incurred.

## Employee Benefits

### a. Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized in the period they occur. Rereasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

### c. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

## Share-based payment arrangements

Employee share options are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Company's best estimate of the number expected to ultimately vest, with a corresponding increase in capital surplus.

It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

## Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and interests in joint arrangements, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of interest rate fluctuations in markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### Estimated Impairment of Trade Receivable from Invested Subsidiary (Yulon Finance Co., Ltd.)

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts of Yulon Finance Co., Ltd. is based on assumptions about risk of default and loss rates. Yulon Finance Co., Ltd. uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on Yulon Finance Co., Ltd.'s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Notes 9 and 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, of the probability of default is subject to greater uncertainties from the uncertain impact and volatility in market interest rate.

## 6. CASH AND CASH EQUIVALENTS

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
| Cash on hand  | \$ 338              | \$ 336              |
| Checking accounts and demand deposits                                     | 2,037,452           | 2,170,443           |
| Cash equivalents (time deposits with original maturities within 3 months) | <u>96,058</u>       | <u>414,585</u>      |
|   | <u>\$ 2,133,848</u> | <u>\$ 2,585,364</u> |

The market rate intervals of cash in bank at the end of the reporting period were as follows:

|                  | <b>December 31</b> |              |
|------------------|--------------------|--------------|
|                  | <b>2023</b>        | <b>2022</b>  |
| Bank balance     | 0.05%-1.45%        | 0.001%-1.05% |
| Cash equivalents | 1.19%-5.63%        | 3.4%-4.87%   |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

|   | <u>December 31</u> |                   |
|---|--------------------|-------------------|
|   | 2023               | 2022              |
| <u>Financial assets at FVTPL - current</u>          |                    |                   |
| Hybrid financial assets                             |                    |                   |
| Structured deposits                                 | \$ <u>50,140</u>   | \$ <u>332,610</u> |
| <u>Financial assets at FVTPL - non-current</u>      |                    |                   |
| Financial assets mandatorily classified as at FVTPL |                    |                   |
| Non-derivative financial assets                     |                    |                   |
| Limited partnership investment                      | \$ <u>71,985</u>   | \$ <u>71,985</u>  |
| <u>Financial liabilities at FVTPL - current</u>     |                    |                   |
| Financial liabilities designated as at FVTPL        |                    |                   |
| Derivative instruments                              |                    |                   |
| Options of convertible bonds (Note 19)              | \$ <u>7,699</u>    | \$ <u>-</u>       |

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|  | <u>December 31</u> |                     |
|--|--------------------|---------------------|
|  | 2023               | 2022                |
| <u>Non-current</u>                       |                    |                     |
| Domestic investments                     |                    |                     |
| Listed shares and emerging market shares | \$ 94,492          | \$ 1,936,200        |
| Unlisted shares                          | <u>413,356</u>     | <u>378,157</u>      |
|  | <u>\$ 507,848</u>  | <u>\$ 2,314,357</u> |

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|  | <u>December 31</u> |                   |
|--|--------------------|-------------------|
|  | 2023               | 2022              |
| <u>Current</u>   |                    |                   |
| Time deposits with original maturity of more than 3 months | \$ -               | \$ 153,550        |
| Restricted deposit   | <u>-</u>           | <u>429,148</u>    |
|  | <u>\$ -</u>        | <u>\$ 582,698</u> |

**10. NOTES RECEIVABLE AND TRADE RECEIVABLES**

|                                     | <b>December 31</b> |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | <b>2023</b>        | <b>2022</b>       |
| <u>Notes receivable</u>             |                    |                   |
| Notes receivable                    | \$ 14,508          | \$ 6,114          |
| Less: Allowance for impairment loss | -                  | -                 |
|                                     | <u>\$ 14,508</u>   | <u>\$ 6,114</u>   |
| <u>Trade receivables</u>            |                    |                   |
| Trade receivables                   | \$ 336,484         | \$ 455,172        |
| Less: Allowance for impairment loss | -                  | -                 |
|                                     | <u>\$ 336,484</u>  | <u>\$ 455,172</u> |

Trade and notes receivable - at amortized cost

The average credit period of sales of goods was 45-90 days. Since Major transaction parties were related parties, The Company's management, when assessing recoverability of its trade and notes receivable, takes into consideration any changes in the credit quality of credit grant at the balance sheet dates, including financial and economic status of the counter-party.

- a. The following table details the loss allowance of trade receivables based on the Company's provision matrix.

2023

|                               | <b>Not Past Due</b> | <b>1 to 180 Days</b> | <b>More Than<br/>181 Days</b> | <b>Total</b>      |
|-------------------------------|---------------------|----------------------|-------------------------------|-------------------|
| Gross carrying amount         | \$ 337,566          | \$ 13,426            | \$ -                          | \$ 350,992        |
| Loss allowance (Lifetime ECL) | -                   | -                    | -                             | -                 |
| Amortized cost                | <u>\$ 337,566</u>   | <u>\$ 13,426</u>     | <u>\$ -</u>                   | <u>\$ 350,992</u> |

2022

|                               | <b>Not Past Due</b> | <b>1 to 180 Days</b> | <b>More Than<br/>181 Days</b> | <b>Total</b>      |
|-------------------------------|---------------------|----------------------|-------------------------------|-------------------|
| Gross carrying amount         | \$ 459,387          | \$ 1,899             | \$ -                          | \$ 461,286        |
| Loss allowance (Lifetime ECL) | -                   | -                    | -                             | -                 |
| Amortized cost                | <u>\$ 459,387</u>   | <u>\$ 1,899</u>      | <u>\$ -</u>                   | <u>\$ 461,286</u> |



b. The movements of the loss allowance of notes and trade receivables were as follows:

|                                  | <b>2023</b> | <b>2022</b>      |
|----------------------------------|-------------|------------------|
| Balance at January 1             | \$ -        | \$ 358,919       |
| Less: Amounts written off (Note) | <u>-</u>    | <u>(358,919)</u> |
| Balance at December 31           | <u>\$ -</u> | <u>\$ -</u>      |

Note: In 2022, as Dongfeng Yulon Motor Co., Ltd. obtained approval from the court for bankruptcy and the reorganization plan, related trade and notes receivable and the loss allowance of \$358,919 thousand were written off.

## 11. OTHER RECEIVABLES

|                            | <b>December 31</b> |                   |
|----------------------------|--------------------|-------------------|
|                            | <b>2023</b>        | <b>2022</b>       |
| <u>Other receivables</u>   |                    |                   |
| Subsidy receivables        | \$ -               | \$ 25,000         |
| Mould fees receivables     | 33,345             | 28,350            |
| Rent receivables           | 60,529             | 10,603            |
| System freight receivables | 50,369             | 32,910            |
| Others                     | <u>148,472</u>     | <u>114,127</u>    |
|                            | <u>\$ 292,715</u>  | <u>\$ 210,990</u> |

## 12. INVENTORIES

|                             | <b>December 31</b>  |                     |
|-----------------------------|---------------------|---------------------|
|                             | <b>2023</b>         | <b>2022</b>         |
| Finished goods              | \$ 1,875,105        | \$ 1,322,539        |
| Work in progress            | 609,353             | 261,477             |
| Raw materials               | <u>1,847,619</u>    | <u>2,313,322</u>    |
|                             | 4,332,077           | 3,897,338           |
| Property under construction |                     |                     |
| Yulon Property Developments | <u>4,665,453</u>    | <u>2,736,092</u>    |
|                             | <u>\$ 8,997,530</u> | <u>\$ 6,633,430</u> |

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was \$22,912,274 thousand and \$20,321,994 thousand, respectively.

The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of \$31,873 thousand and reversal of inventory write-downs of \$187,999 thousand, respectively. The reversal of previous write-downs resulted from the disposal of partial inventories with longer aging.

The Company reclassified \$2,491,606 thousand from investment property to construction land in 2023 because of the transfer of the capacity of Yulon City Shopping Mall, which was a commercial and residential area, to a purely residential area.

### 13. NON-CURRENT ASSETS HELD FOR SALE

|                                  | <u>December 31</u>  |                   |
|----------------------------------|---------------------|-------------------|
|                                  | <u>2023</u>         | <u>2022</u>       |
| Non-current assets held for sale | <u>\$ 2,425,100</u> | <u>\$ 121,488</u> |

On March 9, 2023, the board of directors of the Company approved to dispose of the land and buildings on the 12th, 14th and 16th floors of No. 2, Section 2, Dunhua South Road, Daan District, Taipei City to the subsidiary Yulon Finance Corporation for \$881,334 thousand. The transfer of ownership was completed in April 2023. Since the transaction partner is a subsidiary, the gain on disposal of \$752,456 thousand was deferred in the financial statement, so there was no gain or loss on disposal.

On November 23, 2023, the Company's board of directors approved to dispose of 51% interest in Yulon Auto Finance (China) Co., Ltd., an investment business in China, to Beijing Automotive Group Co., Ltd., a non-related party, with a transaction amount temporarily set at RMB672,157 thousand. It is expected to complete the equity transfer procedure within the next 12 months, and the actual gain or loss on disposal can only be recognized after the final transaction price on the closing date is determined.

### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|   | <u>December 31</u>   |                      |
|---|----------------------|----------------------|
|   | <u>2023</u>          | <u>2022</u>          |
| Investments in subsidiaries                       | \$ 36,836,964        | \$ 29,655,451        |
| Investments in associates and joint venture       | <u>14,963,511</u>    | <u>14,647,518</u>    |
|   | <u>\$ 51,800,475</u> | <u>\$ 44,302,969</u> |
| Credit balance of long-term investments at equity |                      |                      |
| Investments in subsidiaries and associates        | <u>\$ -</u>          | <u>\$ 3,120,841</u>  |

For the details of investments in subsidiaries, associates and joint ventures, please refer to Table 9, Table 10 and Exhibit 3.

#### a. Investments in subsidiaries

The Company invested in Yulon Overseas Investment Co., Ltd. (YOIC), then YOIC invested in Yulon Philippine Investment Co., Ltd., which invested in Univation Motor Philippines, Inc. (UMPI) (originally named NMPI) and Sta. Cruz Island Company (SCIC).

Under the approval of Taiwan's Investment Commission under the Ministry of Economic Affairs, the Company and one of its subsidiaries, Taiwan Acceptance Corporation YFC, directly invested RMB255,000 thousand (or US\$42,500 thousand) and \$245,000 thousand (or US\$40,833 thousand), respectively, on June 29, 2015, in Yulon Motor Finance (China) Co.,

Ltd. (“Yulon Motor Finance”) in China. The Company and TAC held 51% and 49%, respectively, of Yulon Motor Finance’s shares, and because of YFC’s substantial control, Yulon Motor Finance was treated as YFC’s subsidiary. On February 19, 2016, Yulon Motor Finance obtained a business license in China; under this license, Yulon Motor Finance may offer car loans to customers, loans to car dealers for their car purchases, loans to other companies for facilities and car financial leasing business, etc.

On August 28 and 23, 2017, the Investment Commission approved and registered the Company and the Company’s subsidiary, TAC, to directly invest RMB255,000 thousand (equivalent to US\$42,500 thousand) and RMB245,000 thousand (equivalent to US\$40,833 thousand), respectively, in Yulon Motor Finance (China) Co., Ltd. in China. In November 2023, the Company’s board of directors resolved to dispose of its holdings of Yulon Auto Finance (China) Co., Ltd. in China and transferred its carrying amount to non-current assets for sale, please refer to Note 13.

b. Investments in associates

The Company controlled over 50% of the shares of Yulon Nissan Motor Co., Ltd. (“Yulon Nissan”). However, an assessment of core technologies and the supply of major materials showed that the Company did not exercise control over Yulon Nissan. Thus, Yulon Nissan was not considered a Group subsidiary.

The investments in China Motor Company and Tokio Marine Newa Insurance Co., Ltd. (Tokio Co., Ltd.) were accounted for using the equity method despite the individual investments being less than 20% because the Company exercised significant influence over the investees’ operating and financial policy decisions.

For the year ended December 31, 2023, Tokio Marine Newa Insurance Co., Ltd. recognized after tax net income of \$3,231,464 thousand from the reversal benefit of epidemic prevention insurance. The Company recognized an investment gain of \$583,416 thousand according to the proportion of equity. The loss after tax of Tokio Co., Ltd. of \$47,075,677 thousand was due to the recognition of pandemic insurance claim loss in 2022. The Company recognized investment loss of \$8,197,236 thousand according to the proportion of equity.

In August and December 2022, the Company’s board of directors resolved the capital increase of \$2,566,000 thousand and \$987,015 thousand, respectively, and in March and May 2023, the Company’s board of directors resolved the capital increase of \$1,490,115 thousand and \$2,235,172 thousand, respectively, for Tokio Co., Ltd. As of December 31, 2023, the Company’s percentage of ownership in Tokio Marine Newa Insurance Co., Ltd. was 18.63%.

The Company and China Motor Company had cross-shareholdings was accounted by equity method, and their recognition of investment income was accounted by the treasury stock method.

c. Investments in joint venture

The Company exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. (“Dong Yu Tech. Company”) were made through and composed of Yulon China Motor Investment and Sinqal Travel. Dong Yu Tech. Company’s main business is car furnishing, installation and sale of car parts. As of December 31, 2023, Dong Yu Tech. Company has suspended operations.

Dongfeng Yulon Company, the associate of the Company, re-elected directors and amended

the agreement of shareholders in July 2017. Therefore, the relationship between Dongfeng Yulon Company and the Company changed from associate to joint venture. Since the development of Dong Feng Yulon Motor Sales Co., Ltd. was not progressing as expected, the Company applied for pre-reorganization proceedings, and with the support of the local government the pre-reorganization was completed and ruled to be accepted by the Intermediate People's Court of Hangzhou city, Zhejiang Province on May 6, 2022. Later, on December 30, 2022, the Intermediate People's Court of Hangzhou city, Zhejiang Province approved the reorganization plan. Dongfeng Yulon Company had completed shareholder change registration and no longer a shareholder of the corporation on June 27, 2023.

## 15. PROPERTY, PLANT AND EQUIPMENT

|  | Freehold Land       | Buildings             | Equipment            | Vehicles           | Miscellaneous Equipment | Property under Construction | Total                 |
|--|---------------------|-----------------------|----------------------|--------------------|-------------------------|-----------------------------|-----------------------|
| <u>Cost</u>                                    |                     |                       |                      |                    |                         |                             |                       |
| Balance at January 1, 2023                     | \$ 4,564,367        | \$ 3,893,775          | \$ 3,864,492         | \$ 63,769          | \$ 1,036,902            | \$ 327,635                  | \$ 13,750,940         |
| Additions                                      | -                   | 85,861                | 17,900               | 2,458              | 74,037                  | 103,100                     | 283,356               |
| Disposals                                      | -                   | -                     | (42,286)             | (2,956)            | (14,577)                | -                           | (59,819)              |
| Reclassification                               | 100,756             | 308,540               | 13,130               | -                  | 5,993                   | (175,013)                   | 253,406               |
| Balance at December 31, 2023                   | <u>\$ 4,665,123</u> | <u>\$ 4,288,176</u>   | <u>\$ 3,853,236</u>  | <u>\$ 63,271</u>   | <u>\$ 1,102,355</u>     | <u>\$ 255,722</u>           | <u>\$ 14,227,883</u>  |
| <u>Accumulated depreciation and impairment</u> |                     |                       |                      |                    |                         |                             |                       |
| Balance at January 1, 2023                     | \$ -                | \$ (2,384,799)        | \$(2,915,114)        | \$ (61,144)        | \$ (887,529)            | \$ (52,581)                 | \$ (6,301,167)        |
| Disposals                                      | -                   | -                     | 42,286               | 2,956              | 14,577                  | -                           | 59,819                |
| Reclassification                               | -                   | (3,536)               | -                    | -                  | -                       | -                           | (3,536)               |
| Depreciation expense                           | -                   | (84,901)              | (184,858)            | (883)              | (64,955)                | -                           | (335,597)             |
| Balance at December 31, 2023                   | <u>\$ -</u>         | <u>\$ (2,473,236)</u> | <u>\$(3,057,686)</u> | <u>\$ (59,071)</u> | <u>\$ (937,907)</u>     | <u>\$ (52,581)</u>          | <u>\$ (6,580,481)</u> |
| Carrying amount at December 31, 2023           | <u>\$ 4,665,123</u> | <u>\$ 1,814,940</u>   | <u>\$ 795,550</u>    | <u>\$ 4,200</u>    | <u>\$ 164,448</u>       | <u>\$ 203,141</u>           | <u>\$ 7,647,402</u>   |
| <u>Cost</u>                                    |                     |                       |                      |                    |                         |                             |                       |
| Balance at January 1, 2022                     | \$ 4,609,690        | \$ 3,892,175          | \$ 3,900,459         | \$ 69,437          | \$ 1,088,194            | \$ 167,511                  | \$ 13,727,466         |
| Additions                                      | -                   | 14,457                | 26,964               | 739                | 21,438                  | 160,124                     | 223,722               |
| Disposals                                      | -                   | (508)                 | (64,323)             | (5,497)            | (81,365)                | -                           | (151,693)             |
| Reclassification                               | (45,323)            | (12,349)              | 1,392                | (910)              | 8,635                   | -                           | (48,555)              |
| Balance at December 31, 2022                   | <u>\$ 4,564,367</u> | <u>\$ 3,893,775</u>   | <u>\$ 3,864,492</u>  | <u>\$ 63,769</u>   | <u>\$ 1,036,902</u>     | <u>\$ 327,635</u>           | <u>\$ 13,750,940</u>  |
| <u>Accumulated depreciation and impairment</u> |                     |                       |                      |                    |                         |                             |                       |
| Balance at January 1, 2022                     | \$ -                | \$ (2,304,699)        | \$(2,766,080)        | \$ (66,582)        | \$ (903,963)            | \$ (52,581)                 | \$ (6,093,905)        |
| Disposals                                      | -                   | 508                   | 64,323               | 5,497              | 81,365                  | -                           | 151,693               |
| Reclassification                               | -                   | 22,742                | -                    | 910                | -                       | -                           | 23,652                |
| Depreciation expense                           | -                   | (103,350)             | (213,357)            | (969)              | (64,931)                | -                           | (382,607)             |
| Balance at December 31, 2022                   | <u>\$ -</u>         | <u>\$ (2,384,799)</u> | <u>\$(2,915,114)</u> | <u>\$ (61,144)</u> | <u>\$ (887,529)</u>     | <u>\$ (52,581)</u>          | <u>\$ (6,301,167)</u> |
| Carrying amount at December 31, 2022           | <u>\$ 4,564,367</u> | <u>\$ 1,508,976</u>   | <u>\$ 949,378</u>    | <u>\$ 2,625</u>    | <u>\$ 149,373</u>       | <u>\$ 275,054</u>           | <u>\$ 7,449,773</u>   |

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset:

|                         |             |
|-------------------------|-------------|
| Buildings               | 30-60 years |
| Equipment               | 10 years    |
| Vehicles                | 4-5 years   |
| Miscellaneous equipment | 2-5 years   |

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | <b>December 31</b>                    |                 |
|---|---------------------------------------|-----------------|
|   | <b>2023</b>                           | <b>2022</b>     |
| <u>Carrying amount</u>                      |                                       |                 |
| Vehicles                                    | \$ 513                                | \$ 805          |
| Land  | <u>4,019</u>                          | <u>5,024</u>    |
|   | <u>\$ 4,532</u>                       | <u>\$ 5,829</u> |
|   | <b>For the Year Ended December 31</b> |                 |
|   | <b>2023</b>                           | <b>2022</b>     |
| Addition of right-of-use assets             |                                       |                 |
| Land  | <u>\$ -</u>                           | <u>\$ 108</u>   |
| Depreciation charge for right-of-use assets |                                       |                 |
| Vehicles                                    | \$ 293                                | \$ 293          |
| Land  | <u>1,004</u>                          | <u>901</u>      |
|   | <u>\$ 1,297</u>                       | <u>\$ 1,194</u> |

### b. Lease liabilities

|                        | <b>December 31</b> |                 |
|------------------------|--------------------|-----------------|
|                        | <b>2023</b>        | <b>2022</b>     |
| <u>Carrying amount</u> |                    |                 |
| Current                | <u>\$ 1,306</u>    | <u>\$ 1,293</u> |
| Non-current            | <u>\$ 3,310</u>    | <u>\$ 4,615</u> |

Range of discount rate for lease liabilities was as follows:

|          | <b>December 31</b> |             |
|----------|--------------------|-------------|
|          | <b>2023</b>        | <b>2022</b> |
| Vehicles | 0.95%              | 0.95%       |
| Land     | 0.95%              | 0.95%       |

### c. Material leasing activities and terms - as lessee

The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

## 17. INVESTMENT PROPERTIES

|  | Freehold Land       | Buildings             | Total                 |
|--|---------------------|-----------------------|-----------------------|
| <u>Cost</u>                                    |                     |                       |                       |
| Balance at January 1, 2023                     | \$ 5,993,310        | \$ 10,523,807         | \$ 16,517,117         |
| Additions                                      | -                   | 848,287               | 848,287               |
| Disposals                                      | -                   | (178,803)             | (178,803)             |
| Reclassification                               | <u>493,682</u>      | <u>(2,144,544)</u>    | <u>(1,650,862)</u>    |
| Balance at December 31, 2023                   | <u>\$ 6,486,992</u> | <u>\$ 9,048,747</u>   | <u>\$ 15,535,739</u>  |
| <u>Accumulated depreciation and impairment</u> |                     |                       |                       |
| Balance at January 1, 2023                     | \$ -                | \$ (2,366,018)        | \$ (2,366,018)        |
| Disposals                                      | -                   | 178,803               | 178,803               |
| Reclassification                               | -                   | 3,686                 | 3,686                 |
| Depreciation expense                           | <u>-</u>            | <u>(281,368)</u>      | <u>(281,368)</u>      |
| Balance at December 31, 2023                   | <u>\$ -</u>         | <u>\$ (2,464,897)</u> | <u>\$ (2,464,897)</u> |
| Carrying amount at December 31, 2023           | <u>\$ 6,486,992</u> | <u>\$ 6,583,850</u>   | <u>\$ 13,070,842</u>  |
| <u>Cost</u>                                    |                     |                       |                       |
| Balance at January 1, 2022                     | \$ 5,342,423        | \$ 9,844,489          | \$ 15,186,912         |
| Additions                                      | -                   | 691,042               | 691,042               |
| Reclassified to held for sale                  | (105,638)           | (35,672)              | (141,310)             |
| Reclassification                               | <u>756,525</u>      | <u>23,948</u>         | <u>780,473</u>        |
| Balance at December 31, 2022                   | <u>\$ 5,993,310</u> | <u>\$ 10,523,807</u>  | <u>\$ 16,517,117</u>  |
| <u>Accumulated depreciation and impairment</u> |                     |                       |                       |
| Balance at January 1, 2022                     | \$ -                | \$ (1,505,060)        | \$ (1,505,060)        |
| Impairment losses                              | -                   | (830,929)             | (830,929)             |
| Reclassified to held for sale                  | -                   | 19,822                | 19,822                |
| Reclassification                               | -                   | (22,741)              | (22,741)              |
| Depreciation expense                           | <u>-</u>            | <u>(27,110)</u>       | <u>(27,110)</u>       |
| Balance at December 31, 2022                   | <u>\$ -</u>         | <u>\$ (2,366,018)</u> | <u>\$ (2,366,018)</u> |
| Carrying amount at December 31, 2022           | <u>\$ 5,993,310</u> | <u>\$ 8,157,789</u>   | <u>\$ 14,151,099</u>  |

The investment properties are depreciated on a straight-line basis over the estimated useful life of these assets from 30 to 60 years.

In 2022, the Company's impairment loss was mainly due to the change in design of the Yulon Town commercial district.

As of December 31, 2023 and 2022, the fair values of the Company's investment property were \$42,012,734 thousand and \$31,393,056 thousand, respectively. Both fair values were appraised by an independent qualified professional appraiser.

As of December 31, 2023 and 2022, investment properties pledged as collateral for bank borrowings were \$8,612,830 thousand and \$2,637,300 thousand, respectively.

## 18. BORROWINGS

### a. Short-term borrowings

|                           | <b>December 31</b>  |                     |
|---------------------------|---------------------|---------------------|
|                           | <b>2023</b>         | <b>2022</b>         |
| Line of credit borrowings | <u>\$ 2,100,000</u> | <u>\$ 2,800,000</u> |
| Interest rate             | 1.74%-1.85%         | 1.525%-2.2%         |

### b. Short-term bills payable

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
| Commercial paper                            | \$ 2,000,000        | \$ 1,400,000        |
| Less: Unamortized discount on bills payable | <u>(5,180)</u>      | <u>(5,164)</u>      |
|   | <u>\$ 1,994,820</u> | <u>\$ 1,394,836</u> |
| Interest rate                               | 1.78%-1.91%         | 1.65%-2.05%         |

### c. Long-term bills payable

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2023</b>        | <b>2022</b>       |
| Commercial paper                            | \$ 1,000,000       | \$ 1,000,000      |
| Less: Unamortized discount on bills payable | <u>(327)</u>       | <u>(350)</u>      |
|   | <u>\$ 999,673</u>  | <u>\$ 999,650</u> |
| Interest rate                               | 2.39%              | 2.12%             |

### d. Long-term borrowings

|  | <b>December 31</b> |                  |
|--|--------------------|------------------|
|  | <b>2023</b>        | <b>2022</b>      |
| Line of credit borrowings                  | \$ 1,700,000       | \$ 1,500,000     |
| Less: Current portion long-term borrowings | <u>(750,000)</u>   | <u>-</u>         |
|  | <u>950,000</u>     | <u>1,500,000</u> |

(Continued)

|                    | <b>December 31</b>  |                            |
|--------------------|---------------------|----------------------------|
|                    | <b>2023</b>         | <b>2022</b>                |
| Secured borrowings | <u>4,095,000</u>    | <u>7,000,000</u>           |
|                    | <u>\$ 5,045,000</u> | <u>\$ 8,500,000</u>        |
| Interest rate      | 1.78%-2.03%         | 1.69%-1.77%<br>(Concluded) |

## 19. BONDS PAYABLE

|                                      | <b>December 31</b>  |                     |
|--------------------------------------|---------------------|---------------------|
|                                      | <b>2023</b>         | <b>2022</b>         |
| Unsecured domestic convertible bonds | \$ 6,999,900        | \$ -                |
| Unsecured domestic bonds             | 4,700,000           | 8,300,000           |
| Less: Discounts on bonds payable     | <u>(385,932)</u>    | <u>-</u>            |
|                                      | 11,313,968          | 8,300,000           |
| Less: Current portion                | <u>(3,000,000)</u>  | <u>(3,600,000)</u>  |
| Bonds payable - non-current          | <u>\$ 8,313,968</u> | <u>\$ 4,700,000</u> |

### Unsecured domestic bonds

The Company issued unsecured corporate bonds on December 12, 2017, issuance amounting to \$3 billion, and the bonds have seven-year maturities and simple interest at rates of 1.17%, payable annually. The principal amounts of both bonds would be repaid on the maturity date. The Company also issued unsecured corporate bonds on December 25, 2018, with each issuance amounting to \$1.7 billion, and the bonds have ten-year maturities and simple interest at rates of 1.80%, payable annually.

### Unsecured domestic convertible bonds

The company issued the third domestic unsecured convertible corporate bond with a coupon rate of 0% on May 25, 2023, and it was listed for trading on the counter trading center on the same day, with an aggregate principal amount of \$7 billion and a par value of \$100 thousand per bond certificate. It is issued according to 102.00% of the face value. The issuance term is 5 years, and the conversion period is from August 26, 2023 to May 25, 2028. The conversion price at the time of issuance was \$82 per share.

Following the issuance of the convertible corporate bonds 3 months to 40 days before the expiration of the issuance period, if the closing price of the company's common stock in the centralized trading market exceeds the current conversion price by 30% (inclusive) for 30 consecutive business days or when the outstanding balance of the convertible bonds is less than 10% of the original issued total amount, the company may take back all the bonds in cash according to the face value of the bonds.

After the issuance of the convertible corporate bonds for 3 years, the bondholders may request that the company redeem the convertible bonds they hold in cash at the face value of the bonds plus interest compensation.



This convertible corporate bond includes liabilities and equity components, and the equity component is expressed as “capital reserves - stock options” under the equity item. The liability component was originally recognized with an effective interest rate of 1.2889%.

|  |                     |
|--|---------------------|
| Issue price (deduct transaction costs of \$3,395 thousand)           | \$ 7,136,605        |
| Equity components  | (573,028)           |
| Financial liabilities at fair value through profit or loss - current | <u>(699)</u>        |
| Components of liabilities at issue date                              | 6,562,878           |
| Interest calculated at an effective rate of 1.2889%                  | 51,184              |
| Converted to common stocks   | <u>(94)</u>         |
| Components of liabilities at December 31, 2023                       | <u>\$ 6,613,968</u> |

## 20. OTHER LIABILITIES

|                                     | <u>December 31</u>  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <u>2023</u>         | <u>2022</u>         |
| Other payables                      |                     |                     |
| Payables for other taxes            | \$ 65,190           | \$ 587,686          |
| Payables for employees bonus        | 406,680             | 389,508             |
| Payables for dividends              | 111,081             | 109,408             |
| Payables for purchases of equipment | 376,854             | 94,647              |
| Payables for vendor expenses        | 73,437              | 57,983              |
| Payables for annual leave           | 25,283              | 28,440              |
| Others                              | <u>269,528</u>      | <u>245,440</u>      |
|                                     | <u>\$ 1,328,053</u> | <u>\$ 1,513,112</u> |

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

The defined benefit plan adopted by the Company is in accordance with the Labor Standards Law. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 7% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the pension fund investment policy and strategy.

The amounts included in the balance sheets on the Company's defined benefit plans were as follows:

|   | <b>December 31</b> |                  |
|---|--------------------|------------------|
|   | <b>2023</b>        | <b>2022</b>      |
| Present value of defined benefit obligation | \$ 876,417         | \$ 940,427       |
| Fair value of plan assets                   | <u>(878,266)</u>   | <u>(913,934)</u> |
| Net defined benefit (assets) liability      | <u>\$ (1,849)</u>  | <u>\$ 26,493</u> |

Movements in net defined benefit liability (asset) were as follows:

|  | <b>Present Value of<br/>the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liability</b> |
|--|--|--|--|
| Balance at January 1, 2023   | \$ 940,427   | \$ (913,934)                             | \$ 26,493                                    |
| Service cost   |  |  |  |
| Current service cost   | 9,530  | -  | 9,530  |
| Net interest expense (income)                                      | <u>12,852</u>  | <u>(12,630)</u>                          | <u>222</u>                                   |
| Recognized in profit or loss                                       | <u>22,382</u>  | <u>(12,630)</u>                          | <u>9,752</u>                                 |
| Remeasurement  |  |  |  |
| Return on plan assets (excluding amounts included in net interest) | -  | (6,460)                                  | (6,460)                                      |
| Actuarial loss - changes in demographic assumptions                | 10,717   | -  | 10,717                                       |
| Actuarial gain - experience adjustments                            | <u>(4,351)</u>   | <u>-</u>                                 | <u>(4,351)</u>                               |
| Recognized in other comprehensive income                           | <u>6,366</u>   | <u>(6,460)</u>                           | <u>(94)</u>                                  |
| Contributions from the employer                                    | -  | (20,227)                                 | (20,227)                                     |
| Benefits paid  | <u>(92,758)</u>  | <u>74,985</u>                            | <u>(17,773)</u>                              |
| Balance at December 31, 2023                                       | <u>\$ 876,417</u>  | <u>\$ (878,266)</u>                      | <u>\$ (1,849)</u>                            |
| Balance at January 1, 2022   | \$ 1,036,740   | \$ (824,116)                             | \$ 212,624                                   |
| Service cost   |  |  |  |
| Current service cost   | 11,226   | -  | 11,226                                       |
| Net interest expense (income)                                      | <u>6,435</u>   | <u>(5,313)</u>                           | <u>1,122</u>                                 |
| Recognized in profit or loss                                       | <u>17,661</u>  | <u>(5,313)</u>                           | <u>12,348</u>                                |
| Remeasurement  |  |  |  |
| Return on plan assets (excluding amounts included in net interest) | -  | (66,497)                                 | (66,497)                                     |
| Actuarial gain - changes in financial assumptions                  | (74,119)   | -  | (74,119)                                     |

(Continued)

|  | <b>Present Value of<br/>the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liability</b> |
|--|--|--|--|
| Actuarial loss - experience adjustments  | <u>24,010</u>  | <u>-</u>                                 | <u>24,010</u>                                |
| Recognized in other comprehensive income | <u>(50,109)</u>  | <u>(66,497)</u>                          | <u>(116,606)</u>                             |
| Contributions from the employer          | <u>-</u>   | <u>(62,919)</u>                          | <u>(62,919)</u>                              |
| Benefits paid                            | <u>(63,865)</u>  | <u>44,911</u>                            | <u>(18,954)</u>                              |
| Balance at December 31, 2022             | <u>\$ 940,427</u>  | <u>\$ (913,934)</u>                      | <u>\$ 26,493</u><br>(Concluded)              |

Through the defined benefit plan under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used in the actuarial valuations were as follows:

|                                     | <b>December 31</b> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2023</b>        | <b>2022</b> |
| Discount rate(s)                    | 1.25%              | 1.375%      |
| Expected rate(s) of salary increase | 1.75%              | 1.75%       |

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

|                                     | <b>December 31</b> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2023</b>        | <b>2022</b> |
| Discount rate(s)                    |                    |             |
| 0.25% increase                      | \$ (21,255)        | \$ (23,018) |
| 0.25% decrease                      | 21,984             | 23,839      |
| Expected rate(s) of salary increase |                    |             |
| 0.25% increase                      | 21,486             | 23,307      |
| 0.25% decrease                      | (20,879)           | (22,617)    |

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

|  | <b>December 31</b> |                  |
|--|--------------------|------------------|
|  | <b>2023</b>        | <b>2022</b>      |
| Expected contributions to the plan for the next year | <u>\$ 20,069</u>   | <u>\$ 20,717</u> |
| Average duration of the defined benefit obligation   | 9.9 years          | 10.1 years       |

## 22. EQUITY

### a. Share capital

#### Common shares

|   | <b>December 31</b>   |                      |
|---|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          |
| Number of authorized shares (in thousands)            | <u>2,000,000</u>     | <u>2,000,000</u>     |
| Amount of authorized shares                           | <u>\$ 20,000,000</u> | <u>\$ 20,000,000</u> |
| Number of issued and fully paid shares (in thousands) | <u>1,070,001</u>     | <u>1,000,000</u>     |
| Amount of issued and fully paid shares                | <u>\$ 10,700,013</u> | <u>\$ 10,000,000</u> |

Fully paid common shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

On March 9, 2023, the Company's board of directors resolved to issue 70,000 thousand ordinary shares with a par value of \$10, for a consideration of \$68 per share, which increased the share capital issued and fully paid to \$1,070,000 thousand. On April 19, 2023, the above transaction was approved by the FSC, and the subscription base date was determined by the board of directors to be June 30, 2023. The total paid-in capital has been fully collected and stated as equity, with a corresponding increase in compensation cost of \$105,236 thousand. (See Note 27)

For the year ended December 31, 2023, holders exercise their rights to the Company's convertible corporate bonds, and the Company recognized \$13 thousand.

b. Capital surplus

|   | <u>December 31</u>   |                     |
|---|----------------------|---------------------|
|   | <u>2023</u>          | <u>2022</u>         |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>   |                      |                     |
| Arising from issuance of common shares  | \$ 8,665,457         | \$ 4,508,131        |
| Arising from treasury share transactions  | 2,044,055            | 2,037,021           |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 19,715               | 5,658               |
| <u>Used to offset a deficit only</u>  |                      |                     |
| Recognizes changes in the Company's ownership interests in subsidiaries   | 1,846,268            | 1,333,643           |
| Arising from share of changes in capital surplus of associates or joint ventures  | <u>2,903,413</u>     | <u>38,809</u>       |
| <u>May not be used for any purpose</u>  |                      |                     |
| Convertible bonds share options   | <u>573,019</u>       | <u>-</u>            |
|   | <u>\$ 16,051,927</u> | <u>\$ 7,923,262</u> |

Note: Such capital surplus maybe used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income, less any accumulated deficit. From the remainder of the net income, appropriation for special reserve will be made based on relevant laws and regulations, and then any remaining profit together with any undistributed retained earnings may be appropriated and distributed.

The Company's operating environment is in a mature industry. The Company shall consider profitability, future operating plans and funding needs, and industry condition, and long-term shareholders' rights and long-term financial planning in the distribution of earnings. Dividends may be paid in cash or stock; total dividends should not be lower than 10% of distributable net profit, and cash dividends should not be lower than 20% of total dividends. The distribution plan will be proposed by the Company's board of directors and approved in the shareholders' meeting.

For information on accrued compensation of employees and remuneration to directors and the actual appropriations, please refer to Note 24 - d.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2022 and 2021, which was resolved by shareholders' meeting on May 31, 2023 and June 17, 2022, respectively, represented changes in the number of ordinary shares outstanding due to the issuance of ordinary shares for cash. The actual appropriations were as follows:

|                             | <u>Appropriation of Earnings</u> |            | <u>Dividend Per Share (NT\$)</u> |       |
|-----------------------------|----------------------------------|------------|----------------------------------|-------|
|                             | 2022                             | 2021       | 2022                             | 2021  |
| Legal reserve               | \$ -                             | \$ 487,801 |                                  |       |
| Reversal of special reserve | 2,150,000                        | -          |                                  |       |
| Cash dividends              | 1,000,000                        | 1,500,000  | \$0.93                           | \$1.5 |

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on March 7, 2024, was as follows:

|                 | <u>Appropriation<br/>of Earnings</u> | <u>Dividend Per<br/>Share (NT\$)</u> |
|-----------------|--------------------------------------|--------------------------------------|
|                 | 2023                                 | 2023                                 |
| Special reserve | \$ 442,345                           |                                      |
| Cash dividends  | 1,498,002                            | \$1.4                                |

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on May 28, 2024.

d. Special reserve

|                        | <u>For the Year Ended December 31</u> |                      |
|------------------------|---------------------------------------|----------------------|
|                        | 2023                                  | 2022                 |
| Balance at January 1   | \$ 22,228,565                         | \$ 22,228,565        |
| Reversals              | <u>(2,150,000)</u>                    | <u>-</u>             |
| Balance at December 31 | <u>\$ 20,078,565</u>                  | <u>\$ 22,228,565</u> |

On the first-time adoption of IFRS Accounting Standards, the Company appropriated for special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were \$8,255,468 thousand and \$655,829 thousand, respectively.

If the special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to property, plant and equipment and investment property other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets. A proportionate

share of the special reserve relating to exchange differences arising from the translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Company's disposal of foreign operations; on the Company's loss of significant influence, however, the entire special reserve will be reversed.

Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

e. Other equity items

1) Exchange differences on translating foreign operations

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Balance at January 1  | \$ (776,164)                          | \$ (1,287,377)      |
| Share of exchange difference of subsidiaries, associates and joint ventures accounted for using the equity method | <u>(451,271)</u>                      | <u>511,213</u>      |
| Balance at December 31  | <u>\$ (1,227,435)</u>                 | <u>\$ (776,164)</u> |

2) Unrealized gain/(loss) on financial assets at FVTOCI

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Balance at January 1   | \$ 1,508,886                          | \$ 1,712,376        |
| Unrealized gain - equity instruments   | 33,024                                | 16,620              |
| Share from associates/joint ventures accounted for using the equity method   | 65,819                                | (148,979)           |
| Disposal of associates accounted for using the equity method   | (74,296)                              | 4,200               |
| Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income | <u>(41,837)</u>                       | <u>(75,331)</u>     |
| Balance at December 31   | <u>\$ 1,491,596</u>                   | <u>\$ 1,508,886</u> |

3) Gain (loss) on hedging instruments

|  | <b>For the Year Ended December 31</b> |             |
|--|---------------------------------------|-------------|
|  | <b>2023</b>                           | <b>2022</b> |
| Balance at January 1   | \$ -                                  | \$ 62       |
| Share from associates/joint ventures accounted for using the equity method | <u>-</u>                              | <u>(62)</u> |
| Balance at December 31   | <u>\$ -</u>                           | <u>\$ -</u> |

## f. Treasury shares

| <b>Reasons for Redemption</b>                                    | <b>Number of Shares, Beginning of Year</b> | <b>Addition During the Year</b> | <b>Reduction During the Year</b> | <b>Number of Shares, End of Year</b> |
|--|--|---------------------------------|----------------------------------|--------------------------------------|
| <u>For the year ended December 31, 2023</u>                      |  |                                 |                                  |                                      |
| Long-term investment of subsidiary transferred to treasury stock | <u>7,526</u>                               | <u>-</u>                        | <u>-</u>                         | <u>7,526</u>                         |
| <u>For the year ended December 31, 2022</u>                      |  |                                 |                                  |                                      |
| Long-term investment of subsidiary transferred to treasury stock | <u>7,527</u>                               | <u>-</u>                        | <u>(1)</u>                       | <u>7,526</u>                         |

The Company's shares held by subsidiaries as of December 31, 2023 and 2022 were as follows:

| <b>Name of Subsidiaries</b> | <b>Number of Shares Held (In Thousands)</b> | <b>Carrying Amount (In Thousands)</b> | <b>Market Value (In Thousands)</b> |
|-----------------------------|---|---------------------------------------|------------------------------------|
| <u>December 31, 2023</u>    |   |                                       |                                    |
| Yu Ching Business Co., Ltd. | 7,526                                       | <u>\$ 376,301</u>                     | <u>\$ 562,977</u>                  |
| <u>December 31, 2022</u>    |   |                                       |                                    |
| Yu Ching Business Co., Ltd. | 7,526                                       | <u>\$ 376,301</u>                     | <u>\$ 466,639</u>                  |

The subsidiaries holding treasury shares retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

## 23. REVENUE

### Contract Information

#### a. Revenue from the sale of goods

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of vehicles and parts. The Company recognized revenue when goods are delivered and legal ownership is transferred.



b. Rental income

Rental income from an operating lease is recognized on a straight-line basis over the term of the lease.

c. Revenue from the rendering of services

Revenue from a contract to provide services is recognized with reference to the stage of completion of the contract.

**24. NET PROFIT**

Net profit (loss) contained the following components:

a. Other income

|  | <b>For the Year Ended December 31</b> |                  |
|--|---------------------------------------|------------------|
|  | <b>2023</b>                           | <b>2022</b>      |
| Revenue from sale of scrap             | \$ 15,546                             | \$ 19,488        |
| Revenue from providing guarantees      | 1,393                                 | 2,833            |
| Revenue from remuneration of directors | 16,399                                | 26,322           |
| Others                                 | <u>3,077</u>                          | <u>9,573</u>     |
|  | <u>\$ 36,415</u>                      | <u>\$ 58,216</u> |

b. Other gains and losses

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Gain on disposal of property, plant and equipment                         | \$ 8                                  | \$ -                |
| Net foreign exchange gains  | 32,272                                | 6,099               |
| Fair value changes of financial assets mandatorily classified as at FVTPL | (7,769)                               | (43,563)            |
| Impairment loss (Note 17)   | -                                     | (830,929)           |
| Others  | <u>(16,957)</u>                       | <u>53,422</u>       |
|   | <u>\$ 7,554</u>                       | <u>\$ (814,971)</u> |

c. Depreciation and amortization

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| An analysis of depreciation by function |                                       |                   |
| Operating costs                         | \$ 296,037                            | \$ 317,237        |
| Operating expenses                      | <u>322,225</u>                        | <u>93,674</u>     |
|   | <u>\$ 618,262</u>                     | <u>\$ 410,911</u> |

(Continued)

|   | <b>For the Year Ended December 31</b> |                  |
|---|---------------------------------------|------------------|
|   | <b>2023</b>                           | <b>2022</b>      |
| An analysis of amortization by function |                                       |                  |
| Operating costs                         | \$ 8,004                              | \$ 7,462         |
| Operating expenses                      | <u>14,443</u>                         | <u>17,103</u>    |
|   | <u>\$ 22,447</u>                      | <u>\$ 24,565</u> |

(Concluded)

## d. Employee benefits expense

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Short-term benefits                                  | \$ 1,430,984                          | \$ 1,278,672        |
| Post-employment benefits                             |                                       |                     |
| Defined contribution plans                           | 28,262                                | 26,058              |
| Defined benefit plans (Note 21)                      | <u>9,752</u>                          | <u>12,348</u>       |
| Total employee benefits expense                      | <u>\$ 1,468,998</u>                   | <u>\$ 1,317,078</u> |
| An analysis of employee benefits expense by function |                                       |                     |
| Operating costs                                      | \$ 886,862                            | \$ 827,900          |
| Operating expenses                                   | <u>582,136</u>                        | <u>489,178</u>      |
|  | <u>\$ 1,468,998</u>                   | <u>\$ 1,317,078</u> |

|                           | <b>For the Year Ended December 31</b> |                           |                     |                       |                           |                     |
|---------------------------|---------------------------------------|---------------------------|---------------------|-----------------------|---------------------------|---------------------|
|                           | <b>2023</b>                           |                           |                     | <b>2022</b>           |                           |                     |
|                           | <b>Operating Cost</b>                 | <b>Operating Expenses</b> | <b>Total</b>        | <b>Operating Cost</b> | <b>Operating Expenses</b> | <b>Total</b>        |
| Salary expense            | \$ 717,470                            | \$ 449,100                | \$ 1,166,570        | \$ 688,842            | \$ 413,518                | \$ 1,102,360        |
| Labor insurance           | 65,061                                | 28,413                    | 93,474              | 64,370                | 26,864                    | 91,234              |
| Pension                   | 26,947                                | 11,067                    | 38,014              | 28,150                | 10,256                    | 38,406              |
| Remuneration of directors | -                                     | 45,954                    | 45,954              | -                     | 16,568                    | 16,568              |
| Other employment benefits | <u>77,384</u>                         | <u>47,602</u>             | <u>124,986</u>      | <u>46,538</u>         | <u>21,972</u>             | <u>68,510</u>       |
| Total employment benefits | <u>\$ 886,862</u>                     | <u>\$ 582,136</u>         | <u>\$ 1,468,998</u> | <u>\$ 827,900</u>     | <u>\$ 489,178</u>         | <u>\$ 1,317,078</u> |

As of December 31, 2023 and 2022, the numbers of the Company's employees were 1,140 and 1,159, respectively, and the Company has 4 directors who are not concurrently employed, and 2 director who is employed. The number of employees aligns with employee benefits expense.

As of December 31, 2023 and 2022, the average amount of employee benefits expense was \$1,253 thousand and \$1,126 thousand, respectively, the average amount of salary expense was \$1,027 thousand and \$954 thousand, respectively, and the average employee salary adjustment was an increment of 7.7%.

The Company has set up an audit committee in compliance with the Securities and Exchange Act of the ROC. The audit committee is composed of all independent directors, and the committee replaces supervisors.

The remuneration of the Company's board directors and managers is evaluated and reviewed periodically by the compensation committee. The Company participates in salary investigation every year and reviews pay level periodically in order to provide employees with market competitive salaries.

■ Compensation of employees and remuneration of directors in 2023 and 2022

According to the Company's articles of incorporation, the Company accrued compensation of employees and remuneration of directors at the rates of no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, accumulated deficits, if any, should be first offset before making distribution according to the above-mentioned rates.

In 2022, the Company did not distribute compensation of employees and remuneration of directors due to the accumulated loss.

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2023, which were approved by the Company's board of directors on March 7, 2024, were as follows:

|                           | <b>For the Year Ended<br/>December 31, 2023</b> |              |
|---------------------------|---|--------------|
|                           | <b>Cash</b>                                     | <b>Share</b> |
| Compensation of employees | \$ 40,096                                       | \$ -         |
| Remuneration of directors | 24,247  | -            |

If there is a change in the amounts after the annual financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

e. Impairment losses on non-financial assets

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Inventories (included in operating cost, Note 12)                   | \$ (31,873)                           | \$ 187,999          |
| Investment properties (included in other gains and losses, Note 17) | -                                     | (830,929)           |
|   | <u>\$ (31,873)</u>                    | <u>\$ (642,930)</u> |

**25. INCOME TAXES**

## a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| Current tax                                     |                                       |                   |
| In respect of the current year                  | \$ 68,588                             | \$ 4,355          |
| Adjustments for prior year                      | <u>(1,935)</u>                        | <u>(17,154)</u>   |
|   | <u>66,653</u>                         | <u>(12,799)</u>   |
| Deferred tax                                    |                                       |                   |
| In respect of the current year                  | <u>47,154</u>                         | <u>144,558</u>    |
| Income tax expense recognized in profit or loss | <u>\$ 113,807</u>                     | <u>\$ 131,759</u> |

A reconciliation of accounting profit and income tax expenses is as follows:

|  | <b>For the Year Ended December 31</b> |                       |
|--|---------------------------------------|-----------------------|
|  | <b>2023</b>                           | <b>2022</b>           |
| Profit (loss) before tax from continuing operations  | <u>\$ 4,804,330</u>                   | <u>\$ (4,564,933)</u> |
| Income tax expense calculated at the statutory rate  | \$ 960,866                            | \$ (912,987)          |
| Nondeductible expenses in determining taxable income | 88                                    | -                     |
| Tax-exempt income                                    | (978,060)                             | (36,189)              |
| Unrecognized deductible temporary differences        | 64,260                                | 1,093,734             |
| Foreign tax credit                                   | 8,179                                 | 4,355                 |
| Land value increment tax                             | 60,409                                | -                     |
| Adjustments for prior years' tax                     | <u>(1,935)</u>                        | <u>(17,154)</u>       |
| Income tax expense recognized in profit or loss      | <u>\$ 113,807</u>                     | <u>\$ 131,759</u>     |

## b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

|   | <b>Balance at the<br/>Beginning of<br/>the Year</b> | <b>Recognized in<br/>Profit or Loss</b> | <b>Balance at the<br/>End of the Year</b> |
|---|---|---|---|
| <u>Deferred tax assets</u>  |   |   |   |
| Temporary differences   |   |   |   |
| Share of income of subsidiaries,<br>associates and joint ventures | \$ 172,640  | \$ -                                    | \$ 172,640                                |
| Intangible assets   | 138,286   | (34,572)                                | 103,714                                   |
| Defined benefit obligation  | 5,299   | (5,170)                                 | 129                                       |

(Continued)

|                                 | <b>Balance at the<br/>Beginning of<br/>the Year</b> | <b>Recognized in<br/>Profit or Loss</b> | <b>Balance at the<br/>End of the Year</b> |
|---------------------------------|---|---|---|
| Others                          | <u>95,648</u>                                       | <u>10,869</u>                           | <u>106,517</u>                            |
|                                 | <u>\$ 411,873</u>                                   | <u>\$ (28,873)</u>                      | <u>\$ 383,000</u>                         |
| <u>Deferred tax liabilities</u> |   |   |   |
| Temporary differences           |   |   |   |
| Land value increment tax        | \$ 2,285,572  | \$ (20,603)                             | \$ 2,264,969                              |
| Property, plant and equipment   | 207,878   | 38,428                                  | 246,306                                   |
| Others                          | <u>-</u>  | <u>456</u>                              | <u>456</u>                                |
|                                 | <u>\$ 2,493,450</u>                                 | <u>\$ 18,281</u>                        | <u>\$ 2,511,731</u><br>(Concluded)        |

For the year ended December 31, 2022

|   | <b>Balance at the<br/>Beginning of<br/>the Year</b> | <b>Recognized in<br/>Profit or Loss</b> | <b>Balance at the<br/>End of the Year</b> |
|---|---|---|---|
| <u>Deferred tax assets</u>  |   |   |   |
| Temporary differences   |   |   |   |
| Share of income of subsidiaries,<br>associates and joint ventures | \$ 172,640  | \$ -                                    | \$ 172,640                                |
| Property, plant and equipment                                     | 5,115   | (5,115)                                 | -   |
| Intangible assets   | -   | 138,286                                 | 138,286                                   |
| Defined benefit obligation  | 214,337   | (209,038)                               | 5,299                                     |
| Others  | <u>174,508</u>                                      | <u>(78,860)</u>                         | <u>95,648</u>                             |
|   | <u>\$ 566,600</u>                                   | <u>\$ (154,727)</u>                     | <u>\$ 411,873</u>                         |
| <u>Deferred tax liabilities</u>                                   |   |   |   |
| Temporary differences   |   |   |   |
| Land value increment tax  | \$ 2,285,572  | \$ -                                    | \$ 2,285,572                              |
| Property, plant and equipment                                     | 216,851   | (8,973)                                 | 207,878                                   |
| Others  | <u>1,196</u>  | <u>(1,196)</u>                          | <u>-</u>                                  |
|   | <u>\$ 2,503,619</u>                                 | <u>\$ (10,169)</u>                      | <u>\$ 2,493,450</u>                       |

c. Income tax assessed

The tax returns through 2021 have been assessed by the tax authorities.

**26. EARNINGS (LOSS) PER SHARE**

Unit: NT\$ Per Share

|                                   | <b>For the Year Ended December 31</b> |                  |
|-----------------------------------|---------------------------------------|------------------|
|                                   | <b>2023</b>                           | <b>2022</b>      |
| Basic earnings (loss) per share   | <u>\$ 4.63</u>                        | <u>\$ (4.80)</u> |
| Diluted earnings (loss) per share | <u>\$ 4.45</u>                        | <u>\$ (4.80)</u> |

The profit (loss) and the weighted average number of shares outstanding used for the earnings (loss) per share computation were as follows:

**Net Profit (Loss) for the Year**

|  | <b>For the Year Ended December 31</b> |                       |
|--|---------------------------------------|-----------------------|
|  | <b>2023</b>                           | <b>2022</b>           |
| Earnings (loss) used in the computation of basic earnings (loss) per share   | \$ 4,690,523                          | \$ (4,696,692)        |
| Convertible bonds  | <u>58,184</u>                         | <u>-</u>              |
| Earnings (loss) used in the computation of diluted earnings (loss) per share | <u>\$ 4,748,707</u>                   | <u>\$ (4,696,692)</u> |

**Shares**

|   | <b>For the Year Ended December 31</b> |                |
|---|---------------------------------------|----------------|
|   | <b>2023</b>                           | <b>2022</b>    |
| Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share | 1,012,976                             | 977,705        |
| Effect of potentially dilutive ordinary shares  |                                       |                |
| Compensation of employees   | 536                                   | -              |
| Convertible bonds   | <u>53,045</u>                         | <u>-</u>       |
| Weighted average number of common shares used in the computation of diluted earnings (loss) per share | <u>1,066,557</u>                      | <u>977,705</u> |

In calculating the weighted average number of shares outstanding for consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares and the resulting potentially dilutive shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. SHARE-BASED PAYMENT ARRANGEMENTS

On March 9, 2023, the Company's board of directors resolved to issue ordinary shares. In accordance with the Company Act, the Company reserved 10% of ordinary shares for issue to employees, for a total of 7,000 thousand shares. For the waiver of subscribed shares by employees or the undersubscribed portion, the chairman was authorized to designate specific persons for subscription.

In June 2023, the Company granted employee share options and used the Black-Scholes pricing model, and the inputs to the model were as follows:

|                               | <b>In June 2023</b> |
|-------------------------------|---------------------|
| Grant-date share price (NT\$) | \$89.60             |
| Exercise price (NT\$)         | \$68.00             |
| Expected volatility           | 36.692%             |
| Expected life (in years)      | 16 days             |
| Risk-free interest rate       | 1.025%              |

The Company recognized a compensation cost of \$105,236 thousand under employee share option plans.

## 28. CAPITAL MANAGEMENT

The Company manages its capital to ensure the entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).

The Company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure whenever necessary. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure by paying dividends, borrowing new loans or repaying original loans.

## 29. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, the management of the Company considers that the carrying amount of financial assets and financial liabilities, which are not measured at fair value, is close to their fair value.

|                              | December 31, 2023 |              | December 31, 2022 |            |
|------------------------------|-------------------|--------------|-------------------|------------|
|                              | Carrying Amount   | Fair Value   | Carrying Amount   | Fair Value |
| <u>Financial liabilities</u> |                   |              |                   |            |
| Convertible bonds            | \$ 6,613,968      | \$ 6,634,505 | \$ -              | \$ -       |

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis.

b. Fair value financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

Fair value measurements recognized in the parent company only balance sheets.

Fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2023

|                                   | Level 1          | Level 2     | Level 3           | Total             |
|-----------------------------------|------------------|-------------|-------------------|-------------------|
| Financial assets at FVTPL         |                  |             |                   |                   |
| Limited partnerships investment   | \$ -             | \$ -        | \$ 71,985         | \$ 71,985         |
| Other                             | -                | -           | 50,140            | 50,140            |
|                                   | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ 122,125</u> | <u>\$ 122,125</u> |
| Financial assets at FVTOCI        |                  |             |                   |                   |
| Investments in equity instruments |                  |             |                   |                   |
| Domestic quoted shares            | \$ 94,492        | \$ -        | \$ -              | \$ 94,492         |
| Domestic unlisted shares          | -                | -           | 413,356           | 413,356           |
|                                   | <u>\$ 94,492</u> | <u>\$ -</u> | <u>\$ 413,356</u> | <u>\$ 507,848</u> |
| Financial liabilities at FVTPL    |                  |             |                   |                   |
| Derivative instruments            | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ 7,699</u>   | <u>\$ 7,699</u>   |



December 31, 2022

|                                   | Level 1             | Level 2     | Level 3           | Total               |
|-----------------------------------|---------------------|-------------|-------------------|---------------------|
| Financial assets at FVTPL         |                     |             |                   |                     |
| Limited partnerships investment   | \$ -                | \$ -        | \$ 71,985         | \$ 71,985           |
| Other                             | <u>-</u>            | <u>-</u>    | <u>332,610</u>    | <u>332,610</u>      |
|                                   | <u>\$ -</u>         | <u>\$ -</u> | <u>\$ 404,595</u> | <u>\$ 404,595</u>   |
| Financial assets at FVTOCI        |                     |             |                   |                     |
| Investments in equity instruments |                     |             |                   |                     |
| Domestic quoted shares            | \$ 1,936,200        | \$ -        | \$ -              | \$ 1,936,200        |
| Domestic unlisted shares          | <u>-</u>            | <u>-</u>    | <u>378,157</u>    | <u>378,157</u>      |
|                                   | <u>\$ 1,936,200</u> | <u>\$ -</u> | <u>\$ 378,157</u> | <u>\$ 2,314,357</u> |

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

| Financial Assets  | Financial Assets<br>at FVTPL | Financial Assets<br>at FVTOCI<br>Equity<br>Instruments | Total             |
|---|------------------------------|--|-------------------|
| Balance at January 1, 2023                                | \$ 404,595                   | \$ 378,157   | \$ 782,752        |
| Recognized in profit or loss                              |                              |  |                   |
| Other gains and losses                                    | (769)                        | -  | (769)             |
| Interest income   | 5,275                        | -  | 5,275             |
| Recognized in other comprehensive income                  |                              |  |                   |
| Included in unrealized gain on financial assets at FVTOCI | -                            | 35,199   | 35,199            |
| Purchases   | -                            | -  | -                 |
| Sales/settlements   | <u>(286,976)</u>             | <u>-</u>   | <u>(286,976)</u>  |
| Balance at December 31, 2023                              | <u>\$ 122,125</u>            | <u>\$ 413,356</u>                                      | <u>\$ 535,481</u> |

For the year ended December 31, 2022

| Financial Assets   | Financial Assets<br>at FVTPL | Financial Assets<br>at FVTOCI<br>Equity<br>Instruments | Total             |
|--|------------------------------|--|-------------------|
| Balance at January 1, 2022                                   | \$ 453,112                   | \$ 367,275   | \$ 820,387        |
| Recognized in profit or loss                                 |                              |  |                   |
| Other gains and losses                                       | (17)                         | -  | (17)              |
| Interest income  | 11,757                       | -  | 11,757            |
| Recognized in other<br>comprehensive income                  |                              |  |                   |
| Included in unrealized gain on<br>financial assets at FVTOCI | -                            | 10,882   | 10,882            |
| Purchases  | 149,000                      | -  | 149,000           |
| Sales/settlements  | <u>(209,257)</u>             | <u>-</u>   | <u>(209,257)</u>  |
| Balance at December 31, 2022                                 | <u>\$ 404,595</u>            | <u>\$ 378,157</u>                                      | <u>\$ 782,752</u> |

The fair values of non-public stocks and funds are mainly determined by using the asset approach, the income approach, and the market approach.

To determine the fair value of the funds, the Company utilized the asset approach and took into account the net assets' fair value measured by independent appraisers. On December 31, 2023, the Company used unobservable inputs derived from discount for lack of marketability and lack of non-controlling interest.

For the remaining few investments, the market approach was used to arrive at their fair value, for which the recent financing activities of investees, the market transaction prices of similar companies and market conditions were considered.

The fair value of derivatives - redemption option and put option of convertible bonds was estimated by using the binomial tree valuation model, which evaluated by the observable closing price of the stocks, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date.

b. Categories of financial instruments

|   | <u>December 31</u> |            |
|---|--------------------|------------|
|   | 2023               | 2022       |
| <u>Financial assets</u>                                   |                    |            |
| Fair value through profit or loss (FVTPL)                 | \$ 122,125         | \$ 404,595 |
| Fair value through other comprehensive income<br>(FVTOCI) | 507,848            | 2,314,357  |
| Financial assets at amortized cost (Note 1)               | 2,787,736          | 3,846,196  |

(Continued)

|   | <u>December 31</u> |             |
|---|--------------------|-------------|
|   | 2023               | 2022        |
| <u>Financial liabilities</u>              |                    |             |
| Amortized cost (Note 2)                   | 26,112,106         | 26,602,497  |
| Fair value through profit or loss (FVTPL) |                    |             |
| Options of convertible bonds              | 7,699              | -           |
|   |                    | (Concluded) |

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans and bills payable, notes payable, trade and other payables, corporate bonds payable, long-term loans and bills payables, guarantee deposits received and current portion of long-term borrowings.

c. Financial risk management objectives and policies

In order to develop a clear direction and system for the Company to analyze, execute and respond to financial risk, it is of great importance to clarify the definition and the purpose of financial risk management prior to the establishment of related critical issues and policies. Through the process of financial risk management, the Company manages the financial risks relevant to the daily operation, including market risk (foreign exchange rate risk, interest rate risk, other price risk), credit risk, and liquidity risk. The Company strives to identify, evaluate and decrease market uncertainty to mitigate influence of the market fluctuation towards its financial performance.

1) Financial risk management is defined by the Company as the application of various methods to control and handle risks by assessing direct and indirect potential risks affecting the Company's financial status. By minimizing "cost of risk," the Company ensures its operating stability and its status to continue as a going concern.

2) The critical issues of financial risk management: The Company emphasizes precautions in advance as well as controls during the ongoing process. In the event, with precautions and controls in place, of inevitable loss or discrepancies with Company's operational goal, post-event measures are to be taken to deter or ease the unfavorable factors and retain the Company's ongoing development. The source of financial risk includes external and internal factors. The key points of management, control mechanisms, and management tools of precautions, controls during the ongoing process and post-event measures are as follows.

a) Precautionary measures

Key management concepts

i. Business planning: Among the Company's goals is to run its business using clearly defined key performance indicators. The future operating guidelines and programs, from short term to long term, are also explicitly stated. In addition, the

goals of financial functions and ways to achieve these goals are described in the Company's business plan.

- ii. Identification of risk and establishment of risk indicators: This is based on the previous phase of key points of management, to identify potential risk and its monitoring indicators.

#### Control mechanisms

- i. Business planning and adjustment: This is achieved by mid-term operating prospectus.
- ii. Macro-economic and study of laws and regulation: The Company invites external professional and scholars for workshops regarding current economic status and updates on laws and regulations nonscheduled

#### Management tools

- i. Research reports on microeconomic and macroeconomic conditions: These reports cover exchange and interest rates and economic growth around the world.
- ii. Analysis of operations: The Company uses its midterm analysis of operations as a control mechanism.
- iii. Articles of Incorporation: The Articles clearly state the risk management measures and the standards for establishing key risk indicators.

### b) Operating controls

#### Key management concepts

- i. Risk assessment and monitoring: The Company monitors regularly key risk indicators and related financial processes.
- ii. Risk reports: The information system automatically sends reports on financial operations and risk indicator-related data periodically or more frequently, as needed to the Company's management. Internal audit teams conduct audits, based on quarterly and yearly audit plans, of the financial risk management of the Company and its subsidiaries. Internal audit teams also conduct audits of financial risk management indicators and execution results.

#### Control mechanisms

- i. Internal audit: Each financial subunit within the Company conducts, manages and controls independent internal audits after audit plans are proposed to the management.
- ii. Financial management system and procedures: The Company establishes financial management system and monitors daily operations and specific risks.

Management tools

- i. BIS (Business Intelligent System) reports and alerts: The Company uses BIS alerts to transmit data on important operating financial indicators at least monthly.
  - ii. Monthly reports on profits of the Company and its subsidiaries: Operating profit and loss reports are summarized monthly; these reports include analytical summaries and reviews of items not meeting standards set by the management.
  - iii. Internal audit reports: The internal audit team prepares internal audit reports that include the results of financial risk management.
  - iv. Reports on capital financing and endorsements provided: The Company issues monthly a summary report of the prior month's status of capital financing and endorsements provided.
  - v. ERP (Enterprise Resource Planning), DMS (Document Management System) and SAP system verifications: Operating management systems from external parties assist in verifying and strengthening the Company's financial risk management.
- c) Post-loss measures

Key management concepts

- i. Reasons and strategies for statistical deviations from preset goals: When key financial management indicators show abnormal outcomes, the Company should get an understanding of the internal and external causes of and reasons for the abnormalities to determine a corresponding strategy.
- ii. Execution of and follow-ups on strategy: The Company follows up the execution of the strategy applied to handle an abnormality. It also tries to restore normal operations.

Control mechanisms

- i. Analysis and reporting of unattained goals: The Company presents the causes of unattainable financial management goals in periodic reports and management meetings. In addition, improvement plans and schedules are considered in management meetings.
- ii. Board and financial meetings: The Company timely calls for board meetings and review of financial management meetings to ensure that the financial risk management problems are resolved promptly, if not immediately.

Management tools

- i. Reports on unfavorable factors and impacts: The Company lists the impact of unattained risk management goals for each risk indicator.
- ii. Board meeting reports: The execution of financial risk management is summarized in the board meeting reports.

- iii. Endorsement valuation report: The period-end balance of endorsements provided is assessed timely to ensure it conforms to local regulations and corporate rules.
- iv. Periodic meetings for the review of the status of Company groupings by industry: The Company periodically holds review meetings for the comprehensive review of all Company groupings based on their respective industry attributes.

### 3) Market risk

The Company's activities exposed it primarily to the financial risks of changes in exchange rates and interest rates.

#### a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to exchange rate risk.

Fair value of financial instruments measured at fair value on a recurring basis.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

#### Sensitivity analysis

The Company's currency exposure was mainly to the U.S. dollar and yen.

The following table shows the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against foreign currency. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period is adjusted for a 1% change in exchange rates.

|                | <u>USD Impact</u>                  |             | <u>JPY Impact</u>                  |             |
|----------------|------------------------------------|-------------|------------------------------------|-------------|
|                | <u>For the Year Ended December</u> |             | <u>For the Year Ended December</u> |             |
|                | <u>31</u>                          |             | <u>31</u>                          |             |
|                | <u>2023</u>                        | <u>2022</u> | <u>2023</u>                        | <u>2022</u> |
| Profit or loss | \$ 4,332                           | \$ (2,091)  | \$ 2,725                           | \$ 1,207    |

#### b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward contracts.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rate risks at the end of the reporting period were as follows.

|                               | <b>December 31</b> |             |
|-------------------------------|--------------------|-------------|
|                               | <b>2023</b>        | <b>2022</b> |
| Fair value interest rate risk |                    |             |
| Financial assets              | \$ 96,058          | \$ 997,283  |
| Financial liabilities         | 14,308,461         | 10,694,486  |
| Cash flow interest rate risk  |                    |             |
| Financial assets              | 2,015,569          | 2,155,499   |
| Financial liabilities         | 7,895,000          | 11,300,000  |

Sensitivity analysis

The sensitivity analysis was based on the Company's exposure to changes in interest rates for both derivative and non-derivative instruments at the end of the reporting period.

If interest rates had been 1% higher and had all other variables been held constant, the Company's pre-tax profit (loss) would have decreased by \$58,794 thousand in 2023 and increased by \$91,445 thousand in 2022, respectively.

c) Other price risk

The Company was exposed to equity price risk on its investments in listed equity securities.

Sensitivity analysis

The Company assesses equity price risk using sensitivity analysis.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2023, financial assets at FVTPL and FVTOCI would have decreased by \$1,221 thousand and \$5,078 thousand, respectively. If equity prices had been 1% lower, as of December 31, 2022, financial assets at FVTPL and FVTOCI would have decreased by \$4,046 thousand and \$23,144 thousand, respectively.

d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk referred to the failure of counterparties to discharge an obligation and to financial guarantees provided by the Company.

- i. The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- ii. The amount of contingent liabilities in relation to financial guarantee issued by the Company

It is the Company's policy to have transactions only with creditworthy counterparties. Credit information on counterparties is gathered by independent rating agencies through credit search and analysis. Credits are then given to counterparties in the basis of the nature of transactions, financial status of the counterparties, and collateral conditions, with related contracts to be renewed after careful reexamination to ensure that credit risk is within the level the Company has the capacity to bear.

The main objects of accounts receivable are associates companies of the company, and the Company analyzes its numerous trade receivable clients' financial status continuously.

e) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

### 30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below:

a. Related parties and relationships with the Company

| <u>Related Party</u>   | <u>Relationship with the Company</u> |
|--|--------------------------------------|
| Yulon Finance Corporation  | Subsidiary                           |
| Yu Ching Business Co., Ltd.  | Subsidiary                           |
| Yu Pong Business Co., Ltd.   | Subsidiary                           |
| Yung Hang Investment Co., Ltd.   | Subsidiary                           |
| Yue Sheng Industrial Co., Ltd.   | Subsidiary                           |
| Yue-Ki Industrial Co., Ltd.  | Subsidiary                           |
| China Cast Iron Pipe Co., Ltd.   | Subsidiary                           |
| Yu Chang Motor Co., Ltd.   | Subsidiary                           |
| Yushin Motor Co., Ltd.   | Subsidiary                           |
| New Energy World Motor CO., LTD. (Formerly known as Yujia Corporation) | Subsidiary                           |
| Singan Co., Ltd.   | Subsidiary                           |
| Singual Travel Service Co., Ltd.                                       | Subsidiary                           |
| Yulon Construction Co., Ltd.   | Subsidiary                           |
| Yufong Property Management Co., Ltd.                                   | Subsidiary                           |
| Yumin Motor Co., Ltd.  | Subsidiary                           |
| Yu Pool Enterprise Co., Ltd.   | Subsidiary                           |
| Chan Yun Technology Co., Ltd.  | Subsidiary                           |
| Univation Motor Philippines, Inc.                                      | Subsidiary                           |
| Sin Chi Co., Ltd.  | Subsidiary                           |
| Yulon TOBE Motor Co., Ltd.   | Subsidiary                           |
| Yu Sing Motor Co., Ltd.  | Subsidiary                           |
| Y-Teks Co., Ltd.   | Subsidiary                           |

(Continued)



| <u>Related Party</u>  | <u>Relationship with the Company</u>                        |
|---|---|
| Yulon China (Hong Kong) Investment Co., Ltd.  | Subsidiary  |
| Union & NKH Auto Parts Co., Ltd.  | Subsidiary  |
| Yustar Corporation  | Subsidiary  |
| Car-plus Auto Leasing Corporation   | Subsidiary  |
| Diamond Leasing Service Corporation   | Subsidiary  |
| Yu Rich Financial Services Co., Ltd.  | Subsidiary  |
| Qinton Motor Co., Ltd.  | Subsidiary  |
| Haitec Co., Ltd.  | Subsidiary  |
| H. K. Manpower Service Co., Ltd.  | Subsidiary  |
| Sheng Qing (Bei Jin) Investment Co., Ltd.   | Subsidiary  |
| Hsiang Shou Enterprise Co., Ltd.  | Subsidiary  |
| Luxgen Motor Co., Ltd.  | Subsidiary  |
| Electrified LUXGEN Motor Co.,Ltd.(Formerly known as Luxgen Motor Taipei Co., Ltd.)    | Subsidiary  |
| New LUXGEN North Motor Co., Ltd.(Formerly known as Luxgen Motor Taoyuan Co., Ltd.)    | Subsidiary  |
| New LUXGEN Central Motor Co., Ltd.(Formerly known as Luxgen Motor Taichung Co., Ltd.) | Subsidiary  |
| Luxgen Motor Tainan Co., Ltd.   | Subsidiary  |
| New LUXGEN South Motor Co., Ltd.(Formerly known as Luxgen Motor Kaohsiung Co., Ltd.)  | Subsidiary  |
| Yes-Energy Service Co., Ltd.  | Subsidiary  |
| Sin Jiang Enterprises   | Subsidiary  |
| Advance Power Machinery Co., Ltd.   | Subsidiary  |
| Yulon Motor Investment Limited  | Subsidiary  |
| Hangzhou Yu-Jie Real Estate Co., Ltd.   | Subsidiary  |
| Luxgen (Hangzhou) Motor Sales Co., Ltd.   | Subsidiary  |
| Chuang Jie New Energy Vehicle (HZ) Limited  | Subsidiary  |
| Hang Zhou Haitec Company  | Subsidiary  |
| Dongfeng Yulon Motor Co., Ltd.  | Joint venture (became non-related party from June 27, 2023) |
| Taiway Co., Ltd.  | Other related parties                                       |
| ROC-Keper Industrial Ltd.   | Other related parties                                       |
| Carnival Industrial Corporation   | Other related parties                                       |
| Hui-Fong Motor Co., Ltd.  | Other related parties                                       |
| Lowin Industrial Co., Ltd.  | Other related parties                                       |
| Jin De Technology Co., Ltd.   | Other related parties                                       |
| Nissan Motor Co., Ltd.  | Other related parties                                       |
| Tai-Yuen Textiles Co., Ltd.   | Other related parties                                       |
| Foresight Motors CO., LTD.  | Other related parties                                       |
| Yulon Management Co., Ltd.  | Associates  |
| Cheng Long Co., Ltd.  | Associates  |
| Yuan Lon Motor Co., Ltd.  | Associates  |
| Yu Tang Motor Co., Ltd.   | Associates  |
| Yulon Nissan Motor Co., Ltd.  | Associates  |
| China Motor Company   | Associates  |
| Tokio Marine Newa Insurance Co., Ltd.   | Associates  |
| ROC-Spicer Ltd.   | Associates  |
| UNI-Calsonic Co.  | Associates  |

(Continued)

| <u>Related Party</u>                   | <u>Relationship with the Company</u> |
|--|--------------------------------------|
| COC Tooling & Stamping Co., Ltd.       | Associates                           |
| China Engine Company                   | Associates                           |
| Hui-Lian Motor Co., Ltd.               | Associates                           |
| Foxtron Vehicle Technologies Co., Ltd. | Associates                           |
| Yuan Zhi Co., Ltd.                     | Associate's subsidiary               |
| Yuen-Jin Co., Ltd.                     | Associate's subsidiary               |
| Kian Shen Co., Ltd.                    | Associate's subsidiary               |
| Hua Ling Co., Ltd.                     | Associate's subsidiary               |
| Ding Long Co., Ltd.                    | Associate's subsidiary               |
|  | (Concluded)                          |

## b. Transactions in operating activities

| <u>Related Party Categories</u> | <u>For the Year Ended December 31</u> |                      |
|---------------------------------|---------------------------------------|----------------------|
|                                 | <u>2023</u>                           | <u>2022</u>          |
| <u>Sales of goods</u>           |                                       |                      |
| Subsidiaries                    |                                       |                      |
| Luxgen                          | \$ 1,933,616                          | \$ 2,056,372         |
| Others                          | <u>110,757</u>                        | <u>75,119</u>        |
|                                 | 2,044,373                             | 2,131,491            |
| Associates                      |                                       |                      |
| Yulon Nissan                    | 21,259,403                            | 18,698,332           |
| Others                          | <u>44,427</u>                         | <u>(58)</u>          |
|                                 | <u>\$ 23,348,203</u>                  | <u>\$ 20,829,765</u> |
| <br>                            |                                       |                      |
| <u>Related Party Categories</u> | <u>For the Year Ended December 31</u> |                      |
|                                 | <u>2023</u>                           | <u>2022</u>          |
| <u>Purchases of goods</u>       |                                       |                      |
| Subsidiaries                    |                                       |                      |
|                                 | \$ 1,519,511                          | \$ 1,448,126         |
| Associates                      |                                       |                      |
|                                 | 376,422                               | 510,672              |
| Other related parties           |                                       |                      |
| Nissan Motor Co., Ltd.          | 10,013,574                            | 7,765,831            |
| Others                          | <u>180,124</u>                        | <u>172,245</u>       |
|                                 | <u>10,193,698</u>                     | <u>7,938,076</u>     |
|                                 | <u>\$ 12,089,631</u>                  | <u>\$ 9,896,874</u>  |
| <br>                            |                                       |                      |
| <u>Operating expense</u>        |                                       |                      |
| Subsidiaries                    |                                       |                      |
|                                 | \$ 160,724                            | \$ 115,822           |
| Associates                      |                                       |                      |
|                                 | 28,640                                | 24,979               |
| Other related parties           |                                       |                      |
|                                 | <u>1,460</u>                          | <u>1,142</u>         |
|                                 | <u>\$ 190,824</u>                     | <u>\$ 141,943</u>    |
|                                 |                                       | (Continued)          |

| <b>Related Party Categories</b>                     | <b>For the Year Ended December 31</b> |                     |                                       |             |
|---|---------------------------------------|---------------------|---------------------------------------|-------------|
|   | <b>2023</b>                           | <b>2022</b>         |                                       |             |
| <u>Other operating revenue</u>                      |                                       |                     |                                       |             |
| Subsidiaries  |                                       |                     |                                       |             |
| Luxgen  | \$ 104,013                            | \$ 181,340          |                                       |             |
| Others  | <u>210,025</u>                        | <u>199,700</u>      |                                       |             |
|   | 314,038                               | 381,040             |                                       |             |
| Associates  |                                       |                     |                                       |             |
| Yulon Nissan  | 968,333                               | 870,376             |                                       |             |
| Others  | <u>106,424</u>                        | <u>90,675</u>       |                                       |             |
|   | 1,074,757                             | 961,051             |                                       |             |
| Other related parties                               | <u>41,509</u>                         | <u>32,426</u>       |                                       |             |
|   | <u>\$ 1,430,304</u>                   | <u>\$ 1,374,517</u> |                                       |             |
| <u>Acquisition of property, plant and equipment</u> |                                       |                     |                                       |             |
| Subsidiaries  |                                       |                     |                                       |             |
| Yue-Ki  | \$ 8,119                              | \$ 43,090           |                                       |             |
| Union & NKH   | 8,766                                 | 20,455              |                                       |             |
| Others  | <u>18,563</u>                         | <u>13,253</u>       |                                       |             |
|   | 35,448                                | 76,798              |                                       |             |
| Associates  | <u>8,575</u>                          | <u>12,584</u>       |                                       |             |
|   | <u>\$ 44,023</u>                      | <u>\$ 89,382</u>    |                                       |             |
| <u>Disposal of property, plant and equipment</u>    |                                       |                     |                                       |             |
| <b>Related Party Categories</b>                     | <b>Proceeds</b>                       |                     | <b>Gain (Loss) on Disposal</b>        |             |
|   | <b>For the Year Ended December 31</b> |                     | <b>For the Year Ended December 31</b> |             |
|   | <b>2023</b>                           | <b>2022</b>         | <b>2023</b>                           | <b>2022</b> |
| Subsidiaries  | \$ 876,609                            | \$ -                | \$ 755,270                            | \$ -        |
| Associates  | <u>8</u>                              | <u>-</u>            | <u>8</u>                              | <u>-</u>    |
|   | <u>\$ 876,617</u>                     | <u>\$ -</u>         | <u>\$ 755,278</u>                     | <u>\$ -</u> |

On the balance sheet dates, the amounts receivable from related parties were as follows:

| <b>Related Party Categories</b>        | <b>December 31</b> |                   |
|--|--------------------|-------------------|
|  | <b>2023</b>        | <b>2022</b>       |
| <u>Notes and trade receivable</u>      |                    |                   |
| Subsidiaries                           |                    |                   |
| Luxgen                                 | \$ 78,199          | \$ 132,224        |
| Others                                 | <u>16,917</u>      | <u>13,066</u>     |
|  | 95,116             | 145,290           |
| Associates                             |                    |                   |
| Yulon Nissan                           | 212,868            | 306,042           |
| Others                                 | <u>28,500</u>      | <u>913</u>        |
|  | 241,368            | 306,955           |
| Other related parties                  | <u>4,254</u>       | <u>301</u>        |
|  | <u>\$ 340,738</u>  | <u>\$ 452,546</u> |
| <u>Other receivables</u>               |                    |                   |
| Subsidiaries                           |                    |                   |
| Luxgen                                 | \$ 67,252          | \$ 37,395         |
| Others                                 | <u>14,765</u>      | <u>16,899</u>     |
|  | 82,017             | 54,294            |
| Associates                             |                    |                   |
| Yulon Nissan                           | 37,625             | 70,659            |
| Foxtron Vehicle Technologies Co., Ltd. | 63,376             | 29,729            |
| Others                                 | <u>16,224</u>      | <u>15,779</u>     |
|  | 117,225            | 116,167           |
| Other related parties                  | <u>4,026</u>       | <u>286</u>        |
|  | <u>\$ 203,268</u>  | <u>\$ 170,747</u> |

Note: In March 2023, the Company signed a mold sales contract with an associate, Foxtron Vehicle Technologies Co., Ltd., with contract price of \$79,394 thousand.

On the balance sheet dates, the amounts payable for related parties were as follows:

| <b>Related Party Categories</b> | <b>December 31</b>  |                   |
|---------------------------------|---------------------|-------------------|
|                                 | <b>2023</b>         | <b>2022</b>       |
| <u>Trade payables</u>           |                     |                   |
| Subsidiaries                    | \$ 188,510          | \$ 294,084        |
| Associates                      | 30,853              | 53,988            |
| Other related parties           |                     |                   |
| Nissan Motor Co., Ltd.          | 751,173             | 365,761           |
| Others                          | <u>31,493</u>       | <u>46,966</u>     |
|                                 | <u>782,666</u>      | <u>412,727</u>    |
|                                 | <u>\$ 1,002,029</u> | <u>\$ 760,799</u> |

(Continued)

| Related Party Categories    | December 31      |                  |
|-----------------------------|------------------|------------------|
|                             | 2023             | 2022             |
| <u>Other trade payables</u> |                  |                  |
| Subsidiaries                | \$ 20,532        | \$ 22,131        |
| Associates                  | 11,320           | 894              |
| Other related parties       | <u>1,542</u>     | <u>168</u>       |
|                             | <u>\$ 33,394</u> | <u>\$ 23,193</u> |

c. Compensation of key management personnel

|                              | For the Year Ended December 31 |                  |
|------------------------------|--------------------------------|------------------|
|                              | 2023                           | 2022             |
| Short-term employee benefits | \$ 91,975                      | \$ 85,641        |
| Post-employment benefits     | <u>2,512</u>                   | <u>3,105</u>     |
|                              | <u>\$ 94,487</u>               | <u>\$ 88,746</u> |

The compensation of the board members and the Company's management is determined by the remuneration committee based on individual performance and market conditions.

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other Notes, information on significant contingent liabilities and unrecognized commitments on the balance sheet date is as follows:

- a. The Company has a manufacturing contract with Yulon Nissan Motor Co., Ltd. ("Yulon Nissan") with a five-year validity from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance), as of December 31, 2023, it's the 4th year since the contract was automatically renewed. The contract states that Yulon Nissan has authorized the Company to manufacture Nissan automobiles and parts, and Yulon Nissan is responsible for the subsequent development of new automobile parts. The volume of the Company's manufacturing should be based on Yulon Nissan's projection of car unit sales for the year. In addition, the Company manufactures other service parts for Yulon Nissan upon the latter's request.

Yulon Nissan is responsible for developing new car models, refining designs, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

- b. Luxgen Motor Co., Ltd. ("Luxgen") entrusted to the Company the assembly of cars, for which the obtaining of the manufacturing and selling license was assigned by Haitec Co., Ltd. ("Haitec") to Luxgen. This car assembly is based on a five-year contract valid from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance), as of December 31, 2023, it's the 4th year since the contract was automatically renewed. The contract states that Luxgen authorizes the Company to manufacture Luxgen automobiles and parts. The volume of the Company's manufacturing

should be based on Luxgen's projection of car unit sales for the year. In addition, the Company manufactures other service parts for Luxgen upon the latter's request.

Luxgen is responsible for contracting out the manufacture of new-car model parts, refining designs, registering products, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

- c. Yulon Commissioned Kumagai Gumi Co., Ltd. & BES Engineering Corporation to Contract the Yulon New Taipei City Commercial District Development Project. The commission coverage included the first stage of hypothetical engineering, the main structure engineering, the main steel structure engineering and the external wall engineering, etc. The total amount of project is NT\$3,663,911 thousand. This project is a turnkey contract, so the lump sum amount of engineering includes all related expenses to obtain the user license. The company obtained user license of the Yulon Town commercial district on February 24, 2022 and started operations in September 2023.
- d. See Table 2 for the information on endorsements/guarantees provided to subsidiaries or associates.

### 32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

|                         | <b>Foreign<br/>Currencies</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-------------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                               |                      |                            |
| Monetary items          |                               |                      |                            |
| USD                     | \$ 1,947                      | 30.705 (USD:NTD)     | \$ 59,783                  |
| JPY                     | 17,196                        | 0.217 (JPY:NTD)      | <u>3,735</u>               |
|                         |                               |                      | <u>\$ 63,518</u>           |
| Nonmonetary items       |                               |                      |                            |
| USD                     | 236,466                       | 30.705 (USD:NTD)     | \$ 7,260,680               |
| RMB                     | 646,225                       | 4.335 (RMB:NTD)      | <u>2,801,516</u>           |
|                         |                               |                      | <u>\$ 10,062,196</u>       |

(Continued)

|                              | <b>Foreign<br/>Currencies</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-------------------------------|----------------------|----------------------------|
| <u>Financial liabilities</u> |                               |                      |                            |
| Monetary items               |                               |                      |                            |
| USD                          | 16,057                        | 30.705 (USD:NTD)     | \$ 493,030                 |
| JPY                          | 1,271,804                     | 0.217 (JPY:NTD)      | <u>276,236</u>             |
|                              |                               |                      | <u>\$ 769,266</u>          |
|                              |                               |                      | (Concluded)                |

December 31, 2022

|                              | <b>Foreign<br/>Currencies</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|------------------------------|-------------------------------|----------------------|----------------------------|
| <u>Financial assets</u>      |                               |                      |                            |
| Monetary items               |                               |                      |                            |
| USD                          | \$ 13,970                     | 30.71 (USD:NTD)      | \$ 429,019                 |
| JPY                          | 16,327                        | 0.232 (JPY:NTD)      | <u>3,794</u>               |
|                              |                               |                      | <u>\$ 432,813</u>          |
| Nonmonetary items            |                               |                      |                            |
| USD                          | 236,530                       | 30.71 (USD:NTD)      | \$ 7,263,839               |
| RMB                          | 580,879                       | 4.409 (RMB:NTD)      | <u>2,561,326</u>           |
|                              |                               |                      | <u>\$ 9,825,165</u>        |
| <u>Financial liabilities</u> |                               |                      |                            |
| Monetary items               |                               |                      |                            |
| USD                          | 7,161                         | 30.71 (USD:NTD)      | \$ 219,914                 |
| JPY                          | 535,562                       | 0.232 (JPY:NTD)      | <u>124,465</u>             |
|                              |                               |                      | <u>\$ 344,379</u>          |

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$32,272 thousand and \$6,099 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions or functional currencies of the Company.

### 33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)

- 3) Marketable securities held (excluded investment in subsidiaries, associates and joint controlled entities). (Table 3)
  - 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 5)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (Table 6)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 8)
  - 9) Information on investees. (Table 9)
- b. Information on investments in mainland China. (Table 10)
- c. Information of major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 11)



TABLE 1

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender                       | Borrower                     | Financial Statement Account           | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral |         | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|------------------------------|------------------------------|---------------------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|------------|---------|-----------------------------------|----------------------------|--------|
|     |                              |                              |                                       |                 |                                |                |                         |               |                              |                              |                                  |                               | Item       | Value   |                                   |                            |        |
| 1   | YFC                          | Shinshin Yu Rich             | Other receivables                     | Y               | \$ 3,000,000                   | \$ -           | \$ -                    | -             | b                            | \$ -                         | Operating capital                | \$ -                          | -          | \$ -    | \$ 3,638,192                      | \$ 36,381,928              | Note 1 |
|     |                              |                              | Other receivables                     | Y               | 3,000,000                      | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 3,638,192                         | 36,381,928                 | Note 1 |
| 2   | Hsiang Shuo                  | Sinqual                      | Other receivables                     | Y               | 60,000                         | 60,000         | 60,000                  | 1.94%         | b                            | -                            | Operating capital                | -                             | -          | -       | 110,156                           | 110,156                    | Note 1 |
| 3   | Yulon China Motor Investment | Hang Zhou Hua You            | Accounts receivable - related parties | Y               | 82,279                         | 80,175         | 80,175                  | 4.00%         | b                            | -                            | Operating capital                | -                             | -          | -       | 780,060                           | 2,340,180                  | Note 1 |
| 4   | Sheng Qing                   | Nanjing Hanhong              | Accounts receivable - related parties | Y               | 66,552                         | 65,007         | 65,007                  | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Wuhan Yu Hsin                | Accounts receivable - related parties | Y               | 57,818                         | 34,670         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Zhu Hai Fu Te En             | Accounts receivable - related parties | Y               | 44,368                         | 22,740         | 22,740                  | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Hang Zhou Hua Zhi            | Accounts receivable - related parties | Y               | 57,364                         | 55,428         | 49,196                  | 3.00%         | b                            | -                            | Operating capital                | -                             | -          | -       | 1,641,028                         | 1,641,028                  | Note 1 |
|     |                              | Hang Zhou Hua You            | Accounts receivable - related parties | Y               | 10,301                         | 10,038         | 8,018                   | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Yulon China Motor Investment | Accounts receivable - related parties | Y               | 993,368                        | 970,307        | 883,631                 | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Zi Bo Yu An                  | Accounts receivable - related parties | Y               | 467                            | 455            | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Xiamen Young Chang           | Accounts receivable - related parties | Y               | 169,895                        | 165,551        | 165,551                 | 0.60%         | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Yu-Jie                       | Accounts receivable - related parties | Y               | 177,900                        | 173,352        | 173,352                 | 1.00%         | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Fu Zhou Yu Xin               | Accounts receivable - related parties | Y               | 11,119                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 4,102,570                         | 12,307,711                 | Note 1 |
| 5   | Su Zhou Feng Shen            | Su Zhou Cheng Pin            | Other receivables                     | Y               | 22,238                         | 12,386         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Tai Chang Cheng Mau          | Other receivables                     | Y               | 44,475                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Hung           | Other receivables                     | Y               | 22,238                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Feng Shun            | Other receivables                     | Y               | 12,657                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Wu Jiang Lian Cheng          | Other receivables                     | Y               | 22,238                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Pang           | Other receivables                     | Y               | 22,238                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Long           | Other receivables                     | Y               | 35,580                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Guo            | Other receivables                     | Y               | 22,238                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 332,769                           | 332,769                    | Note 1 |
| 6   | Wu Jiang Lian Cheng          | Tai Chang Cheng Mau          | Other receivables                     | Y               | 22,238                         | 6,193          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 33,896                            | 33,896                     | Note 1 |
| 7   | Hang Zhou Yu Zhong           | Yulon China Motor Investment | Other receivables                     | Y               | 39,138                         | 11,701         | 11,701                  | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 501,553                           | 752,330                    | Note 1 |
|     |                              | Hang Zhou Hsiao Yu           | Other receivables                     | Y               | 13,787                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -       | 501,553                           | 752,330                    | Note 1 |
| 8   | Shinshin                     | A32                          | Other receivables                     | N               | 303,998                        | -              | -                       | 1.5%-16%      | a                            | 481,000                      | -                                | -                             | -          | -       | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L55                          | Other receivables                     | N               | 280,831                        | 280,671        | 126,671                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,267                         | Land       | 331,851 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L60                          | Other receivables                     | N               | 123,315                        | 105,607        | 105,607                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,056                         | Land       | 211,300 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L63                          | Other receivables                     | N               | 249,799                        | 152,128        | 152,128                 | 1.5%-16%      | a                            | -                            | Operating capital                | 1,521                         | Property   | 112,127 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L88                          | Other receivables                     | N               | 118,848                        | 111,805        | 111,805                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,118                         | Property   | 320,000 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | M8                           | Other receivables                     | N               | 266,889                        | 264,201        | 264,201                 | 1.5%-16%      | b                            | -                            | Operating capital                | 2,642                         | Land       | 333,476 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | M21                          | Other receivables                     | N               | 124,999                        | 124,996        | 124,996                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,250                         | Land       | 174,376 | 3,336,072                         | 16,680,361                 | Note 1 |

(Continued)

| No. | Lender             | Borrower                     | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral                           |            | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|--------------------|------------------------------|-----------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------------|------------|-----------------------------------|----------------------------|--------|
|     |                    |                              |                             |                 |                                |                |                         |               |                              |                              |                                  |                               | Item                                 | Value      |                                   |                            |        |
|     |                    | M25                          | Other receivables           | N               | \$ 472,043                     | \$ 379,890     | \$ 379,890              | 1.5%-16%      | b                            | \$ -                         | Operating capital                | \$ 3,799                      | Land/property                        | \$ 551,774 | \$ 3,336,072                      | \$ 16,680,361              | Note 1 |
|     |                    | M48                          | Other receivables           | N               | 150,000                        | 104,433        | 104,433                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,305                         | Traveling Machines (including ships) | 240,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M51                          | Other receivables           | N               | 100,000                        | 78,000         | 78,000                  | 1.5%-16%      | b                            | -                            | Operating capital                | 1,560                         | Property                             | 135,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M63                          | Other receivables           | Y               | 348,500                        | 125,000        | 101,000                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,010                         | Self-built case                      | 128,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M66                          | Other receivables           | N               | 120,000                        | 40,000         | 40,000                  | 1.5%-16%      | b                            | -                            | Operating capital                | 800                           | Performance bond                     | 6,000      | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M83                          | Other receivables           | N               | 922,000                        | -              | -                       | 1.5%-16%      | b                            | -                            | Operating capital                | -                             | -                                    | -          | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N6                           | Other receivables           | N               | 168,000                        | 168,000        | 168,000                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,680                         | Land                                 | 236,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N19                          | Other receivables           | N               | 268,000                        | 267,350        | 267,350                 | 1.5%-16%      | b                            | -                            | Operating capital                | 5,120                         | Property                             | 335,147    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N20                          | Other receivables           | N               | 102,000                        | 99,450         | 99,450                  | 1.5%-16%      | b                            | -                            | Operating capital                | 1,989                         | Property                             | 353,680    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N46                          | Other receivables           | N               | 102,000                        | 101,927        | 101,927                 | 1.5%-16%      | b                            | -                            | Operating capital                | 2,039                         | Property                             | 128,965    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N3                           | Other receivables           | Y               | 60,000                         | 60,000         | -                       | 1.5%-16%      | b                            | -                            | Operating capital                | -                             | Performance bond                     | 6,000      | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | Others                       | Other receivables           | N               | 488,780                        | 281,974        | 246,974                 | 1.5%-16%      | a                            | 757,500                      | -                                | 4,284                         | Land/property/<br>performance bond   | 466,935    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | Others                       | Other receivables           | N               | 5,850,459                      | 3,475,782      | 2,696,782               | 1.5%-16%      | b                            | -                            | Operating capital                | 47,093                        | Land/property/<br>performance bond   | 3,420,809  | 3,336,072                         | 16,680,361                 | Note 1 |
| 9   | Su Zhou Feng Shun  | Su Zhou Feng Shen            | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Long           | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Pang           | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Wu Jiang Lian Cheng          | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Pin            | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Hung           | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Tai Chang Cheng Mau          | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Li             | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
| 10  | Su Zhou Yueshun    | Tai Chang Cheng Mau          | Other receivables           | Y               | 6,671                          | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 16,529                            | 16,529                     | Note 1 |
|     |                    | Su Zhou Feng Shun            | Other receivables           | Y               | 13,291                         | 13,001         | 13,001                  | 3.60%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 16,529                            | 16,529                     | Note 1 |
| 11  | Nan Jing Yu Hua    | Nanjing Hanhong              | Other receivables           | Y               | 120,625                        | 117,541        | 117,541                 | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 175,300                           | 350,600                    | Note 1 |
| 12  | Yu-Hsin Intl       | Yu-Hsin Intl HK              | Other receivables           | Y               | 95,562                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 265,322                           | 397,984                    | Note 1 |
| 13  | Su Zhou Cheng Long | Su Zhou Cheng Pin            | Other receivables           | Y               | 43,980                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Hung           | Other receivables           | Y               | 48,923                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Li             | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Tai Chang Cheng Mau          | Other receivables           | Y               | 66,713                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Feng Shun            | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Pang           | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Feng Shen            | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Wu Jiang Lian Cheng          | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
| 14  | Su Zhou Cheng Pang | Su Zhou Cheng Hung           | Other receivables           | Y               | 13,343                         | 7,224          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 27,748                            | 27,748                     | Note 1 |
| 15  | Hang Zhou Tang Yu  | Yulon China Motor Investment | Other receivables           | Y               | 39,138                         | 38,137         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
| 16  | Hang Zhou Qien Yu  | Yulon China Motor Investment | Other receivables           | Y               | 3,558                          | 3,467          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
| 18  | Mei De             | Shi Cheng                    | Other receivables           | Y               | 133,425                        | 130,014        | 130,014                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
|     |                    | Xiamen Young Chang           | Other receivables           | Y               | 133,425                        | 86,676         | 86,676                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |

(Continued)

| No. | Lender              | Borrower                                | Financial Statement Account           | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|---------------------|---|---------------------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|------------|-------|-----------------------------------|----------------------------|--------|
|     |                     |   |                                       |                 |                                |                |                         |               |                              |                              |                                  |                               | Item       | Value |                                   |                            |        |
| 20  | Jin Ce              | Yi Ding                                 | Other receivables                     | Y               | \$ 17,790                      | \$ 17,335      | \$ 17,335               | 0.50%         | b                            | \$ -                         | Operating capital                | \$ -                          | -          | \$ -  | \$ 666,740                        | \$ 1,000,110               | Note 1 |
| 21  | Tai Feng            | Dong Tai                                | Other receivables                     | Y               | 162,197                        | 160,351        | 130,014                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Yi Ding                                 | Other receivables                     | Y               | 78,907                         | 78,008         | 78,008                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Sheng Qing (Beijing) Investment Limited | Other receivables                     | Y               | 213,925                        | 211,489        | 211,489                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Shi Cheng                               | Other receivables                     | Y               | 61,372                         | 60,673         | 60,673                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Hang Zhou Hua Zhi                       | Other receivables                     | Y               | 6,193                          | 6,193          | 478                     | 3.45%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
| 22  | Dong Tai            | An Ching Tsai Tung                      | Other receivables                     | Y               | 7,023                          | 6,843          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 756,068                           | 1,512,136                  | Note 1 |
|     |                     | Tung Ling Kuo Tung                      | Other receivables                     | Y               | 2,215                          | 2,167          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 756,068                           | 1,512,136                  | Note 1 |
| 23  | Su Zhou Cheng Li    | Su Zhou Cheng Pin                       | Other receivables                     | Y               | 8,895                          | 8,668          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 29,599                            | 29,599                     | Note 1 |
|     |                     | Su Zhou Feng Shun                       | Other receivables                     | Y               | 13,343                         | 8,668          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 29,599                            | 29,599                     | Note 1 |
| 24  | Tai Chang Cheng Mau | Su Zhou Cheng Guo                       | Accounts receivable - related parties | Y               | 8,895                          | -              | -                       | -             | a                            | -                            | Operating capital                | -                             | -          | -     | 40,140                            | 40,140                     | Note 1 |
| 25  | Yu-Hsin Intl HK     | Hang Zhou Y-Teks                        | Other receivables                     | Y               | 127,416                        | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 164,190                           | 164,190                    | Note 1 |
| 26  | Chuang Jie          | LUXGEN (Hangzhou) Motor Sales           | Other receivables                     | Y               | 111,188                        | 108,345        | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 337,583                           | 1,012,748                  | Note 1 |
| 27  | Yu Ching            | UMPI                                    | Other receivables                     | N               | 129,072                        | -              | -                       | 2.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 251,925                           | 251,925                    | Note 1 |

Note 1: 1. YFC: While credit financing limit for each borrower was 10% of the lender's net equity and aggregate financing limits was 100% of the lender's net equity.

2. Hsiang Shuo: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

3. Yulon China Motor Investment: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

4. Sheng Qing: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

5. Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Feng Shen applies common quota totaling RMB20,000 thousand to seven corporation.

6. Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

7. Hang Zhou Yu Zhong: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1,000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.

8. Shinshin: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Business transactions financing limit for each borrower were not exceeding 100% of the lender's net equity and aggregate financing limits were not exceeding 25% of the lender's net equity.

9. Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Feng Shun applies common quota totalling RMB15,000 thousand to eight corporation.

10. Su Zhou Yueshun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

11. Nan Jing Yu Hua: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

12. Yu-Hsin Intl: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.

13. Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Chen Long applies common quota totalling RMB30,000 thousand to eight corporation.

14. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

15. Hang Zhou Tang Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.

16. Hang Zhou Qien Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was RMB100 million and aggregate financing limits was RMB150 million.

(Continued)

17. Ke Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.
18. Mei De: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
19. Qing Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
20. Jin Ce: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.
21. Tai Feng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
22. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
23. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
24. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
25. Yu-Hsin Intl HK: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.
26. Chuang Jie: Credit financing limit for each borrower were not exceeding 10% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.
27. Yu Ching: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Note 2: Explanation of nature of financing:

- a. Transactions.
- b. Short-term financing.

(Concluded)

TABLE 2

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Endorser/Guarantor  | Endorsee/Guarantee                      |                       | Limits on Each Endorsement/Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/Guaranteed During the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collaterals | Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit | Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/Guarantee Given on Behalf of Companies in Mainland China | Note   |
|-----|---------------------|---|-----------------------|--|--|--|-------------------------|---|---|---------------------------------------|---|---|--|--------|
|     |                     | Name                                    | Relationship (Note 2) |  |  |  |                         |   |   |                                       |   |   |  |        |
| 0   | The Company         | Yu Sing                                 | b                     | \$ 17,974,349  | \$ 460,000   | \$ 210,000   | \$ 20,000               | \$ -                                      | 0.35  | \$ 44,935,872                         | Y   | N   | N  | Note 1 |
|     |                     | Luxgen                                  | b                     | 17,974,349   | 2,500,000  | 2,500,000  | 200,000                 | -   | 4.17  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | UMPI                                    | b                     | 17,974,349   | 426,720  | 199,778  | 89,132                  | -   | 0.33  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | Yu Ching                                | b                     | 17,974,349   | 500,000  | 500,000  | -                       | -   | 0.83  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | Sin Chi                                 | b                     | 17,974,349   | 500,000  | 500,000  | -                       | -   | 0.83  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | Electrified LUXGEN Motor                | b                     | 17,974,349   | 200,000  | 200,000  | 100,000                 | -   | 0.33  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | New LUXGEN North Motor                  | b                     | 17,974,349   | 50,000   | 37,500   | -                       | -   | 0.06  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | New LUXGEN Central Motor                | b                     | 17,974,349   | 50,000   | 37,500   | -                       | -   | 0.06  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | Luxgen Tainan Motor                     | b                     | 17,974,349   | 50,000   | 37,500   | -                       | -   | 0.06  | 44,935,872                            | Y   | N   | N  | Note 1 |
|     |                     | New LUXGEN South Motor                  | b                     | 17,974,349   | 50,000   | 37,500   | -                       | -   | 0.06  | 44,935,872                            | Y   | N   | N  | Note 1 |
| 1   | Union & NKH         | Hangzhou Liangrun                       | b                     | 329,613  | 90,000   | 90,000   | -                       | -   | -   | 943,724                               | Y   | N   | Y  | Note 1 |
| 2   | YFC                 | Yulon Finance Philippines Corporation   | b                     | 90,954,820   | 2,288,800  | 2,218,000  | 623,743                 | -   | -   | 181,909,640                           | Y   | N   | N  | Note 1 |
|     |                     | Jiangsu TAC Financial Leasing Co., Ltd. | b                     | 90,954,820   | 8,670,400  | 8,670,400  | -                       | -   | -   | 181,909,640                           | Y   | N   | Y  | Note 1 |
|     |                     | YULON CAPITAL SDN. BHD.                 | b                     | 90,954,820   | 614,100  | 614,100  | -                       | -   | -   | 181,909,640                           | Y   | N   | N  | Note 1 |
| 3   | Sheng Qing(Beijing) | Guang Zhou Yuan Du                      | b                     | 20,512,852   | 200,138  | 195,021  | -                       | -   | 4.75  | 102,564,259                           | N   | N   | Y  | Note 1 |
|     |                     | Yu-Jie                                  | b                     | 20,512,852   | 889,500  | -  | -                       | -   | -   | 102,564,259                           | N   | N   | Y  | Note 1 |
| 4   | Nanjing Hanhong     | Zhu Hai Fu Te En                        | d                     | 512,644  | 133,425  | 130,014  | -                       | -   | 50.72   | 640,805                               | N   | N   | Y  | Note 1 |
|     |                     | Xiao Gan Yu Feng                        | d                     | 512,644  | 133,425  | 130,014  | 40,732                  | -   | 50.72   | 640,805                               | N   | N   | Y  | Note 1 |
| 5   | Zhu Hai Fu Te En    | Nanjing Hanhong                         | d                     | 568,448  | 111,188  | 108,345  | -                       | -   | 38.12   | 852,671                               | N   | N   | Y  | Note 1 |
|     |                     | Xiao Gan Yu Feng                        | d                     | 568,448  | 133,425  | 130,014  | 40,732                  | -   | 45.74   | 852,671                               | N   | N   | Y  | Note 1 |
| 6   | Su Zhou Feng Shen   | Su Zhou Feng Shun                       | b                     | 831,921  | 77,564   | -  | -                       | -   | -   | 2,495,764                             | N   | N   | Y  | Note 1 |
|     |                     | Wu Jiang Lian Cheng                     | b                     | 831,921  | 44,475   | -  | -                       | -   | -   | 2,495,764                             | N   | N   | Y  | Note 1 |
|     |                     | Su Zhou Cheng Pang                      | b                     | 831,921  | 249,060  | 130,014  | 46,813                  | -   | 15.63   | 2,495,764                             | N   | N   | Y  | Note 1 |
|     |                     | Tai Chang Cheng Mau                     | b                     | 831,921  | 88,950   | 86,676   | 51,146                  | -   | 10.42   | 2,495,764                             | N   | N   | Y  | Note 1 |
| 7   | Wu Jiang Lian Cheng | Su Zhou Feng Shen                       | c                     | 423,697  | 44,475   | -  | -                       | -   | -   | 866,760                               | N   | N   | Y  | Note 1 |
|     |                     | Su Zhou Feng Shun                       | c                     | 423,697  | 233,227  | 151,683  | 102,994                 | -   | 179.00  | 866,760                               | N   | N   | Y  | Note 1 |
| 8   | Su Zhou Feng Shun   | Wu Jiang Lian Cheng                     | b                     | 1,426,345  | 155,663  | 86,676   | 7,860                   | -   | 30.38   | 2,852,690                             | N   | N   | Y  | Note 1 |
|     |                     | Su Zhou Feng Shen                       | c                     | 1,426,345  | 44,475   | -  | -                       | -   | -   | 2,852,690                             | N   | N   | Y  | Note 1 |
|     |                     | Su Zhou Cheng Li                        | b                     | 1,426,345  | 70,885   | 69,341   | 16,547                  | -   | 24.31   | 2,852,690                             | N   | N   | Y  | Note 1 |
| 9   | Su Zhou Cheng Pang  | Su Zhou Feng Shen                       | c                     | 390,042  | 155,663  | 151,683  | 17,371                  | -   | 218.66  | 780,084                               | N   | N   | Y  | Note 1 |
| 10  | Tai Chang Cheng Mau | Su Zhou Feng Shen                       | c                     | 501,756  | 155,663  | 151,683  | 17,371                  | -   | 151.15  | 1,003,511                             | N   | N   | Y  | Note 1 |
| 11  | Su Zhou Cheng Guo   | Su Zhou Chen Long                       | c                     | 390,042  | 155,663  | 151,683  | -                       | -   | 454.14  | 866,760                               | N   | N   | Y  | Note 1 |

(Continued)

| No. | Endorser/Guarantor | Endorsee/Guarantee                      |                       | Limits on Each Endorsement/Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/Guaranteed During the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collaterals | Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit | Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/Guarantee Given on Behalf of Companies in Mainland China | Note             |
|-----|--------------------|---|-----------------------|--|--|--|-------------------------|---|---|---------------------------------------|---|---|--|------------------|
|     |                    | Name                                    | Relationship (Note 2) |  |  |  |                         |   |   |                                       |   |   |  |                  |
| 12  | Su Zhou Cheng Long | Su Zhou Cheng Hung<br>Su Zhou Cheng Guo | b<br>b                | \$ 1,741,392<br>1,741,392  | \$ 80,055<br>240,165                                 | \$ 47,672<br>-   | \$ 16,211<br>-          | \$ -<br>-                                 | 13.69<br>-  | \$ 3,482,784<br>3,482,784             | N<br>N  | N<br>N  | Y<br>Y   | Note 1<br>Note 1 |
| 13  | Xiao Gan Yu Feng   | Nanjing Hanhong<br>Zhu Hai Fu Te En     | c<br>c                | 1,387,766<br>1,387,766   | 111,188<br>133,425                                   | 108,345<br>130,014   | -<br>-                  | -<br>-                                    | 39.04<br>46.84  | 2,775,533<br>2,775,533                | N<br>N  | N<br>N  | Y<br>Y   | Note 1<br>Note 1 |
| 14  | Wuhan Yu Hsin      | Xiao Gan Yu Feng                        | b                     | 2,221,973  | 133,425  | 130,014  | 40,732                  | -   | 29.26   | 4,443,945                             | N   | N   | Y  | Note 1           |
| 15  | Su Zhou Cheng Li   | Su Zhou Feng Shun                       | c                     | 1,109,976  | 155,061  | 151,683  | 102,994                 | -   | 204.98  | 2,589,945                             | N   | N   | Y  | Note 1           |

Note 1: 0. The Company: The aggregate endorsement/guarantee limit was calculated for 75% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 40% of the aggregate endorsement/guarantee amount.

1. Union & NKH: The aggregate endorsement/guarantee limit was calculated for 40% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 35% of the aggregate endorsement/guarantee amount.
2. YFC: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 50% of the aggregate endorsement/guarantee amount.
3. Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
4. Nanjing Hanhong: The aggregate endorsement/guarantee limit was calculated for 250% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
5. Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
6. Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity.
7. Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
8. Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.
9. Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
10. Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
11. Su Zhou Cheng Guo: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
12. Su Zhou Cheng Long: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.
13. Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
14. Wuhan Yu Hsin: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.

15. Su Zhou Cheng Li: The aggregate endorsement/guarantee limit was calculated for 3500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 1500% of the endorser's/guarantor's net equity.

Note 2: The relationship between guarantor and guarantee are as follows:

- a. The Company in relation to business.
- b. Subsidiaries' common stocks which were directly owned by parent company over 50%.
- c. Investees' common stocks which were both owned by parent company and subsidiary over 50%.
- d. Investees' common stocks which were directly or indirectly held by the Company over 90%.
- e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
- f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
- g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Holding Company Name                              | Type and Name of Marketable Securities               | Relationship with the Holding Company                               | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|---|--|---|---|-------------------|-----------------|-----------------------------|------------|------|
|   |  |   |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| The Company                                       | <u>Common stocks</u>                                 |   |   |                   |                 |                             |            |      |
|   | Taiwan Stock Exchange                                | -   | Financial assets at fair value through other comprehensive income - non-current | 11,585            | \$ 413,356      | 1.00                        | \$ 413,356 | -    |
|   | Taiwan Aerospace Company                             | -   | Financial assets at fair value through other comprehensive income - non-current | 811               | -               | 0.60                        | -          | -    |
|   | YFC, Preferred Shares A                              | Subsidiary  | Financial assets at fair value through other comprehensive income - non-current | 13                | 642             | 0.01                        | 642        | -    |
|   | TYC Brother Industrial Preferred Shares A            | -   | Financial assets at fair value through other comprehensive income - non-current | 1,000             | 45,250          | 3.33                        | 45,250     | -    |
|   | Fubon Financial Holding Co., Ltd. Preferred Shares C | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 27,500          | 0.15                        | 27,500     | -    |
|   | Formosa Electronic Industries Inc.                   | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 21,100          | 0.65                        | 21,100     | -    |
|   | <u>Structured finance products</u>                   |   |   |                   |                 |                             |            |      |
|   | KGI Securities CLN - Taiwan Mask. 3rd                | -   | Financial assets at fair value through profit or loss - current                 | 1                 | 50,140          | -                           | 50,140     | -    |
|   | <u>Limited partnership investment</u>                |   |   |                   |                 |                             |            |      |
| Future Technology Venture Capital Limited Partner | -  | Financial assets at fair value through profit or loss - non-current | -   | 41,985            | -               | 41,985                      | -          |      |
| Cathay Smart Technology Privately Offered Fund    | -  | Financial assets at fair value through profit or loss - non-current | -   | 30,000            | -               | 30,000                      | -          |      |
| YFC   | <u>Bonds</u>   |   |   |                   |                 |                             |            |      |
|   | Government bonds                                     | -   | Financial assets at amortized cost - non-current                                | -                 | 200             | -                           | 207        | -    |
| Shinshin  | <u>Common stocks</u>                                 |   |   |                   |                 |                             |            |      |
|   | Green World Fintech Service Co., Ltd.                | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 229,250         | 2.72                        | 229,250    | -    |
| Diamond Leasing<br>H. K. Manpower Service         | BSOS Holdings  | -   | Financial assets at fair value through other comprehensive income - non-current | 2,406             | 9,825           | 3.01                        | 9,825      | -    |
|   | <u>Beneficiary certificates</u>                      |   |   |                   |                 |                             |            |      |
|   | Union Money Market Fund                              | -   | Financial assets at fair value through profit or loss - current                 | 5,569             | 75,598          | -                           | 75,598     | -    |
|   | Capital Money Market Fund                            | -   | Financial assets at fair value through profit or loss - current                 | 129               | 2,134           | -                           | 2,134      | -    |
|   | Union Money Market Fund                              | -   | Financial assets at fair value through profit or loss - current                 | 235               | 3,186           | -                           | 3,186      | -    |

(Continued)



| Holding Company Name | Type and Name of Marketable Securities                 | Relationship with the Holding Company | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|----------------------|--|---------------------------------------|---|-------------------|-----------------|-----------------------------|------------|------|
|                      |  |                                       |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
|                      | The RSIT Enhanced Money Market                         | -                                     | Financial assets at fair value through profit or loss - current                 | 254               | \$ 3,112        | -                           | \$ 3,112   | -    |
|                      | Jih Sun Money Market Fund                              | -                                     | Financial assets at fair value through profit or loss - current                 | 206               | 3,138           | -                           | 3,138      | -    |
|                      | <u>Common stocks</u>                                   |                                       |   |                   |                 |                             |            |      |
| Yu Ching             | Yulon Motor Company                                    | The parent company                    | Financial assets at fair value through other comprehensive income - non-current | 7,526             | 376,301         | 0.70                        | 562,977    | -    |
|                      | <u>Structured finance products</u>                     |                                       |   |                   |                 |                             |            |      |
| Yu Pong              | KGI Securities CLN - Taiwan Mask. 3rd                  | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 17,048          | -                           | 17,048     | -    |
|                      | KGI Securities CLN - Mobiletron Electronics. 3rd       | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 10,043          | -                           | 10,043     | -    |
|                      | <u>Common stocks</u>                                   |                                       |   |                   |                 |                             |            |      |
| Yu Pong              | Fubon Financial Company                                | -                                     | Financial assets at fair value through other comprehensive income - current     | 1,547             | 100,268         | 0.01                        | 100,268    | -    |
| Yung Hong            | Carnival Industrial Corporation                        | Related party in substance            | Financial assets at fair value through profit or loss - current                 | 141               | 1,691           | 0.07                        | 1,691      | -    |
|                      | Kian Shen  | Related party in substance            | Financial assets at fair value through profit or loss - current                 | 81                | 6,341           | 0.11                        | 6,341      | -    |
|                      | YFC  | The same ultimate parent company      | Financial assets at fair value through profit or loss - current                 | 397               | 73,769          | 0.07                        | 73,769     | -    |
|                      | YFC, Preferred Shares A                                | The same ultimate parent company      | Financial assets at fair value through other comprehensive income - current     | 104               | 5,156           | 0.10                        | 5,156      | -    |
|                      | Orgchem Technology Company                             | -                                     | Financial assets at fair value through other comprehensive income - non-current | 291               | 845             | 0.53                        | 845        | -    |
|                      | T-Car Inc.   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 1,275             | 24,088          | -                           | 24,088     | -    |
|                      | ADTO Company   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 1                 | 10              | 0.01                        | 10         | -    |
|                      | ROCKER ZONE  | -                                     | Financial assets at amortized cost - non-current                                | 330               | 7,024           | 1.67                        | 7,024      | -    |
|                      | <u>Beneficiary certificates</u>                        |                                       |   |                   |                 |                             |            |      |
|                      | FSITC Taiwan Money Market Fund                         | -                                     | Financial assets at fair value through profit or loss - current                 | 833               | 13,116          | -                           | 13,116     | -    |
|                      | Cathay Pacific Taiwan Money Market Fund                | -                                     | Financial assets at fair value through profit or loss - current                 | 412               | 5,253           | -                           | 5,253      | -    |
|                      | Prudential Financial Money Market Fund                 | -                                     | Financial assets at fair value through profit or loss - current                 | 1,058             | 17,194          | -                           | 17,194     | -    |
|                      | Capital Money Market Fund                              | -                                     | Financial assets at fair value through profit or loss - current                 | 1,187             | 19,694          | -                           | 19,694     | -    |
|                      | Allianz Gbl Investors Taiwan Money Mkt                 | -                                     | Financial assets at fair value through profit or loss - current                 | 191               | 2,456           | -                           | 2,456      | -    |
|                      | Nomura Small & Medium Fund                             | -                                     | Financial assets at fair value through profit or loss - current                 | 42                | 6,365           | -                           | 6,365      | -    |
|                      | Nomura Premium Fund                                    | -                                     | Financial assets at fair value through profit or loss - current                 | 44                | 5,484           | -                           | 5,484      | -    |
|                      | GUNY American New Ventures Bright Spot Fund            | -                                     | Financial assets at fair value through profit or loss - current                 | 96                | 2,071           | -                           | 2,071      | -    |
|                      | Nomura Taiwan e technology Fund                        | -                                     | Financial assets at fair value through profit or loss - current                 | 87                | 5,271           | -                           | 5,271      | -    |
|                      | Yuanta Vantage Money Market Fund                       | -                                     | Financial assets at fair value through profit or loss - current                 | 401               | 6,238           | -                           | 6,238      | -    |
|                      | <u>Structured finance products</u>                     |                                       |   |                   |                 |                             |            |      |
|                      | Credit-linked structured finance products - Kistler-KY | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 7,028           | -                           | 7,028      | -    |
|                      | Credit-linked structured finance products - GMTC       | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 13,095          | -                           | 13,095     | -    |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities   | Relationship with the Holding Company | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|----------------------|--|---------------------------------------|---|-------------------|-----------------|-----------------------------|------------|------|
|                      |  |                                       |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Yue Sheng            | <u>Common stocks</u><br>Yueki  | The same ultimate parent company      | Financial assets at fair value through other comprehensive income - non-current | 16                | \$ 100          | 0.08                        | \$ 100     | -    |
| Yu Chang             | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yushin               | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yulon Construction   | Shin Kong Security Co., Ltd.   | -                                     | Financial assets at fair value through profit or loss - current                 | 50                | 2,022           | 0.01                        | 2,022      | -    |
| Yulon Construction   | <u>Beneficiary certificates</u><br>Bloomberg USD Corporate 10+ Year High Grade Capped Bond Index | -                                     | Financial assets at fair value through profit or loss - current                 | 143               | 5,192           | -                           | 5,192      | -    |
|                      | 00646 TT EQUITY  | -                                     | Financial assets at fair value through profit or loss - current                 | 115               | 5,261           | -                           | 5,261      | -    |
|                      | Yuanta U.S. Government 20-Year (More) Bond Fund  | -                                     | Financial assets at fair value through profit or loss - current                 | 181               | 5,584           | -                           | 5,584      | -    |
| Empower              | <u>Common stocks</u><br>Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yu Sing              | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Luxgen               | Union Auto international Co., Ltd.   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 100               | 1,000           | 10.00                       | 1,000      | -    |
| Haitec               | <u>Beneficiary certificates</u><br>Taishin 1699 Money Market                                     | -                                     | Financial assets at fair value through profit or loss - current                 | 3,597             | 50,150          | -                           | 50,150     | -    |
|                      | Capital Money Market Fund  | -                                     | Financial assets at fair value through profit or loss - current                 | 3,023             | 50,147          | -                           | 50,147     | -    |
| Yulon China          | <u>Common stocks</u><br>YUNG JEN INDUSTRIAL CO., LTD.  | -                                     | Financial assets at fair value through profit or loss -non-current              | -                 | 2,303           | -                           | 2,303      | -    |
| Su Zhou Feng Shen    | Guang Zhou Cheng Yi  | -                                     | Financial assets at fair value through other comprehensive income - non-current | -                 | 4,125           | 2.20                        | 4,125      | -    |
| Su Zhou Cheng Long   | <u>Structured finance products</u><br>Bank of China Limited Structural Deposit                   | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 60,693          | -                           | 60,693     | -    |
|                      | Industrial Bank Structural Deposit   | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 43,352          | -                           | 43,352     | -    |
| BeijingSheng Qing    | <u>Financial products</u><br>Fubon Bank (China) Structured Deposit                               | -                                     | Financial assets at fair value through profit or loss - non-current             | -                 | 177,743         | -                           | 177,743    | -    |
| Hangzhou Yu-Jie      | Lidodo Public Structural Deposit   | -                                     | Financial assets at fair value through profit or loss - non-current             | -                 | 86,704          | -                           | 86,704     | -    |

(Concluded)

TABLE 4

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name                            | Type and Name of Marketable Securities | Financial Statement Account   | Counterparty                                   | Relationship            | Beginning Balance |                 | Acquisition  |           | Disposal     |              |                |                         | Ending Balance        |                 |
|---|--|---|--|-------------------------|-------------------|-----------------|--------------|-----------|--------------|--------------|----------------|-------------------------|-----------------------|-----------------|
|   |  |   |  |                         | Shares/Units      | Amount (Note 1) | Shares/Units | Amount    | Shares/Units | Amount       | Carrying Value | Gain (Loss) on Disposal | Shares/Units (Note 2) | Amount (Note 1) |
| The Company                             | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income - non-current | -  | Subsidiary              | 36,584            | \$ 1,840,175    | -            | \$ -      | 36,571       | \$ 1,840,557 | \$ 1,828,550   | \$ 12,007               | 13                    | \$ 642          |
|   | Tokio Marine Nawa Insurance            | Investments accounted for using equity method                                   | Issuance of common share for cash              | Associates              | 94,142            | (3,075,938)     | 372,529      | 3,725,287 | -            | -            | -              | -                       | 223,517               | 1,150,229       |
|   | Haitec                                 | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 1,413,600         | 319,286         | 660,000      | 6,600,000 | -            | -            | -              | -                       | 2,073,600             | 9,252,428       |
| Yung Hong                               | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income -current      | -  | Associates              | 8,001             | 402,464         | -            | -         | 7,897        | 395,869      | 394,850        | 1,019                   | 104                   | 5,156           |
| Luxgen                                  | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income - non-current | -  | Associates              | 8,000             | 402,400         | -            | -         | 8,000        | 401,032      | 400,000        | 1,032                   | -                     | -               |
|   | Phoenix Money Market Fund              | Financial assets at fair value through profit or loss - current                 | Hua Nan Investment Trust Corporation (HNIT)    | -                       | -                 | -               | 18,050       | 300,000   | 9,016        | 150,000      | 149,831        | 169                     | 9,034                 | 150,780         |
| YFC                                     | Shinshin                               | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 430,300           | 9,394,196       | 127,500      | 5,500,000 | -            | -            | -              | -                       | 557,800               | 16,680,362      |
|   | Tokio Marine Nawa Insurance            | Investments accounted for using equity method                                   | -  | Associates              | 14,345            | (470,714)       | 136,143      | 1,361,434 | -            | -            | -              | -                       | 81,686                | 420,454         |
|   | Yu Rich                                | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 247,481           | 4,260,503       | 62,500       | 2,000,000 | -            | -            | -              | -                       | 430,608               | 7,627,252       |
|   | Car-plus Auto                          | Investments accounted for using equity method                                   | -  | Subsidiary              | 94,464            | 2,030,452       | 53,502       | 1,926,064 | -            | -            | -              | -                       | 147,965               | 3,805,909       |
|   | JDW                                    | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 38,508       | 950,000   | -            | -            | -              | -                       | 38,508                | 916,707         |
|   | Sin Gan                                | Investments accounted for using equity method                                   | Car-plus Auto                                  | Subsidiary              | 21,004            | 437,237         | -            | -         | 21,004       | 499,487      | 367,088        | -                       | -                     | -               |
| Shinshin                                | Tai Chuang Energy                      | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 95,000       | 950,000   | -            | -            | -              | -                       | 95,000                | 940,876         |
|   | Wysun Power                            | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | -            | 770,600   | -            | -            | -              | -                       | -                     | 763,840         |
|   | Yulon Capital Sdn. Bhd.                | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 46,608       | 316,014   | -            | -            | -              | -                       | 46,608                | 298,799         |
| CARPLUS Auto Leasing Corporation        | Sin Gan.                               | Investments accounted for using equity method                                   | -  | -                       | -                 | -               | 22,275       | 537,600   | -            | -            | -              | -                       | 22,275                | 464,856         |
| Jiangsu TAC Financial Leasing Co., Ltd. | Car-Plus Leasing (Shanghai)            | Investments accounted for using equity method                                   | Car-plus Shanghai Investment (Samoa) Co., Ltd. | The same parent company | 79,039            | 381,106         | 90,961       | 462,301   | -            | -            | -              | -                       | 170,000               | 845,252         |

Note 1: The beginning balance and ending balance included unrealized gains or loss on financial assets and investments of investments accounted for using equity method.

Note 2: The number of shares at end of the year included dividend and the share of make up for the loss by reducing capital.

**TABLE 5****YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Types of Property | Transaction Date | Transaction Amount | Payment Term   | Counterparty | Nature of Relationships | Prior Transaction of Related Counter Party |               |               |        | Price Reference   | Purpose of Acquisition                    | Other Terms |
|--------------|-------------------|------------------|--------------------|----------------|--------------|-------------------------|--|---------------|---------------|--------|---|---|-------------|
|              |                   |                  |                    |                |              |                         | Owner                                      | Relationships | Transfer Date | Amount |   |   |             |
| YFC          | Land and building | 2023.3.9         | \$ 881,334         | By negotiation | The Company  | Parent company          | -  | -             | -             | -      | After negotiation according to the real estate valuation report, it shall be resolved by the board of directors | To meet future business development needs | None        |

TABLE 6

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Seller      | Property          | Event Date | Original Acquisition Date         | Carrying Amount | Transaction Amount | Collection of Payments | Gain (Loss) on Disposal | Counterparty | Relationship | Purpose of Disposal                       | Price Reference                   | Other Terms |
|-------------|-------------------|------------|-----------------------------------|-----------------|--------------------|------------------------|-------------------------|--------------|--------------|---|-----------------------------------|-------------|
| The Company | Land and building | 2023.3.9   | 1986.5.1<br>1986.6.1<br>1986.12.1 | \$ 121,339      | \$ 881,334         | By negotiation         | Note                    | YFC          | Subsidiary   | To meet future business development needs | Zhanqi Real Estate Appraisal Firm | None        |

Note: Since YFC is a subsidiary of the Company, no gain or loss on disposal was recognized in the consolidated financial statements.

TABLE 7

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Purchasing or<br>(Selling) Company<br>Name | Related Party                                 | Relationship                                  | Transaction Details |                 |                               |                               | Abnormal Transaction  |                          | Notes/Accounts (Payable) or<br>Receivable |            | Note |
|--|---|---|---------------------|-----------------|-------------------------------|-------------------------------|---|--------------------------|---|------------|------|
|  |   |   | Purchase/<br>(Sale) | Amount          | % to Total                    | Payment Terms                 | Unit Price  | Payment Terms            | Ending Balance                            | % to Total |      |
| The Company                                | Yulon Nissan                                  | An investee accounted for using equity method | Sales               | \$ (21,259,403) | 91                            | Within 45 days                | -   | 3 days to 45 days        | \$ 212,868                                | 61         |      |
|  | Luxgen  | Subsidiary                                    | Sales               | (1,933,616)     | 8                             | Within 10 days                | -   | 3 days to 10 days        | 78,199                                    | 22         |      |
| YFC  | Yu Chang                                      | The same ultimate parent company              | Sales               | (3,231,964)     | 8                             | Receipt of payment on the day | -   | -                        | 10,511                                    | -          |      |
|  | Yuan Lon                                      | An investee accounted for using equity method | Sales               | (2,794,631)     | 7                             | Receipt of payment on the day | -   | -                        | 8,101                                     | -          |      |
|  | Hui-Lian                                      | An investee accounted for using equity method | Sales               | (2,567,836)     | 6                             | Receipt of payment on the day | -   | -                        | 15,672                                    | -          |      |
|  | Electrified LUXGEN Motor                      | The same ultimate parent company              | Sales               | (591,454)       | 1                             | Receipt of payment on the day | -   | -                        | 65,512                                    | -          |      |
|  | Yu Sing                                       | The same ultimate parent company              | Sales               | (2,694,938)     | 6                             | Receipt of payment on the day | -   | -                        | 14,109                                    | -          |      |
|  | Yushin  | The same ultimate parent company              | Sales               | (1,819,212)     | 4                             | Receipt of payment on the day | -   | -                        | 9,925                                     | -          |      |
|  | Yu Tang                                       | An investee accounted for using equity method | Sales               | (1,581,322)     | 4                             | Receipt of payment on the day | -   | -                        | 9,872                                     | -          |      |
|  | New LUXGEN Taipei Motor                       | The same ultimate parent company              | Sales               | (338,234)       | 1                             | Receipt of payment on the day | -   | -                        | 22  | -          |      |
|  | Empower                                       | The same ultimate parent company              | Sales               | (2,190,113)     | 5                             | Receipt of payment on the day | -   | -                        | 5,540                                     | -          |      |
|  | Cheng Long                                    | An investee accounted for using equity method | Sales               | (1,540,979)     | 4                             | Receipt of payment on the day | -   | -                        | 8,578                                     | -          |      |
|  | New LUXGEN Central Motor                      | The same ultimate parent company              | Sales               | (408,173)       | 1                             | Receipt of payment on the day | -   | -                        | 2,650                                     | -          |      |
|  | New LUXGEN South Motor                        | The same ultimate parent company              | Sales               | (288,021)       | 1                             | Receipt of payment on the day | -   | -                        | 1,699                                     | -          |      |
|  | Luxgen Tainan Motor                           | The same ultimate parent company              | Sales               | (225,625)       | 1                             | Receipt of payment on the day | -   | -                        | 3,017                                     | -          |      |
|  | Ding Long                                     | An investee accounted for using equity method | Sales               | (757,496)       | 2                             | Receipt of payment on the day | -   | -                        | 441                                       | -          |      |
|  | Lian Cheng                                    | An investee accounted for using equity method | Sales               | (407,096)       | 1                             | Receipt of payment on the day | -   | -                        | 1,060                                     | -          |      |
| Yuan Zhi                                   | An investee accounted for using equity method | Sales   | (366,327)           | 1               | Receipt of payment on the day | -                             | -   | 1,998                    | -   |            |      |
| Sin Jang                                   | YFC   | The same ultimate parent company              | Sales               | (18,902,399)    | 98                            | Receipt of payment on the day | -   | -                        | -   | -          |      |
| Union & NKH                                | The Company                                   | The parent company                            | Sales               | (583,925)       | 41                            | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | Same as general customer | 113,815                                   | 40         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (608,845)       | 43                            | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | Same as general customer | 125,718                                   | 44         |      |
| Yueki                                      | The Company                                   | The parent company                            | Sales               | (254,295)       | 37                            | 45 days                       | Bargaining  | 45 days                  | 41,299                                    | 23         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (165,624)       | 24                            | 45 days                       | Bargaining  | 45 days                  | 56,980                                    | 31         |      |
|  | Kian-shen                                     | Related party in substance                    | Sales               | (134,952)       | 19                            | 45 days                       | Bargaining  | 45 days                  | 42,481                                    | 23         |      |
| Y-Teks                                     | The Company                                   | The parent company                            | Sales               | (133,394)       | 67                            | 45 days                       | -   | -                        | 16,893                                    | 36         |      |
| Yue Sheng                                  | The Company                                   | The parent company                            | Sales               | (105,928)       | 40                            | At sight or a month           | Bargaining  | At sight or a month      | 17,581                                    | 34         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (108,229)       | 41                            | At sight or a month           | Bargaining  | At sight or a month      | 24,660                                    | 48         |      |
| Luxgen                                     | Electrified LUXGEN Motor                      | The same ultimate parent company              | Sales               | (231,714)       | 9                             | At sight                      | -   | At sight                 | 24,790                                    | 30         |      |
|  | New LUXGEN North Motor                        | The same ultimate parent company              | Sales               | (142,702)       | 5                             | At sight                      | -   | At sight                 | 27,350                                    | 33         |      |
|  | New LUXGEN Central Motor                      | The same ultimate parent company              | Sales               | (136,447)       | 5                             | At sight                      | -   | At sight                 | 3,403                                     | 4          |      |
|  | Luxgen Tainan Motor                           | The same ultimate parent company              | Sales               | (101,033)       | 4                             | At sight                      | -   | At sight                 | 1,968                                     | 2          |      |
|  | Car-plus Auto                                 | The same ultimate parent company              | Sales               | (113,065)       | 4                             | At sight                      | -   | At sight                 | -   | -          |      |
| YFC  | The same ultimate parent company              | Sales   | (1,836,537)         | 69              | Within 3 days                 | -                             | Within 3 days   | 23,985                   | 29  |            |      |
| Sinqual                                    | The Company                                   | The parent company                            | Sales               | (130,223)       | 26                            | At sight or a month           | Bargaining  | At sight or a month      | 19,922                                    | 21         |      |
| Kuen You Trading                           | Yu Sing                                       | The same ultimate parent company              | Sales               | (107,034)       | 84                            | At sight or a month           | Bargaining  | At sight or a month      | 6,671                                     | 87         |      |
| Hang Zhou Haitec                           | The Company                                   | The parent company                            | Sales               | (291,895)       | 60                            | 25 days                       | -   | -                        | -   | -          |      |
|  | China Motor                                   | An investee accounted for using equity method | Sales               | (146,128)       | 30                            | Receipt of payment on the day | -   | -                        | -   | -          |      |

(Continued)

| Purchasing or (Selling) Company Name | Related Party          | Relationship                                  | Transaction Details |              |            |                               | Abnormal Transaction  |                               | Notes/Accounts (Payable) or Receivable |            | Note |
|--------------------------------------|------------------------|---|---------------------|--------------|------------|-------------------------------|---|-------------------------------|--|------------|------|
|                                      |                        |   | Purchase/(Sale)     | Amount       | % to Total | Payment Terms                 | Unit Price  | Payment Terms                 | Ending Balance                         | % to Total |      |
| Chuang Jie                           | Hang Zhou Haitec       | The same ultimate parent company              | Sales               | \$ (473,653) | 99         | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | -                             | \$ -                                   | -          |      |
| Yu Chang                             | Tian Wang              | The same ultimate parent company              | Sales               | (103,849)    | 3          | 90 days                       | -   | -                             | 36,555                                 | 26         |      |
| Yu Sing                              | Car-plus Auto          | The same ultimate parent company              | Sales               | (131,045)    | 4          | 45 days                       | -   | -                             | 18,477                                 | 8          |      |
| The Company                          | Union & NKH            | Subsidiary                                    | Purchase            | 583,925      | 3          | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | -                             | (113,815)                              | 6          |      |
|                                      | Yueki                  | Subsidiary                                    | Purchase            | 254,295      | 1          | 45 days                       | Bargaining  | 45 days                       | (41,299)                               | 2          |      |
|                                      | Nissan Motor           | A related party in substance                  | Purchase            | 10,013,574   | 51         | 12 days after bill of lading  | -   | 12 days after bill of lading  | (751,173)                              | 39         |      |
|                                      | Y-Teks                 | Subsidiary                                    | Purchase            | 133,394      | 1          | 45 days                       | -   | -                             | (16,893)                               | 1          |      |
|                                      | Yue Sheng              | Subsidiary                                    | Purchase            | 105,928      | 1          | At sight or a month           | Bargaining  | At sight or a month           | (17,581)                               | 1          |      |
|                                      | Sinqual                | Subsidiary                                    | Purchase            | 130,223      | 1          | At sight or a month           | Bargaining  | At sight or a month           | (19,922)                               | 1          |      |
|                                      | COC Tooling & Stamping | An investee accounted for using equity method | Purchase            | 205,520      | 1          | 45 days after monthly closing | Bargaining  | 45 days after monthly closing | (13,616)                               | 1          |      |
|                                      | Taiway Co., Ltd.       | Related party in substance                    | Purchase            | 103,392      | 1          | 45 days after monthly closing | Bargaining  | 45 days after monthly closing | (17,013)                               | 1          |      |
|                                      | Hang Zhou Haitec       | Subsidiary                                    | Purchase            | 291,895      | 1          | 25 days                       | -   | -                             | -                                      | -          |      |
| Yulon Finance Corporation            | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 21,975,442   | 52         | Within 3 days                 | -   | -                             | (50,752)                               | 39         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 1,836,537    | 4          | Within 3 days                 | -   | -                             | (23,985)                               | 19         |      |
|                                      | Sin Jang               | The same ultimate parent company              | Purchase            | 18,902,399   | 44         | Receipt of payment on the day | -   | -                             | -                                      | -          |      |
| Yu Sing                              | YFC                    | The same ultimate parent company              | Purchase            | 2,694,938    | 85         | Receipt of payment on the day | -   | -                             | (14,109)                               | 39         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 368,100      | 12         | Receipt of payment on the day | -   | -                             | -                                      | -          |      |
|                                      | Kuen You Trading       | The same ultimate parent company              | Purchase            | 107,034      | 3          | 60 days                       | -   | -                             | (6,671)                                | 18         |      |
| Yushin                               | YFC                    | The same ultimate parent company              | Purchase            | 1,819,212    | 83         | Receipt of payment on the day | -   | -                             | (9,925)                                | 19         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 271,864      | 12         | Receipt of payment on the day | -   | -                             | (8,789)                                | 17         |      |
| Yu Chang                             | YFC                    | The same ultimate parent company              | Purchase            | 3,231,964    | 85         | Receipt of payment on the day | -   | -                             | (10,511)                               | 11         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 447,570      | 12         | Receipt of payment on the day | -   | -                             | (16,348)                               | 18         |      |
| Empower                              | YFC                    | The same ultimate parent company              | Purchase            | 2,190,113    | 67         | Receipt of payment on the day | -   | -                             | (5,540)                                | 7          |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 373,968      | 11         | Receipt of payment on the day | -   | -                             | (14,276)                               | 19         |      |
| Luxgen                               | The Company            | The parent company                            | Purchase            | 1,933,616    | 90         | Within 10 days                | -   | 3 days to 10 days             | (78,199)                               | 25         |      |
| Electrified LUXGEN Motor             | YFC                    | The same ultimate parent company              | Purchase            | 591,454      | 67         | Receipt of payment on the day | -   | -                             | (65,512)                               | 65         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 231,714      | 26         | At sight                      | -   | -                             | (24,790)                               | 24         |      |
| New LUXGEN North Motor               | YFC                    | The same ultimate parent company              | Purchase            | 338,234      | 64         | Receipt of payment on the day | -   | -                             | (22)                                   | -          |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 142,702      | 27         | At sight                      | -   | -                             | (27,350)                               | 74         |      |
| New LUXGEN Central Motor             | YFC                    | The same ultimate parent company              | Purchase            | 408,173      | 68         | Receipt of payment on the day | -   | -                             | (2,650)                                | 17         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 136,447      | 23         | At sight                      | -   | -                             | (3,403)                                | 22         |      |
| Luxgen Tainan Motor                  | YFC                    | The same ultimate parent company              | Purchase            | 225,625      | 65         | Receipt of payment on the day | -   | -                             | (3,017)                                | 52         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 101,033      | 29         | Receipt of payment on the day | -   | -                             | (1,968)                                | 34         |      |
| New LUXGEN South Motor               | YFC                    | The same ultimate parent company              | Purchase            | 288,021      | 68         | Receipt of payment on the day | -   | -                             | (1,699)                                | 9          |      |
| Hang Zhou Haitec                     | Chuang Jie             | The same ultimate parent company              | Purchase            | 473,653      | 99         | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | 60 days                       | -                                      | -          |      |

(Concluded)

TABLE 8

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name                                | Related Party                               | Relationship                               | Ending Balance      | Turnover Rate | Overdue |                           | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|---|---|--|---------------------|---------------|---------|---------------------------|---------------------------------------|-------------------------------|
|   |   |  |                     |               | Amount  | Action Taken              |                                       |                               |
| The Company                                 | Yulon Nissan                                | An investee accounted for by equity method | \$ 250,493 (Note 1) | 67.79         | \$ -    | -                         | \$ 128,999                            | \$ -                          |
|   | Luxgen                                      | Subsidiary                                 | 145,451 (Note 2)    | 12.27         | -       | -                         | 147,668                               | -                             |
| Shinshin                                    | Yes-Energy                                  | The same ultimate parent company           | 115,314 (Note 7)    | -             | -       | Depends on status of fund | 239                                   | 627                           |
|   | Zysun Power                                 | The same ultimate parent company           | 101,998 (Note 9)    | -             | -       | Depends on status of fund | -                                     | 1,010                         |
| Yulon China                                 | Wen Yang                                    | The same ultimate parent company           | 646,198 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Tai Feng                                    | Dong Tai                                    | The same ultimate parent company           | 130,235 (Note 9)    | -             | -       | -                         | -                                     | -                             |
|   | Sheng Qing                                  | The same ultimate parent company           | 211,693 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Mei De                                      | Shi Cheng                                   | The same ultimate parent company           | 130,715 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Yulon Automotive (China) Investment Limited | Hang Zhou Hua You                           | The same ultimate parent company           | 111,354 (Note 9)    | -             | -       | -                         | -                                     | 111,354                       |
| Nan Jing Yu Hua                             | Nanjing Hanhong                             | The same ultimate parent company           | 117,579 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| LUXGEN (Hangzhou) Motor Sales               | Dong Feng Yulon Sales Company               | Other related parties                      | 675,215 (Note 3)    | -             | -       | -                         | -                                     | 675,215                       |
| Sheng Qing                                  | Hangzhou Yu-Jie                             | The same ultimate parent company           | 174,891 (Note 4)    | -             | -       | -                         | -                                     | -                             |
|   | Xiamen Young Chang                          | The same ultimate parent company           | 166,820 (Note 5)    | -             | -       | -                         | -                                     | -                             |
|   | Yulon Automotive (China) Investment Limited | The same ultimate parent company           | 888,619 (Note 6)    | -             | -       | -                         | -                                     | -                             |
| Union & NKH                                 | The Company                                 | The parent company                         | 113,815 (Note 8)    | 4.65          | -       | -                         | 113,815                               | -                             |
|   | China Motor                                 | An investee accounted for by equity method | 125,718 (Note 8)    | 4.93          | -       | -                         | 123,403                               | -                             |

Note 1: The receivables comprised accounts receivable of \$212,868 thousand and other receivables of \$37,625 thousand.

Note 2: The receivables comprised accounts receivable of \$78,199 thousand and other receivables of \$67,252 thousand.

Note 3: The receivables comprised accounts receivable of \$6,893 thousand and other receivables of \$668,322 thousand.

Note 4: The receivables comprised accounts receivable of \$1,040 thousand and other receivables of \$173,851 thousand.

(Continued)



Note 5: The receivables comprised accounts receivable of \$208 thousand and other receivables of \$166,612 thousand.

Note 6: The receivables comprised accounts receivable of \$1,040 thousand and other receivables of \$887,579 thousand.

Note 7: The receivables comprised notes receivables.

Note 8: The receivables comprised accounts receivables.

Note 9: The receivables comprised other receivables.

(Concluded)

TABLE 9

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor Company       | Investee Company            | Location  | Main Businesses and Products   | Investment Amount |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|------------------------|-----------------------------|---|--|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                        |                             |   |  | December 31, 2023 | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| The Company            | Yulon Nissan                | Miaoli, Taiwan  | Sales of cars  | \$ 7,062,225      | \$ 7,062,225      | 143,500                         | 47.83                   | \$ 8,336,821   | \$ 1,161,025                      | \$ 472,676              | -    |
|                        | China Motor                 | Taoyuan, Taiwan   | Manufacturing and sales of cars  | 141,526           | 141,526           | 44,592                          | 8.05                    | 3,076,722      | 5,649,536                         | 405,836                 | -    |
|                        | YFC                         | Taipei, Taiwan  | Sale and lease of cars and parts   | 1,832,150         | 1,832,150         | 234,713                         | 42.81                   | 11,482,240     | 6,274,510                         | 2,601,689               | -    |
|                        | Yueki                       | Hsinchu, Taiwan   | Manufacturing and sale of car components   | 169,978           | 169,978           | 12,767                          | 65.58                   | 351,131        | 30,665                            | 38,951                  | -    |
|                        | Yue Sheng                   | Miaoli, Taiwan  | Car manufacture and furnishing; manufacture, installation and sale of car parts  | 329,210           | 329,210           | 28,800                          | 100.00                  | 417,831        | (8,061)                           | (7,007)                 | -    |
|                        | China Cast Iron             | Taipei, Taiwan  | Metal casting and related business   | 24,850            | 24,850            | 25                              | 77.66                   | 45,143         | 13,791                            | 10,701                  | -    |
|                        | Union & NKH                 | Miaoli, Taiwan  | Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles                         | 183,692           | 183,692           | 21,729                          | 25.01                   | 587,464        | (18,485)                          | (3,900)                 | -    |
|                        | UNI-Calsonic                | Miaoli, Taiwan  | Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts         | 96,449            | 96,449            | 5,983                           | 30.68                   | 156,105        | 59,193                            | 22,233                  | -    |
|                        | Yu Chang                    | Kaohsiung, Taiwan   | Sale, maintenance and repair of cars and parts   | 114,096           | 114,096           | 13,999                          | 64.99                   | 195,885        | 37,264                            | 30,564                  | -    |
|                        | COC Tooling & Stamping      | Taoyuan, Taiwan   | Design, manufacturing and sales of cars and various kinds of molds, fixtures, stamping parts and inspection implements | 280,071           | 280,071           | 25,470                          | 37.76                   | 566,815        | 94,318                            | 41,356                  | -    |
|                        | Yuan Lon                    | Taoyuan, Taiwan   | Sale, maintenance and repair of cars and parts   | 84,405            | 84,405            | 7,999                           | 20.00                   | 106,165        | 43,237                            | 10,750                  | -    |
|                        | Yu Ching                    | New Taipei City, Taiwan   | Import and export and sale of cars and parts   | 776,907           | 776,907           | 42,660                          | 60.00                   | 36,509         | 24,633                            | (8,249)                 | -    |
|                        | Yu Pong                     | New Taipei City, Taiwan   | Yulon basketball team management and related services  | 972,659           | 1,122,659         | 13,470                          | 100.00                  | 468,467        | (5,833)                           | (2,583)                 | -    |
|                        | Yung Hong                   | New Taipei City, Taiwan   | Investments  | 87,311            | 537,311           | 32,622                          | 100.00                  | 513,244        | 57,505                            | 57,505                  | -    |
|                        | Yushin                      | Hsinchu, Taiwan   | Sale, maintenance and repair of cars and parts   | 186,926           | 186,926           | 19,999                          | 99.99                   | 300,263        | 51,700                            | 48,725                  | -    |
|                        | China Engine                | Taoyuan, Taiwan   | Manufacturing of car engines and parts   | 675,137           | 789,878           | 16,113                          | 38.16                   | 456,946        | 470                               | 527                     | -    |
|                        | Cheng Long                  | Taipei, Taiwan  | Sale, maintenance and repair of cars and parts   | 51,677            | 51,677            | 13,935                          | 27.00                   | 261,609        | 48,853                            | 24,535                  | -    |
|                        | Yu Tang                     | Taichung, Taiwan  | Sale, maintenance and repair of cars and parts   | 71,166            | 71,166            | 7,117                           | 20.33                   | 109,397        | 14,918                            | (2,679)                 | -    |
|                        | ROC-Spicer                  | Taoyuan, Taiwan   | Manufacturing and sales of cars and parts  | 476,740           | 476,740           | 102                             | 20.46                   | 231,614        | 134,068                           | 21,632                  | -    |
|                        | Empower                     | Taichung, Taiwan  | Sale, maintenance and repair of cars and parts   | 29,987            | 29,987            | 5,999                           | 20.00                   | 73,229         | 20,533                            | 4,743                   | -    |
|                        | Chan Yun                    | Hsinchu, Taiwan   | Wholesale and retail of information software   | 58,594            | 58,594            | 16,664                          | 87.71                   | 37,749         | 2,598                             | 2,240                   | -    |
|                        | Sin Chi                     | Taipei, Taiwan  | General advertising planning services  | 850,896           | 950,896           | 80,500                          | 100.00                  | 906,115        | 31,282                            | 31,289                  | -    |
|                        | Yu Sing                     | Taipei, Taiwan  | Sale, maintenance and repair of cars and parts   | 505,189           | 505,189           | 17,999                          | 99.99                   | 186,541        | 19,830                            | 22,957                  | -    |
|                        | Y-Teks                      | Taoyuan, Taiwan   | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts             | 61,307            | 61,307            | 602                             | 34.00                   | 291,416        | 71,796                            | 26,063                  | -    |
|                        | Yulon Overseas              | B.V.I.  | Investments  | 32,056,349        | 32,302,352        | 1,072,085                       | 100.00                  | 7,207,467      | 765,760                           | 372,212                 | -    |
|                        | Tokio Marine Newa Insurance | Taipei, Taiwan  | Property insurance   | 8,075,258         | 4,349,971         | 223,517                         | 18.63                   | 1,150,229      | 3,231,464                         | 583,416                 | -    |
|                        | Haitec                      | New Taipei City, Taiwan   | Product design   | 17,769,859        | 11,169,859        | 2,073,600                       | 99.99                   | 9,252,428      | (516,614)                         | (516,614)               | -    |
|                        | Hui-Lian                    | Changhua, Taiwan  | Sale, maintenance and repair of cars and parts   | 74,366            | 74,366            | 6,116                           | 20.34                   | 81,460         | 23,814                            | 4,871                   | -    |
|                        | Luxgen                      | Miaoli, Taiwan  | Sales and producing of cars and related parts  | 29,067,000        | 29,067,000        | 92,700                          | 100.00                  | 778,103        | (87,366)                          | (80,185)                | -    |
|                        | Yulon Construction          | New Taipei City, Taiwan   | Construction industry  | 3,034,485         | 3,034,485         | 144,078                         | 100.00                  | 3,428,829      | 92,019                            | 78,548                  | -    |
|                        | Hong Kong-Spicer            | Hong Kong   | Investments  | 56,475            | 56,475            | 1,585                           | 20.50                   | 53,213         | 14,040                            | 356                     | -    |
|                        | Advance Power Machinery     | Miaoli, Taiwan  | Sales and producing of cars and related parts  | 210,787           | 10,787            | 20,500                          | 100.00                  | 196,919        | (11,373)                          | (12,513)                | -    |
| Yuke                   | New Taipei City, Taiwan     | Energy Technical Services   | 15,000   | -                 | 1,500             | 100.00                          | 1,739                   | (13,261)       | (13,261)                          | -                       |      |
| Yu Yao                 | New Taipei City, Taiwan     | Energy Technical Services   | 15,000   | -                 | 1,500             | 100.00                          | 1,738                   | (13,262)       | (13,262)                          | -                       |      |
| New Energy World Motor | New Taipei City, Taiwan     | Sales of automobiles and related products, as well as automobile maintenance and repair business. | 76,933   | -                 | 7,375             | 20.00                           | 76,513                  | (420)          | (420)                             | -                       |      |
| YFC                    | Car-plus Auto               | Taipei, Taiwan  | Car lease and trade  | 3,435,813         | 1,509,749         | 147,965                         | 100.00                  | 3,805,909      | 249,849                           | -                       | -    |
|                        | Shinshin                    | Taipei, Taiwan  | Installment financing services for cars and trucks   | 8,919,808         | 3,419,808         | 557,800                         | 100.00                  | 16,680,362     | 1,804,468                         | -                       | -    |
|                        | TAC Global                  | Samoa   | Shareholding company   | 3,342,688         | 3,342,688         | 108,833                         | 100.00                  | 6,485,386      | 889,264                           | -                       | -    |
|                        | Tokio Marine Newa Insurance | Taipei, Taiwan  | Property insurance   | 1,960,885         | 599,451           | 81,686                          | 6.81                    | 420,454        | 3,231,464                         | -                       | -    |
|                        | Empower                     | Taichung, Taiwan  | Retail of cars and related parts   | 48,843            | 48,843            | 8,100                           | 27.00                   | 106,514        | 20,533                            | -                       | -    |
|                        | Yu Rich                     | New Taipei City, Taiwan   | Installment loans of consumer products   | 3,160,662         | 1,160,662         | 430,608                         | 100.00                  | 7,627,252      | 1,366,749                         | -                       | -    |

(Continued)

| Investor Company        | Investee Company       | Location  | Main Businesses and Products  | Investment Amount    |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|-------------------------|------------------------|---|---|----------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                         |                        |   |   | December 31, 2023    | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| Shinshin                | Yulon Finance Overseas | Samoa   | Shareholding company  | \$ 437,490           | \$ 437,490        | 15,000                          | 100.00                  | \$ 160,651     | \$ 4,611                          | -                       | -    |
|                         | Sin Gan                | Taipei, Taiwan  | Sales of automobile - related products  | -                    | 315,157           | -                               | -                       | -              | 194,097                           | -                       | -    |
|                         | JDW                    | Taipei, Taiwan  | Software design services, information processing service and advertisement services | 950,000              | -                 | 38,508                          | 50.70                   | 916,707        | (63,044)                          | -                       | -    |
|                         | Shinshin Samoa         | Samoa   | Shareholding company  | 389,077              | 389,077           | 12,000                          | 100.00                  | 131,169        | 23,809                            | -                       | -    |
|                         | YES Energy             | New Taipei City, Taiwan   | Energy Technical Services   | 246,407              | 246,407           | 29,000                          | 100.00                  | 401,191        | 130,350                           | -                       | -    |
|                         | Shinshin Power         | Taipei, Taiwan  | Energy Technical Services   | 1,000                | -                 | 100                             | 100.00                  | 803            | (197)                             | -                       | -    |
|                         | Zysun Power            | Taipei, Taiwan  | Energy Technical Services   | 10,000               | -                 | -                               | 100.00                  | 8,365          | (1,639)                           | -                       | -    |
|                         | Wysun Power            | Taipei, Taiwan  | Energy Technical Services   | 770,600              | -                 | -                               | 100.00                  | 763,840        | (6,769)                           | -                       | -    |
|                         | Tai Chuang Energy      | Taipei, Taiwan  | Energy Technical Services   | 950,000              | -                 | 95,000                          | 95.00                   | 940,876        | (10,035)                          | -                       | -    |
| Yulon Capital SDN. BHD. | Malaysia               | Equipment leasing business and installment-related financing services | 316,014   | -                    | 46,608            | 100.00                          | 298,799                 | (4)            | -                                 | -                       |      |
| Car-plus Auto           | Diamond Leasing        | Taipei, Taiwan  | Car lease and trade   | 133,351              | 85,000            | 11,306                          | 100.00                  | 202,518        | 21,162                            | -                       | -    |
|                         | Car-Plus Samoa         | Samoa   | Shareholding company  | 941,992              | 941,992           | 31,200                          | 100.00                  | 686,678        | 6,000                             | -                       | -    |
|                         | Da-Wei                 | Taipei, Taiwan  | Brokerage of electric vehicles  | -                    | 40,000            | -                               | -                       | -              | 4,084                             | -                       | -    |
|                         | Hong Shou Culture      | Taipei, Taiwan  | Publication   | 11,881               | 11,881            | 4,050                           | 100.00                  | 22,970         | 2,072                             | -                       | -    |
|                         | YES Charging Service   | New Taipei City, Taiwan   | Wholesale and retail sale of batteries  | 100,005              | 70,005            | 10,200                          | 100.00                  | 38,592         | (51,462)                          | -                       | -    |
|                         | Sin Gan                | Taipei, Taiwan  | Sales of automobile - related products  | 537,600              | -                 | 22,275                          | 77.69                   | 464,856        | 194,097                           | -                       | -    |
| Da-Wei                  | Bing Yu                | New Taipei City, Taiwan   | Vehicle Subscription Service Platform   | 8,685                | 8,685             | 724                             | 20.00                   | 9,804          | 6,329                             | -                       | -    |
|                         | Da Teng                | Taipei, Taiwan  | Taxi service  | -                    | 7,028             | -                               | -                       | -              | 841                               | -                       | -    |
|                         | Da-Chuan               | Taipei, Taiwan  | Taxi service  | -                    | 1,125             | -                               | -                       | -              | 573                               | -                       | -    |
|                         | Da-Mu                  | Taipei, Taiwan  | Taxi service  | -                    | 1,575             | -                               | -                       | -              | 166                               | -                       | -    |
|                         | Da-Chung               | Taipei, Taiwan  | Taxi service  | -                    | 900               | -                               | -                       | -              | 215                               | -                       | -    |
|                         | Yong-Xiang             | Taipei, Taiwan  | Taxi service  | -                    | 3,810             | -                               | -                       | -              | 598                               | -                       | -    |
|                         | Guo-Ma                 | Taipei, Taiwan  | Taxi service  | -                    | 2,286             | -                               | -                       | -              | 155                               | -                       | -    |
|                         | Jin-Yu                 | Taipei, Taiwan  | Taxi service  | -                    | 3,048             | -                               | -                       | -              | 118                               | -                       | -    |
|                         | Zhong-Xing             | Taipei, Taiwan  | Taxi service  | -                    | 3,810             | -                               | -                       | -              | 373                               | -                       | -    |
|                         | Li-Yang                | Taipei, Taiwan  | Taxi service  | -                    | 5,381             | -                               | -                       | -              | 825                               | -                       | -    |
|                         | He-Yang                | Taipei, Taiwan  | Taxi service  | -                    | 2,032             | -                               | -                       | -              | 482                               | -                       | -    |
|                         | Jia-Yu                 | Taipei, Taiwan  | Taxi service  | -                    | 1,778             | -                               | -                       | -              | 120                               | -                       | -    |
|                         | Tian-Yang              | Taipei, Taiwan  | Taxi service  | -                    | 2,159             | -                               | -                       | -              | 767                               | -                       | -    |
| Diamond Leasing         | H. K. Manpower         | Taipei, Taiwan  | Temporary labor services  | 10,000               | 10,000            | 1,000                           | 100.00                  | 20,939         | 4,103                             | -                       | -    |
|                         | Da-Teng                | Taipei, Taiwan  | Taxi service  | 7,028                | -                 | 600                             | 100.00                  | 6,707          | 841                               | -                       | -    |
|                         | Da-Chuan               | Taipei, Taiwan  | Taxi service  | 1,125                | -                 | 300                             | 100.00                  | 3,109          | 573                               | -                       | -    |
|                         | Da-Mu                  | Taipei, Taiwan  | Taxi service  | 1,575                | -                 | 600                             | 100.00                  | 2,887          | 166                               | -                       | -    |
|                         | Da-Jun                 | Taipei, Taiwan  | Taxi service  | -                    | -                 | 300                             | 100.00                  | 2,321          | 215                               | -                       | -    |
|                         | Yong-Xiang             | Taipei, Taiwan  | Taxi service  | 3,810                | -                 | 300                             | 100.00                  | 5,215          | 598                               | -                       | -    |
|                         | Guo-Ma                 | Taipei, Taiwan  | Taxi service  | 2,286                | -                 | 400                             | 100.00                  | 2,860          | 155                               | -                       | -    |
|                         | Jin-Yu                 | Taipei, Taiwan  | Taxi service  | 3,048                | -                 | 300                             | 100.00                  | 3,718          | 118                               | -                       | -    |
|                         | Zhong-Xing             | Taipei, Taiwan  | Taxi service  | 3,810                | -                 | 350                             | 100.00                  | 4,697          | 373                               | -                       | -    |
|                         | Li-Yang                | Taipei, Taiwan  | Taxi service  | 5,381                | -                 | 900                             | 100.00                  | 8,281          | 825                               | -                       | -    |
|                         | He-Yang                | Taipei, Taiwan  | Taxi service  | 2,032                | -                 | 600                             | 100.00                  | 3,108          | 482                               | -                       | -    |
|                         | Jia-Yu                 | Taipei, Taiwan  | Taxi service  | 1,778                | -                 | 300                             | 100.00                  | 2,188          | 120                               | -                       | -    |
|                         | Tian-Yang              | Taipei, Taiwan  | Taxi service  | 2,159                | -                 | 600                             | 100.00                  | 3,972          | 767                               | -                       | -    |
|                         | Sin Jang               | Sinjang Samoa   | Samoa   | Shareholding company | -                 | 42,790                          | -                       | -              | -                                 | 128                     | -    |
| Car-Plus Samoa          | Car-Plus China         | Samoa   | Shareholding company  | 193,004              | 193,004           | 6,000                           | 60.00                   | 403,157        | 31,050                            | -                       | -    |
|                         | Car-Plus Shanghai      | Samoa   | Shareholding company  | -                    | 185,183           | -                               | -                       | -              | (13,349)                          | -                       | -    |
|                         | Car-Plus Hangzhou      | Samoa   | Shareholding company  | 563,805              | 563,805           | 19,200                          | 60.00                   | 11,434         | (14,823)                          | -                       | -    |

(Continued)

| Investor Company          | Investee Company                      | Location                | Main Businesses and Products  | Investment Amount |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|---------------------------|---------------------------------------|-------------------------|---|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                           |                                       |                         |   | December 31, 2023 | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| TAC Global                | Car-Plus China                        | Samoa                   | Shareholding company  | \$ 128,647        | \$ 128,647        | 4,000                           | 40.00                   | \$ 268,772     | \$ 31,050                         | \$ -                    | -    |
|                           | Car-Plus Shanghai                     | Samoa                   | Shareholding company  | -                 | 123,455           | -                               | -                       | -              | (13,349)                          | -                       | -    |
|                           | Car-Plus Hangzhou                     | Samoa                   | Shareholding company  | 375,906           | 375,906           | 12,800                          | 40.00                   | 7,622          | (14,823)                          | -                       | -    |
|                           | Yu Rong International                 | Samoa                   | Shareholding company  | 2,698,460         | 2,698,460         | 87,496                          | 100.00                  | 6,018,877      | 885,871                           | -                       | -    |
|                           | Sinjang Samoa                         | Samoa                   | Shareholding company  | -                 | 16,220            | -                               | -                       | -              | 128                               | -                       | -    |
| Yulon Finance Overseas    | Yulon Finance Philippines             | Samoa                   | Shareholding company  | 437,490           | 437,490           | 15,000                          | 100.00                  | 160,651        | 4,611                             | -                       | -    |
| Yulon Finance Philippines | Yulon Finance Philippines Corporation | Philippines             | Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases | 437,490           | 437,490           | 7,500                           | 100.00                  | 160,651        | 4,611                             | -                       | -    |
| Sin Gan                   | Hsiang Shuo                           | New Taipei City, Taiwan | Towing  | 128,400           | 128,400           | 10,000                          | 100.00                  | 275,392        | 88,358                            | -                       | -    |
|                           | Sinqual                               | New Taipei City, Taiwan | Sale of cars and parts  | 130,591           | 130,591           | 13,000                          | 100.00                  | 193,250        | 16,049                            | -                       | -    |
|                           | Sin Jang                              | Taipei, Taiwan          | Sale and brokerage of secondhand vehicles   | 218,754           | 218,754           | 12,824                          | 100.00                  | 278,161        | 90,588                            | -                       | -    |
|                           | Ching-Tong                            | Tainan, Taiwan          | Sales maintenance and repair of cars and parts  | 75,578            | 75,578            | 6,746                           | 100.00                  | 58,751         | 12,189                            | -                       | -    |
|                           | Zhuo Giu                              | Taoyuan, Taiwan         | Freezer construction and repair service   | 19,400            | -                 | 400                             | 40.00                   | 16,536         | (7,159)                           | -                       | -    |
|                           | Zhuo Ho                               | New Taipei City, Taiwan | Freezer construction and repair service   | 400               | -                 | 40                              | 40.00                   | (2,860)        | (8,151)                           | -                       | -    |
| JDW                       | JDW Taxi                              | Taipei, Taiwan          | Taxi transportation and advertisement services  | 6,250             | -                 | 625                             | 62.50                   | 9,964          | (2,772)                           | -                       | -    |
| Yu Pong                   | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 35,269            | 35,269            | 454                             | 0.08                    | 51,308         | 5,649,536                         | -                       | -    |
|                           | Yu Ching                              | New Taipei City, Taiwan | Import and export and sale of cars and parts  | 472,511           | 472,511           | 28,440                          | 40.00                   | 357,375        | 24,633                            | -                       | -    |
| Yue Sheng                 | Y-Teks                                | Taoyuan, Taiwan         | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts          | 25,510            | 25,510            | 212                             | 11.99                   | 104,647        | 71,796                            | -                       | -    |
| Yung Hong                 | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 193,869           | 193,869           | 3,998                           | 0.72                    | 279,182        | 5,649,536                         | -                       | -    |
| Yu Ching                  | Tokio Marine Nawa Insurance           | Taipei, Taiwan          | Property insurance  | 20,467            | 227,850           | -                               | -                       | -              | 3,231,464                         | -                       | -    |
|                           | Yulon Nissan                          | Miaoli, Taiwan          | Sales of cars   | 336,923           | 336,923           | 3,500                           | 1.17                    | 212,565        | 1,161,025                         | -                       | -    |
|                           | Yulon Management                      | New Taipei City, Taiwan | Investment advisor and temporary labor services   | 32,403            | 32,403            | 3,300                           | 33.00                   | 30,432         | 1,700                             | -                       | -    |
| Yueki                     | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 243               | 243               | 11                              | -                       | 1,240          | 5,649,536                         | -                       | -    |
|                           | UNI-Calsonic                          | Miaoli, Taiwan          | Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts      | 17,328            | 17,328            | 800                             | 4.10                    | 17,328         | 59,193                            | -                       | -    |
|                           | Yue Ki Samoa                          | Samoa                   | Investments   | 123,058           | 123,058           | 4,126                           | 100.00                  | 15,477         | 118,513                           | -                       | -    |
|                           | Yue Ki HK                             | Hong Kong               | Investments   | 330,094           | 330,094           | 10,600                          | 100.00                  | 13,597         | 20,879                            | -                       | -    |
| Yu Chang                  | Tian Wang                             | Kaohsiung, Taiwan       | Secondhand cars and car related products  | 17,000            | 17,000            | 1,700                           | 100.00                  | 22,952         | 1,851                             | -                       | -    |
| Yushin                    | Yu Pool                               | Miaoli, Taiwan          | Supply of and providing services on information software and retail trade of spare parts of vehicles                | 7,000             | 7,000             | 5,000                           | 100.00                  | 67,900         | 5,545                             | -                       | -    |
|                           | New LUXGEN North Motor                | Taoyuan, Taiwan         | Sales, maintenance and repair of cars and related products  | -                 | 12,250            | -                               | -                       | -              | 7,968                             | -                       | -    |
|                           | Yu Shin Investment                    | Samoa                   | Investments   | 148,966           | 154,805           | 185                             | 100.00                  | 3,768          | 17                                | -                       | -    |
| Empower                   | Chunmin                               | Taichung, Taiwan        | Comprehensive retail of car parts   | 8,000             | 8,000             | 800                             | 100.00                  | 14,418         | 763                               | -                       | -    |
|                           | Hong Yen                              | Samoa                   | Investments   | 213,774           | 213,774           | 213,774                         | 100.00                  | 35,876         | 6,620                             | -                       | -    |
|                           | Yu Ming Insurance                     | Taichung, Taiwan        | Property insurance  | 5,000             | 5,000             | 500                             | 100.00                  | 5,175          | 213                               | -                       | -    |
|                           | Min Shiang                            | Taichung, Taiwan        | Lease of cars and related services  | 30,000            | 30,000            | 3,000                           | 100.00                  | 31,368         | 403                               | -                       | -    |
| Sin Chi                   | Yulon Nissan                          | Miaoli, Taiwan          | Sales of cars   | 311,853           | 311,853           | 3,050                           | 1.02                    | 187,768        | 1,161,025                         | -                       | -    |
|                           | Yulon TOBE                            | New Taipei City, Taiwan | Sale, maintenance and repair of cars and parts  | 27,996            | 27,996            | 22,005                          | 59.64                   | 58,856         | (15,485)                          | -                       | -    |
| Yu Sing                   | Ding Long                             | Taipei, Taiwan          | Sales, maintenance and repair of cars and parts   | 37,790            | 37,790            | 3,779                           | 37.79                   | 30,965         | 4,157                             | -                       | -    |
|                           | Kuen You                              | New Taipei City, Taiwan | Sale, maintenance and repair of cars and parts  | 10,000            | 10,000            | 1,000                           | 100.00                  | 17,632         | 1,535                             | -                       | -    |

(Continued)

| Investor Company    | Investee Company  | Location                          | Main Businesses and Products                   | Investment Amount    |                      | Balance as of December 31, 2023 |                         |                     | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note   |
|---------------------|---|-----------------------------------|--|----------------------|----------------------|---------------------------------|-------------------------|---------------------|-----------------------------------|-------------------------|--------|
|                     |   |                                   |  | December 31, 2023    | December 31, 2022    | Shares                          | Percentage of Ownership | Carrying Value      |                                   |                         |        |
| Y-Teks              | Yu-Hsin Intl<br>China Motor   | B.V.I.<br>Taoyuan, Taiwan         | Investments<br>Manufacturing and sales of cars | \$ 65,854<br>265     | \$ 65,854<br>265     | 2,208<br>11                     | 66.67<br>-              | \$ 825,301<br>1,278 | \$ 99,476<br>5,649,536            | \$ -<br>-               | -<br>- |
| Yu-Hsin Intl        | Yu-Hsin Intl HK   | Hong Kong                         | Investments                                    | 311,194              | 311,194              | 13,071                          | 100.00                  | 385,831             | 43,339                            | -                       | -      |
| Union & NKH         | Uni Investment  | B.V.I.                            | Investments                                    | 289,287              | 289,287              | 8,403                           | 100.00                  | 1,871,558           | (21,360)                          | -                       | -      |
| Luxgen              | Electrified LUXGEN Motor  | New Taipei City, Taiwan           | Repair, wholesale and retail of cars and parts | 513,613              | 513,613              | 18,499                          | 99.99                   | 101,781             | (31,882)                          | -                       | -      |
|                     | New LUXGEN North Motor  | Taoyuan, Taiwan                   | Repair, wholesale and retail of cars and parts | 108,192              | 108,192              | 10,499                          | 99.99                   | 114,933             | 7,968                             | -                       | -      |
|                     | New LUXGEN Central Motor  | Taichung, Taiwan                  | Repair, wholesale and retail of cars and parts | 174,767              | 174,767              | 10,599                          | 99.99                   | 142,682             | 2,552                             | -                       | -      |
|                     | Luxgen Tainan Motor   | Tainan, Taiwan                    | Repair, wholesale and retail of cars and parts | 263,153              | 263,153              | 10,499                          | 99.99                   | 111,152             | 2,309                             | -                       | -      |
|                     | New LUXGEN South Motor  | Kaohsiung, Taiwan                 | Repair, wholesale and retail of cars and parts | 121,458              | 121,458              | 7,099                           | 99.99                   | 66,183              | (1,220)                           | -                       | -      |
|                     | Sin Gan   | New Taipei City, Taiwan           | Wholesale and retail of information software   | 81,191               | 81,191               | 5,670                           | 19.78                   | 110,056             | 194,097                           | -                       | -      |
|                     | New Energy World Motor  | New Taipei City, Taiwan           | Product design                                 | 295,000              | -                    | 29,500                          | 80.00                   | 297,210             | (420)                             | -                       | -      |
| Yulon Construction  | Yufong Property Management  | New Taipei City, Taiwan           | Construction greening industry                 | 24,990               | 24,990               | 2,499                           | 99.96                   | 62,372              | 8,626                             | -                       | -      |
| Haitec              | Hua-Chung Overseas Investment Co., Ltd.<br>Foxtron Vehicle Technologies Corporation | B.V.I.<br>New Taipei City, Taiwan | Investments<br>Product design                  | 371,771<br>7,632,000 | 371,771<br>7,632,000 | 15,965<br>763,200               | 100.00<br>43.83         | -<br>8,402,299      | -<br>(1,927,201)                  | -<br>-                  | -<br>- |
| Hua-Chung Overseas  | Haitec China Investment   | Hong Kong                         | Investments                                    | 343,374              | 343,374              | 15,014                          | 100.00                  | -                   | -                                 | -                       | -      |
| Yulon Overseas      | Yulon Philippine  | Cayman Islands                    | Investments                                    | 1,097,236            | 1,097,415            | 35,741                          | 100.00                  | 194                 | 24,216                            | -                       | -      |
|                     | Yulon China   | B.V.I.                            | Investments                                    | 32,333,459           | 32,584,659           | 1,057,380                       | 100.00                  | 7,013               | 741,816                           | -                       | -      |
| Yulon Philippine    | UMPI & SCIC   | Philippines                       | Manufacturing of cars and factory lease        | 896,402              | 896,548              | 10,914                          | 100.00                  | 193                 | 25,049                            | -                       | -      |
|                     | NPI   | Philippines                       | Sale, maintenance and repair of cars and parts | 72,224               | 72,235               | 12                              | 24.50                   | -                   | 295,288                           | -                       | -      |
| Yulon China         | Qing Yi   | Samoa                             | Investments                                    | 430,606              | 430,676              | -                               | 100.00                  | 81                  | 28,899                            | -                       | -      |
|                     | Wen Yang  | Samoa                             | Investments                                    | 910,403              | 910,552              | 31,450                          | 100.00                  | 664                 | (42,167)                          | -                       | -      |
|                     | Yulon China (Hong Kong) Investment Limited  | Hong Kong                         | Investments                                    | 8,344,968            | 8,348,041            | -                               | 100.00                  | -                   | 599,939                           | -                       | -      |
|                     | Yulon China Holding   | Cayman Islands                    | Investments                                    | 21,790,472           | 22,039,956           | 702,043                         | 100.00                  | 5,338               | 147,685                           | -                       | -      |
|                     | Feng Hua  | Hong Kong                         | Investments                                    | 85,974               | 85,988               | -                               | 40.00                   | 170                 | 11,822                            | -                       | -      |
| Yulon China Holding | Yulon China (HK) Holding  | Hong Kong                         | Investments                                    | 21,790,472           | 22,039,956           | -                               | 100.00                  | 5,338               | 147,685                           | -                       | -      |

Note: In June 2023, Tokio Marine Newa Insurance Co., Ltd. reduced its capital by 999.9 shares per thousand shares. As of December 31, 2023, Yu Ching holds 1 share of Tokio Marine Newa Insurance Co., Ltd.

(Concluded)

TABLE 10

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investee Company              | Main Businesses and Products   | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note    |
|-------------------------------|--|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|---------|
|                               |  |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |         |
| Xiamen Young Chang            | Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting | \$ 67,081       | b.                            | \$ 55,763   | \$ -                | \$ -   | \$ 55,763   | \$ 2,488                          | 100.00                                       | \$ 2,488                        | \$ 502,370                              | \$ -  | 2, c.   |
| Ke Yu                         | Computer software maintenance and computer system integration  | 780,469         | b.                            | 723,154   | -                   | -      | 723,154   | 2,466                             | 100.00                                       | 2,466                           | 665,488                                 | -   | 2, c. 5 |
| Tai Feng                      | Computer software maintenance and computer system integration  | 495,140         | b.                            | 445,203   | -                   | -      | 445,203   | (6,511)                           | 100.00                                       | (6,511)                         | 314,580                                 | -   | 2, c.   |
| Qing Tai                      | Computer software maintenance and computer system integration  | 521,374         | b.                            | 460,193   | -                   | -      | 460,193   | (37,937)                          | 100.00                                       | (37,937)                        | 329,664                                 | -   | 2, c. 5 |
| Dongfeng Yulon                | Manufacturing of key car components, electric cars and related parts   | 15,362,034      | b.                            | 7,969,003   | -                   | -      | 7,969,003   | (94,830)                          | -  | -                               | -                                       | -   | 2, c. 4 |
| Su Zhou Cheng Long            | Sale, maintenance and repair of cars and parts   | 191,436         | b.                            | 83,944  | -                   | -      | 83,944  | 11,822                            | 40.00  | 4,729                           | 316,624                                 | -   | 2, c.   |
| Yulon China Motor Investment  | Investment, shareholding and related business  | 8,191,562       | b.                            | 1,745,943   | -                   | -      | 1,745,943   | 145,345                           | 100.00                                       | 145,345                         | 4,822,922                               | -   | 2, b.   |
| Luxgen (Hangzhou) Motor Sales | Sales of cars and car parts  | 13,057,027      | b.                            | 12,928,809  | -                   | -      | 12,928,809  | 2,194                             | 100.00                                       | 2,194                           | 131,542                                 | -   | 2, a.   |
| Yulon Motor Finance (China)   | Car purchases and loans to car dealers for car purchases   | 4,335,200       | a.                            | 2,479,875   | -                   | -      | 2,479,875   | 184,478                           | 71.98  | 132,782                         | -                                       | -   | 2, b.   |
| Hang Zhou Yong Ren            | Manufacturing of machinery, car accessory and seat parts   | 173,029         | b.                            | 2,249   | -                   | -      | 2,249   | (8,096)                           | 2.59   | -                               | 2,303                                   | -   | -       |
| Hang Zhou Haitec              | Product design   | 858,225         | b.                            | -   | -                   | -      | -   | 2,194                             | 100.00                                       | 2,194                           | (3,839)                                 | -   | 2, c.   |
| Fujian Spicer                 | Production of car key parts, drive axle assemblies and parts   | 887,875         | a.                            | 228,152   | -                   | -      | 228,152   | 602,643                           | 20.50  | 123,542                         | 376,416                                 | 33,610  | 2, c.   |
| Shenyang Spicer               | Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts  | 372,510         | a.                            | 55,124  | -                   | -      | 55,124  | 23,940                            | 14.29  | 3,421                           | 272,213                                 | -   | 2, c.   |
| Hui Zhou Deng Feng Yi Jing    | Manufacturing of car parts   | 650,280         | b.                            | -   | -                   | -      | -   | (7,693)                           | -  | (1,715)                         | -                                       | -   | 2, c.   |
| Hang Zhou Yue Wan             | Manufacturing of car parts   | 609,801         | b.                            | 267,362   | -                   | -      | 267,362   | 37,357                            | 80.76  | 30,170                          | 23,796                                  | -   | 2, c.   |
| Hang Zhou Y-Teks              | Manufacturing and sales of car interior furnishing and related business  | 320,867         | b.                            | 44,327  | -                   | -      | 44,327  | 38,653                            | 30.66  | 11,851                          | 85,697                                  | -   | 2, c.   |
| Chang Zhou Y-Teks             | Manufacturing and sales of car interior furnishing and related business  | 42,987          | b.                            | -   | -                   | -      | -   | 8,230                             | 15.64  | 1,287                           | 49,589                                  | -   | 2, c.   |

(Continued)

| Investee Company                             | Main Businesses and Products  | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note  |
|--|---|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|-------|
|  |   |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |       |
| Liu Zhou Yu Xin Fang Sheng                   | Manufacturing and sales of car interior furnishing and related business | \$ 153,525      | b.                            | \$ -  | \$ -                | \$ -   | \$ -  | \$ 16,168                         | 6.13   | \$ 991                          | \$ 157,582                              | \$ -  | 2, c. |
| Guang Zhou He Xi                             | Manufacturing and sales of car interior furnishing and related business | 356,178         | b.                            | -   | -                   | -      | -   | 186,946                           | 6.96   | 13,011                          | 798,332                                 | -   | 2, c. |
| Fuzhou Lianghong                             | Manufacturing of car seats  | 450,705         | b.                            | -   | -                   | -      | -   | 13,138                            | 16.67  | 2,190                           | 533,090                                 | -   | 2, c. |
| Hang Zhou Liangrun                           | Manufacturing of car seats  | 642,679         | b.                            | 142,431   | -                   | -      | 142,431   | 60,613                            | 40.39  | 24,481                          | 94,840                                  | -   | 2, c. |
| Guang Zhou Ri Zheng Spring                   | Manufacturing of vibration damper springs                               | 821,359         | b.                            | -   | -                   | -      | -   | (271,675)                         | 10.00  | (27,168)                        | 1,143,508                               | -   | 2, c. |
| Yu-Jie                                       | Construction industry   | 2,167,600       | a.                            | -   | -                   | -      | -   | 28,350                            | 100.00                                       | 28,350                          | 2,202,525                               | -   | 2, c. |
| Car-Plus (Suzhou)                            | Lease of cars and related services                                      | 745,498         | b.                            | -   | -                   | -      | -   | 31,037                            | 42.81  | 13,022                          | 670,743                                 | -   | 2, c. |
| Car-Plus Leasing (Shanghai)                  | Lease of cars and related services                                      | 786,250         | b.                            | -   | -                   | -      | -   | 40,090                            | 42.81  | 17,032                          | 845,252                                 | -   | 2, c. |
| Car-Plus Go                                  | Car-hailing related services  | 982,560         | b.                            | -   | -                   | -      | -   | (14,823)                          | 42.81  | (6,337)                         | 19,056                                  | -   | 2, c. |
| Jiangsu TAC Financial Leasing Co., Ltd.      | Equipment and cars leasing business                                     | 2,318,105       | b.                            | -   | -                   | -      | -   | 862,062                           | 42.81  | 369,049                         | 5,929,285                               | -   | 2, b  |
| TAC Finance Company                          | Cars leasing business   | 921,150         | b.                            | -   | -                   | -      | -   | 59,524                            | 54.25  | 32,291                          | 220,738                                 | -   | 2, c  |
| Zhe Jiang Cheng Yi Company                   | Secondhand vehicle consulting service and vehicle agent                 | 86,704          | b.                            | -   | -                   | -      | -   | (300)                             | 54.25  | (163)                           | 15,087                                  | -   | 2, c. |
| Zhe Jiang Cheng-Yi-Jun                       | Secondhand vehicle authentication and evaluation service                | 6,503           | b.                            | -   | -                   | -      | -   | 606                               | 54.25  | 329                             | 3,518                                   | -   | 2, c. |
| Zhe Jiang Cheng-Yi Auction                   | Secondhand vehicles auction service                                     | 8,670           | b.                            | -   | -                   | -      | -   | (1,057)                           | 54.25  | (573)                           | 9,064                                   | -   | 2, c. |
| Wuhan TAC Auto Trade Co., Ltd.               | Sales of cars   | -               | b.                            | -   | -                   | -      | -   | 119                               | 20.00  | 24                              | -                                       | -   | 2, c. |
| Genwise Auto Technology Co., Ltd. (Shanghai) | Sales of car parts  | 48,897          | b.                            | -   | -                   | -      | -   | 2,616                             | 53.04  | 1,388                           | 26,540                                  | -   | 2, c. |
| Dong Yu Tech. Company                        | Sales of car parts  | 65,028          | b.                            | -   | -                   | -      | -   | -                                 | 17.95  | -                               | -                                       | -   | 2, c. |
| Shanghai Yuming                              | Sales of cars   | 353,575         | b.                            | -   | -                   | -      | -   | 6,657                             | 32.62  | 2,172                           | -                                       | -   | 2, c  |
| Jia Hsin Yuda                                | Sales of cars   | 116,040         | b.                            | -   | -                   | -      | -   | -                                 | 32.62  | -                               | -                                       | -   | 2, c  |
| Sheng Qing                                   | Investments   | 5,374,222       | b.                            | 3,080,606   | -                   | -      | 3,080,606   | 12,959                            | 100.00                                       | 12,959                          | 4,116,594                               | -   | 2, c  |
| Chuang Jie                                   | Manufacturing of key car components, electric cars and related parts    | 3,424,808       | b.                            | 3,432,301   | -                   | -      | 3,432,301   | 102,111                           | 100.00                                       | 102,111                         | 2,257,764                               | -   | 2, c  |
| Mei De                                       | Computer software maintenance and computer system integration           | 344,648         | b.                            | -   | -                   | -      | -   | (810)                             | 100.00                                       | (810)                           | 321,267                                 | -   | 2, c  |
| Shi Cheng                                    | Computer software maintenance and computer system integration           | 311,397         | b.                            | -   | -                   | -      | -   | (36,389)                          | 100.00                                       | (36,389)                        | 115,248                                 | -   | 2, c  |
| Jin Ce                                       | Computer software maintenance and computer system integration           | 85,273          | b.                            | -   | -                   | -      | -   | (2,567)                           | 100.00                                       | (2,567)                         | -                                       | -   | 2, c  |
| Yi Ding                                      | Computer software maintenance and computer system integration           | 239,303         | b.                            | -   | -                   | -      | -   | (3,074)                           | 100.00                                       | (3,074)                         | 147,883                                 | -   | 2, c  |

(Continued)

| Investee Company    | Main Businesses and Products | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note |
|---------------------|------------------------------|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|------|
|                     |                              |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |      |
| Dong Tai            | Investments                  | \$ 317,337      | b.                            | \$ -  | \$ -                | \$ -   | \$ -  | \$ (39,197)                       | 100.00                                       | \$ (39,197)                     | \$ 112,807                              | \$ -  | 2, c |
| Gao Te              | Investments                  | 251,442         | b.                            | -   | -                   | -      | -   | (3,685)                           | 100.00                                       | (3,685)                         | 167,332                                 | -   | 2, c |
| Su Zhou Feng Shen   | Sales of cars                | 208,090         | b.                            | -   | -                   | -      | -   | 73,760                            | 40.00  | 29,504                          | 351,383                                 | -   | 2, c |
| Guang Zhou Yuan Du  | Sales of cars                | 151,732         | b.                            | -   | -                   | -      | -   | 703                               | 51.00  | 359                             | 77,885                                  | -   | 2, c |
| Zhu Hai Fu Te En    | Sales of cars                | 185,113         | b.                            | -   | -                   | -      | -   | 6,044                             | 100.00                                       | 6,044                           | 322,752                                 | -   | 2, c |
| Nanjing Hanhong     | Sales of cars                | 567,911         | b.                            | -   | -                   | -      | -   | (67,449)                          | 100.00                                       | (67,449)                        | 190,310                                 | -   | 2, c |
| Wuhan Yu Hsin       | Sales of cars                | 496,814         | b.                            | -   | -                   | -      | -   | 30,406                            | 100.00                                       | 30,406                          | 537,628                                 | -   | 2, c |
| HangZhou Yu Zhong   | Trading                      | 43,352          | b.                            | -   | -                   | -      | -   | 144                               | 100.00                                       | 144                             | 50,313                                  | -   | 2, c |
| Hang Zhou Hua Zhi   | Sales of cars                | 86,704          | b.                            | -   | -                   | -      | -   | (8,702)                           | 60.00  | (5,221)                         | (180,930)                               | -   | 2, c |
| Chang Sha Yu Lu     | Sales of cars                | 137,859         | b.                            | -   | -                   | -      | -   | 7,821                             | 100.00                                       | 7,821                           | 19,338                                  | -   | 2, c |
| Hang Zhou Tang Yu   | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (39,016)                          | 100.00                                       | (39,016)                        | 792                                     | -   | 2, c |
| Hang Zhou Qien Yu   | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (3,649)                           | 100.00                                       | (3,649)                         | 749                                     | -   | 2, c |
| Xiao Gan Yu Feng    | Sales of cars                | 149,998         | b.                            | -   | -                   | -      | -   | 16,572                            | 100.00                                       | 16,572                          | 305,154                                 | -   | 2, c |
| Su Zhou Feng Shun   | Sales of cars                | 108,380         | b.                            | -   | -                   | -      | -   | 34,266                            | 40.00  | 13,706                          | 305,933                                 | -   | 2, c |
| Su Zhou Yueshun     | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | (2,937)                           | 40.00  | (1,175)                         | 38,458                                  | -   | 2, c |
| Su Chou Cheng Pin   | Sales of cars                | 173,408         | b.                            | -   | -                   | -      | -   | 5,699                             | 40.00  | 2,280                           | 203,513                                 | -   | 2, c |
| Wu Jiang Lian Cheng | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 16,238                            | 40.00  | 6,495                           | 87,673                                  | -   | 2, c |
| Su Zhou Cheng Li    | Sales of cars                | 65,028          | b.                            | -   | -                   | -      | -   | 11,254                            | 40.00  | 4,502                           | 85,050                                  | -   | 2, c |
| Hang Zhou Hsiao Yu  | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (88)                              | 99.00  | (87)                            | 744                                     | -   | 2, c |
| Nan Jing Yu Shang   | Sales of cars                | 164,738         | b.                            | -   | -                   | -      | -   | 580                               | 100.00                                       | 580                             | 6,666                                   | -   | 2, c |
| Hang Zhou Hua You   | Sales of cars                | 34,682          | b.                            | -   | -                   | -      | -   | (3,830)                           | 60.00  | (2,298)                         | (183,194)                               | -   | 2, c |
| Su Zhou Cheng Pang  | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 7,912                             | 40.00  | 3,165                           | 77,146                                  | -   | 2, c |
| Nan Jing Yu Hua     | Sales of cars                | 190,749         | b.                            | -   | -                   | -      | -   | (3,932)                           | 100.00                                       | (3,932)                         | 113,051                                 | -   | 2, c |
| Su Zhou Cheng Guo   | Sales of cars                | -               | b.                            | -   | -                   | -      | -   | 1,723                             | 40.00  | 689                             | -                                       | -   | 2, c |
| Su Zhou Cheng Hung  | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | (6,175)                           | 40.00  | (2,470)                         | 42,153                                  | -   | 2, c |
| Tai Chang Cheng Mau | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 11,332                            | 40.00  | 4,533                           | 111,488                                 | -   | 2, c |
| An Ching Tsai Tung  | Sales of cars                | 118,858         | b.                            | -   | -                   | -      | -   | 439                               | 100.00                                       | 439                             | 14                                      | -   | 2, c |
| Tung Ling Kuo Tong  | Sales of cars                | 73,321          | b.                            | -   | -                   | -      | -   | (941)                             | 100.00                                       | (941)                           | 26,045                                  | -   | 2, c |
| Zi Bo Yu An         | Sales of cars                | 66,935          | b.                            | -   | -                   | -      | -   | 4,403                             | 100.00                                       | 4,403                           | 1,690                                   | -   | 2, c |

(Continued)



| Accumulated Investment in Mainland China as of December 31, 2023 | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|--|---|--|---|
| Yulon Motor Company Ltd.   | \$34,144,439  | \$37,506,129   | \$53,251,350  |

Note 1: Methods of investment are as follows:

- a. Direct investment in Mainland China.
- b. Indirect investment in the Company of Mainland China through a third place.
- c. Other

Note 2: a. If it is in preparation, there are no investment gains and losses, should be noted.

- b. The amount of investment gain (loss) was recognized on following bases:
  - 1) Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
  - 2) Based on the financial statements audited by the auditor of parent company.
  - 3) Other

Note 3: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of net equity or consolidated net equity.

Note 4: On December 30, 2022, the Court approved the reorganization plan of Dongfeng Yulon Company. Dongfeng, its had completed shareholder change registration and no longer a shareholder of the corporation on June 27, 2023.

(Concluded)

**TABLE 11****YULON MOTOR COMPANY LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Name of Major Shareholder | Shares           |                             |
|---------------------------|------------------|-----------------------------|
|                           | Number of Shares | Percentage of Ownership (%) |
| Tai-Yuen Textiles         | 186,508,584      | 17.43                       |
| China Motor               | 171,382,445      | 16.01                       |

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Yulon Motor Company Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Yulon Motor Company Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

### Estimated Impairment of Trade Receivable

As described in Note 5, the determination of the estimated impairment of trade receivable of the Group's horizontal segments subsidiary - Yulon Finance Co., Ltd. - takes into consideration the present value of estimated future cash flows based on assumptions about the risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward-looking estimates as of the end of each reporting period. When the actual future cash inflows are less than expected, a material impairment loss may arise. The key assumptions and inputs used involved significant management judgment and estimation uncertainty; thus, the estimated impairment of trade receivable is determined as a key audit matter.

Our audit procedures included the following:

1. We understood the policies on impairment of trade receivable and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and reperformance of related internal controls.
2. We tested the Yulon Finance Co., Ltd.'s system that generated related documents used by management in the evaluation and determination of default rate and expected loss rate; the tests verified the correctness of the assumptions used in the determination of default rate and expected loss rate.
3. We recalculated the impairment based on the impairment policy of the Group.

### **Other Matter**

Yulon Motor Company Ltd. has prepared individual financial statements for years 2023 and 2022, and the audit report issued by the accountant with an unqualified opinion is in the case of reference.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li-Wen Kuo and Hsin-Wei Tai.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2024

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

| ASSETS  | 2023                  |            | 2022                  |            |
|---|-----------------------|------------|-----------------------|------------|
|   | Amount                | %          | Amount                | %          |
| <b>CURRENT ASSETS</b>   |                       |            |                       |            |
| Cash and cash equivalents (Note 6)  | \$ 14,812,708         | 4          | \$ 17,301,334         | 5          |
| Financial assets at fair value through profit or loss (Note 7)                        | 584,801               | -          | 681,467               | -          |
| Financial assets at fair value through other comprehensive income (Note 8)            | 100,268               | -          | 157,283               | -          |
| Financial assets at amortized cost (Notes 9, 10 and 39)                               | 4,913,203             | 1          | 4,248,871             | 1          |
| Notes and trade receivable (Notes 11 and 39)  | 205,089,969           | 53         | 201,632,117           | 56         |
| Notes and trade receivable from related parties (Notes 11, 38 and 39)                 | 729,571               | -          | 741,275               | -          |
| Finance lease receivables (Note 12)   | 27,159,193            | 7          | 24,063,789            | 7          |
| Other receivables (Notes 13 and 38)   | 6,234,337             | 2          | 4,489,997             | 1          |
| Inventories (Notes 14, 29 and 39)   | 12,923,208            | 3          | 9,882,920             | 3          |
| Other current assets  | 3,079,932             | 1          | 3,511,275             | 1          |
| Assets directly associated with disposal groups classified as held for sale (Note 15) | 9,126,954             | 2          | -                     | -          |
| Incremental costs of obtaining a contract (Note 38)                                   | <u>3,494,500</u>      | <u>1</u>   | <u>4,072,786</u>      | <u>1</u>   |
| Total current assets  | <u>288,248,644</u>    | <u>74</u>  | <u>270,783,114</u>    | <u>75</u>  |
| <b>NON-CURRENT ASSETS</b>   |                       |            |                       |            |
| Financial assets at fair value through profit or loss (Note 7)                        | 252,031               | -          | 74,288                | -          |
| Financial assets at fair value through other comprehensive income (Note 8)            | 784,303               | -          | 522,944               | -          |
| Financial assets at amortized cost (Notes 9, 10 and 39)                               | 1,414,875             | -          | 1,553,210             | -          |
| Investments accounted for using the equity method (Note 17)                           | 26,905,270            | 7          | 24,243,626            | 7          |
| Property, plant and equipment (Notes 18, 29, 38 and 39)                               | 44,658,230            | 12         | 38,905,387            | 11         |
| Right-of-use assets (Notes 20 and 38)   | 2,500,731             | 1          | 2,170,996             | 1          |
| Investment properties (Notes 19, 29 and 39)   | 14,054,167            | 4          | 15,440,918            | 4          |
| Goodwill (Note 21)  | 427,434               | -          | 882                   | -          |
| Vehicle model development cost (Notes 21 and 29)                                      | 99,089                | -          | 276,776               | -          |
| Other intangible assets (Notes 21 and 29)   | 515,988               | -          | 426,015               | -          |
| Deferred tax assets (Note 30)   | 2,143,440             | 1          | 2,325,075             | 1          |
| Long-term finance lease receivables (Note 12)   | 1,748,381             | -          | 1,436,322             | -          |
| Refundable deposits (Note 35)   | 447,025               | -          | 436,013               | -          |
| Other non-current assets  | <u>3,544,218</u>      | <u>1</u>   | <u>1,836,048</u>      | <u>1</u>   |
| Total non-current assets  | <u>99,495,182</u>     | <u>26</u>  | <u>89,648,500</u>     | <u>25</u>  |
| <b>TOTAL</b>  | <u>\$ 387,743,826</u> | <u>100</u> | <u>\$ 360,431,614</u> | <u>100</u> |

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

| LIABILITIES AND EQUITY   | 2023                  |            | 2022                  |            |
|--|-----------------------|------------|-----------------------|------------|
|  | Amount                | %          | Amount                | %          |
| <b>CURRENT LIABILITIES</b>   |                       |            |                       |            |
| Short-term borrowings (Note 22)  | \$ 46,927,705         | 12         | \$ 66,016,213         | 18         |
| Short-term bills payable (Note 22)   | 171,312,001           | 44         | 137,833,828           | 38         |
| Financial liabilities at fair value through profit or loss (Note 7)                        | 70,054                | -          | -                     | -          |
| Notes and trade payables   | 3,497,591             | 1          | 3,977,733             | 1          |
| Notes and trade payable to related parties (Note 38)                                       | 1,179,954             | 1          | 1,020,564             | -          |
| Other payables (Notes 24 and 38)   | 6,297,133             | 2          | 7,223,189             | 2          |
| Current tax liabilities (Note 30)  | 1,064,407             | -          | 1,009,907             | -          |
| Provisions (Note 25)   | 82,506                | -          | 87,825                | -          |
| Lease liabilities (Note 20)  | 620,704               | -          | 589,471               | -          |
| Liabilities directly associated with disposal groups classified as held for sale (Note 15) | 4,541,928             | 1          | -                     | -          |
| Current portion of bonds payable (Note 23)   | 20,470,743            | 5          | 19,428,749            | 6          |
| Current portion of long-term borrowings (Note 22)  | 1,899,848             | 1          | 2,117,056             | 1          |
| Other current liabilities (Note 24)  | 15,740,099            | 4          | 14,267,340            | 4          |
| <b>Total current liabilities</b>   | <b>273,704,673</b>    | <b>71</b>  | <b>253,571,875</b>    | <b>70</b>  |
| <b>NON-CURRENT LIABILITIES</b>   |                       |            |                       |            |
| Bonds payable (Note 23)  | 8,313,968             | 2          | 4,700,000             | 2          |
| Long-term borrowings (Note 22)   | 9,569,045             | 3          | 19,073,721            | 5          |
| Provisions (Note 25)   | 342,506               | -          | 395,037               | -          |
| Deferred tax liabilities (Note 30)   | 4,817,117             | 1          | 4,392,028             | 1          |
| Lease liabilities (Notes 20 and 38)  | 1,674,834             | -          | 1,322,659             | 1          |
| Net defined benefit liabilities (Note 26)  | 155,976               | -          | 180,555               | -          |
| Investments accounted for using the equity method in credit (Note 17)                      | 2,860                 | -          | 3,690,555             | 1          |
| Other non-current liabilities (Note 24)  | 410,597               | -          | 593,332               | -          |
| <b>Total non-current liabilities</b>   | <b>25,286,903</b>     | <b>6</b>   | <b>34,347,887</b>     | <b>10</b>  |
| <b>Total liabilities</b>   | <b>298,991,576</b>    | <b>77</b>  | <b>287,919,762</b>    | <b>80</b>  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b><br>(Note 27)                           |                       |            |                       |            |
| Share capital  |                       |            |                       |            |
| Ordinary shares  | 10,700,013            | 3          | 10,000,000            | 3          |
| Capital surplus  | 16,051,927            | 4          | 7,923,262             | 2          |
| Retained earnings  |                       |            |                       |            |
| Legal reserve  | 8,769,623             | 3          | 8,769,623             | 2          |
| Special reserve  | 20,078,565            | 5          | 22,228,565            | 6          |
| Unappropriated earnings (accumulated deficits)   | 4,426,508             | 1          | (1,146,938)           | -          |
| Total retained earnings  | 33,274,696            | 9          | 29,851,250            | 8          |
| Other equity   |                       |            |                       |            |
| Exchange differences on translation of foreign operations                                  | (1,227,435)           | -          | (776,164)             | -          |
| Unrealized gain on financial assets at fair value through other comprehensive income       | 1,491,596             | -          | 1,508,886             | -          |
| Total other equity   | 264,161               | -          | 732,722               | -          |
| Treasury shares  | (376,301)             | -          | (376,301)             | -          |
| <b>Total equity attributable to owners of the Company</b>                                  | <b>59,914,496</b>     | <b>16</b>  | <b>48,130,933</b>     | <b>13</b>  |
| <b>NON-CONTROLLING INTERESTS (Notes 27 and 35)</b>   | <b>28,837,754</b>     | <b>7</b>   | <b>24,380,919</b>     | <b>7</b>   |
| <b>Total equity</b>  | <b>88,752,250</b>     | <b>23</b>  | <b>72,511,852</b>     | <b>20</b>  |
| <b>TOTAL</b>   | <b>\$ 387,743,826</b> | <b>100</b> | <b>\$ 360,431,614</b> | <b>100</b> |

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



**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)**

|   | 2023              |            | 2022              |            |
|---|-------------------|------------|-------------------|------------|
|   | Amount            | %          | Amount            | %          |
| OPERATING REVENUE (Notes 28 and 38)   |                   |            |                   |            |
| Sales   | \$ 40,650,715     | 50         | \$ 40,898,285     | 53         |
| Rental revenue  | 10,913,480        | 13         | 9,298,307         | 12         |
| Service revenue   | 3,437,851         | 4          | 3,145,890         | 4          |
| Other operating revenue   | <u>27,118,633</u> | <u>33</u>  | <u>23,736,781</u> | <u>31</u>  |
| Total operating revenue   | <u>82,120,679</u> | <u>100</u> | <u>77,079,263</u> | <u>100</u> |
| OPERATING COSTS (Notes 14, 29 and 38)   |                   |            |                   |            |
| Cost of goods sold  | 36,911,448        | 45         | 36,055,975        | 47         |
| Rental cost   | 8,632,097         | 11         | 7,400,732         | 10         |
| Service cost  | 1,960,288         | 2          | 1,877,143         | 2          |
| Other operating cost  | <u>5,752,953</u>  | <u>7</u>   | <u>4,289,127</u>  | <u>5</u>   |
| Total operating costs   | <u>53,256,786</u> | <u>65</u>  | <u>49,622,977</u> | <u>64</u>  |
| GROSS PROFIT  | 28,863,893        | 35         | 27,456,286        | 36         |
| (UNREALIZED) REALIZED GAIN ON<br>TRANSACTIONS WITH ASSOCIATES AND<br>JOINT VENTURES                         |                   |            |                   |            |
|   | <u>(1,908)</u>    | <u>-</u>   | <u>11</u>         | <u>-</u>   |
| REALIZED GROSS PROFIT   | <u>28,861,985</u> | <u>35</u>  | <u>27,456,297</u> | <u>36</u>  |
| OPERATING EXPENSES (Notes 29 and 38)  |                   |            |                   |            |
| Selling and marketing expenses  | 9,040,884         | 11         | 7,267,728         | 10         |
| General and administrative expenses   | 6,219,735         | 8          | 6,790,302         | 9          |
| Research and development expenses   | 231,050           | -          | 261,336           | -          |
| Expected credit loss  | <u>4,778,808</u>  | <u>6</u>   | <u>3,030,758</u>  | <u>4</u>   |
| Total operating expenses  | <u>20,270,477</u> | <u>25</u>  | <u>17,350,124</u> | <u>23</u>  |
| PROFIT FROM OPERATIONS  | <u>8,591,508</u>  | <u>10</u>  | <u>10,106,173</u> | <u>13</u>  |
| NON-OPERATING INCOME  |                   |            |                   |            |
| Other income (Note 29)  | 844,465           | 1          | 1,027,300         | 1          |
| Other gains and losses (Note 29)  | 554,575           | 1          | 52,996            | -          |
| Finance costs (Note 29)   | (601,884)         | (1)        | (476,439)         | (1)        |
| Share of profit or loss of associates and joint<br>ventures accounted for by the equity method<br>(Note 17) | 1,032,178         | 1          | (9,626,565)       | (12)       |
| Interest income (Note 29)   | <u>371,034</u>    | <u>1</u>   | <u>296,807</u>    | <u>1</u>   |

(Continued)

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

|  | 2023         |    | 2022           |      |
|--|--------------|----|----------------|------|
|  | Amount       | %  | Amount         | %    |
| Total non-operating income (loss)  | \$ 2,200,368 | 3  | \$ (8,725,901) | (11) |
| NET PROFIT BEFORE INCOME TAX   | 10,791,876   | 13 | 1,380,272      | 2    |
| INCOME TAX EXPENSE (Note 30)   | 2,297,646    | 3  | 2,568,309      | 4    |
| NET PROFIT (LOSS) FOR THE YEAR   | 8,494,230    | 10 | (1,188,037)    | (2)  |
| OTHER COMPREHENSIVE (LOSS) INCOME  |              |    |                |      |
| Items that will not be reclassified subsequently to profit or loss:  |              |    |                |      |
| Remeasurement of defined benefit plans (Note 26)   | 49,815       | -  | 162,920        | -    |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income       | 43,520       | -  | (31,973)       | -    |
| Share of the other comprehensive income (loss) of associates and joint ventures accounted for by the equity method | 33,876       | -  | (35,681)       | -    |
|  | 127,211      | -  | 95,266         | -    |
| Items that may be reclassified subsequently to profit or loss:   |              |    |                |      |
| Exchange differences on translation of foreign operations  | (340,155)    | -  | 318,329        | 1    |
| Loss on hedging instruments not subject to basis adjustment  | -            | -  | (128)          | -    |
| Share of the other comprehensive (loss) income of associates and joint ventures accounted for by the equity method | (240,387)    | -  | 306,067        | -    |
|  | (580,542)    | -  | 624,268        | 1    |
| Other comprehensive (loss) income for the year, net of income tax  | (453,331)    | -  | 719,534        | 1    |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR   | \$ 8,040,899 | 10 | \$ (468,503)   | (1)  |
| NET PROFIT (LOSS) ATTRIBUTABLE TO:   |              |    |                |      |
| Owners of the Company  | \$ 4,690,523 | 6  | \$ (4,696,692) | (6)  |
| Non-controlling interests  | 3,803,707    | 4  | 3,508,655      | 4    |
|  | \$ 8,494,230 | 10 | \$ (1,188,037) | (2)  |

(Continued)

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)**

|                                     | 2023                |           | 2022                |            |
|-------------------------------------|---------------------|-----------|---------------------|------------|
|                                     | Amount              | %         | Amount              | %          |
| TOTAL COMPREHENSIVE INCOME (LOSS)   |                     |           |                     |            |
| ATTRIBUTABLE TO:                    |                     |           |                     |            |
| Owners of the Company               | \$ 4,360,841        | 5         | \$ (4,099,224)      | (6)        |
| Non-controlling interests           | <u>3,680,058</u>    | <u>5</u>  | <u>3,630,721</u>    | <u>5</u>   |
|                                     | <u>\$ 8,040,899</u> | <u>10</u> | <u>\$ (468,503)</u> | <u>(1)</u> |
| EARNINGS (LOSS) PER SHARE (Note 31) |                     |           |                     |            |
| Basic                               | <u>\$4.63</u>       |           | <u>\$(4.80)</u>     |            |
| Diluted                             | <u>\$4.45</u>       |           | <u>\$(4.80)</u>     |            |

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

(Concluded)

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

|   | Equity Attributable to Owners of the Company |                 |               |                 |  |  |  |                                    |                 |               |                           |               |
|---|--|-----------------|---------------|-----------------|--|--|--|------------------------------------|-----------------|---------------|---------------------------|---------------|
|   | Retained Earnings                            |                 |               |                 |  | Other Equity   |  |                                    |                 |               | Non-controlling Interests | Total Equity  |
|   | Share Capital                                | Capital Surplus | Legal Reserve | Special Reserve | (Accumulated Deficits) Unappropriated Earnings | Exchange Differences on Translating Foreign Operations | Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income | Gain (Loss) on Hedging Instruments | Treasury Shares | Total         |                           |               |
| BALANCE, JANUARY 1, 2022  | \$ 10,000,000                                | \$ 6,578,018    | \$ 8,281,822  | \$ 22,228,565   | \$ 5,514,701                                   | \$ (1,287,377)   | \$ 1,712,376   | \$ 62                              | \$ (376,304)    | \$ 52,651,863 | \$ 18,047,660             | \$ 70,699,523 |
| Appropriation of the 2021 earnings  |  |                 |               |                 |  |  |  |                                    |                 |               |                           |               |
| Legal reserve   | -  | -               | 487,801       | -               | (487,801)                                      | -  | -  | -                                  | -               | -             | -                         | -             |
| Cash dividends distributed by the Company (NT\$1.5 per share)   | -  | -               | -             | -               | (1,500,000)                                    | -  | -  | -                                  | -               | (1,500,000)   | -                         | (1,500,000)   |
| Cash dividends distributed by subsidiaries  | -  | -               | -             | -               | -  | -  | -  | -                                  | -               | -             | (1,450,930)               | (1,450,930)   |
| Change in equity from investments in associates and joint ventures accounted for by using equity method   | -  | 1,103           | -             | -               | (36,103)                                       | -  | -  | -                                  | -               | (35,000)      | -                         | (35,000)      |
| Disposal of the Corporation's shares held by subsidiaries   | -  | -               | -             | -               | -  | -  | -  | -                                  | 3               | 3             | -                         | 3             |
| Change in the Company's capital surplus due to the distribution of dividends to subsidiaries  | -  | 11,290          | -             | -               | -  | -  | -  | -                                  | -               | 11,290        | -                         | 11,290        |
| Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition | -  | (792)           | -             | -               | -  | -  | -  | -                                  | -               | (792)         | (713,186)                 | (713,978)     |
| Changes in percentage of ownership interests in subsidiaries  | -  | 1,333,643       | -             | -               | (230,850)                                      | -  | -  | -                                  | -               | 1,102,793     | 4,833,394                 | 5,936,187     |
| Change in non-controlling interests   | -  | -               | -             | -               | -  | -  | -  | -                                  | -               | -             | 33,260                    | 33,260        |
| Net (loss) profit for the year ended December 31, 2022  | -  | -               | -             | -               | (4,696,692)                                    | -  | -  | -                                  | -               | (4,696,692)   | 3,508,655                 | (1,188,037)   |
| Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax   | -  | -               | -             | -               | 218,676  | 511,213  | (132,359)  | (62)                               | -               | 597,468       | 122,066                   | 719,534       |
| Total comprehensive income (loss) for the year ended December 31, 2022  | -  | -               | -             | -               | (4,478,016)                                    | 511,213  | (132,359)  | (62)                               | -               | (4,099,224)   | 3,630,721                 | (468,503)     |
| Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income  | -  | -               | -             | -               | 75,331   | -  | (75,331)   | -                                  | -               | -             | -                         | -             |
| Disposed the investments in equity instruments designed as at fair value through other comprehensive income   | -  | -               | -             | -               | (4,200)  | -  | 4,200  | -                                  | -               | -             | -                         | -             |
| BALANCE, DECEMBER 31, 2022  | 10,000,000                                   | 7,923,262       | 8,769,623     | 22,228,565      | (1,146,938)                                    | (776,164)  | 1,508,886  | -                                  | (376,301)       | 48,130,933    | 24,380,919                | 72,511,852    |
| Appropriation of the 2022 earnings  |  |                 |               |                 |  |  |  |                                    |                 |               |                           |               |
| Special reserve   | -  | -               | -             | (2,150,000)     | 2,150,000                                      | -  | -  | -                                  | -               | -             | -                         | -             |
| Cash dividends distributed by the Company (NT\$0.93 per share)  | -  | -               | -             | -               | (1,000,000)                                    | -  | -  | -                                  | -               | (1,000,000)   | -                         | (1,000,000)   |
| Cash dividends distributed by subsidiaries  | -  | -               | -             | -               | -  | -  | -  | -                                  | -               | -             | (2,017,755)               | (2,017,755)   |
| Equity component of convertible bonds issued by the Company   | -  | 573,028         | -             | -               | -  | -  | -  | -                                  | -               | 573,028       | -                         | 573,028       |
| Change in equity from investments in associates and joint ventures accounted for by using equity method   | -  | 2,864,604       | -             | -               | (332,865)                                      | -  | -  | -                                  | -               | 2,531,739     | (388,785)                 | 2,142,954     |
| Change in the Company's capital surplus due to the distribution of dividends to subsidiaries  | -  | 7,034           | -             | -               | -  | -  | -  | -                                  | -               | 7,034         | -                         | 7,034         |
| Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition | -  | 14,057          | -             | -               | (68,197)                                       | -  | -  | -                                  | -               | (54,140)      | 421,641                   | 367,501       |
| Changes in percentage of ownership interests in subsidiaries  | -  | 512,625         | -             | -               | (4,894)  | -  | -  | -                                  | -               | 507,731       | 629,226                   | 1,136,957     |
| Issuance of ordinary share for cash   | 700,000                                      | 4,052,000       | -             | -               | -  | -  | -  | -                                  | -               | 4,752,000     | -                         | 4,752,000     |
| Convertible bonds   | 13   | 81              | -             | -               | -  | -  | -  | -                                  | -               | 94            | -                         | 94            |
| Employee share options  | -  | 105,236         | -             | -               | -  | -  | -  | -                                  | -               | 105,236       | -                         | 105,236       |
| Change in non-controlling interests   | -  | -               | -             | -               | -  | -  | -  | -                                  | -               | -             | 2,132,450                 | 2,132,450     |
| Net profit for the year ended December 31, 2023   | -  | -               | -             | -               | 4,690,523                                      | -  | -  | -                                  | -               | 4,690,523     | 3,803,707                 | 8,494,230     |
| Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax   | -  | -               | -             | -               | 22,746   | (451,271)  | 98,843   | -                                  | -               | (329,682)     | (123,649)                 | (453,331)     |
| Total comprehensive income (loss) for the year ended December 31, 2023  | -  | -               | -             | -               | 4,713,269                                      | (451,271)  | 98,843   | -                                  | -               | 4,360,841     | 3,680,058                 | 8,040,899     |
| Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income  | -  | -               | -             | -               | 41,837   | -  | (41,837)   | -                                  | -               | -             | -                         | -             |
| Disposed the investments in equity instruments designed as at fair value through other comprehensive income   | -  | -               | -             | -               | 74,296   | -  | (74,296)   | -                                  | -               | -             | -                         | -             |
| BALANCE, DECEMBER 31, 2023  | \$ 10,700,013                                | \$ 16,051,927   | \$ 8,769,623  | \$ 20,078,565   | \$ 4,426,508                                   | \$ (1,227,435)   | \$ 1,491,596   | \$ -                               | \$ (376,301)    | \$ 59,914,496 | \$ 28,837,754             | \$ 88,752,250 |

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

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

|   | 2023          | 2022         |
|---|---------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |               |              |
| Income before income tax  | \$ 10,791,876 | \$ 1,380,272 |
| Profit and loss   |               |              |
| Depreciation expense  | 8,625,485     | 7,638,336    |
| Amortization expense  | 3,394,974     | 3,369,023    |
| Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss | (2,199)       | 70,703       |
| Finance costs   | 5,511,127     | 3,686,207    |
| Interest income   | (24,961,247)  | (22,009,439) |
| Dividend income   | (36,663)      | (98,406)     |
| Compensation cost of employee share options of subsidiaries   | 105,236       | 58,155       |
| Share of (profit) loss of subsidiaries, associates and joint ventures   | (1,032,178)   | 9,626,565    |
| Gain on disposal of property, plant and equipment   | (118,724)     | (25,746)     |
| Loss on disposal of intangible assets   | 4,482         | 210          |
| Gain on disposal of investments accounted for using the equity method   | (120,357)     | -            |
| Impairment loss recognized on non-financial assets  | 273,556       | 532,114      |
| Expected credit loss  | 4,778,808     | 3,030,758    |
| Unrealized loss (gain) on transactions with associates and joint ventures   | 1,908         | (11)         |
| Loss (gain) on foreign currency exchange  | 15,052        | (426,075)    |
| Gain on modification of lease   | (6,314)       | (18,452)     |
| Reversal of provisions  | (14,999)      | (768)        |
| Changes in operating assets and liabilities   |               |              |
| Financial assets mandatorily classified as at fair value through profit or loss   | (75,211)      | 799,393      |
| Notes and trade receivable  | (14,291,760)  | (37,104,507) |
| Other receivables   | (1,622,867)   | (1,252,396)  |
| Inventories   | (3,605,477)   | (30,264)     |
| Other current assets  | 302,515       | 2,077,715    |
| Finance lease receivables   | (4,010,050)   | (923,895)    |
| Available-for-operating-lease assets  | (11,002,577)  | (7,844,454)  |
| Incremental cost of obtaining a contract  | (3,001,343)   | (4,082,145)  |
| Other operating assets  | (50,069)      | (1,546,485)  |
| Notes and trade payable   | (799,132)     | (686,452)    |
| Other payables  | (318,071)     | (1,605,493)  |
| Provisions  | (42,851)      | (81,276)     |
| Guarantee deposits received   | 1,369,596     | 764,869      |
| Other current liabilities   | 190,178       | (544,723)    |
| Accrued pension liabilities   | 25,236        | (169,555)    |
| Other operating liabilities   | (10,288)      | 2,654        |
| Cash used in operations   | (29,732,348)  | (45,413,568) |
| Interest received   | 24,002,028    | 21,346,741   |
| Interest paid   | (5,514,767)   | (3,670,922)  |
| Income tax paid   | (1,761,489)   | (2,240,874)  |

(Continued)

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

|   | <b>2023</b>        | <b>2022</b>        |
|---|--------------------|--------------------|
| Net cash used in operating activities   | \$ (13,006,576)    | \$ (29,978,623)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                    |                    |
| Purchase of financial assets at fair value through other comprehensive income               | (1,076)            | (24,939)           |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 78,445             | 7,042              |
| Purchase of financial assets at amortized cost  | (6,016,055)        | (5,083,632)        |
| Proceeds from disposal of financial assets at amortized cost                                | 5,437,602          | 6,270,107          |
| Acquisition of investments accounted for using the equity method                            | (5,301,671)        | (4,275,166)        |
| Proceeds from disposal of investments accounted for using the equity method                 | 456,726            | -                  |
| Acquisition of subsidiaries (net of cash acquired)  | 190,341            | -                  |
| Proceeds from capital reduction of investments accounted for using equity method            | 114,741            | -                  |
| Payments for property, plant and equipment  | (1,905,355)        | (1,075,671)        |
| Proceeds from disposal of property, plant and equipment                                     | 604,067            | 353,442            |
| Decrease (increase) in refundable deposits  | 12,101             | (56,863)           |
| Payments for intangible assets  | (65,067)           | (201,939)          |
| Proceeds from disposal of intangible assets   | 6,093              | -                  |
| Payments for right-of-use assets  | (4,100)            | (2,344)            |
| Payments for investment properties  | (849,644)          | (813,153)          |
| Dividends received  | 1,502,711          | 2,169,455          |
| Net cash used in investing activities   | <u>(5,740,141)</u> | <u>(2,733,661)</u> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                    |                    |
| Proceeds from short-term borrowings   | 199,507,851        | 211,947,914        |
| Repayment of short-term borrowings  | (213,817,762)      | (187,897,925)      |
| Proceeds from short-term bills payable  | 464,781,460        | 520,934,266        |
| Repayment of short-term bills payable   | (431,764,185)      | (514,135,207)      |
| Issuance of bonds   | 19,651,513         | -                  |
| Repayment of bonds  | (13,738,000)       | (7,000,000)        |
| Proceeds from long-term borrowings  | 43,213,567         | 41,018,229         |
| Repayment of long-term borrowings   | (52,934,921)       | (32,066,605)       |
| Change in guarantee deposits  | (204,437)          | (151,320)          |
| Repayment of lease liabilities  | (657,555)          | (645,750)          |
| Proceeds from issuance of ordinary shares   | 4,752,000          | -                  |
| Dividends paid  | (2,995,114)        | (2,913,032)        |
| Proceeds from disposal of treasury shares   | -                  | 3                  |
| Change in non-controlling interests   | 2,166,926          | 5,464,588          |
| Net cash generated from financing activities  | <u>17,961,343</u>  | <u>34,555,161</u>  |

(Continued)

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

|  | <b>2023</b>          | <b>2022</b>          |
|--|----------------------|----------------------|
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | \$ (136,256)         | \$ 166,250           |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS                               | (921,630)            | 2,009,127            |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR                             | <u>17,301,334</u>    | <u>15,292,207</u>    |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR                                   | <u>\$ 16,379,704</u> | <u>\$ 17,301,334</u> |
|  | <b>2023</b>          | <b>2022</b>          |
| CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED BALANCE SHEETS                       | \$ 14,812,708        | \$ 17,301,334        |
| CASH AND CASH EQUIVALENTS INCLUDED IN NON-CURRENT ASSETS HELD FOR SALE             | <u>1,566,996</u>     | <u>-</u>             |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR                                   | <u>\$ 16,379,704</u> | <u>\$ 17,301,334</u> |

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

(Concluded)

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

#### 1. GENERAL INFORMATION

Yulon Motor Company Ltd. (the “Company”) was incorporated in September 1953. It manufactures and markets automobiles and parts.

The Company’s shares have been listed on the Taiwan Stock Exchange since July 1976.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 7, 2024.

#### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

| <b>New, Amended and Revised Standards and Interpretations</b>                 | <b>Effective Date Announced by IASB (Note 1)</b> |
|---|--|
| Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”              | January 1, 2024 (Note 2)                         |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2024                                  |
| Amendments to IAS 1 “Non-current Liabilities with Covenants”                  | January 1, 2024                                  |
| Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”                | January 1, 2024 (Note 3)                         |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and



leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group evaluates that amendments to above standards and interpretations will not have a significant impact on the financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

| <b>New, Amended and Revised Standards and Interpretations</b>  | <b>Effective Date Announced by IASB (Note 1)</b> |
|--|--|
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | To be determined by IASB                         |
| IFRS 17 “Insurance Contracts”  | January 1, 2023                                  |
| Amendments to IFRS 17  | January 1, 2023                                  |
| Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”                              | January 1, 2023                                  |
| Amendments to IAS 21 “Lack of Exchangeability”   | January 1, 2025 (Note 2)                         |

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligations less the fair value of the plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

### **Classification of Current and Non-current Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within an operating cycle after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities are classified as non-current.

Since the operating cycles of Yulon Finance Co, Ltd., Shinshin Credit Co., Ltd., Jiangsu TAC Financial Leasing Co., Ltd. (renamed from TAC Leasing Co., Ltd.), TAC Financial Leasing Co., Ltd. (“TAC Financial”), Yulon Motor Finance (China) Co., Ltd., Yu Rich Financial Services Co., Ltd., Yulon Finance Philippines Corporation, Yulon Capital Sdn. Bhd., Yulon Construction Co., Ltd., Yu Sing Co., Ltd., and Yushin Co., Ltd. are more than one year, the classification of balance sheet accounts depends on whether their realization or settlement will be within or beyond one year from the balance sheet date.

### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including special-purpose entities). Income and expenses of subsidiaries acquired or disposed of during the period are included in the

consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this attribution results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Please refer to Note 16, Table 9 and Table 10 for the subsidiaries' name, percentage of shares owned by the Company and main businesses.

### **Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree in excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is not completed by the end of the reporting period in which the combination occurs, the Group, as the acquiring entity, reports in its financial statements provisional amounts for the items for which the accounting is incomplete. These provisional amounts recognized at the acquisition date are adjusted retrospectively during the measurement period when new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts initially recognized or would have resulted in the recognition of other assets and liabilities.

### **Acquisition of a subsidiary other than a business**

The Group identifies and recognizes the individual identifiable asset (intangible asset) acquired by it and liabilities to be borne by it upon acquisition of the subsidiary other than a business, and allocates the transaction price to the individual identifiable assets and liabilities. At the time of allocation, on the basis of the corresponding fair value prevailing on the date of acquisition, The total transaction price is allocated to each individual identifiable assets and liabilities as transaction price. The difference between the original measured amount and the individual transaction price in each applicable standard shall then be followed.

### **Foreign Currencies**

In preparing the financial statements of each group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing on the dates of the transactions and are not retranslated.

Exchange differences resulting from the settlement or translation of monetary items are recognized in profit or loss in the period when these differences arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income and are attributed to owners' equity or non-controlling interests.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and included in the calculation of equity transactions and not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

### **Inventories**

Inventories consist of raw materials, supplies, finished goods and work-in-process, which are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

Yulon Finance Corporation (YFC) provides retailers with cars for the purpose of displays and sales, and charges display fees till the cars are sold. Before the ownership of cars is transferred to retailers, the cars are treated as YFC's inventories.

## **Construction Industry Inventories**

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The inventory of construction business are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in bringing them to their existing location and condition and capitalized borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

### Land held for development

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

### Construction-in-progress

Net realizable value is the estimated selling price (current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses.

### Properties and land held for sale

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value or estimated by recent market value.

## **Investments in Associates and Jointly Controlled Entities**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint venture.

When the Group subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as

would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and joint venture equals or exceeds its interest in that associate and joint venture, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate and joint venture had directly disposed of the related assets or liabilities.

When a Group entity transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture of entities that are not related to the Group.

### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are depreciated and placed in the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method and units of production method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the

total cost of the item is depreciated separately. For leased asset, if the lease term is shorter than the useful life of the asset, the asset is depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

An entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue in accordance with IFRS 15 “Revenue from Contracts with Customers”. IFRS 5 does not apply when assets held for sale in the ordinary course of business are transferred to inventories.

Assets held for rental that are transferred to inventories at their carrying amount are classified under operating activities.

### **Investment Properties**

Investment properties are properties held for earning rentals and/or for capital appreciation, including property under construction for these purposes. Investment properties also include land held for a currently undetermined future use.

Own investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer from the investment properties classification to inventories, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of development with a view to future sale.

For a transfer from the property, plant and equipment classification to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount.

Investment properties under construction are stated at cost less impairment, if any. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the construction is completed and the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

### **Goodwill**

Goodwill arising from the acquisition of a business is carried at cost as established at the acquisition date less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the acquirer’s cash-generating units (CGUs), or groups of cash-generating units (referred to as cash-generating units), that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying

amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a CGU is acquired in a business combination during the current annual period, that unit should be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

### **Intangible Assets**

#### a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line and unit production method basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for prospectively. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

#### b. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

#### c. Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

### **Assets Related to Contract Costs**

When a sales contract is obtained, commissions of accounts receivable purchasing and the equipment leasing business are recognized as incremental costs of obtaining a contract to the extent the costs are expected to be recovered, and are recognized as commission expenses using interest method through the contract period. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the asset that the Group otherwise would have recognized is expected to be one year or less.

### **Impairment of Property, Plant, and Equipment, Right-of-use Assets, Investment Property, and Intangible Assets Other Than Goodwill and Assets Related to Contract Costs**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant, and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs, excluding goodwill, for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of a corporate asset, the asset is tested for impairment in the context of the cash-generating unit (CGU) to which the asset belongs. If a portion of the carrying amount of the asset can be allocated on a reasonable and consistent basis to the CGU, the Group compares the carrying amount of the CGU, including the



portion of the asset's carrying amount allocated to the CGU, with the recoverable amount of the CGU to which the asset belongs. If this reasonable and consistent basis of allocation cannot be applied to the CGU to which the asset belongs and can be applied instead to the smallest group of CGUs to which the CGU belongs, this smallest group is used for impairment testing.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication of asset impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When the carrying amount of the asset or CGU is increased to a revised estimate of its recoverable amount, the impairment loss is reversed, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or CGU in prior years. A reversal of an impairment loss is recognized in profit or loss.

### **Disposal Groups Classified as Held for Sale**

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan results in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary will be classified as held for sale, regardless of whether the Group retains a non-controlling interest in that subsidiary after the sale.

Disposal groups classified as held for sale are measured at the lower previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

### **Financial Instruments**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

a) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 37.

b) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable at amortized cost, trade receivables, finance lease receivables, treasury bills and other receivables and government bonds, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- i. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

- ii. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the second reporting period after the impairment.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivables, trade receivables, and other receivables), finance lease receivables, as well as contract assets.

The Group always recognizes lifetime Expected Credit Loss (ECL) for notes receivables, trade receivables and finance lease receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

### 3) Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

#### b. Equity instruments

Debt and equity instruments issued by a Group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a Group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### c. Financial liabilities

##### 1) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

##### Financial liability at amortized cost

The Group's financial liability measured at amortized cost transfers financial assets and related right to trust institutions, which issue beneficiary certificates, and all proceeds raised go to consolidated entities. Under this transaction architecture, the Group does not lose the right of controlling financial assets, and nor derecognize them.

##### 2) Derecognition of financial liabilities

The Group only derecognizes the financial liabilities when the obligation is lifted, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

#### d. Convertible bonds

The component parts of convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the convertible bonds as a whole. This is recognized and included in equity, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component. Derivative financial instruments. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks and foreign exchange rate risks, including interest rate swaps and cross-currency swaps.

e. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks and foreign exchange rate risks, including interest rate swaps and cross-currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

### **Hedge Accounting**

The Group designates certain hedging instruments as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

### **Provisions**

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Group's provision is for contracts with guarantees. (a) For car loan contracts signed by the Group's customers with financial institutions, the Group provides payment guarantees as well as account management services. Under the contracts, the Group is responsible for the collection of loan repayments or will assume the risk of loss on uncollectable loans in the event of default. (b) The warranty obligation to ensure that the product conforms to the agreed specifications is based on the management's best estimate of the expenses required to settle the obligations of the Group, which is recognized when the relevant products are recognized as revenue; and (c) relevant provision for estimated possible litigation compensation expenses. The provision is subsequently measured under IAS 37 "Provision, Contingent Liabilities and Contingent Assets".

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products and at the Group management's best estimate of the expenditure required to settle the Group's obligations.

### **Revenue Recognition**

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

#### **a. Revenue from sale of goods**

Revenue from the sale of goods comes from sales of cars and materials.

The Group recognize revenue on goods delivered to subcontractors because this delivery involve a transfer of control.

The horizontal segment's revenue from sale of goods comes from sales of operating assets held for rental to others. Sales of operating assets held for rental to others are recognized as

revenue when ownership of the goods are transferred to the buyers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances. Sales returns are recognized at the time of sale if the Group can reliably estimate future returns and a liability for returns is recognized on the basis of previous experience and relevant factors.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received on the sale of properties and installment payments are presented in the consolidated balance sheets under current liabilities.

Under the Group's award scheme, the sale of goods that results in award credits for customers is accounted for as a multiple element revenue transaction, and award credits are accounted for as a separately identifiable component of a sales transaction in which these credits are granted ("initial sale"). The fair value of the consideration received or receivable is allocated between the award credits granted and other components of the sale. The consideration allocated to the award credits is measured at their fair value, i.e., the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations to supply the award have been fulfilled.

b. Interest revenue from acquired accounts receivable

YFC, Shinshin and Yu Rich undertake business regarding the acquisition of accounts receivable. After transferring accounts receivable, the seller is not responsible for unpaid overdue accounts of the debtor. The difference between acquisition payment, and account receivable principal is recognized as unearned interest revenue, and amortized as interest revenue from acquired accounts receivable using effective interest method throughout the contract term. In addition, the deferred gain recognized from acquiring the service contract between third party, and financial institutions is recognized evenly throughout the contract period as interest revenue from acquired accounts receivable.

c. Interest revenue from loans

Yulon Motor Finance (China) and Yulon Finance Philippines Corporation engage in vehicle and dealer operating equipment loans. The difference between payment, and loan principal is recognized as unearned interest revenue, and amortized as interest revenue from loan using effective interest method throughout the loan period.

d. Installment sales interest revenue

The main business of the YFC, Shinshin, Yu Rich and Jiangsu TAC Financial Leasing Co., Ltd. is installment financing services. The difference between installment price and sales price is recognized as unrealized interest revenue, and is recognized as installment sales interest revenue using interest method during the installment period. Unrealized interest revenue is deducted from notes and trade receivables.

e. Rental revenue

A lease is classified as a finance lease if it transfers substantially all the risks, and rewards upon transfer of property or asset. Otherwise, it is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When the lease contains both land and building, the Company is based on whether almost all the risks and compensation attached to the ownership of the elements have been transferred to the lessee to assess whether the elements are classified as financial or business leases. The lease payment shall be distributed to the land and buildings in proportion to the fair value of the lease rights of the land and buildings at the date of the establishment of the contract. If lease payments can be reliably allocated to these two elements, each element is treated according to the applicable lease classification. If the lease payment cannot be reliably apportioned to these two elements, then the overall lease is classified as a financial lease, but if both elements clearly meet the operating lease criteria, the overall lease is classified as an operating lease.

f. Investment income

Gains (losses) from securities trading are recognized based on the difference between the actual transaction price and cost when the ownership and risk of the actual transaction are transferred.

g. Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

h. Agency revenue

The customers of the Company and Shinshin signed car loan contracts with banks, which act as car loan agents and provided customers with account management services. Under the contracts, banks pay agency fees based on the payment terms of each contract. The Company and Shinshin recognize this agency revenue on an accrual basis. The Company and Shinshin are responsible for repaying any uncollectable loans arising from customer defaults.



## Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

### The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise in-substance fixed payments and variable lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

## Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of these assets, until the time the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, borrowing costs are recognized in profit or loss in the period in which they are incurred.

### **Government Grants**

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

### **Employee Benefits**

#### **a. Short-term employee benefits**

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

#### **b. Retirement benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Rereasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

#### **c. Termination benefits**

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

### Share-based payment arrangements

Employee share options are expensed on a straight-line basis over the vesting period, based on the fair value at the grant date and the Company's best estimate of the number expected to ultimately vest, with a corresponding increase in capital surplus.

It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

#### b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would

follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of volatility in interest rate markets on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

### Estimated impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9, 12 and 13. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties from the uncertain impact and volatility in market interest rate.

## 6. CASH AND CASH EQUIVALENTS

|  | <b>December 31</b>   |                      |
|--|----------------------|----------------------|
|  | <b>2023</b>          | <b>2022</b>          |
| Cash on hand   | \$ 24,743            | \$ 23,786            |
| Checking accounts and demand deposits                  | 12,780,149           | 14,677,352           |
| Cash equivalent  |                      |                      |
| Time deposits with original maturities within 3 months | 1,956,045            | 2,422,919            |
| Short-term notes                                       | 51,640               | 127,143              |
| Repurchase agreement                                   | -                    | 50,000               |
| Third-party payment service deposits                   | <u>131</u>           | <u>134</u>           |
|  | <u>\$ 14,812,708</u> | <u>\$ 17,301,334</u> |

**7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

|   | <b>December 31</b> |                   |
|---|--------------------|-------------------|
|   | <b>2023</b>        | <b>2022</b>       |
| <u>Financial assets at FVTPL - current</u>                    |                    |                   |
| Financial assets mandatorily classified as at FVTPL           |                    |                   |
| Non-derivative financial assets                               |                    |                   |
| Domestic and foreign quoted shares                            | \$ 10,054          | \$ 8,910          |
| Mutual funds  | 286,644            | 109,540           |
| Hybrid financial assets                                       |                    |                   |
| Structured deposits   | 201,399            | 399,869           |
| Principal guaranteed financial assets                         | <u>86,704</u>      | <u>163,148</u>    |
|   | <u>\$ 584,801</u>  | <u>\$ 681,467</u> |
| <u>Financial assets at FVTPL - non-current</u>                |                    |                   |
| Financial assets mandatorily classified as at FVTPL           |                    |                   |
| Non-derivative financial assets                               |                    |                   |
| Domestic and foreign unlisted shares                          | \$ 2,303           | \$ 2,303          |
| Limited partnership investment                                | 71,985             | 71,985            |
| Hybrid financial assets                                       |                    |                   |
| Guaranteed investments  | <u>177,743</u>     | <u>-</u>          |
|   | <u>\$ 252,031</u>  | <u>\$ 74,288</u>  |
| <u>Financial liabilities at FVTPL - current</u>               |                    |                   |
| Designated as at fair value through profit or loss            |                    |                   |
| Derivative financial assets                                   |                    |                   |
| Redemption rights of convertible corporate bonds<br>(Note 23) | <u>\$ 70,054</u>   | <u>\$ -</u>       |

**8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

|                          | <b>December 31</b> |                   |
|--------------------------|--------------------|-------------------|
|                          | <b>2023</b>        | <b>2022</b>       |
| <u>Current</u>           |                    |                   |
| Quoted stocks            | <u>\$ 100,268</u>  | <u>\$ 157,283</u> |
| <u>Non-current</u>       |                    |                   |
| Domestic investments     |                    |                   |
| Quoted stocks            | \$ 323,100         | \$ 96,025         |
| Domestic unlisted shares | 449,880            | 425,940           |
| Others                   | 1,498              | 979               |

(Continued)

|                          | <b>December 31</b> |                   |
|--------------------------|--------------------|-------------------|
|                          | <b>2023</b>        | <b>2022</b>       |
| Foreign investments      |                    |                   |
| Overseas unlisted shares | <u>9,825</u>       | <u>-</u>          |
|                          | <u>\$ 784,303</u>  | <u>\$ 522,944</u> |
|                          |                    | (Concluded)       |

In March 2023, the Yulon Finance Co, Ltd. acquired 2.72% of the shares of Green World Fintech Service Co., Ltd. through a share swap in a strategic alliance to enhance the competitiveness of both companies; In addition, the Yulon Finance Co, Ltd. acquired 3.01% of the shares of BSOS Holdings Inc. in the amount of \$9,939 thousand in June 2023.

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

|   | <b>December 31</b>  |                     |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
| <u>Financial assets - current</u>                       |                     |                     |
| Time deposits with original maturity more than 3 months | \$ 3,894,976        | \$ 2,506,834        |
| Reserve account   | 257,274             | 355,755             |
| Restricted bank deposit                                 | 1,164               | 449,125             |
| Pledged time deposits                                   | 7,895               | 6,681               |
| Bank deposit for specified purpose                      | 13,661              | 27,310              |
| Beneficiary right of the real estate trust (a)          | <u>745,680</u>      | <u>912,281</u>      |
|   | 4,920,650           | 4,257,986           |
| Less: Allowance for impairment loss                     | <u>(7,447)</u>      | <u>(9,115)</u>      |
|   | <u>\$ 4,913,203</u> | <u>\$ 4,248,871</u> |
| <u>Financial assets - non-current</u>                   |                     |                     |
| Central Government Development Bonds (b)                | \$ 200              | \$ 600              |
| Pledged time deposits                                   | 51,719              | 45,617              |
| Reserve account   | 20,107              | 28,467              |
| Restricted Bank deposit                                 | 557,657             | 563,819             |
| Time deposits with original maturity more than one year | 778,168             | 908,336             |
| Debt instruments investment                             | <u>9,900</u>        | <u>9,900</u>        |
|   | 1,417,751           | 1,556,739           |
| Deduct: Allowance for loss                              | <u>(2,876)</u>      | <u>(3,529)</u>      |
|   | <u>\$ 1,414,875</u> | <u>\$ 1,553,210</u> |

- a. Shinshin acquired debt instruments which is beneficiary right of the real estate trust. As of December 31, 2023 and 2022, with yearly effective interest rates of 3.50%-6.86% and 3.50%-5.51%, respectively, and with maturity date in year 2026.
- b. Yulon Finance Co, Ltd. and Shinshin invested in Central Government Development Bonds with yearly payment coupon rates of 3.75% and 1.42% and with maturity dates, Shinshin has reclaimed the all principal upon maturity in April 2023. As of December 31, 2023 and 2022, Yulon Finance Co, Ltd. and Shinshin pledged Central Government Development Bonds with face value of \$200 thousand and \$600 thousand, respectively, as guarantee deposits for evidence of claims in the courthouse.
- c. Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.
- d. Refer to Note 39 for information relating to financial assets at amortized cost pledged as security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

|                                     | <b>December 31</b>  |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <b>2023</b>         | <b>2022</b>         |
| Gross carrying amount               | \$ 6,338,401        | \$ 5,814,725        |
| Less: Allowance for impairment loss | <u>(10,323)</u>     | <u>(12,644)</u>     |
| Amortized cost                      | <u>\$ 6,328,078</u> | <u>\$ 5,802,081</u> |

The Group invests in government bonds, deposits and beneficiary right of the real estate trust. The credit rating information of government bonds is provided by independent rating agencies. The Group continues to monitor credit risk exposures by closely tracking external credit ratings. The Group also reviews changes in bond yields and other public information to assess whether there has been a significant increase in credit risk.

In determining the expected credit losses for debt instrument investments, the Group considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries.

## 11. NOTES RECEIVABLE AND TRADE RECEIVABLES

|                                     | <b>December 31</b>    |                       |
|-------------------------------------|-----------------------|-----------------------|
|                                     | <b>2023</b>           | <b>2022</b>           |
| Notes and trade receivables         | \$ 255,770,469        | \$ 250,863,512        |
| Less: Allowance for impairment loss | (5,914,969)           | (6,529,325)           |
| Unrealized interest income          | <u>(44,035,960)</u>   | <u>(41,960,795)</u>   |
|                                     | <u>\$ 205,819,540</u> | <u>\$ 202,373,392</u> |

## Trade and Notes Receivable

The average credit period for the sale of goods for “Brand Segments” was 45 to 180 days. In assessing recoverability of its trade and notes receivables, the Group’s management considers any changes in the counterparties’ credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

Principal and interests for Horizontal Segments within the Group are collected monthly. For delayed payments, interests are accrued on the basis of the number of days that payments are outstanding. For the assessment of expected credit losses, in addition to considering the impairment losses recognized by individual customers, the Group assessed expected credit losses of different business on a collective basis based on macroeconomic factors, past experience and forward-looking indicators.

The average credit period for the sale of goods by other “Supporting Segments” is 45 to 65 days. In assessing recoverability of its trade and notes receivables, the Group’s management considers any changes in the counterparties’ credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

For Taiwan and China-based retailers, overdue payments are reported to the Group’s internal legal department for confirmation and collection.

The clients of the Group are widely spread and unrelated; thus, credit risk is limited.

The following table details the loss allowance of trade receivables based on the Group’s provision matrix.

### December 31, 2023

|                               | <b>Not Past Due</b>   | <b>1-180 Days</b>   | <b>181-365 Days</b> | <b>More Than<br/>365 Days</b> | <b>Total</b>          |
|-------------------------------|-----------------------|---------------------|---------------------|-------------------------------|-----------------------|
| Gross carrying amount         | \$ 209,626,247        | \$ 1,765,770        | \$ 61,912           | \$ 280,580                    | \$ 211,734,509        |
| Loss allowance (Lifetime ECL) | <u>(5,588,866)</u>    | <u>(48,800)</u>     | <u>(6,140)</u>      | <u>(271,163)</u>              | <u>(5,914,969)</u>    |
| Amortized cost                | <u>\$ 204,037,381</u> | <u>\$ 1,716,970</u> | <u>\$ 55,772</u>    | <u>\$ 9,417</u>               | <u>\$ 205,819,540</u> |

### December 31, 2022

|                               | <b>Not Past Due</b>   | <b>1-180 Days</b>   | <b>181-365 Days</b> | <b>More Than<br/>365 Days</b> | <b>Total</b>          |
|-------------------------------|-----------------------|---------------------|---------------------|-------------------------------|-----------------------|
| Gross carrying amount         | \$ 206,553,809        | \$ 1,832,887        | \$ 69,327           | \$ 446,694                    | \$ 208,902,717        |
| Loss allowance (Lifetime ECL) | <u>(5,886,199)</u>    | <u>(138,167)</u>    | <u>(64,103)</u>     | <u>(440,856)</u>              | <u>(6,529,325)</u>    |
| Amortized cost                | <u>\$ 200,667,610</u> | <u>\$ 1,694,720</u> | <u>\$ 5,224</u>     | <u>\$ 5,838</u>               | <u>\$ 202,373,392</u> |



The movements of the loss allowance of note and trade receivables were as follows:

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Balance at January 1                                  | \$ 6,529,325                          | \$ 13,408,027       |
| Add: Net remeasurement of loss allowance              | 4,656,742                             | 2,942,531           |
| Add: Amounts recovered                                | 423,649                               | 548,136             |
| Less: Amounts reclassification for the current period | (150)                                 | -                   |
| Less: Amounts written off (Note 1)                    | (5,252,125)                           | (10,391,138)        |
| Less: Reclassify for sale                             | (420,249)                             | -                   |
| Foreign exchange gains and losses                     | <u>(22,223)</u>                       | <u>21,769</u>       |
| Balance at December 31 (Note 2)                       | <u>\$ 5,914,969</u>                   | <u>\$ 6,529,325</u> |

Note 1: In 2022, as Dongfeng Yulon Motor Co., Ltd. obtained approval from the court for bankruptcy and the reorganization plan, related notes and accounts receivable and the loss allowance of \$7,498,375 thousand were written off.

Note 2: As of December 31, 2023 and 2022, the balance included the loss allowance of receivable from related parties of the Group - Dong Feng Yulon Motor Sales Co., Ltd. was \$99,919 thousand and \$160,301 thousand, respectively; As of December 31, 2022, the balance included the loss allowance of receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was \$214,713 thousand.

The amount of trade receivables pledged as collateral for bank borrowings was disclosed in Note 39.

## 12. FINANCE LEASE RECEIVABLES

|   | <b>December 31</b>   |                      |
|---|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          |
| <u>Undiscounted lease payments</u>                              |                      |                      |
| Year 1  | \$ 20,557,703        | \$ 19,056,021        |
| Year 2  | 8,309,017            | 7,486,885            |
| Year 3  | 2,335,529            | 2,327,677            |
| Year 4  | 1,113,311            | 1,061,926            |
| Year 5  | 263,140              | 182,678              |
| Year 5 onwards  | <u>287,141</u>       | <u>292,828</u>       |
|   | 32,865,841           | 30,408,015           |
| Less: Unearned finance income                                   | (3,134,772)          | (3,145,139)          |
| Less: Allowance for impairment loss                             | <u>(823,495)</u>     | <u>(1,762,765)</u>   |
| Lease payments receivable                                       | <u>\$ 28,907,574</u> | <u>\$ 25,500,111</u> |
| Net investment in leases presented as finance lease receivables | <u>\$ 28,907,574</u> | <u>\$ 25,500,111</u> |

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.44 years.

The Group has been subleasing parts of its land and buildings. The Group subleases the land and buildings for all the remaining lease term of the main lease to the sublessee; the sublease contract is classified as a finance lease based on the remaining contractual terms and conditions of the main lease and sublease. The related right-of-use assets were derecognized and finance lease receivables were recognized. All these leases with average lease term of 12.30 years. The Group receives fixed lease payments yearly.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The ranges of interest rates inherent in the finance lease were approximately 2.68%-13.98% and 3.43%-13.98% as of December 31, 2023 and 2022, respectively.

Finance lease receivables are secured by holding leased equipment or vehicles as collaterals. The expected credit losses on finance lease receivables are recognized as loss allowance by reference to past default experience of the debtor and an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtors operate and expected credit loss rates of forward-looking indicators.

The Group assesses the loss allowance of finance lease receivables individually and collectively. The movements were as follows:

#### December 31, 2023

|                               | <b>Not Past Due</b>  | <b>1-180 Days</b>   | <b>181-365 Days</b> | <b>More Than<br/>365 Days</b> | <b>Total</b>         |
|-------------------------------|----------------------|---------------------|---------------------|-------------------------------|----------------------|
| Gross carrying amount         | \$ 27,008,858        | \$ 2,568,317        | \$ 3,523            | \$ 150,371                    | \$ 29,731,069        |
| Loss allowance (Lifetime ECL) | (369,081)            | (300,554)           | (3,489)             | (150,371)                     | (823,495)            |
| Amortized cost                | <u>\$ 26,639,777</u> | <u>\$ 2,267,763</u> | <u>\$ 34</u>        | <u>\$ -</u>                   | <u>\$ 28,907,574</u> |

#### December 31, 2022

|                               | <b>Not Past Due</b>  | <b>1-180 Days</b>   | <b>181-365 Days</b> | <b>More Than<br/>365 Days</b> | <b>Total</b>         |
|-------------------------------|----------------------|---------------------|---------------------|-------------------------------|----------------------|
| Gross carrying amount         | \$ 23,963,102        | \$ 2,139,016        | \$ 141,543          | \$ 1,019,215                  | \$ 27,262,876        |
| Loss allowance (Lifetime ECL) | <u>(329,710)</u>     | <u>(272,297)</u>    | <u>(141,543)</u>    | <u>(1,019,215)</u>            | <u>(1,762,765)</u>   |
| Amortized cost                | <u>\$ 23,633,392</u> | <u>\$ 1,866,719</u> | <u>\$ -</u>         | <u>\$ -</u>                   | <u>\$ 25,500,111</u> |

The movements of the loss allowance of finance lease receivables were as follows:

|  | <b><u>For the Year Ended December 31</u></b> |                     |
|--|--|---------------------|
|  | <b>2023</b>                                  | <b>2022</b>         |
| Balance at January 1                     | \$ 1,762,765                                 | \$ 2,860,042        |
| Add: Net remeasurement of loss allowance | 243,492                                      | 76,489              |
| Add: Amounts recovered                   | 72,931                                       | 38,433              |
| Less: Amounts written off                | (1,240,909)                                  | (1,255,618)         |
| Foreign exchange gains and losses        | <u>(14,784)</u>                              | <u>43,419</u>       |
| Balance at December 31 (Note)            | <u>\$ 823,495</u>                            | <u>\$ 1,762,765</u> |

### 13. OTHER RECEIVABLES

|                                      | <u>December 31</u>  |                     |
|--------------------------------------|---------------------|---------------------|
|                                      | <b>2023</b>         | <b>2022</b>         |
| Other receivable - at amortized cost | \$ 7,012,547        | \$ 5,439,000        |
| Less: Allowance for impairment loss  | <u>(778,210)</u>    | <u>(949,003)</u>    |
|                                      | <u>\$ 6,234,337</u> | <u>\$ 4,489,997</u> |

The movements of the loss allowance of other receivables were as follows:

|  | <u>For the Year Ended December 31</u> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2023</b>                           | <b>2022</b>       |
| Balance at January 1                                 | \$ 949,003                            | \$ 9,041,317      |
| Add: Net remeasurement of loss allowance             | (119,106)                             | 8,087             |
| Add: Amounts reclassification for the current period | 150                                   | -                 |
| Less: Actual write-off (Note 1)                      | (34,863)                              | (8,263,436)       |
| Foreign exchange gains and losses                    | <u>(16,974)</u>                       | <u>163,035</u>    |
| Balance at December 31 (Note 2)                      | <u>\$ 778,210</u>                     | <u>\$ 949,003</u> |

Note 1: In 2022, as Dongfeng Yulon Motor Co., Ltd. obtained approval from the court for bankruptcy and the reorganization plan, related other receivables and the loss allowance of \$8,258,971 thousand were written off.

Note 2: As of December 31, 2023 and 2022, the balance included the loss allowance of receivable from related parties of the Group - Dong Feng Yulon Motor Sales Co., Ltd. was \$674,323 thousand and \$687,438 thousand, respectively; As of December 31, 2022, the balance included the loss allowance of receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was \$175,342 thousand.

### 14. INVENTORIES

The Group's inventories include finished goods, work in progress, raw materials, properties for sale and construction land.

|                               | <u>December 31</u> |                  |
|-------------------------------|--------------------|------------------|
|                               | <b>2023</b>        | <b>2022</b>      |
| Finished goods                | \$ 4,239,554       | \$ 3,144,231     |
| Work in progress              | 691,051            | 342,349          |
| Raw materials                 | <u>2,612,281</u>   | <u>3,029,540</u> |
|                               | <u>7,542,886</u>   | <u>6,516,120</u> |
| <u>Properties for sale</u>    |                    |                  |
| Yu-Wen Garden                 | 2,584              | 2,584            |
| Hsin-Dian Da Feng section     | 1,757              | 1,757            |
| Hangzhou Yulon Motor Building | <u>709,409</u>     | <u>626,367</u>   |
|                               | <u>713,750</u>     | <u>630,708</u>   |

(Continued)

|                             | <b>December 31</b>   |                                    |
|-----------------------------|----------------------|------------------------------------|
|                             | <b>2023</b>          | <b>2022</b>                        |
| <u>Construction land</u>    |                      |                                    |
| Property under construction | <u>\$ 4,666,572</u>  | <u>\$ 2,736,092</u>                |
|                             | <u>\$ 12,923,208</u> | <u>\$ 9,882,920</u><br>(Concluded) |

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was \$36,911,448 thousand and \$36,029,945 thousand, respectively.

The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of \$57,883 thousand and reversal of inventory write-downs of \$186,346 thousand, respectively. The reversal of previous write-downs resulted from the disposal of partial inventories with longer aging.

The Company reclassified \$2,491,606 thousand from investment property to construction land in 2023 because of the transfer of the capacity of Yulon City Shopping Mall, which was a commercial and residential area, to a purely residential area.

The amount of inventories pledged as collateral for bank borrowings was disclosed in Note 39.

## 15. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The board of directors of the Company resolved on November 23, 2023 to dispose of its 100% equity interest in its subsidiary, Yulon Motor Finance (China) Limited, to a non-related party, Beijing Automotive Industry Holding Co., Ltd., for a provisional amount of RMB 1,317,955 thousands. It is expected to complete the equity transfer process within the next 12 months.

As of December 31, 2023, the Group has reclassified the assets and liabilities of Yulon Motor Finance (China) Limited as held for sale and presented them separately in the consolidated balance sheet. The main categories of assets and liabilities of the disposal group held for sale are as follows:

| <u>Assets directly related to disposal groups held for sale</u> | <b>December 31,<br/>2023</b> |
|---|------------------------------|
| Cash and cash equivalents                                       | \$ 1,566,996                 |
| Net accounts receivable   | 6,958,253                    |
| Prepayments   | 30,369                       |
| Incremental cost of obtaining a contract                        | 315,679                      |
| Net property, plant and equipment                               | 16,583                       |
| Net right-of-use assets   | 22,415                       |
| Intangible asset  | 21,897                       |
| Deferred tax assets   | 184,115                      |
| Others  | <u>10,647</u>                |
|   | <u>\$ 9,126,954</u>          |

Liabilities directly associated with disposal groups held for sale

|                             | <b>December 31,<br/>2023</b> |
|-----------------------------|------------------------------|
| Short-term borrowings       | \$ 4,356,876                 |
| Other payables              | 137,602                      |
| Lease liabilities           | 18,927                       |
| Guarantee deposits received | 28,523                       |
|                             | <b>\$ 4,541,928</b>          |

The sale price was expected to exceed the carrying amount of the related net assets, and no impairment loss should be recognized when these units are classified as disposal groups held for sale.

## 16. SUBSIDIARIES

### a. Subsidiaries included in consolidated financial statements

Entities included in the Group's consolidated financial statements were as follows:

| Investor    | Investee   | Main Businesses  | % of Ownership |        | Remark  |  |
|-------------|--|--|----------------|--------|---|--|
|             |  |  | December 31    |        |   |  |
|             |  |  | 2023           | 2022   |   |  |
| The Company | Yulon Finance Corporation ("YFC")                                      | Sale and lease of cars and parts   | 42.81          | 42.92  | In the 1st quarter of 2023, Yulong issued new shares for a share swap with Greenworld Fintech Service Co., Ltd.   |  |
|             | Yu Sing Motor Co., Ltd. ("Yu Sing")                                    | Sale, maintenance and repair of cars and parts   | 99.99          | 99.99  | -   |  |
|             | Yushin Motor Co., Ltd. ("Yushin")                                      | Sale, maintenance and repair of cars and parts   | 99.99          | 99.99  | -   |  |
|             | Yu Chang Motor Co., Ltd. ("Yu Chang")                                  | Sale and maintenance of cars and parts   | 65.00          | 65.00  | -   |  |
|             | Sin Chi Co., Ltd. ("Sin Chi")  | General advertising planning services  | 100.00         | 100.00 | -   |  |
|             | Yu Ching Business Co., Ltd. ("Yu Ching")                               | Import and export and sale of cars and parts   | 60.00          | 60.00  | The Group owned 100% of Yu Ching in the two reporting periods.  |  |
|             | Yung Hong Investment Co., Ltd. ("Yung Hong")                           | Investments  | 100.00         | 100.00 | -   |  |
|             | Yu Pong Business Co., Ltd. ("Yu Pong")                                 | Yulon basketball team management and related services  | 100.00         | 100.00 | -   |  |
|             | Chan Yun Technology Co., Ltd. ("Chan Yun")                             | Wholesale and retail of information software   | 87.71          | 87.71  | -   |  |
|             | Yulon Overseas Investment Co., Ltd. ("Yulon Overseas")                 | Investments  | 100.00         | 100.00 | -   |  |
|             | Y-Teks Co., Ltd. ("Y-Teks")  | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts | 34.00          | 34.00  | The Group owned 45.99% of Y-Teks in the two reporting periods.  |  |
|             | Union & NKH Auto Parts Co., Ltd. ("Union & NKH")                       | Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles             | 25.01          | 25.01  | -   |  |
|             | Yueki Industrial Co., Ltd. ("Yueki")                                   | Manufacturing and sale of car components   | 65.58          | 65.58  | The Group owned 65.66% of Yueki in the two reporting periods.   |  |
|             | Yue Sheng Industrial Co., Ltd. ("Yue Sheng")                           | Car manufacture and furnishing; manufacture, installation and sale of car parts                            | 100.00         | 100.00 | -   |  |
|             | China Cast Iron Pipe Co., Ltd. ("China Cast Iron")                     | Metal casting and related business   | 77.66          | 77.66  | -   |  |
|             | Empower Co., Ltd. ("Empower")  | Sale, maintenance and repair of cars and parts   | 20.00          | 20.00  | The Group owned 47% of Empower in the two reporting periods.  |  |
|             | Luxgen Motor Co., Ltd. ("Luxgen")                                      | Sale, maintenance and repair of cars and parts   | 100.00         | 100.00 | -   |  |
|             | Yulon Motor Finance (China) Co., Ltd. ("Yulon Motor Finance")          | Car purchases and loans to car dealers for car purchases   | 51.00          | 51.00  | The Group owned 100% of Yulon Motor Finance in the two reporting periods. (Note)  |  |
|             | Yulon Construction Co., Ltd. ("Yulon Construction")                    | Construction   | 100.00         | 100.00 | -   |  |
|             | Haitec Co., Ltd. ("Haitec")  | Product design of cars   | 99.99          | 99.99  | -   |  |
|             | Advance Power Machinery Co., Ltd. ("Advance Power Machinery")          | Manufacturing and furnishing cars and the import and export of, and serving as sales agent for, car parts  | 100.00         | 100.00 | -   |  |
|             | Yuke Co., Ltd. ("Yuke")  | Energy Technical Services  | 100.00         | -      | The Company establishes Yuke in the 1st quarter of 2023   |  |
|             | Yu Yao Co., Ltd. ("Yu Yao")  | Energy Technical Services  | 100.00         | -      | The Company establishes Yu Yao in the 1st quarter of 2023   |  |
|             | New Energy World Motor CO., LTD. (Formerly known as Yujia Corporation) | Sales, maintenance and repair of heavy vehicles and related products.                                      | 20             | -      | Purchased from Sin Chi in Q4 2023   |  |
| YFC         | Shinshin Credit Corporation ("Shinshin")                               | Installment-related financing services for car and truck purchases   | 100.00         | 100.00 | -   |  |
|             | Car-plus Auto Leasing Corporation ("Car-plus Auto")                    | Car lease and trade  | 100.00         | 88.78  | YFC subscribed for the shares at a percentage difference from its original ownership of 2.22%, and acquired 8.9% of Car-plus Auto from non-related parties and Car-plus Auto shareholding reached 100% after purchasing 0.1% of treasury shares in the 2nd quarter of 2023. |  |

(Continued)

| Investor        | Investee   | Main Businesses   | % of Ownership<br>December 31 |        | Remark   |
|-----------------|--|---|-------------------------------|--------|--|
|                 |  |   | 2023                          | 2022   |  |
|                 | TAC Global Investment (Samoa) Co., Ltd. ("TAC Global")                         | Shareholding company  | 100.00                        | 100.00 | -  |
|                 | Empower  | Sale, maintenance and repair of cars and parts  | 27.00                         | 27.00  | The Group owned 47% of Empower in the two reporting periods.   |
|                 | Sin Gan Co., Ltd. ("Sin Gan")  | Wholesale and retail of information software  | -                             | 73.26  | YFC increased its equity in Car-plus Auto through its equity in Sin Gan in the 3rd quarter of 2023.  |
|                 | Yulon Motor Finance  | Car purchases and loans to car dealers for car purchases  | 49.00                         | 49.00  | The Group owned 100% of Yulon Motor Finance the two reporting periods. (Note)  |
|                 | Yu Rich Financial Services Co., Ltd. ("Yu Rich")                               | Installation loans of consumer goods and wholesale of cars and parts                            | 100.00                        | 100.00 | -  |
|                 | Yulon Finance Overseas Investment (Samoa) Co., Ltd. ("Yulon Finance Overseas") | Shareholding company  | 100.00                        | 100.00 | -  |
|                 | JDW Co., Ltd. ("JDW")  | Information software services, information processing services and general advertising services | 50.70                         | -      | YFC acquired 50.70% of JDW Co., Ltd from non-related parties in the 3rd quarter of 2023  |
| Shinshin        | Shinshin Global Investment (Samoa) Co., Ltd. ("Shinshin Samoa")                | Shareholding company  | 100.00                        | 100.00 | -  |
|                 | Yes-Energy Service Co., Ltd. ("YES-Energy")                                    | Wholesale and retail of batteries   | 100.00                        | 100.00 | -  |
|                 | Shinshin Credit Co., Ltd.  | Energy Technical Services   | 100.00                        | -      | Shinshin established Shinshin Power in the 1st quarter of 2023   |
|                 | Zysun Power Co., Ltd. ("Zysun Power")  | Energy Technical Services   | 100.00                        | -      | Shinshin established Zysun Power in the 3rd quarter of 2023  |
|                 | Wysun Power Co., Ltd. ("Wysun Power")  | Energy Technical Services   | 100.00                        | -      | Shinshin established Wysun Power in the 3rd quarter of 2023  |
|                 | Tai Chuang Energy Corporation Ltd. ("Tai Chuang Energy")                       | Energy Technical Services   | 95.00                         | -      | Shinshin established Tai Chuang Energy in the 3rd quarter of 2023. No capital increase variance based on shareholding ratio in Q4 2023   |
|                 | Yulon Capital SDN. BHD.  | Equipment leasing business and installment-related financing services                           | 100.00                        | -      | Shinshin established Yulon Capital SDN. BHD. in the 3rd quarter of 2023  |
| Car-plus Auto   | Diamond Leasing Service Corporation ("Diamond Leasing")                        | Car sale and lease  | 100.00                        | 100.00 | -  |
|                 | Car-Plus Global Investment (Samoa) Co., Ltd. ("Car-Plus Samoa")                | Shareholding company  | 100.00                        | 100.00 | -  |
|                 | Hong Shou Culture Enterprise Co., Ltd. ("Hong Shou Culture")                   | Publication   | 100.00                        | 100.00 | -  |
|                 | Da-Wei Technology Co., Ltd. ("Da-Wei")   | Brokerage of electric vehicles  | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | YES Charging Service Co., Ltd. (Original: Power Engineering Co., Ltd.)         | Wholesale and retail of batteries   | 100.00                        | 100.00 | -  |
|                 | Sin Gan Co., Ltd. ("Sin Gan")  | Automobile - related merchandise sales  | 77.69                         | -      | Car-plus Auto acquired 4.43% of Sin Gan from non-related parties in the 2nd quarter of 2023. YFC increased its equity in Car-plus Auto through its equity in Sin Gan in the 3rd quarter of 2023. |
| Sin Gan         | Sinqual Technology Co., Ltd. ("Sinqual")                                       | Sales of automotive related products and parts  | 100.00                        | 100.00 | -  |
|                 | Hsiang Shou Enterprise Co., Ltd. ("Hsiang Shou")                               | Towing  | 100.00                        | 100.00 | -  |
|                 | Sin Jiang Enterprises ("Sin Jiang")  | Sales and brokerage of secondhand vehicles  | 100.00                        | 100.00 | -  |
|                 | ChingTong Motor Co., Ltd. ("Ching-Tong")                                       | Sale and maintenance of cars and parts  | 100.00                        | 100.00 | -  |
| Singual         | Genwise Auto Technology Co., Ltd. (Shanghai)                                   | Sale of car parts   | 100.00                        | 100.00 | -  |
| Da-Wei          | Da Teng Traffic Co., Ltd.  | Taxi  | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Dachuan Transportation Co., Ltd.   | Taxi  | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Damu Transportation Co., Ltd.  | Taxi  | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Dajun Transportation Co., Ltd.   | Taxi  | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Yong-Xiang Transportation Co., Ltd. ("Yong-Xiang")                             | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Guo-Ma Transportation Co., Ltd. ("Guo-Ma")                                     | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Jin-Yu Transportation Co., Ltd. ("Jin-Yu")                                     | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Zhong-Xing Automobile Co., Ltd. ("Zhong-Xing")                                 | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Li-Yang Automobile Co., Ltd. ("Li-Yang")                                       | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | He-Yang Transportation Co., Ltd. ("He-Yang")                                   | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Jia-Yu Transportation Co., Ltd. ("Jia-Yu")                                     | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
|                 | Tian-Yang Transportation Co., Ltd. ("Tian-Yang")                               | Taxi transportation   | -                             | 100.00 | Merged with Diamond Leasing through absorption in the 3rd quarter of 2023.   |
| Diamond Leasing | H.K. Manpower Service Co., Ltd. ("H.K. Manpower")                              | Temporary labor services  | 100.00                        | 100.00 | -  |
|                 | Ta Teng Transportation Co., Ltd.   | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Da-Chuan Transportation Co., Ltd. ("Da-Chuan")                                 | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Da-Mu Transportation Co., Ltd. ("Da-Mu")                                       | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Da-Jun Transportation Co., Ltd. ("Da-Jun")                                     | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Yong-Xiang Transportation Co., Ltd. ("Yong-Xiang")                             | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Guo-Ma Transportation Co., Ltd. ("Guo-Ma")                                     | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Jin-Yu Transportation Co., Ltd. ("Jin-Yu")                                     | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Zhong-Xing Automobile Co., Ltd. ("Zhong-Xing")                                 | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Li-Yang Automobile Co., Ltd. ("Li-Yang")                                       | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | He-Yang Transportation Co., Ltd. ("He-Yang")                                   | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Jia-Yu Transportation Co., Ltd. ("Jia-Yu")                                     | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
|                 | Tian-Yang Transportation Co., Ltd. ("Tian-Yang")                               | Taxi service  | 100.00                        | -      | Merged with Da-Wei through absorption in the 3rd quarter of 2023.  |
| Sin Jiang       | Sinjang International Investment (Samoa) Co., Ltd. ("Sinjang Samoa")           | Holding company   | -                             | 71.34  | Sinjang International Investment (Samoa) Co., Ltd. was cancelled in the 3rd quarter of 2023  |

(Continued)

| Investor   | Investee  | Main Businesses   | % of Ownership<br>December 31 |        | Remark  |
|--|---|---|-------------------------------|--------|---|
|  |   |   | 2023                          | 2022   |   |
| Car-Plus Samoa   | Car-Plus China Investment (Samoa) Co., Ltd. ("Car-Plus China")          | Holding company   | 60.00                         | 60.00  | The Group owned 100% of Car-Plus China in the two reporting periods.  |
|  | Car-Plus Shanghai Investment (Samoa) Co., Ltd. ("Car-Plus Shanghai")    | Holding company   | -                             | 60.00  | Car-Plus Shanghai Investment (Samoa) Co., Ltd. was cancelled in the 3rd quarter of 2023   |
|  | Car-Plus Hangzhou Investment (Samoa) Co., Ltd. ("Car-Plus Hangzhou")    | Holding company   | 60.00                         | 60.00  | The Group owned 100% of Car-Plus Hangzhou in the two reporting periods.   |
| TAC Global   | Car-Plus China Investment (Samoa) Co., Ltd. ("Car-Plus China")          | Holding company   | 40.00                         | 40.00  | The Group owned 100% of Car-Plus China in the two reporting periods.  |
|  | Car-Plus Shanghai Investment (Samoa) Co., Ltd. ("Car-Plus Shanghai")    | Holding company   | -                             | 40.00  | The Group owned 100% of Car-Plus Shanghai in the two reporting periods.   |
|  | Car-Plus Hangzhou Investment (Samoa) Co., Ltd. ("Car-Plus Hangzhou")    | Holding company   | 40.00                         | 40.00  | The Group owned 100% of Car-Plus Hangzhou in the two reporting periods.   |
|  | Yu Rong International Investment (Samoa) Co., Ltd. ("Yu Rong")          | Holding company   | 100.00                        | 100.00 | -   |
| Shinshin Samoa   | Sinjang International Investment (Samoa) Co., Ltd.                      | Holding company   | -                             | 28.66  | Sinjang International Investment (Samoa) Co., Ltd. was cancelled in the 3rd quarter of 2023   |
|  | TAC Financial Leasing Co., Ltd. ("TAC Financial")                       | Financial lease of equipment  | 40.00                         | 40.00  | The Group owned 100% of TAC Financial in the two reporting periods  |
| Car-Plus China   | Car-Plus (Suzhou) Auto Leasing Co., Ltd. ("Car-Plus (Suzhou)")          | Lease of cars and related services  | 100.00                        | 100.00 | -   |
| Car-Plus Shanghai                                      | Car-Plus Leasing (Shanghai) Co., Ltd. ("Car-Plus Leasing (Shanghai)")   | Car lease and trade   | -                             | 53.51  | Sold to Jiangsu TAC Financial Leasing Co., Ltd. in the second quarter of 2023   |
| Car-Plus Hangzhou                                      | Car-Plus Go Co., Ltd. ("Car-Plus Go")                                   | Lease of cars and related services  | 100.00                        | 100.00 | -   |
| Yu Rong International                                  | TAC Leasing Co., Ltd. ("TAC Leasing")                                   | Financial lease of equipment  | 100.00                        | 100.00 | -   |
| TAC Financial Leasing                                  | TAC Financial Leasing Co., Ltd.   | Financial lease of equipment  | 40.00                         | 40.00  | The Group owned 100% of TAC Financial Leasing Co., Ltd. in the two reporting periods.   |
| TAC Leasing  | ZheJiang Cheng-Yi   | Sales and brokerage of secondhand vehicles  | 100.00                        | 100.00 | -   |
|  | CarPlus Leasing (Shanghai) Co., Ltd. ("CarPlus Leasing (Shanghai)")     | Car lease and trade   | 100.00                        | 46.49  | TAC Leasing acquired 53.51% of Car-Plus Leasing (Shanghai) Co., Ltd. from Car-Plus Shanghai Investment (Samoa) Co., Ltd. in the 2nd quarter of 2023 |
| Zhejiang ChengYi                                       | Hangzhou ChengYiJun Usedcars Authenticated Evaluation Service Co., Ltd. | Secondhand vehicle authentication and evaluation service  | 100.00                        | 100.00 | -   |
|  | Zhejiang Cheng Yi Auction Co., Ltd.                                     | Car trading   | 100.00                        | 100.00 | -   |
|  | Wuhan TAC Auto Trade Co., Ltd.  | Sales of cars   | -                             | -      | Cancelled in the Q4 of 2023   |
| Yulon Finance Overseas                                 | Yulon Finance Philippines   | Holding company   | 100.00                        | 100.00 | -   |
| Yulon Finance Philippines Investment (Samoa) Co., Ltd. | Yulon Finance Philippines Corporation                                   | Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases | 100.00                        | 100.00 | -   |
| JDW  | JDW Taxi Co., Ltd. ("JDW Taxi")   | Taxi service and general advertising services   | 62.50                         | -      | YFC purchased the equity interest of JDW in the 3rd quarter of 2023 and indirectly acquired the shareholding of JDW taxi.                           |
| Yu Sing Company  | Kuen You Trading Co., Ltd. ("Kuen You")                                 | Sale, maintenance and repair of car and parts   | 100.00                        | 100.00 | -   |
| Yushin Company   | Yu Pool Co., Ltd. ("Yu Pool")   | Supply of and providing services on information software and retail trade of spare parts of vehicles                | 100.00                        | 100.00 | -   |
|  | New LUXGEN North Motor Co., Ltd. (Formerly known as Luxgen Taoyuan)     | Sale, maintenance and repair of cars and related products   | -                             | 20.00  | Sold to Luxgen in Q2 2023   |
|  | Yu Shin Investment ("Yu Shin Investment")                               | Investments   | 100.00                        | 100.00 | -   |
| Yu Shin Investment Ltd.                                | Fu Jian Yu Xin Auto Sales & Services Co., Ltd. ("Fu Jian Yu Xin")       | Sale and maintenance of cars and parts  | -                             | 100.00 | Fuzhou Yushin Motor Co., Ltd. to be written off in Q1 2023  |
| Sin Chi Company  | New Energy World Motor CO., LTD. ("Yu Chia")                            | Sale, maintenance and repair of heavy vehicles and parts  | -                             | 100.00 | Sold to the Company and Luxgen in Q4 2023   |
|  | Yulon TOBE Motor Co., Ltd. ("Yulon TOBE")                               | Sale, maintenance and repair of cars and parts  | 59.64                         | 59.64  | -   |
| Yu Pong  | Yu Ching Business Co., Ltd. ("Yu Ching")                                | Import and export and sale of cars and parts  | 40.00                         | 40.00  | The Group owned 100% of Yu Ching in the two reporting periods.  |
| Yulon Construction                                     | Hangzhou YuJie Real Estate Co., Ltd. ("Yu-Jie")                         | Construction  | 100.00                        | 100.00 | -   |
|  | Yufong Property Management Co., Ltd.                                    | Management consulting and lease of real estate  | 100.00                        | 100.00 | -   |
| Yulon Overseas   | Yulon China Investment Co., Ltd. ("Yulon China")                        | Investments   | 100.00                        | 100.00 | -   |
|  | Yulon Philippine Investment Co., Ltd. ("Yulon Philippine")              | Investments   | 100.00                        | 100.00 | -   |
| Yulon China  | Qing Yi Investment Co., Ltd. ("Qing Yi")                                | Investments   | 100.00                        | 100.00 | -   |
|  | Wen Yang Investment Co., Ltd. ("Wen Yang")                              | Investments   | 100.00                        | 100.00 | -   |
|  | Yulon China (Hong Kong) Investment Co., Ltd.                            | Investments   | 100.00                        | 100.00 | -   |
|  | Feng Hua Investment Co., Ltd. ("Feng Hua")                              | Investments   | 40.00                         | 40.00  | -   |
|  | Yulon China Holding Co., Ltd. ("Yulon China Holding")                   | Investments   | 100.00                        | 100.00 | -   |
| Yulon China Holding                                    | Yulon China (HK) Holding Limited ("Yulon China (HK) Holding")           | Investments   | 100.00                        | 100.00 | -   |
| Yulon China (HK) Holding                               | Yulon China Motor Investment Limited ("Yulon China Motor Investment")   | Investments   | 100.00                        | 100.00 | -   |
|  | Xiamen Young Chang Investment Co., Ltd. ("Xiamen Young Chang")          | Renders consulting services on cars, electronics, textiles and related products                                     | 100.00                        | 100.00 | -   |
| Yulon China Motor Investment                           | TAC Financial Leasing Co., Ltd. ("TAC Financial")                       | Financial lease of equipment  | 20.00                         | 20.00  | The Group owned 100% of TAC Financial in the two reporting periods.   |
|  | Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")                | Investments   | 83.87                         | 83.87  | The Group owned 100% of Sheng Qing in the two reporting periods.  |
|  | Chuang Jie New Energy Vehicle (HZ) Limited ("Chuang Jie")               | Manufacturing of key car components, electric cars and related parts  | 100.00                        | 100.00 | -   |
|  | Hang Zhou Haitec Company ("Hang Zhou Haitec")                           | Product design of cars  | 43.74                         | 43.74  | The Group owned 100% of Hang Zhou Haitec in the two reporting periods.  |
| Chuang Jie New Energy Co., Ltd.                        | Luxgen (Hangzhou) Motor Sales Co., Ltd.                                 | Sale, maintenance and repair of cars and parts  | 100.00                        | 100.00 | The Group owned 100% of Luxgen (Hangzhou) Motor in the two reporting periods.   |
|  | Hang Zhou Haitec Company ("Hang Zhou Haitec")                           | Product design of cars  | 56.26                         | 56.26  | -   |
| Xiamen Young Chang                                     | Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")                | Investments   | 16.13                         | 16.13  | The Group owned 100% of Sheng Qing in the two reporting periods.  |
| Feng Hua   | Su Zhou Cheng Long Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Long") | Sale and maintenance of cars and parts  | 100.00                        | 100.00 | -   |

(Continued)

| Investor           | Investee  | Main Businesses  | % of Ownership<br>December 31 |        | Remark  |
|--------------------|---|--|-------------------------------|--------|---|
|                    |   |  | 2023                          | 2022   |   |
| Qing Yi            | Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")                 | Manufacturing of key car components, electric cars and related parts   | 44.11                         | 44.11  | The Group owned 100% of Hangzhou Yuwan in the two reporting periods.          |
|                    | Hangzhou Liangrun Motor Parts Co., Ltd. ("Hangzhou Liangrun")               | Manufacturing of car seats and developing the related market           | 20.51                         | 20.51  | The Group owned 100% of Hangzhou Liangrun in the two reporting periods.       |
| Wen Yang           | Qing Tai (Nan Jing) Technology Co., Ltd. ("Qing Tai")                       | Computer software maintenance and computer system integration          | 100.00                        | 100.00 | -   |
|                    | Tai Feng (Nan Jing) Software Technology Co., Ltd. ("Tai Feng")              | Computer software maintenance and computer system integration          | 100.00                        | 100.00 | -   |
| Qing Tai           | Ke Yu (Nan Jing) Information Technology Co., Ltd. ("Ke Yu")                 | Computer software maintenance and computer system integration          | 100.00                        | 100.00 | -   |
|                    | Jin Ce (Zhang Zhou) Software Technology Co., Ltd. ("Jin Ce")                | Computer software maintenance and computer system integration          | 70.00                         | 70.00  | The Group owned 100% of Jin Ce in the two reporting periods.                  |
|                    | Shi Cheng (Zhang Zhou) Technology Develop Co., Ltd. ("Shi Cheng")           | Computer software maintenance and computer system integration          | 100.00                        | 100.00 | -   |
| Tai Feng           | Mei De (Zhang Zhou) Software Technology Co., Ltd. ("Mei De")                | Computer software maintenance and computer system integration          | 10.00                         | 10.00  | The Group owned 100% of Mei De in the two reporting periods.                  |
|                    | Jin Ce (Zhang Zhou) Software Technology Co., Ltd. ("Jin Ce")                | Computer software maintenance and computer system integration          | 30.00                         | 30.00  | The Group owned 100% of Jin Ce in the two reporting periods.                  |
| Jin Ce             | Mei De (Zhang Zhou) Software Technology Co., Ltd. ("Mei De")                | Computer software maintenance and computer system integration          | 90.00                         | 90.00  | The Group owned 100% of Mei De in the two reporting periods.                  |
|                    | Yi Ding (Zhang Zhou) Information Technology Co., Ltd. ("Yi Ding")           | Computer software maintenance and computer system integration          | 100.00                        | 100.00 | -   |
| Shi Cheng          | Dong Tai (Bei Jin) Investment Co., Ltd. ("Dong Tai")                        | Investments  | 5.97                          | 5.97   | The Group owned 100% of Dong Tai in the two reporting periods.                |
|                    | Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")                            | Investments  | 10.00                         | 10.00  | The Group owned 100% of Gao Te in the two reporting periods.                  |
| Yi Ding            | Dong Tai (Bei Jin) Investment Co., Ltd. ("Dong Tai")                        | Investments  | 94.03                         | 94.03  | The Group owned 100% of Dong Tai in the two reporting periods.                |
|                    | Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")                            | Investments  | 90.00                         | 90.00  | The Group owned 100% of Gao Te in the two reporting periods.                  |
| Dong Tai           | Hang Zhou Tang Yu Investment Co., Ltd. ("Hang Zhou Tang Yu")                | Investments  | 100.00                        | 100.00 | -   |
|                    | Hangzhou Hsiao Yu Investment Limited  | Investments  | 99.00                         | -      | Acquisition of 90% and 9% from Qien Yu and Hsiao Yu, respectively, in Q3 2023 |
|                    | Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")     | Sale and maintenance of cars and parts                                 | 29.56                         | 29.56  | The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.      |
|                    | Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")                   | Sale and maintenance of cars and parts                                 | 32.38                         | 32.38  | The Group owned 100% of Zi Bo Yu An in the two reporting periods.             |
| Sheng Qing         | Zhu Hai Fu Te En Industry & Trade Co., Ltd. ("Zhu Hai Fu Te En")            | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. ("Guang Zhou Yuan Du")     | Sale and maintenance of cars and parts                                 | 51.00                         | 51.00  | -   |
|                    | Su Zhou Feng Shen Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shen")       | Sale and maintenance of cars and parts                                 | 40.00                         | 40.00  | -   |
|                    | Nanjing Hanhong Motor Trading Co., Ltd. ("Nanjing Hanhong")                 | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Wuhan Yu Hsin Auto Sale & Service Co., Ltd. ("Wuhan Yu Hsin")               | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Hang Zhou Yu Zhong Trading Co., Ltd. ("Hang Zhou Yu Zhong")                 | Trading  | 100.00                        | 100.00 | -   |
|                    | Hang Zhou Hua Zhi Auto Sales & Services Co., Ltd. ("Huang Zhou Hua Zhi")    | Sale and maintenance of cars and parts                                 | 60.00                         | 60.00  | -   |
|                    | Changsha Yu Lu Auto Sale & Service Co., Ltd. ("Changsha Yu Lu")             | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")     | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")     | Sale and maintenance of cars and parts                                 | 70.44                         | 70.44  | The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.      |
|                    | Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")                   | Sale and maintenance of cars and parts                                 | 67.62                         | 67.62  | The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.      |
|                    | Gao Te  | Hang Zhou Qien Yu Investment Co., Ltd. ("Hang Zhou Qien Yu")           | Investments                   | 100.00 | 100.00  |
| Su Zhou Cheng Long | Su Zhou Cheng Guo Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Co., Ltd.") | Sale and maintenance of cars and parts                                 | -                             | 100.00 | Suzhou Cheng-Kuo Auto Sales & Service Limited has been written off in Q3 2023 |
|                    | Su Zhou Cheng Hung Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Hung")     | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
| Su Zhou Feng Shen  | Su Zhou Feng Shun Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shun")       | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Su Zhou Yueshun Auto Sale & Service Co., Ltd. ("Su Zhou Yueshun")           | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Su Zhou Cheng Pin Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Pin")       | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
| Su Zhou Feng Shun  | Su Zhou Cheng Pang Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Pang")     | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Tai Chang Cheng Mau Auto Sale & Service Co., Ltd. ("Tai Chang Cheng Mau")   | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Wu Jiang Lian Cheng Auto Sale & Service Co., Ltd. ("Wu Jiang Lian Cheng")   | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
| Wuhan Yu Hsin      | Su Zhou Cheng Li Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Li")         | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Xiao Gan Yu Feng Auto Sale & Service Co., Ltd. ("Xiao Gan Yu Feng")         | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
| Hang Zhou Hua Zhi  | Hang Zhou Hua You Auto Sales & Services Co., Ltd. ("Hang Zhou Hua You")     | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
|                    | Nanjing Hanhong   | Sale and maintenance of cars and parts                                 | 100.00                        | 100.00 | -   |
| Hang Zhou Qien Yu  | Nan Jing Yu Hua Auto Sale & Service Co., Ltd. ("Nan Jing Yu Hua")           | Sales and maintenance of cars and parts                                | 100.00                        | 100.00 | -   |
|                    | Hang Zhou Hsiao Yu Business Co., Ltd. ("Hang Zhou Hsiao Yu")                | Investments  | -                             | 90.00  | Sold to Dong Tai in Q3 2023   |
| Yulon Philippine   | Hang Zhou Tang Yu   | Investments  | -                             | 9.00   | Sold to Dong Tai in Q3 2023   |
|                    | Hang Zhou Hsiao Yu Business Co., Ltd. ("Hang Zhou Hsiao Yu")                | Investments  | -                             | 9.00   | Sold to Dong Tai in Q3 2023   |
| Y-Teks             | Univation Motor Philippines, Inc. (UNIVATION MOTOR PHILIPPINES, INC.)       | Car manufacturing  | 100.00                        | 100.00 | -   |
|                    | Sta. Cruz Island Corporation (SCIC)   | Plant lease  | 100.00                        | 100.00 | -   |
| Yu-Hsin Intl       | YuHsin Intl Investment Co., Ltd. ("YuHsin Intl")                            | Investments  | 66.67                         | 66.67  | -   |
|                    | YuHsin Intl (H.K) Investment Co., Ltd. ("YuHsin Intl HK")                   | Investments  | 100.00                        | 100.00 | -   |
| Union & NKH        | Yu-Hsin Intl HK   | Manufacturing and sale of car interior furnishing and related business | 100.00                        | 100.00 | -   |
|                    | Changzhou Y Teks Automotive Trim Parts ("Changzhou Y-Teks")                 | Manufacturing and sale of car interior furnishing and related business | 51.00                         | 51.00  | -   |
|                    | Uni Investment Co., Ltd. ("Uni Investment")                                 | Investments  | 100.00                        | 100.00 | -   |

(Continued)



| Investor                      | Investee   | Main Businesses  | % of Ownership<br>December 31 |        | Remark   |
|-------------------------------|--|--|-------------------------------|--------|--|
|                               |  |  | 2023                          | 2022   |  |
| Uni Investment                | Fuzhou Lianghong Motor Parts Co., Ltd. ("Fuzhou Lianghong")            | Manufacturing of car seats and developing the related market   | 66.67                         | 66.67  | -  |
|                               | Hangzhou Liangrun Motor Parts Co., Ltd. ("Hangzhou Liangrun")          | Manufacturing of car seats and developing the related market   | 79.49                         | 79.49  | The Group owned 100% of Hangzhou Liangrun in the two reporting periods.        |
| Yueki                         | Yue Ki Industrial (Samoa) Co., Ltd. ("Yue Ki Samoa")                   | Investments  | 100.00                        | 100.00 | -  |
|                               | Yue Ki Investment (HK) Co., Ltd. ("Yue Ki HK")                         | Investments  | 100.00                        | 100.00 | -  |
| Yue Ki HK                     | Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")            | Manufacturing of key car components, electric cars and related parts                                       | 55.89                         | 55.89  | The Group owned 100% of Hangzhou Yuwan in the two reporting periods.           |
| Yue Sheng                     | YTeks Co., Ltd. ("YTeks")  | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts | 11.99                         | 11.99  | The Group owned 45.99% of YTeks in the two reporting periods.                  |
|                               | Yueki Industrial Co., Ltd. ("Yueki")                                   | Manufacturing and sale of car components   | 0.08                          | 0.08   | The Group owned 65.66% of Yueki in the two reporting periods.                  |
| Yu Chang                      | Tian Wang Co., Ltd.  | Sale of secondhand cars and related products   | 100.00                        | 100.00 | -  |
|                               | New LUXGEN South Motor Co., Ltd. (Formerly known as Luxgen Kaohsiung)  | Sale, maintenance and repair of cars and parts   | -                             | 3.50   | Sold to Luxgen in Q2 2023  |
| Empower                       | Chunmin Enterprise Co., Ltd. ("Chunmin")                               | Comprehensive retail of car parts  | 100.00                        | 100.00 | -  |
|                               | New LUXGEN Central Motor Co., Ltd. (Formerly known as Luxgen Taichung) | Sale, maintenance and repair of cars and parts   | -                             | 1.10   | Sold to Luxgen in Q2 2023  |
| Hong Yen                      | Hong Yen Motor Ltd. ("Hong Yen")                                       | Investments  | 100.00                        | 100.00 | -  |
|                               | Yu Ming Insurance Co., Ltd.  | Property insurance   | 100.00                        | 100.00 | -  |
|                               | Min Shiang Lease Co., Ltd. ("Min Shiang")                              | Car lease and trade  | 100.00                        | 100.00 | -  |
|                               | Shanghai Yuming Auto Sale & Service Co., Ltd. ("Shanghai Yuming")      | Sale and maintenance of cars and parts   | 100.00                        | 100.00 | -  |
| Shanghai Yuming Luxgen        | Jia Hsin Yuda  | Sales and maintenance of cars and parts  | 100.00                        | 100.00 | -  |
|                               | Electrified LUXGEN Motor Co., Ltd. (Formerly known as Luxgen Taipei)   | Sale, maintenance and repair of cars and parts   | 99.99                         | 99.99  | -  |
| Luxgen                        | New LUXGEN North Motor Co., Ltd. (Formerly known as Luxgen Taoyuan)    | Sale, maintenance and repair of cars and parts   | 99.99                         | 59.99  | Purchase 20% each from Yushin and HSBC in Q2 2023                              |
|                               | New LUXGEN Central Motor Co., Ltd. (Formerly known as Luxgen Taichung) | Sale, maintenance and repair of cars and parts   | 99.99                         | 97.73  | Acquisition of 1.10% and 1.16% from Empower and HSBC, respectively, in Q2 2023 |
|                               | Luxgen Tainan Motor Co., Ltd. (Formerly known as Luxgen Tainan)        | Sale, maintenance and repair of cars and parts   | 99.99                         | 94.18  | Purchase of 5.81% from HSBC in Q2 2023   |
|                               | New LUXGEN South Motor Co., Ltd. (Formerly known as Luxgen Kaohsiung)  | Sale, maintenance and repair of cars and parts   | 99.99                         | 92.94  | Purchased 3.50% and 3.55% from Yu Chang and HSBC, respectively, in Q2 2023     |
| Sin Gan Co., Ltd. ("Sin Gan") | Sin Gan Co., Ltd. ("Sin Gan")  | Wholesale and retail of information software   | 19.78                         | 19.78  | -  |
|                               | New Energy World Motor CO., LTD. (Formerly known as Yujia Corporation) | Sales, maintenance and repair of heavy vehicles and related products.                                      | 80.00                         | -      | Purchased from Sin Chi in Q4 2023  |
| Haitec                        | HuaChung Overseas Investment Co., Ltd. ("HuaChung Overseas")           | Investments  | 100.00                        | 100.00 | -  |
| Hua-Chung Overseas            | Haitec China Overseas Investment Co., Ltd. ("HuaChung Overseas")       | Investments  | 100.00                        | 100.00 | -  |

(Concluded)

Note: The Company's board of directors resolved in November 2023 to dispose of Yulon Motor Finance (China) Limited and transferred it to the disposal group to be sold. Please refer to Note 15.

- Subsidiaries excluded from the consolidated financial statements: None.
- Details of subsidiaries that have material non-controlling interests

| Name of Subsidiary | Proportion of Ownership and Voting Rights Held by Non-controlling Interests<br>December 31 |        |
|--------------------|--|--------|
|                    | 2023   | 2022   |
| YFC                | 57.19%   | 57.08% |

See Table 9 for the information on place of incorporation and principal place of business.

| Name of Subsidiary  | Profit (Loss) Allocated to Non-controlling Interests<br>For the Year Ended<br>December 31 |              | Accumulated Non-controlling Interests<br>December 31 |               |
|---|---|--------------|--|---------------|
|   | 2023  | 2022         | 2023   | 2022          |
| YFC (excluding its subsidiaries' non-controlling interests) | \$ 3,672,518  | \$ 3,186,241 | \$ 24,049,122  | \$ 19,707,737 |

The summarized financial information below represents amounts before intragroup eliminations.

Yulon Finance Corporation and Yulon Finance Corporation's subsidiaries:

|   | <b>December 31</b>                    |                      |
|---|---------------------------------------|----------------------|
|   | <b>2023</b>                           | <b>2022</b>          |
| Current assets  | \$ 261,482,728                        | \$ 244,877,487       |
| Non-current assets  | 38,372,522                            | 28,793,365           |
| Current liabilities   | (254,128,829)                         | (232,323,473)        |
| Non-current liabilities   | <u>(6,284,511)</u>                    | <u>(5,415,931)</u>   |
| Equity  | <u>\$ 39,441,910</u>                  | <u>\$ 35,931,448</u> |
| Equity attributable to:   |                                       |                      |
| Owners of Yulon Finance Corporation                                   | \$ 14,845,156                         | \$ 15,925,251        |
| Non-controlling interests of Yulon Finance Corporation                | 24,049,122                            | 19,707,737           |
| Non-controlling interests of Yulon Finance Corporation's subsidiaries | <u>547,632</u>                        | <u>298,460</u>       |
|   | <u>\$ 39,441,910</u>                  | <u>\$ 35,931,448</u> |
|   | <b>For the Year Ended December 31</b> |                      |
|   | <b>2023</b>                           | <b>2022</b>          |
| Revenue   | <u>\$ 41,489,371</u>                  | <u>\$ 36,556,719</u> |
| Net profit from continuing operations                                 | \$ 6,403,448                          | \$ 6,128,432         |
| Other comprehensive (loss) income for the year                        | <u>(208,923)</u>                      | <u>142,793</u>       |
| Total comprehensive income for the year                               | <u>\$ 6,194,525</u>                   | <u>\$ 6,271,225</u>  |
| Profit attributable to:   |                                       |                      |
| Owners of YFC   | \$ 2,747,970                          | \$ 2,854,467         |
| Non-controlling interests of YFC                                      | 3,672,518                             | 3,186,241            |
| Non-controlling interests of YFC's subsidiaries                       | <u>(17,040)</u>                       | <u>87,724</u>        |
| Total net revenue   | <u>\$ 6,403,448</u>                   | <u>\$ 6,128,432</u>  |
| Total comprehensive income attributable to:                           |                                       |                      |
| Owners of YFC   | \$ 2,629,880                          | \$ 2,948,305         |
| Non-controlling interests of YFC                                      | 3,586,650                             | 3,235,250            |
| Non-controlling interests of YFC's subsidiaries                       | <u>(22,005)</u>                       | <u>87,670</u>        |
| Total comprehensive income  | <u>\$ 6,194,525</u>                   | <u>\$ 6,271,225</u>  |

(Continued)

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Net cash inflow (outflow) from:                 |                                       |                     |
| Operating activities                            | \$ (11,181,227)                       | \$ (30,411,632)     |
| Investing activities                            | (5,039,416)                           | (2,034,883)         |
| Financing activities                            | 17,639,927                            | 32,766,620          |
| Net foreign exchange (losses)/gains             | <u>(90,456)</u>                       | <u>43,414</u>       |
| Net cash inflow                                 | <u>\$ 1,328,828</u>                   | <u>\$ 363,519</u>   |
| Dividends paid to non-controlling interest:     |                                       |                     |
| Non-controlling interests of YFC                | \$ 1,795,918                          | \$ 1,235,019        |
| Non-controlling interests of YFC's subsidiaries | <u>-</u>                              | <u>34,238</u>       |
|   | <u>\$ 1,795,918</u>                   | <u>\$ 1,269,257</u> |

#### 17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                             | <b>December 31</b>   |                      |
|-----------------------------|----------------------|----------------------|
|                             | <b>2023</b>          | <b>2022</b>          |
| Investment in associates    | <u>\$ 26,905,270</u> | <u>\$ 24,243,626</u> |
| Investment in joint venture | <u>\$ (2,860)</u>    | <u>\$ -</u>          |

##### a. Investments in associates

|  | <b>December 31</b>   |                      |
|--|----------------------|----------------------|
|  | <b>2023</b>          | <b>2022</b>          |
| Material associates                    |                      |                      |
| Yulon Nissan Motor Co., Ltd.           | \$ 8,737,153         | \$ 9,545,655         |
| China Motor Company                    | 3,409,730            | 3,217,252            |
| Foxtron Vehicle Technologies Co., Ltd. | <u>8,402,299</u>     | <u>6,471,302</u>     |
|  | 20,549,182           | 19,234,209           |
| Non-material associates                | <u>6,356,088</u>     | <u>5,009,417</u>     |
|  | <u>\$ 26,905,270</u> | <u>\$ 24,243,626</u> |

##### 1) Material associates

|  | <b>December 31</b> |             |
|--|--------------------|-------------|
| <b>Name</b>                            | <b>2023</b>        | <b>2022</b> |
| Yulon Nissan Motor Co., Ltd.           | 50.02%             | 50.02%      |
| China Motor Company                    | 8.86%              | 8.86%       |
| Foxtron Vehicle Technologies Co., Ltd. | 43.83%             | 49.00%      |

For the information of associates' main business, operating location and registered country, please refer to Table 9 and Table 10.

The Group controlled over 50% of the shares of Yulon Nissan Motor Co., Ltd. (“Yulon Nissan”). However, an assessment of core technologies and the supply of major materials showed that the Group did not exercise control over Yulon Nissan. Thus, Yulon Nissan was not considered a Group subsidiary.

The investment in China Motor Company was accounted for by the equity method because despite the individual investment being less than 20%, the Group exercised significant influence on the investee’s operating and financial policy decisions.

The Company, Haitec, and Hon Hai Precision Ind. Co., Ltd. (“Hon Hai”) signed a joint venture agreement on March 6, 2020. Haitec and Hon Hai jointly invested in a new joint venture company - Foxtron Vehicle Technologies Co., Ltd. (“Foxtron Technologies”) to develop automobile-related businesses. Haitec invested NT\$7,632,000 thousand, which included NT\$6,450,000 thousand technical costs for car models and NT\$1,182,000 thousand cost for MBU1 car model in assets. On July 24, 2023, the board of directors resolved to issue 150,000 thousand new shares by cash capital increase, and the change of registration was completed on December 22, 2023. Haitec did not follow up on the capital increase, As of December 31, 2023, Haitec held 43.83% of the shareholding of Foxtron Vehicle Technologies Co., Ltd.

Fair values of investments in associates, based on the Level 1 fair value measurement derived from published quoted prices, are summarized as follows:

| Associate                    | December 31   |               |
|------------------------------|---------------|---------------|
|                              | 2023          | 2022          |
| Yulon Nissan Motor Co., Ltd. | \$ 28,584,525 | \$ 28,359,450 |
| China Motor Company          | 5,544,458     | 2,526,899     |
| Foxtron Technologies         | 34,038,720    | -             |

Share of profit or loss and other comprehensive income of material associates was calculated based on the financial statements which have been reviewed.

Summarized financial information in respect of each of the Group’s material associates is set out below. The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

Yulon Nissan Motor Co., Ltd. and subsidiaries

|                         | December 31          |                      |
|-------------------------|----------------------|----------------------|
|                         | 2023                 | 2022                 |
| Current assets          | \$ 9,263,164         | \$ 5,543,472         |
| Non-current assets      | 13,342,428           | 18,967,394           |
| Current liabilities     | (2,216,701)          | (2,291,460)          |
| Non-current liabilities | <u>(2,657,042)</u>   | <u>(2,997,916)</u>   |
| Equity                  | <u>\$ 17,731,849</u> | <u>\$ 19,221,490</u> |

(Continued)

|                                     | <b>December 31</b>  |                                    |
|-------------------------------------|---------------------|------------------------------------|
|                                     | <b>2023</b>         | <b>2022</b>                        |
| Proportion of the Group's ownership | 50.02%              | 50.02%                             |
| Equity attributable to the Group    | \$ 8,869,471        | \$ 9,614,590                       |
| Unrealized gain with associates     | <u>(132,318)</u>    | <u>(68,935)</u>                    |
| Carrying amount                     | <u>\$ 8,737,153</u> | <u>\$ 9,545,655</u><br>(Concluded) |

|  | <b>For the Year Ended December 31</b> |                      |
|--|---------------------------------------|----------------------|
|  | <b>2023</b>                           | <b>2022</b>          |
| Revenue  | <u>\$ 26,136,197</u>                  | <u>\$ 23,607,191</u> |
| Net income   | \$ 1,161,025                          | \$ 2,410,581         |
| Other comprehensive income                           | <u>(484,666)</u>                      | <u>528,201</u>       |
| Total comprehensive income                           | <u>\$ 676,359</u>                     | <u>\$ 2,938,782</u>  |
| Dividends received from Yulon Nissan Motor Co., Ltd. | <u>\$ 1,083,361</u>                   | <u>\$ 1,359,453</u>  |

China Motor Company and subsidiaries

|   | <b>December 31</b>   |                      |
|---|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          |
| Current assets  | \$ 14,425,585        | \$ 17,381,582        |
| Non-current assets  | 35,938,871           | 31,108,057           |
| Current liabilities   | (9,524,935)          | (7,521,517)          |
| Non-current liabilities   | <u>(1,341,807)</u>   | <u>(4,921,174)</u>   |
| Equity  | 39,497,714           | 36,046,948           |
| Non-controlling interest  | <u>(3,678,355)</u>   | <u>(3,718,084)</u>   |
|   | <u>\$ 35,819,359</u> | <u>\$ 32,328,864</u> |
| Proportion of the Group's ownership                                 | 8.86%                | 8.86%                |
| Equity attributable to the Group                                    | 3,173,595            | 2,864,337            |
| Unrealized gain in associates                                       | (56)                 | (73)                 |
| Intersect shareholding (accounted for by the treasury stock method) | <u>236,191</u>       | <u>352,988</u>       |
| Carrying amount   | <u>\$ 3,409,730</u>  | <u>\$ 3,217,252</u>  |

|   | <b>For the Year Ended December 31</b> |                       |
|---|---------------------------------------|-----------------------|
|   | <b>2023</b>                           | <b>2022</b>           |
| Revenue                                       | <u>\$ 38,506,609</u>                  | <u>\$ 29,553,870</u>  |
| Net income (loss)                             | \$ 5,924,323                          | \$ (7,604,445)        |
| Other comprehensive (loss) income             | <u>(304,040)</u>                      | <u>557,494</u>        |
| Total comprehensive loss                      | <u>\$ (5,620,283)</u>                 | <u>\$ (7,046,951)</u> |
| Dividends received from China Motor Company   | <u>\$ 196,265</u>                     | <u>\$ 269,864</u>     |
| <u>Foxtron Vehicle Technologies Co., Ltd.</u> |                                       |                       |

|                                     | <b>December 31</b>   |                      |
|-------------------------------------|----------------------|----------------------|
|                                     | <b>2023</b>          | <b>2022</b>          |
| Current assets                      | \$ 11,130,605        | \$ 5,416,246         |
| Non-current assets                  | 10,114,089           | 8,763,979            |
| Current liabilities                 | (1,458,676)          | (840,325)            |
| Non-current liabilities             | <u>(615,817)</u>     | <u>(133,161)</u>     |
| Equity                              | <u>\$ 19,170,201</u> | <u>\$ 13,206,739</u> |
| Proportion of the Group's ownership | 43.83%               | 49.00%               |
| Equity attributable to the Group    | <u>\$ 8,402,299</u>  | <u>\$ 6,471,302</u>  |
| Carrying amount                     | <u>\$ 8,402,299</u>  | <u>\$ 6,471,302</u>  |

|                                   | <b>For the Year Ended December 31</b> |                       |
|-----------------------------------|---------------------------------------|-----------------------|
|                                   | <b>2023</b>                           | <b>2022</b>           |
| Revenue                           | <u>\$ 1,043,992</u>                   | <u>\$ 296,114</u>     |
| Net loss                          | \$ (1,927,201)                        | \$ (1,357,085)        |
| Other comprehensive (loss) income | <u>(1,292)</u>                        | <u>775</u>            |
| Total comprehensive loss          | <u>\$ (1,928,493)</u>                 | <u>\$ (1,356,310)</u> |

## 2) Aggregate information of associates that are not individually material

|  | <b>For the Year Ended December 31</b> |                       |
|--|---------------------------------------|-----------------------|
|  | <b>2023</b>                           | <b>2022</b>           |
| The Group's share of:                          |                                       |                       |
| Profit (loss) for the year                     | \$ 1,028,777                          | \$ (9,506,563)        |
| Other comprehensive income (loss)              | <u>40,034</u>                         | <u>(23,488)</u>       |
| Total comprehensive income (loss) for the year | <u>\$ 1,068,811</u>                   | <u>\$ (9,530,051)</u> |

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the Philippines as required by Nissan Motors Company, the Group invested in Nissan Philippines, Inc., the joint venture among Nissan Motor Co., Ltd., the UMC Group and Yulon Philippines.

For the year ended December 31, 2023, Tokio Marine Newa Insurance Co., Ltd. recognized after tax net income of \$3,231,464 thousand from the reversal benefit of epidemic prevention insurance, and the Group recognized an investment income of \$784,642 thousand based on the proportion of its shareholding in the Group. The major loss in 2022 was \$47,075,677 thousand after tax due to the loss recognized by Tokio Marine Newa Insurance Co., Ltd. in the current year from the loss of epidemic prevention insurance claims. The Group recognized investment loss of 9,665,570 thousand according to the proportion of equity. As a result, the long-term investment had a negative balance of \$3,690,555 thousand, and was reclassified as credit balance of long-term equity investments accounted for using the equity method.

The Company's board of directors approved to increase its capital in Tokio Marine Newa Insurance Co., Ltd. for \$3,025,086 thousand and \$1,241,395 thousand in August and December 2022, respectively, and for \$2,034,688 thousand and \$3,052,033 thousand in March and May 2023, respectively. As of December 31, 2023, the Group's shareholding ratio in Tokio Marine Newa Insurance Co., Ltd. was 21.74%.

In June 2023, the Group sold its investment in HuiZhou DongFeng Yi Jing Co., Ltd. for \$456,726 thousand and received the share price in July 2023.

In June 2023, China Engine Corporation. underwent a capital reduction to cover losses and the return of capital stock; the Company received an amount of \$114,741 thousand.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates' financial statements audited by auditors for the same years. Some of the investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates' unaudited financial statements. However, the management of the Group considers the unaudited financial statements mentioned above do not have material impact on the Group's consolidated financial statements.

b. Investment in joint ventures

The investment and joint venture balance of the Group is as follows:

|   | <u>December 31</u> |             |
|---|--------------------|-------------|
|   | <u>2023</u>        | <u>2022</u> |
| Joint ventures that are not individually material | <u>\$ (2,860)</u>  | <u>\$ -</u> |

|                                       | <b>For the Year Ended December 31</b> |             |
|---------------------------------------|---------------------------------------|-------------|
|                                       | <b>2023</b>                           | <b>2022</b> |
| The Group's share of:                 |                                       |             |
| Net loss for the year                 | \$ (6,124)                            | \$ _____ -  |
| Total comprehensive loss for the year | \$ (6,124)                            | \$ _____ -  |

The Group exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. ("Dong Yu Tech. Company") were made through and composed of Yulon China Motor Investment and Sinqal Travel. Dong Yu Tech. Company's main business is car furnishing, installation and sale of car parts. As of December 31, 2023, Dong Yu Tech. Company has suspended operations.

Dongfeng Yulon Company, the associate of the Group, re-elected directors and amended the agreement of shareholders in July 2017. Therefore, the relationship between Dongfeng Yulon Company and the Group changed from associate to joint venture. Since the development of Dong Feng Yulon Motor Sales Co., Ltd. was not progressing as expected, the Group applied for pre-reorganization proceedings, and with the support of the local government the pre-reorganization was completed and ruled to be accepted by the Intermediate People's Court of Hangzhou city, Zhejiang Province on May 6, 2022. Later, on December 30, 2022, the Intermediate People's Court of Hangzhou city, Zhejiang Province approved the reorganization plan. Dongfeng Yulon Company had completed shareholder change registration and no longer a shareholder of the corporation on June 27, 2023.

The Group entered into a joint venture agreement with Zhou Hong Co., Ltd. in December 2022. Under the agreement, both parties jointly contributed to establish Zhuohe Company, which the Group held 40% of the shares. As of December 31, 2023, the Group incurred negative balance of \$2,860 thousand on the long-term equity investment, and the amount was reclassified as credit balance of long-term equity investments accounted for using the equity method.

The carrying amount of investments accounted for using the equity method and share of profit or loss and other comprehensive income of nonmaterial joint ventures for the years ended December 31, 2023 and 2022 were based on the associates' unaudited financial statements. However, the management of the Group considers the unaudited financial statements mentioned above do not have material impact on the Group's consolidated financial statements.

See Table 9 for the information on nature of business, principal place of business and place of incorporation of the above joint venture.



## 18. PROPERTY, PLANT AND EQUIPMENT

### a. Assets used by the Group

|   | Freehold Land       | Buildings             | Equipment              | Vehicles            | Miscellaneous Equipment | Construction in Progress | Total                  |
|---|---------------------|-----------------------|------------------------|---------------------|-------------------------|--------------------------|------------------------|
| <b>Cost</b>                                     |                     |                       |                        |                     |                         |                          |                        |
| Balance at January 1, 2023                      | \$ 6,621,069        | \$ 9,432,746          | \$ 20,532,428          | \$ 1,023,879        | \$ 5,538,310            | \$ 519,512               | \$ 43,667,944          |
| Acquisitions through business combinations      | -                   | -                     | -                      | -                   | 5,459                   | -                        | 5,459                  |
| Additions                                       | 102,744             | 128,903               | 172,997                | 927,034             | 328,836                 | 162,804                  | 1,823,318              |
| Disposals                                       | -                   | (47,093)              | (699,131)              | (517,076)           | (790,642)               | (2,104)                  | (2,056,046)            |
| Effect of foreign currency exchange differences | 967                 | (27,551)              | (22,047)               | (2,799)             | (17,101)                | (356)                    | (68,887)               |
| Reclassifications                               | 193,850             | 326,852               | 968,954                | (173,403)           | (38,605)                | (207,595)                | 1,070,053              |
| Balance at December 31, 2023                    | <u>\$ 6,918,630</u> | <u>\$ 9,813,857</u>   | <u>\$ 20,953,201</u>   | <u>\$ 1,257,635</u> | <u>\$ 5,026,257</u>     | <u>\$ 472,261</u>        | <u>\$ 44,441,841</u>   |
| <b>Accumulated depreciation and impairment</b>  |                     |                       |                        |                     |                         |                          |                        |
| Balance at January 1, 2023                      | \$ -                | \$ (4,419,160)        | \$ (17,603,272)        | \$ (450,643)        | \$ (4,378,187)          | \$ (53,019)              | \$ (26,904,281)        |
| Acquisitions through business combinations      | -                   | -                     | -                      | -                   | (2,827)                 | -                        | (2,827)                |
| Disposals                                       | -                   | 46,886                | 584,791                | 181,074             | 776,523                 | -                        | 1,589,274              |
| Reclassifications                               | -                   | (20,081)              | (296)                  | 27,586              | 34,118                  | -                        | 41,327                 |
| Impairment loss                                 | -                   | (17,173)              | (73,805)               | (18,871)            | (8,268)                 | (44,520)                 | (162,637)              |
| Depreciation expense                            | -                   | (228,673)             | (392,738)              | (170,434)           | (374,585)               | -                        | (1,166,430)            |
| Effect of foreign currency exchange differences | -                   | 11,880                | 19,457                 | 1,062               | 12,938                  | -                        | 45,337                 |
| Balance at December 31, 2023                    | <u>\$ -</u>         | <u>\$ (4,626,321)</u> | <u>\$ (17,465,863)</u> | <u>\$ (430,226)</u> | <u>\$ (3,940,288)</u>   | <u>\$ (97,539)</u>       | <u>\$ (26,560,237)</u> |
| Carrying amount at December 31, 2023            | <u>\$ 6,918,630</u> | <u>\$ 5,187,536</u>   | <u>\$ 3,487,338</u>    | <u>\$ 827,409</u>   | <u>\$ 1,085,969</u>     | <u>\$ 374,722</u>        | <u>\$ 17,881,604</u>   |
| <b>Cost</b>                                     |                     |                       |                        |                     |                         |                          |                        |
| Balance at January 1, 2022                      | \$ 6,707,724        | \$ 8,502,146          | \$ 20,110,185          | \$ 989,616          | \$ 5,748,610            | \$ 567,858               | \$ 42,626,139          |
| Additions                                       | -                   | 58,660                | 84,028                 | 503,682             | 236,536                 | 175,628                  | 1,058,534              |
| Disposals                                       | -                   | (152,160)             | (483,165)              | (346,670)           | (478,227)               | -                        | (1,460,222)            |
| Effect of foreign currency exchange differences | 828                 | 29,743                | 26,138                 | 3,151               | 15,833                  | 3,924                    | 79,617                 |
| Reclassifications                               | (87,483)            | 994,357               | 795,242                | (125,900)           | 15,558                  | (227,898)                | 1,363,876              |
| Balance at December 31, 2022                    | <u>\$ 6,621,069</u> | <u>\$ 9,432,746</u>   | <u>\$ 20,532,428</u>   | <u>\$ 1,023,879</u> | <u>\$ 5,538,310</u>     | <u>\$ 519,512</u>        | <u>\$ 43,667,944</u>   |
| <b>Accumulated depreciation and impairment</b>  |                     |                       |                        |                     |                         |                          |                        |
| Balance at January 1, 2022                      | \$ -                | \$ (4,351,272)        | \$ (17,647,856)        | \$ (437,268)        | \$ (4,423,007)          | \$ (53,019)              | \$ (26,912,422)        |
| Disposals                                       | -                   | 107,333               | 457,455                | 119,801             | 459,750                 | -                        | 1,144,339              |
| Reclassifications                               | -                   | 83,255                | (1,348)                | 21,833              | 5,871                   | -                        | 109,611                |
| Impairment loss                                 | -                   | (636)                 | 32,010                 | (2,381)             | (353)                   | -                        | 28,640                 |
| Depreciation expense                            | -                   | (247,052)             | (419,695)              | (151,325)           | (409,949)               | -                        | (1,228,021)            |
| Effect of foreign currency exchange differences | -                   | (10,788)              | (23,838)               | (1,303)             | (10,499)                | -                        | (46,428)               |
| Balance at December 31, 2022                    | <u>\$ -</u>         | <u>\$ (4,419,160)</u> | <u>\$ (17,603,272)</u> | <u>\$ (450,643)</u> | <u>\$ (4,378,187)</u>   | <u>\$ (53,019)</u>       | <u>\$ (26,904,281)</u> |
| Carrying amount at December 31, 2022            | <u>\$ 6,621,069</u> | <u>\$ 5,013,586</u>   | <u>\$ 2,929,156</u>    | <u>\$ 573,236</u>   | <u>\$ 1,160,123</u>     | <u>\$ 466,493</u>        | <u>\$ 16,763,663</u>   |

#### Note:

For the years ended December 31, 2023 and 2022, there were impairment losses \$162,637 thousand and reversal of impairment losses \$28,640 thousand, respectively. The impairment loss is caused by the recoverable amounts (fair value less costs to sell) of property, plant and equipment were lower than the carrying amounts. The reversal of impairment loss is based on the increase of future cash flow of the relevant cash-generating unit, so the Group reversed the impairment loss recognized in the previous period.

The Brand Segments tested for impairment of motor design and research and development outputs and mold of the model at the end of the financial reporting period, and calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group's future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the

price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Both of calculations are calculated using an annual discount rate of 7.52% at December 31, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

|                         |   |
|-------------------------|---|
| Buildings               | 3-60 years                              |
| Equipment               | 2-20 years or unit-of-production method |
| Vehicles                | 4-7 years                               |
| Miscellaneous equipment | 1-15 years                              |

b. Assets leased under operating leases

|   | <b>Vehicles</b>        |
|---|------------------------|
| <u>Cost</u>                                     |                        |
| Balance at January 1, 2023                      | \$ 33,036,825          |
| Additions                                       | 16,954,548             |
| Disposals                                       | (11,155,036)           |
| Reclassifications                               | (1,933)                |
| Effect of foreign currency exchange differences | <u>(18,555)</u>        |
| Balance at December 31, 2023                    | <u>\$ 38,815,849</u>   |
| <u>Accumulated depreciation and impairment</u>  |                        |
| Balance at January 1, 2023                      | \$ (10,895,101)        |
| Disposals                                       | 5,263,471              |
| Recognized reversal of impairment losses        | 35,465                 |
| Reclassifications                               | (671)                  |
| Depreciation                                    | (6,449,204)            |
| Effect of foreign currency exchange differences | <u>6,817</u>           |
| Balance at December 31, 2023                    | <u>\$ (12,039,223)</u> |
| Carrying amounts at December 31, 2023           | <u>\$ 26,776,626</u>   |
| <u>Cost</u>                                     |                        |
| Balance at January 1, 2022                      | \$ 29,805,487          |
| Additions                                       | 11,669,485             |
| Disposals                                       | (8,474,799)            |
| Reclassifications                               | 20,209                 |
| Effect of foreign currency exchange differences | <u>16,443</u>          |
| Balance at December 31, 2022                    | <u>\$ 33,036,825</u>   |

(Continued)

|   | <b>Vehicles</b>                     |
|---|-------------------------------------|
| <u>Accumulated depreciation and impairment</u>  |                                     |
| Balance at January 1, 2022                      | \$ (9,952,850)                      |
| Disposals                                       | 4,656,055                           |
| Recognized reversal of impairment losses        | 88,522                              |
| Reclassifications                               | (3,217)                             |
| Depreciation                                    | (5,678,007)                         |
| Effect of foreign currency exchange differences | <u>(5,604)</u>                      |
| Balance at December 31, 2022                    | <u>\$ (10,895,101)</u>              |
| Carrying amounts at December 31, 2022           | <u>\$ 22,141,724</u><br>(Concluded) |

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Vehicles 3 years or according to terms of lease

For the years ended December 31, 2023 and 2022, the Group recognized reversal of impairment losses due to the sale of second-handed vehicles for \$35,465 thousand and \$88,522 thousand, respectively. The impairment loss has been reversed due to sale of the used cars.

Property, plant and equipment pledged as collateral for bank borrowings were disclosed in Note 39.

## 19. INVESTMENT PROPERTIES

|   | <u>December 31</u>       |                     |                      |                     |
|---|--------------------------|---------------------|----------------------|---------------------|
|   | <u>2023</u>              |                     | <u>2022</u>          |                     |
| Investment properties                           | <u>\$ 14,054,167</u>     |                     | <u>\$ 15,440,918</u> |                     |
|   | <b>Freehold<br/>Land</b> | <b>Buildings</b>    | <b>Right-of-use</b>  | <b>Total</b>        |
| <u>Cost</u>                                     |                          |                     |                      |                     |
| Balance at January 1, 2023                      | \$ 6,601,190             | \$11,413,251        | \$ 260,761           | \$18,275,202        |
| Reclassifications                               | 315,605                  | (2,218,033)         | 5,836                | (1,896,592)         |
| Additions                                       | -                        | 849,644             | -                    | 849,644             |
| Effect of foreign currency exchange differences | <u>-</u>                 | <u>(17,096)</u>     | <u>(4,506)</u>       | <u>(21,602)</u>     |
| Balance at December 31, 2023                    | <u>\$ 6,916,795</u>      | <u>\$10,027,766</u> | <u>\$ 262,091</u>    | <u>\$17,206,652</u> |

(Continued)

|   | <b>Freehold<br/>Land</b> | <b>Buildings</b>     | <b>Right-of-use</b> | <b>Total</b>                       |
|---|--------------------------|----------------------|---------------------|------------------------------------|
| <u>Accumulated depreciation and impairment</u>  |                          |                      |                     |                                    |
| Balance at January 1, 2023                      | \$ -                     | \$(2,824,969)        | \$ (9,315)          | \$(2,834,284)                      |
| Reclassifications                               | -                        | 40,958               | (185)               | 40,773                             |
| Depreciation expense                            | -                        | (351,527)            | (7,441)             | (358,968)                          |
| Effect of foreign currency exchange differences | -                        | (316)                | 310                 | (6)                                |
| Balance at December 31, 2023                    | <u>\$ -</u>              | <u>\$(3,135,854)</u> | <u>\$ (16,631)</u>  | <u>\$(3,152,485)</u>               |
| Carrying amount at December 31, 2023            | <u>\$ 6,916,795</u>      | <u>\$ 6,891,912</u>  | <u>\$ 245,460</u>   | <u>\$14,054,167</u>                |
| <u>Cost</u>                                     |                          |                      |                     |                                    |
| Balance at January 1, 2022                      | \$ 5,802,504             | \$10,976,374         | \$ -                | \$16,778,878                       |
| Reclassifications                               | 798,686                  | (392,359)            | 262,257             | 668,584                            |
| Additions                                       | -                        | 813,153              | -                   | 813,153                            |
| Effect of foreign currency exchange differences | -                        | 16,083               | (1,496)             | 14,587                             |
| Balance at December 31, 2022                    | <u>\$ 6,601,190</u>      | <u>\$11,413,251</u>  | <u>\$ 260,761</u>   | <u>\$18,275,202</u>                |
| <u>Accumulated depreciation and impairment</u>  |                          |                      |                     |                                    |
| Balance at January 1, 2022                      | \$ -                     | \$(1,824,889)        | \$ -                | \$(1,824,889)                      |
| Reclassifications                               | -                        | (64,360)             | (4,161)             | (68,521)                           |
| Depreciation expense                            | -                        | (98,710)             | (5,208)             | (103,918)                          |
| Recognized Impairment loss                      | -                        | (830,894)            | -                   | (830,894)                          |
| Effect of foreign currency exchange differences | -                        | (6,116)              | 54                  | (6,062)                            |
| Balance at December 31, 2022                    | <u>\$ -</u>              | <u>\$(2,824,969)</u> | <u>\$ (9,315)</u>   | <u>\$(2,834,284)</u>               |
| Carrying amount at December 31, 2022            | <u>\$ 6,601,190</u>      | <u>\$ 8,588,282</u>  | <u>\$ 251,446</u>   | <u>\$15,440,918</u><br>(Concluded) |

The investment properties are depreciated on a straight-line basis over their estimated useful lives of 30 to 60 years.

In 2022, the Group's impairment loss was mainly due to the change in design of the Yulon Town commercial district.

The fair values of investment assets as of December 31, 2023 and 2022 based on the valuation by an independent professional appraiser were \$48,901,958 thousand and \$38,174,869 thousand.

Investment properties pledged as collateral for bank borrowings were disclosed in Note 39.

## 20. LEASE ARRANGEMENTS

### a. Right-of-use assets

|   | <b>December 31</b>                    |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| <u>Carrying amount</u>                      |                                       |                     |
| Land  | \$ 1,061,605                          | \$ 796,981          |
| Buildings                                   | 1,425,618                             | 1,364,145           |
| Vehicles                                    | 12,646                                | 8,330               |
| Others                                      | <u>862</u>                            | <u>1,540</u>        |
|   | <u>\$ 2,500,731</u>                   | <u>\$ 2,170,996</u> |
|   | <b>For the Year Ended December 31</b> |                     |
|   | <b>2023</b>                           | <b>2022</b>         |
| Additions of right-of-use assets            | <u>\$ 880,556</u>                     | <u>\$ 535,557</u>   |
| Depreciation charge for right-of-use assets |                                       |                     |
| Land  | \$ 136,143                            | \$ 129,065          |
| Buildings                                   | 479,806                               | 466,901             |
| Vehicles                                    | 9,636                                 | 7,261               |
| Others                                      | <u>25,298</u>                         | <u>25,163</u>       |
|   | <u>\$ 650,883</u>                     | <u>\$ 628,390</u>   |

### b. Lease liabilities

|                        | <b>December 31</b>  |                     |
|------------------------|---------------------|---------------------|
|                        | <b>2023</b>         | <b>2022</b>         |
| <u>Carrying amount</u> |                     |                     |
| Current                | <u>\$ 620,704</u>   | <u>\$ 589,471</u>   |
| Non-current            | <u>\$ 1,674,834</u> | <u>\$ 1,322,659</u> |

Range of discount rate for lease liabilities was as follows:

|           | <b>December 31</b> |             |
|-----------|--------------------|-------------|
|           | <b>2023</b>        | <b>2022</b> |
| Land      | 0.90%-6.41%        | 0.90%-6.41% |
| Buildings | 0.88%-5.35%        | 0.88%-5.35% |
| Vehicles  | 0.74%-5.33%        | 0.74%-5.34% |
| Others    | 0.90%-6.64%        | 0.90%-6.64% |

## c. Material leasing activities and terms - as lessee

The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

## d. Other lease information

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Expenses relating to short-term leases  | <u>\$ 143,906</u>                     | <u>\$ 108,043</u>   |
| Expenses relating to low-value asset leases   | <u>\$ 11,976</u>                      | <u>\$ 7,246</u>     |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 52,405</u>                      | <u>\$ 18,894</u>    |
| Total cash outflow for leases   | <u>\$ (865,842)</u>                   | <u>\$ (779,933)</u> |

The Group's leases of certain vehicles, office equipment and dormitory qualify as short-term leases and leases of certain vehicles and office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

**21. INTANGIBLE ASSETS**

|   | <b>December 31</b>   |  |                      |
|---|--|--|----------------------|
|   | <b>2023</b>  | <b>2022</b>                                |                      |
| Motor design and research and development outputs | \$ 99,089  | \$   | 276,776              |
| Vehicle registration plates                       | 231,331  |  | 234,611              |
| Goodwill  | 427,434  |  | 882                  |
| Others  | <u>284,657</u>   |  | <u>191,404</u>       |
|   | <u>\$ 1,042,511</u>  | <u>\$</u>                                  | <u>703,673</u>       |
|   | <b>Motor Design<br/>and Research<br/>and<br/>Development<br/>Outputs</b> | <b>Others<br/>(Including<br/>Software)</b> | <b>Total</b>         |
| <u>Cost</u>                                       |  |  |                      |
| Balance at January 1, 2023                        | \$ 14,150,854  | \$ 1,894,313                               | \$ 16,045,167        |
| Acquisitions through business combinations        | -  | 117,028                                    | 117,028              |
| Additions   | 10,990   | 54,077                                     | 65,067               |
| Reclassifications                                 | (40,817)   | 32,509                                     | (8,308)              |
| reclassified held for sale                        | -  | (66,777)                                   | (66,777)             |
| Disposals   | (6,564)  | (1,680)                                    | (8,244)              |
| Effect of foreign currency exchange differences   | <u>-</u>   | <u>(4,553)</u>                             | <u>(4,553)</u>       |
| Balance at December 31, 2023                      | <u>\$ 14,114,463</u>   | <u>\$ 2,024,917</u>                        | <u>\$ 16,139,380</u> |

(Continued)

|   | <b>Motor Design<br/>and Research<br/>and<br/>Development<br/>Outputs</b> | <b>Others<br/>(Including<br/>Software)</b> | <b>Total</b>                     |
|---|--|--|----------------------------------|
| <u>Accumulated amortization and impairment</u>  |  |  |                                  |
| Balance at January 1, 2023                      | \$ (13,874,078)  | \$ (1,468,298)                             | \$ (15,342,376)                  |
| Amortization expense                            | (54,186)   | (82,709)                                   | (136,895)                        |
| Impairment loss                                 | (88,501)   | -  | (88,501)                         |
| Reclassifications                               | 920  | (3,982)                                    | (3,062)                          |
| reclassified held for sale                      | -  | 44,880                                     | 44,880                           |
| Disposals                                       | <u>471</u>   | <u>1,180</u>                               | <u>1,651</u>                     |
| Balance at December 31, 2023                    | <u>\$ (14,015,374)</u>   | <u>\$ (1,508,929)</u>                      | <u>\$ (15,524,303)</u>           |
| Carrying amount at December 31, 2023            | <u>\$ 99,089</u>   | <u>\$ 515,988</u>                          | <u>\$ 615,077</u>                |
| <u>Cost</u>                                     |  |  |                                  |
| Balance at January 1, 2022                      | \$ 14,048,892  | \$ 1,804,935                               | \$ 15,853,827                    |
| Additions                                       | 125,721  | 76,218                                     | 201,939                          |
| Reclassifications                               | (23,759)   | 14,996                                     | (8,763)                          |
| Disposals                                       | -  | (6,009)                                    | (6,009)                          |
| Effect of foreign currency exchange differences | <u>-</u>   | <u>4,173</u>                               | <u>4,173</u>                     |
| Balance at December 31, 2022                    | <u>\$ 14,150,854</u>   | <u>\$ 1,894,313</u>                        | <u>\$ 16,045,167</u>             |
| Balance at January 1, 2022                      | \$ (13,794,788)  | \$ (1,387,438)                             | \$ (15,182,226)                  |
| Amortization expense                            | (79,290)   | (81,930)                                   | (161,220)                        |
| Impairment loss                                 | -  | (4,728)                                    | (4,728)                          |
| Disposals                                       | <u>-</u>   | <u>5,798</u>                               | <u>5,798</u>                     |
| Balance at December 31, 2022                    | <u>\$ (13,874,078)</u>   | <u>\$ (1,468,298)</u>                      | <u>\$ (15,342,376)</u>           |
| Carrying amount at December 31, 2022            | <u>\$ 276,776</u>  | <u>\$ 426,015</u>                          | <u>\$ 702,791</u><br>(Concluded) |

The vehicle model development cost of the Group includes SUV model, MPV model, GPS (S5 Sedan) model, GPK (U6 SUV) model, LCS (S3 Sedan) model, LCH model (U5 SUV), GPM model, MBU model, M platform, ME engine, EF engine, Plug-in hybrid electric vehicle, technical cost of electric vehicles and other related vehicle model development cost. As mentioned above, SUV models, MPV models, GPS models and plug-in hybrid electric vehicle system have been fully recognized impairment, while LCS models, LCH models, MBU models, M platforms, ME engines and EF engine models have been invested to the associate - Foxtron Vehicle Technologies Co., Ltd. The mainly Motor design and research and development outputs of the Group included GPM model, GPK model and technical cost of electric vehicles as of December 31, 2023.

The Brand Segments test impairment of motor design and research and development outputs and molds of the models on an annual basis and in the event of signs of impairment; the calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group's future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Both calculations use an annual discount rate of 7.52% at December 31, 2023 and 2022.

The ownership of vehicle registration plates was acquired by Car-Plus (Suzhou), Car-Plus Leasing (Shanghai), Da-Teng, Da-Chuan, Da-Mu, Da-Chung, Yong-Xiang, Guo-Ma, Jin-Yu, Zhong-Xing, Li-Yang, He-Yang, Jia-Yu and Tian-Yang for operating purposes. The ownership is the right for holding the vehicle registration plates can be transacted in the market, and can be transferred to various vehicles, thus was classified as intangible assets with infinite useful life.

The decrease in the recoverable amount of vehicle registration plates led to recognition of impairment losses of \$88,501 thousand and \$4,728 thousand in 2023 and 2022, respectively. As the estimated future cash flows from the related plates decreased, the Group carried out a review of the recoverable amount of those related plates and determined that the carrying amount exceeded the recoverable amount; thus, impairment loss was recognized.

In August 2023, YFC purchased 50.70% equity of JDW for \$950,000 thousand, generating a premium of \$426,552 thousand. Related borrowings were disclosed in Note 32.

Intangible assets are amortized on a straight-line basis over the following estimated useful lives of the asset:

|   |                            |
|---|----------------------------|
| Computer software                                 | 2-5 years                  |
| Motor design and research and development outputs | Units-of-production method |
| Others  | 1-10 years                 |

## 22. BORROWINGS

### a. Short-term borrowings

|                              | <b>December 31</b>   |                      |
|------------------------------|----------------------|----------------------|
|                              | <b>2023</b>          | <b>2022</b>          |
| Secured borrowings (Note 39) |                      |                      |
| Bank loans                   | \$ 8,468,184         | \$ 15,738,347        |
| Unsecured borrowings         |                      |                      |
| Line of credit borrowings    | <u>38,459,521</u>    | <u>50,277,866</u>    |
|                              | <u>\$ 46,927,705</u> | <u>\$ 66,016,213</u> |
| Interest rate                | 1.70%-7.76%          | 1.40%-7.97%          |



b. Short-term bills payable

|   | <b>December 31</b>    |                       |
|---|-----------------------|-----------------------|
|   | <b>2023</b>           | <b>2022</b>           |
| Commercial paper                            | \$ 172,138,032        | \$ 138,557,352        |
| Less: Unamortized discount on bills payable | <u>(826,031)</u>      | <u>(723,524)</u>      |
|   | <u>\$ 171,312,001</u> | <u>\$ 137,833,828</u> |
| Interest rate                               | 0.76%-2.31%           | 0.76%-6.00%           |

Yulon Finance Company, Shinshin, Yu Rich, Yulon Motor Finance (China) and Jiangsu TAC Financial Leasing Co., Ltd. entered into syndicated loan agreements with several financial institutions. Yulon Finance Company and these subsidiaries shall maintain certain financial ratios on balance sheet date. Upon occurrence of any default, the borrowers shall remediate according to the agreement.

The financial ratios shall be calculated annually based on audited financial statements.

The Group pledged reserve account and notes and trade receivables as collateral for bills payable (see Note 39).

c. Long-term borrowings

|   | <b>December 31</b>  |                      |
|---|---------------------|----------------------|
|   | <b>2023</b>         | <b>2022</b>          |
| Secured borrowings (Note 39)                      |                     |                      |
| Bank loans  | \$ 4,250,108        | \$ 14,291,656        |
| Unsecured borrowings                              |                     |                      |
| Credit borrowings                                 | 3,372,608           | 3,435,458            |
| Commercial paper (recurring)                      | 3,846,177           | 3,463,663            |
| Less: Current portion long-term borrowings (Note) | <u>1,899,848</u>    | <u>2,117,056</u>     |
|   | <u>\$ 9,569,045</u> | <u>\$ 19,073,721</u> |
| Interest rates                                    | 0.74%-4.75%         | 0.74%-5.15%          |

Note: On July 7, 2020, the board of directors of Haitec approved the application for a joint loan line of NT\$12.199 billion from the 17 financial institutions to repay the matured loan, and had paid 15% of the loan on August 31, 2020. The credit term for this joint loan is 5 years, and when it expires in the 5th year, if certain conditions are met, Haitec will automatically extend the credit period for 2 years. Haitec made an early repayment of whole joint loan on July 3, 2023.

The financing line of Yulon Finance Company is secured by finance lease receivables and real estate, plants and equipment. Please refer to Note 39.

**23. BONDS PAYABLE**

|                                      | <b>December 31</b>      |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | <b>2023</b>             | <b>2022</b>             |
| <u>Convertible bonds</u>             |                         |                         |
| Unsecured domestic convertible bonds | \$ 14,999,900           | \$ -                    |
| Unsecured domestic bonds             | 14,850,000              | 19,850,000              |
| Secured domestic bonds               | -                       | 4,288,000               |
| Less: Discounts on bonds payable     | (11,059)                | (9,251)                 |
| Discount on convertible bonds        | <u>(1,054,130)</u>      | <u>-</u>                |
|                                      | 28,784,711              | 24,128,749              |
| Less: Current portion                | <u>20,470,743</u>       | <u>19,428,749</u>       |
| <br>Bonds payable - non-current      | <br><u>\$ 8,313,968</u> | <br><u>\$ 4,700,000</u> |

Unsecured domestic bonds

The Group issued unsecured corporate bonds on December 12, 2017, issuance amounting to NT\$3 billion, and the bonds have seven-year maturities and simple interest at rates of 1.17%, payable annually, the principal amounts of bond would be repaid on the maturity date. The Group also issued unsecured corporate bonds on December 25, 2018, with each issuance amounting to NT\$1.7 billion, and the bond have ten-year maturities and simple interest at rates of 1.80%, payable annually, the principal amounts of the bond are repayable on the maturity date.

YFC issued three-year maturity, unsecured corporate bonds on August 20, 2020, and November 9, 2020 with issuance amounts of \$1.7 billion and \$2.2 billion and simple interest rates both of 0.85% payable annually, respectively, the principal amounts of the bonds are repayable on August 21, 2023 and November 9, 2023, respectively.

YFC also issued five-year maturity unsecured corporate bonds on July 9, 2019, August 14, 2019, June 8, 2021, and April 26, 2023, with issuance amounts of \$2 billion, \$1.9 billion, \$3.75 billion, and \$1.55 billion and simple interest rates of 0.90%, 0.90%, 0.73% and 1.70% payable annually, respectively. The principal amount of the bond issued on June 8, 2021, is repayable in the fifth year, the others are repayable 50% in the fourth year and 50% in the fifth year. The principal amount of the bond issued on July 9, 2019, August 14, 2019, was repaid 50% on July 10, 2023, and 50% on August 14, 2023, respectively.

Shinshin issued three-year maturity unsecured corporate bonds on April 12, 2023 with issuance amounts of \$2.9 billion and simple interest rates both of 1.90% payable annually. The principal amounts of the bonds are repayable on the maturity date.

Unsecured domestic convertible bonds

The company issued the third domestic unsecured convertible corporate bond with a coupon rate of 0% on May 25, 2023, and it was listed for trading on the counter trading center on the same day, with an aggregate principal amount of \$7 billion and a par value of \$100 thousand per bond certificate. It is issued according to 102.00% of the face value. The issuance term is 5 years, and the conversion period is from August 26, 2023 to May 25, 2028. The conversion price at the time of issuance was \$82 per share.

Following the issuance of the convertible corporate bonds 3 months to 40 days before the expiration of the issuance period, if the closing price of the company's common stock in the centralized trading market exceeds the current conversion price by 30% (inclusive) for 30 consecutive business days or when the outstanding balance of the convertible bonds is less than 10% of the original issued total amount, the company may take back all the bonds in cash according to the face value of the bonds.

After the issuance of the convertible corporate bonds for 3 years, the bondholders may request that the company redeem the convertible bonds they hold in cash at the face value of the bonds plus interest compensation.

This convertible corporate bond includes liabilities and equity components, and the equity component is expressed as "capital reserves - stock options" under the equity item. The liability component was originally recognized with an effective interest rate of 1.2889%.

|  |                     |
|--|---------------------|
| Issue price (deduct transaction costs of \$3,395 thousand)           | \$ 7,136,605        |
| Equity components  | (573,028)           |
| Financial liabilities at fair value through profit or loss - current | <u>(699)</u>        |
| Components of liabilities at issue date                              | 6,562,878           |
| Interest calculated at an effective rate of 1.2889%                  | 51,184              |
| Converted to common stocks   | <u>(94)</u>         |
| Components of liabilities at December 31, 2023                       | <u>\$ 6,613,968</u> |

YFC issued the second domestic unsecured convertible corporate bond with a coupon rate of 0% on November 20, 2023, and it was listed for trading on the counter trading center on the same day, with an aggregate principal amount of \$8 billion and a par value of \$100 thousand per bond certificate. It is issued with a 101.00% of the face value. The issuance term is 5 years, and the conversion period is from February 21, 2024 to November 20, 2028. The conversion price at the time of issuance was \$204.6 per share.

Following the issuance of the convertible corporate bonds 3 months to 40 days before the expiration of the issuance period, if the closing price of the YFC's common stock exceeds the current conversion price by 30% (included) for 30 consecutive business days or when the outstanding balance of the convertible bonds is less than 10% of the original issued amount, the YFC may redeem all outstanding convertible bonds in cash at face value in accordance with the law.

After the issuance of the convertible corporate bonds for 3 years, bondholders may request that YFC redeem the convertible bonds held by the bondholders in cash at the face value of the bonds.

This convertible corporate bond includes liabilities and equity components, and the equity component is presented as capital reserves - stock options under the equity item. The liability component was originally recognized with an effective interest rate of 1.78354%.

|  |                     |
|--|---------------------|
| Issue price (deduct transaction costs of \$5,817 thousand)           | \$ 8,074,183        |
| Equity components  | (693,101)           |
| Financial liabilities at fair value through profit or loss - current | <u>(63,954)</u>     |
| Components of liabilities at issue date                              | 7,317,128           |
| Interest calculated at an effective rate of 1.78354%                 | <u>14,674</u>       |
| Components of liabilities at December 31, 2023                       | <u>\$ 7,331,802</u> |

Secured domestic bonds

YFC issued 3-year maturity secured corporate bonds on January 13, 2020, with an issuance amount of \$4.288 billion and a simple interest rate of 0.69% payable annually. The principal amount of the secured corporate bonds was repaid on January 13, 2023.

**24. OTHER LIABILITIES**

|                             | <u>December 31</u>   |                      |
|-----------------------------|----------------------|----------------------|
|                             | <b>2023</b>          | <b>2022</b>          |
| <u>Current</u>              |                      |                      |
| Other payables              |                      |                      |
| Equipment payables          | \$ 421,717           | \$ 849,706           |
| Accrued expense payable     | 3,373,045            | 4,041,531            |
| Dividends payable           | 126,688              | 136,016              |
| Others                      | <u>2,375,683</u>     | <u>2,195,936</u>     |
|                             | <u>\$ 6,297,133</u>  | <u>\$ 7,223,189</u>  |
| Other liabilities           |                      |                      |
| Guarantee deposits received | \$ 12,774,040        | \$ 11,494,969        |
| Others                      | <u>2,966,059</u>     | <u>2,772,371</u>     |
|                             | <u>\$ 15,740,099</u> | <u>\$ 14,267,340</u> |
| <u>Non-current</u>          |                      |                      |
| Other liabilities           |                      |                      |
| Guarantee deposits received | \$ 392,133           | \$ 564,289           |
| Others                      | <u>18,464</u>        | <u>29,043</u>        |
|                             | <u>\$ 410,597</u>    | <u>\$ 593,332</u>    |

**25. PROVISIONS**

|                                | <u>December 31</u> |                   |
|--------------------------------|--------------------|-------------------|
|                                | <b>2023</b>        | <b>2022</b>       |
| <u>Current</u>                 |                    |                   |
| Financial guarantee provisions | \$ 77,655          | \$ 84,725         |
| Warranties                     | <u>4,851</u>       | <u>3,100</u>      |
|                                | <u>\$ 82,506</u>   | <u>\$ 87,825</u>  |
| <u>Non-current</u>             |                    |                   |
| Warranties                     | \$ 342,506         | \$ 389,961        |
| Other provision                | <u>-</u>           | <u>5,076</u>      |
|                                | <u>\$ 342,506</u>  | <u>\$ 395,037</u> |

The customers of Yulon Finance Company and Shinshin signed car loan contracts with banks, with Yulon Finance Company and Shinshin acting as car loan agents and providing customers with account management services. Under the contracts, Yulon Finance Company and Shinshin are responsible for repaying any uncollectable loans arising from customer default. Yulon Finance Company and Shinshin have estimated their potential financial guarantee loss on any default on the basis of past experience.

Sinqual, Qinton Motor Co., Ltd. and YES-Energy recognized provision based on the estimated amount of service costs during the terms of service warranties of the products. This estimate will be reviewed and adjusted regularly.

The validity of warranties for Nissan and Luxgen cars provided by the Group are limited to 3 years of purchase or mileage of under 100,000 kilometers or warranty conditions for specific vehicle types. Provisions have been estimated for possible maintenance costs.

## 26. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Company and subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plans

The defined benefit plans adopted by the Company and its subsidiaries of the Group are in accordance with the Labor Standards Law. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and subsidiaries contribute amounts equal to 7% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the pension fund investment policy and strategy.

The amounts included in the consolidated balance sheets on of the Group’s defined benefit plans were as follows:

|   | <b>December 31</b> |                    |
|---|--------------------|--------------------|
|   | <b>2023</b>        | <b>2022</b>        |
| Present value of the defined benefit obligation | \$ 1,461,384       | \$ 1,568,262       |
| Fair value of plan assets                       | <u>(1,409,696)</u> | <u>(1,490,034)</u> |
| Net defined benefit liability                   | <u>\$ 51,688</u>   | <u>\$ 78,228</u>   |

Movements in net defined benefit liability were as follows:

|   | <b>Present Value<br/>of the Defined<br/>Benefit<br/>Obligation</b> | <b>Fair Value of<br/>the Plan Assets</b> | <b>Net Defined<br/>Benefit<br/>Liability<br/>(Asset)</b> |
|---|--|--|--|
| Balance at January 1, 2023  | \$ 1,568,262   | \$ (1,490,034)                           | \$ 78,228  |
| Service cost  |  |  |  |
| Current service cost  | 13,683   | -  | 13,683   |
| Past service cost and loss on settlements                             | 702  | -  | 702  |
| Net interest expense (income)   | <u>21,413</u>  | <u>(20,474)</u>                          | <u>939</u>   |
| Recognized in profit or loss  | <u>35,798</u>  | <u>(20,474)</u>                          | <u>15,324</u>  |
| Remeasurement   |  |  |  |
| Return on plan assets (excluding<br>amounts included in net interest) | -  | (9,734)                                  | (9,734)  |
| Actuarial gain - changes in<br>demographic assumptions                | (60,318)   | -  | (60,318)   |
| Actuarial loss - changes in financial<br>assumptions                  | 19,011   | -  | 19,011   |
| Actuarial loss - experience adjustments                               | <u>1,226</u>   | <u>-</u>                                 | <u>1,226</u>   |
| Recognized in other comprehensive<br>income                           | <u>(40,081)</u>  | <u>(9,734)</u>                           | <u>(49,815)</u>  |
| Contributions from the employer                                       | -  | (32,165)                                 | (32,165)   |
| Benefits paid   | <u>(102,595)</u>   | <u>142,711</u>                           | <u>40,116</u>  |
| Balance at December 31, 2023  | <u>\$ 1,461,384</u>  | <u>\$ (1,409,696)</u>                    | <u>\$ 51,688</u>   |
| Balance at January 1, 2022  | <u>\$ 1,834,600</u>  | <u>\$ (1,396,437)</u>                    | <u>\$ 438,163</u>  |
| Service cost  |  |  |  |
| Current service cost  | 13,790   | -  | 13,790   |
| Past service cost and gain on<br>settlements                          | (3,941)  | -  | (3,941)  |
| Net interest expense (income)   | <u>10,773</u>  | <u>(8,514)</u>                           | <u>2,259</u>   |
| Recognized in profit or loss  | <u>20,622</u>  | <u>(8,514)</u>                           | <u>12,108</u>  |
| Remeasurement   |  |  |  |
| Return on plan assets (excluding<br>amounts included in net interest) | -  | (112,003)                                | (112,003)  |
| Actuarial loss - changes in demographic<br>assumptions                | 37,052   | -  | 37,052   |
| Actuarial gain - changes in financial<br>assumptions                  | (125,918)  | -  | (125,918)  |
| Actuarial loss - experience adjustments                               | <u>37,949</u>  | <u>-</u>                                 | <u>37,949</u>  |
| Recognized in other comprehensive<br>income                           | <u>(50,917)</u>  | <u>(112,003)</u>                         | <u>(162,920)</u>   |
| Contributions from the employer                                       | \$ -   | \$ (136,148)                             | \$ (136,148)   |
| Benefits paid   | (236,043)  | 94,024                                   | (142,019)  |
| Settlements   | <u>-</u>   | <u>69,044</u>                            | <u>69,044</u>  |
| Balance at December 31, 2022  | <u>\$ 1,568,262</u>  | <u>\$ (1,490,034)</u>                    | <u>\$ 78,228</u>   |

The Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. Based on relevant regulations, the return on plan assets should not be below the interest rate for a two-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. Thus, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used in the actuarial valuations were as follows:

|                                     | <b>December 31</b> |             |
|-------------------------------------|--------------------|-------------|
|                                     | <b>2023</b>        | <b>2022</b> |
| Discount rate(s)                    | 1.12%-6.10%        | 1.14%-1.75% |
| Expected rate(s) of salary increase | 1.00%-4.00%        | 1.00%-3.00% |

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

|                                     | <b>December 31</b> |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | <b>2023</b>        | <b>2022</b>        |
| Discount rate(s)                    |                    |                    |
| 0.25% increase                      | <u>\$ (33,306)</u> | <u>\$ (27,220)</u> |
| 0.25% decrease                      | <u>\$ 34,590</u>   | <u>\$ 102,408</u>  |
| Expected rate(s) of salary increase |                    |                    |
| 0.25% increase                      | <u>\$ 33,784</u>   | <u>\$ 101,560</u>  |
| 0.25% decrease                      | <u>\$ (32,707)</u> | <u>\$ (27,847)</u> |

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

|  | <b>December 31</b> |                  |
|--|--------------------|------------------|
|  | <b>2023</b>        | <b>2022</b>      |
| The expected contributions to the plan for the next year | <u>\$ 30,291</u>   | <u>\$ 36,986</u> |
| The average duration of the defined benefit obligation   | 3-17.1 years       | 4-12 years       |

**27. EQUITY**

## a. Share capital

Common shares

|   | <b>December 31</b>   |                      |
|---|----------------------|----------------------|
|   | <b>2023</b>          | <b>2022</b>          |
| Number of shares authorized (in thousands)            | <u>2,000,000</u>     | <u>2,000,000</u>     |
| Shares authorized                                     | <u>\$ 20,000,000</u> | <u>\$ 20,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>1,070,001</u>     | <u>1,000,000</u>     |
| Shares capital  | <u>\$ 10,700,013</u> | <u>\$ 10,000,000</u> |

Fully paid common shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

On March 9, 2023, the Company's board of directors resolved to issue 70,000 thousand ordinary shares with a par value of \$10, for a consideration of \$68 per share, which increased the share capital issued and fully paid to \$1,070,000 thousand. On April 19, 2023, the above transaction was approved by the FSC, and the subscription base date was determined by the board of directors to be June 30, 2023. The total paid-in capital has been fully collected and stated as equity, with a corresponding increase in compensation cost of \$105,236 thousand. (See Note 34)

For the year ended December 31, 2023, holders exercise their rights to the Company's convertible corporate bonds, and the Company recognized \$13 thousand.

## b. Capital surplus

|   | <b>December 31</b>   |                     |
|---|----------------------|---------------------|
|   | <b>2023</b>          | <b>2022</b>         |
| <u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>   |                      |                     |
| Arising from issuance of common shares  | \$ 8,665,457         | \$ 4,508,131        |
| Arising from treasury share transactions  | 2,044,055            | 2,037,021           |
| The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition | 19,715               | 5,658               |
| <u>Used to offset a deficit only</u>  |                      |                     |
| Recognizes changes in the Group's ownership interests in subsidiaries   | \$ 1,846,268         | \$ 1,333,643        |
| Arising from share of changes in capital surplus of associates or joint ventures  | 2,903,413            | 38,809              |
| Convertible bonds share options   | <u>573,019</u>       | <u>-</u>            |
|   | <u>\$ 16,051,927</u> | <u>\$ 7,923,262</u> |

Note: Such capital surplus maybe used to offset a deficit, in addition, when the Company



have no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income, less any accumulated deficit. From the remainder of the net income, appropriation for special reserve will be made based on relevant laws and regulations, and then any remaining profit together with any undistributed retained earnings may be appropriated and distributed.

The Company's operating environment is in a mature industry. The Company shall consider profitability, future operating plans and funding needs, and industry condition, and long-term shareholders' rights and long-term financial planning in the distribution of earnings. Dividends may be paid in cash or stock; total dividends should not be lower than 10% of distributable net profit, and cash dividends should not be lower than 20% of total dividends. The distribution plan will be proposed by the Company's board of directors and approved in the shareholders' meeting.

For information on accrued compensation of employees and remuneration to directors and the actual appropriations, please refer to Note 29-g.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2022 and 2021, which was resolved by shareholders' meeting on May 31, 2023 and June 17, 2022, respectively, represented changes in the number of ordinary shares outstanding due to the issuance of ordinary shares for cash. The actual appropriations was as follows:

|                             | <u>Appropriation of Earnings</u> |            | <u>Dividend Per Share<br/>(N.T. Dollar)</u> |         |
|-----------------------------|----------------------------------|------------|---|---------|
|                             | 2022                             | 2021       | 2022  | 2021    |
| Legal reserve               | \$ -                             | \$ 487,801 |   |         |
| Reversal of special reserve | 2,150,000                        | -          |   |         |
| Cash dividends              | 1,000,000                        | 1,500,000  | \$ 0.93                                     | \$ 1.50 |

The appropriation of earnings for 2023, which was proposed by the Company's board of directors on March 7, 2024, was as follows:

|                | <u>Appropriation<br/>of Earnings</u> | <u>Dividend Per<br/>Share<br/>(N.T. Dollar)</u> |
|----------------|--------------------------------------|---|
|                | 2023                                 | 2022  |
| Legal reserve  | \$ 442,345                           |   |
| Cash dividends | 1,498,002                            | \$ 1.40   |

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on May 28, 2024.

d. Special reserve

|                        | <b>For the Year Ended December 31</b> |                      |
|------------------------|---------------------------------------|----------------------|
|                        | <b>2023</b>                           | <b>2022</b>          |
| Balance at January 1   | \$ 22,228,565                         | \$ 22,228,565        |
| Offset deficit         | <u>(2,150,000)</u>                    | <u>-</u>             |
| Balance at December 31 | <u>\$ 20,078,565</u>                  | <u>\$ 22,228,565</u> |

On first-time adoption of IFRS Accounting Standards, the Group appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were \$8,255,468 thousand and \$655,829 thousand, respectively.

If the special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to property, plant and equipment and investment property other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets. A proportionate share of the special reserve relating to exchange differences arising from the translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed.

Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

e. Other equity items

1) Exchange differences on translating foreign operations

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Balance at January 1  | \$ (776,164)                          | \$ (1,287,377)      |
| Exchange differences arising on translating the financial statements of foreign operations                          | (230,942)                             | 223,012             |
| Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method | <u>(220,329)</u>                      | <u>288,201</u>      |
| Balance at December 31  | <u>\$ (1,227,435)</u>                 | <u>\$ (776,164)</u> |

2) Unrealized gain/(loss) on financial assets at FVTOCI

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Balance at January 1  | \$ 1,508,886                          | \$ 1,712,376        |
| Unrealized gain/(loss) - equity instruments   | 47,081                                | (32,001)            |
| Share from associates accounted for using the equity method                                       | 51,762                                | (100,358)           |
| Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal | <u>(116,133)</u>                      | <u>(71,131)</u>     |
| Balance at December 31  | <u>\$ 1,491,596</u>                   | <u>\$ 1,508,886</u> |

3) Gain (loss) on hedging instruments

|  | <b>For the Year Ended December 31</b> |             |
|--|---------------------------------------|-------------|
|  | <b>2023</b>                           | <b>2022</b> |
| Balance at January 1                     | \$ -                                  | \$ 62       |
| Interest rate risk - interest rate swaps | <u>-</u>                              | <u>(62)</u> |
| Balance at December 31                   | <u>\$ -</u>                           | <u>\$ -</u> |

f. Non-controlling interests

|   | <b>For the Year Ended December 31</b> |               |
|---|---------------------------------------|---------------|
|   | <b>2023</b>                           | <b>2022</b>   |
| Balance at January 1  | \$ 24,380,919                         | \$ 18,047,660 |
| Attributable to non-controlling interests:  |                                       |               |
| Share of profit for the year  | 3,803,707                             | 3,508,655     |
| Exchange difference arising on translation of foreign entities  | (109,213)                             | 95,317        |
| Unrealized (loss)/gain on financial assets at FVTOCI  | (3,561)                               | 28            |
| Loss on hedging instruments   | -                                     | (66)          |
| Remeasurement on defined benefit plans  | 624                                   | 14,277        |
| Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method | (11,499)                              | 12,510        |
| Change in percentage of ownership interests in subsidiaries   | 2,372,891                             | 4,833,394     |

(Continued)

|   | <b>For the Year Ended December 31</b> |                                     |
|---|---------------------------------------|-------------------------------------|
|   | <b>2023</b>                           | <b>2022</b>                         |
| Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition | \$ 421,641                            | \$ (713,186)                        |
| Changes in capital surplus from associates accounted for using the equity method  | -                                     | 11                                  |
| Cash dividends from subsidiaries  | (2,017,755)                           | (1,450,930)                         |
| The stock option about non-controlling interest held by the employees of subsidiaries   | -                                     | 33,249                              |
| Balance at December 31  | <u>\$ 28,837,754</u>                  | <u>\$ 24,380,919</u><br>(Concluded) |

## g. Treasury shares

| <b>Reasons for Redemption</b>                                    | <b>Number of Shares, Beginning of Year</b> | <b>Addition During the Year</b> | <b>Reduction During the Year</b> | <b>Number of Shares, End of Year</b> |
|--|--|---------------------------------|----------------------------------|--------------------------------------|
| <u>For the year ended December 31, 2023</u>                      |  |                                 |                                  |                                      |
| Long-term investment of subsidiary transferred to treasury stock | <u>7,526</u>                               | <u>-</u>                        | <u>-</u>                         | <u>7,526</u>                         |
| <u>For the year ended December 31, 2022</u>                      |  |                                 |                                  |                                      |
| Long-term investment of subsidiary transferred to treasury stock | <u>7,527</u>                               | <u>-</u>                        | <u>(1)</u>                       | <u>7,526</u>                         |

The Company's shares held by subsidiaries as of December 31, 2023 and 2022 were as follows:

| <b>Name of Subsidiaries</b> | <b>Number of Shares Held (In Thousands)</b> | <b>Carrying Amount (In Thousands)</b> | <b>Market Value (In Thousands)</b> |
|-----------------------------|---|---------------------------------------|------------------------------------|
| <u>December 31, 2023</u>    |   |                                       |                                    |
| Yu Ching Business Co., Ltd. | 7,526                                       | <u>\$ 376,301</u>                     | <u>\$ 562,977</u>                  |
| <u>December 31, 2022</u>    |   |                                       |                                    |
| Yu Ching Business Co., Ltd. | 7,526                                       | <u>\$ 376,301</u>                     | <u>\$ 466,639</u>                  |

The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

## 28. REVENUE

### a. Contract information

#### 1) Rental income

Rental income from an operating lease is recognized on a straight-line basis over the term of the lease.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding on the leases.

#### 2) Interest revenue from acquired accounts receivable (included in other operating revenue)

Interest revenues from the accounts receivable of YFC, Shinshin and Yu Rich collectively during the years ended December 31, 2023 and 2022 were \$13,138,865 thousand and \$11,418,344 thousand, respectively. As of December 31, 2023 and 2022, the uncollected accounts receivable of YFC, Shinshin, Yu Rich and Jiangsu TAC Financial Leasing Co., Ltd. collectively were \$163,063,102 thousand and \$159,894,963 thousand, respectively, and recognized as accounts receivable. The income from sales and cost of goods sold of the combined company without a dealer's interest were expressed in net amount; the gross amounts were not included in the consolidated statements of comprehensive income.

#### 3) Interest income on installment sales (included in other operating revenue)

Interest revenue on acquired receivables from installment sales of YFC, Shinshin and Jiangsu TAC Financial Leasing Co., Ltd. in 2023 and 2022 amounted to \$4,998,977 thousand and \$4,158,757 thousand, respectively. The income from sales and cost of goods sold of the combined company without a dealer's interest were expressed in net amount; the gross amounts were not included in the consolidated statements of comprehensive income.

#### 4) Agency revenue (included in other operating revenue)

Agency revenues of YFC and Shinshin recognized for the years ended December 31, 2023 and 2022 were \$157,051 thousand and \$175,679 thousand, respectively. In the event that payments were not made on due dates, YFC and Shinshin reimburse the bank for the loan and assumes all collection rights against the debtor. As of December 31, 2023 and 2022, the managerial service account balances of the loans provided by YFC and Shinshin collectively were \$2,606,964 thousand and \$2,661,674 thousand, respectively. The reimbursements from YFC and Shinshin to banks as of December 31, 2023 and 2022 were \$253,337 thousand and \$323,470 thousand, respectively. The reimbursements to banks were listed as accounts receivable before recognition of interest revenue from acquired accounts receivable using effective interest method.

The amounts of financial guarantee contracts listed above were the maximum total managerial service loans provided by the Group that require full payment by the Group in

the event of debtor's default. The Group had estimated the potential financial guarantee loss on any default on the basis of past experience (see Note 25).

For a description of the Group's revenue from the sales of goods, investment income (included in other operating income) and revenue from the rendering of services, please refer to Note 4.

b. Disaggregation of revenue

Refer to Note 43 for details of revenue information.

## 29. NET PROFIT AND OTHER COMPREHENSIVE INCOME

Special requirements should disclose items that are unusual in nature, scale, or frequency of occurrence and that material impact on assets, liabilities, equity, net profit, or cash flows.

Net profit includes the following items:

a. Other operating revenue

|                    | <b>For the Year Ended December 31</b> |                     |
|--------------------|---------------------------------------|---------------------|
|                    | <b>2023</b>                           | <b>2022</b>         |
| Rental revenue     | \$ 61,623                             | \$ 92,131           |
| Commission revenue | (764)                                 | 261,209             |
| Subsidy revenue    | 299,192                               | 58,845              |
| Others             | <u>484,414</u>                        | <u>615,115</u>      |
|                    | <u>\$ 844,465</u>                     | <u>\$ 1,027,300</u> |

b. Other gains and losses

|  | <b>For the Year Ended December 31</b> |                  |
|--|---------------------------------------|------------------|
|  | <b>2023</b>                           | <b>2022</b>      |
| Gains on disposal of property, plant and equipment and investment property | \$ 118,724                            | \$ 25,746        |
| Net foreign exchange (losses) gains  | (8,052)                               | 31,581           |
| Net loss on financial assets mandatorily as at FVTPL                       | (34,072)                              | (66,360)         |
| Gain on disposal of associates   | 120,357                               | -                |
| Reversal of Impairment losses (impairment losses)                          | 876                                   | (839,340)        |
| Reversal of compensation loss (Note)                                       | 302,792                               | 993,647          |
| Others   | <u>53,950</u>                         | <u>(92,278)</u>  |
|  | <u>\$ 554,575</u>                     | <u>\$ 52,996</u> |

Note: Foxtron Technologies, the Haitec associate, repositioned original business plans and products, including termination of development of some systems and gasoline power related parts, etc. Since Haitec was first party of the original development contract, Haitec recognized the compensation loss related to the contract in 2020, and recognized compensation losses or reversal of compensation loss according to the adjustment of the negotiation status with the manufacturer. Outstanding payments are

included in other accounts payable.

c. Finance costs

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2023</b>                           | <b>2022</b>       |
| Interest on bank loans                         | \$ 5,000,224                          | \$ 3,231,270      |
| Interest on corporate bonds                    | 319,328                               | 334,256           |
| Other interest expense                         | <u>191,575</u>                        | <u>120,681</u>    |
|  | 5,511,127                             | 3,686,207         |
| Less: Interest accounted for as operating cost | <u>4,909,243</u>                      | <u>3,209,768</u>  |
|  | <u>\$ 601,884</u>                     | <u>\$ 476,439</u> |

d. Interest revenue

|   | <b>For the Year Ended December 31</b> |                   |
|---|---------------------------------------|-------------------|
|   | <b>2023</b>                           | <b>2022</b>       |
| Interest revenue from acquired accounts receivable        | \$ 13,138,676                         | \$ 11,418,328     |
| Interest revenue from installment sales                   | 4,998,977                             | 4,158,757         |
| Interest revenue from capital leases                      | 3,121,230                             | 2,911,234         |
| Others  | <u>3,702,364</u>                      | <u>3,521,120</u>  |
|   | 24,961,247                            | 22,009,439        |
| Less: Interest revenue accounted for as operating revenue | <u>24,590,213</u>                     | <u>21,712,632</u> |
|   | <u>\$ 371,034</u>                     | <u>\$ 296,807</u> |

e. Depreciation and amortization

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| An analysis of depreciation by function |                                       |                     |
| Operating costs                         | \$ 7,161,219                          | \$ 6,459,979        |
| Operating expenses                      | <u>1,464,266</u>                      | <u>1,178,357</u>    |
|   | <u>\$ 8,625,485</u>                   | <u>\$ 7,638,336</u> |
| An analysis of amortization by function |                                       |                     |
| Operating costs                         | \$ 52,091                             | \$ 14,368           |
| Operating expenses                      | <u>3,342,883</u>                      | <u>3,354,655</u>    |
|   | <u>\$ 3,394,974</u>                   | <u>\$ 3,369,023</u> |

## f. Employee benefit expense

|  | <b>For the Year Ended December 31</b> |                         |
|--|---------------------------------------|-------------------------|
|  | <b>2023</b>                           | <b>2022</b>             |
| Post-employment benefits                                 |                                       |                         |
| Defined contribution plans                               | \$ 236,558                            | \$ 232,320              |
| Defined benefit plans                                    | <u>14,622</u>                         | <u>12,108</u>           |
|  | 251,180                               | 244,428                 |
| Other employee benefits                                  | 10,108,265                            | 9,230,050               |
| Share-based payment equity-settled share                 | <u>105,236</u>                        | <u>58,155</u>           |
| <br>Total employee benefits expense                      | <br><u>\$ 10,464,681</u>              | <br><u>\$ 9,532,633</u> |
| <br>An analysis of employee benefits expense by function |                                       |                         |
| Operating costs  | \$ 2,868,949                          | \$ 2,600,343            |
| Operating expenses                                       | <u>7,595,732</u>                      | <u>6,932,290</u>        |
|  | <br><u>\$ 10,464,681</u>              | <br><u>\$ 9,532,633</u> |

## g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrued compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there have accumulated deficits, the amount to cover the deficits shall be reserved in advance, and then distributed according to the proportion in the preceding paragraph.;

In 2022, the Company did not distribute compensation of employees, and remuneration of directors due to offset the loss.

The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2023, which was approved by the Company's board of directors on March 7, 2024, was as follows:

|                           | <b>For the Year Ended December 31</b> |             |
|---------------------------|---------------------------------------|-------------|
|                           | <b>2023</b>                           | <b>2022</b> |
| Compensation of employees | \$ 40,096                             | -           |
| Remuneration of directors | 24,247                                | -           |

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.



h. Impairment losses on non-financial assets (reversal of impairment losses)

|  | <b>For the Year Ended December 31</b> |                   |
|--|---------------------------------------|-------------------|
|  | <b>2023</b>                           | <b>2022</b>       |
| Property, plant and equipment (included in other operating cost, Note 18)                      | \$ 127,172                            | \$ (117,162)      |
| Inventories (included in operating cost, Note 15)  | 57,883                                | (186,346)         |
| Investment properties (included in other gains and losses, Note 19)                            | -                                     | 830,894           |
| Motor designs and research and development outputs (included in other operating cost, Note 21) | 88,501                                | -                 |
| Other intangible assets (included in other operating cost, Note 21)                            | <u>-</u>                              | <u>4,728</u>      |
|  | <u>\$ 273,556</u>                     | <u>\$ 532,114</u> |

### 30. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Current tax                                     |                                       |                     |
| In respect of the current year                  | \$ 1,783,187                          | \$ 1,909,099        |
| Income tax on unappropriated earnings           | 164,718                               | 139,073             |
| Adjustments for prior years                     | <u>(19,837)</u>                       | <u>(1,840)</u>      |
|   | 1,928,068                             | 2,046,332           |
| Deferred tax                                    |                                       |                     |
| In respect of the current year                  | 367,569                               | 521,977             |
| Adjustments for prior years                     | <u>2,009</u>                          | <u>-</u>            |
| Income tax expense recognized in profit or loss | <u>\$ 2,297,646</u>                   | <u>\$ 2,568,309</u> |

A reconciliation of accounting profit and income tax expenses is as follows:

|  | <b>For the Year Ended December 31</b> |                     |
|--|---------------------------------------|---------------------|
|  | <b>2023</b>                           | <b>2022</b>         |
| Profit before tax from continuing operations         | <u>\$ 10,791,876</u>                  | <u>\$ 1,380,272</u> |
| Income tax expense calculated at the statutory rate  | \$ 3,838,348                          | \$ 1,953,296        |
| Nondeductible expenses in determining taxable income | 32,239                                | 22,131              |
| Tax-exempt income                                    | (1,921,973)                           | (654,644)           |

(Continued)

|   | <b>For the Year Ended December 31</b> |                     |
|---|---------------------------------------|---------------------|
|   | <b>2023</b>                           | <b>2022</b>         |
| Additional income tax under the Alternative Minimum Tax Act | -                                     | 16                  |
| Income tax on unappropriated earnings                       | 164,718                               | 139,073             |
| Unrecognized deductible temporary differences               | 202,142                               | 1,110,277           |
| Adjustments for prior years' tax                            | <u>(17,828)</u>                       | <u>(1,840)</u>      |
| Income tax expense recognized in profit or loss             | <u>\$ 2,297,646</u>                   | <u>\$ 2,568,309</u> |

b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

|  | <b>Balance at the<br/>Beginning of<br/>the Year</b> | <b>Net Profit<br/>(Loss) and<br/>Other<br/>Comprehensive<br/>Income (Loss)</b> | <b>Acquisitions<br/>through<br/>Business<br/>Combinations</b> | <b>Reclassified<br/>Held for Sale</b> | <b>Balance at the<br/>End of the<br/>Year</b> |
|--|---|--|---|---------------------------------------|---|
| <u>Deferred tax assets</u>                                     |   |  |   |                                       |   |
| Temporary differences  |   |  |   |                                       |   |
| Share of loss of subsidiaries, associates and joint ventures   | \$ 270,464  | \$ 22,129  | \$ -  | \$ -                                  | 292,593                                       |
| Property, plant and equipment                                  | 112,734   | (16,686)   | -   | -                                     | 96,048  |
| Intangible assets  | 138,286   | (34,572)   | -   | -                                     | 103,714                                       |
| Defined benefit obligation                                     | 25,232  | 2,542  | -   | -                                     | 27,774  |
| Doubtful debts   | 1,293,224   | (8,076)  | -   | (184,115)                             | 1,101,033                                     |
| Loss carryforward  | 131,522   | 112,126  | -   | -                                     | 243,648                                       |
| Others   | <u>353,613</u>                                      | <u>(74,983)</u>  | <u>-</u>  | <u>-</u>                              | <u>278,630</u>                                |
|  | <u>\$ 2,325,075</u>                                 | <u>\$ 2,480</u>  | <u>\$ -</u>   | <u>\$ (184,115)</u>                   | <u>\$ 2,143,440</u>                           |
| <u>Deferred tax liabilities</u>                                |   |  |   |                                       |   |
| Temporary differences  |   |  |   |                                       |   |
| Property, plant and equipment                                  | \$ 1,318,647  | \$ 222,859   | \$ -  | \$ -                                  | \$ 1,541,506                                  |
| Land value increment tax                                       | 2,397,818   | (20,603)   | -   | -                                     | 2,377,215                                     |
| Share of profit of subsidiaries, associates and joint ventures | 648,190   | 186,610  | -   | -                                     | 834,800                                       |
| Others   | <u>27,373</u>                                       | <u>16,682</u>  | <u>19,541</u>   | <u>-</u>                              | <u>63,596</u>                                 |
|  | <u>\$ 4,392,028</u>                                 | <u>\$ 405,548</u>  | <u>\$ 19,541</u>  | <u>\$ -</u>                           | <u>\$ 4,817,117</u>                           |

For the year ended December 31, 2022

|   | <b>Balance at the<br/>Beginning of<br/>the Year</b> | <b>Net Profit<br/>(Loss) and<br/>Other<br/>Comprehensive<br/>Income (Loss)</b> | <b>Balance at the<br/>End of the Year</b> |
|---|---|--|---|
| <u>Deferred tax assets</u>                                      |   |  |   |
| Temporary differences   |   |  |   |
| Share of loss of subsidiaries, associates<br>and joint ventures | \$ 319,724  | \$ (49,260)  | \$ 270,464                                |
| Property, plant and equipment                                   | 136,861   | (24,127)   | 112,734                                   |
| Intangible assets   | -   | 138,286  | 138,286                                   |
| Defined benefit obligation                                      | 256,569   | (231,337)  | 25,232                                    |
| Doubtful debts  | 1,431,465   | (138,241)  | 1,293,224                                 |
| Loss carryforward   | 125,719   | 5,803  | 131,522                                   |
| Others  | <u>296,788</u>                                      | <u>56,825</u>  | <u>353,613</u>                            |
|   | <u>\$ 2,567,126</u>                                 | <u>\$ (242,051)</u>  | <u>\$ 2,325,075</u>                       |

Deferred tax liabilities

|   |                     |                   |                     |
|---|---------------------|-------------------|---------------------|
| Temporary differences   |                     |                   |                     |
| Property, plant and equipment                                     | \$ 1,234,218        | \$ 84,429         | \$ 1,318,647        |
| Land value increment tax  | 2,397,818           | -                 | 2,397,818           |
| Share of profit of subsidiaries, associates<br>and joint ventures | 488,471             | 159,719           | 648,190             |
| Others  | <u>25,260</u>       | <u>2,113</u>      | <u>27,373</u>       |
|   | <u>\$ 4,145,767</u> | <u>\$ 246,261</u> | <u>\$ 4,392,028</u> |

c. Items for which no deferred tax assets have been recognized

As of December 31, 2023 and 2022, deductible temporary differences with unrecognized deferred tax assets were \$10,582,016 thousand and \$11,366,918 thousand, respectively.

d. Income tax assessed

The tax returns through 2021 have been assessed by the tax authorities.

**31. EARNINGS (LOSS) PER SHARE**

Unit: NT\$ Per Share

|                                   | <u>For the Year Ended December 31</u> |                  |
|-----------------------------------|---------------------------------------|------------------|
|                                   | <u>2023</u>                           | <u>2022</u>      |
| Basic earnings (loss) per share   | <u>\$ 4.63</u>                        | <u>\$ (4.80)</u> |
| Diluted earnings (loss) per share | <u>\$ 4.45</u>                        | <u>\$ (4.80)</u> |

The earnings (loss) and the weighted average number of shares outstanding used for the earnings (loss) per share computation was as follows:

### Net Profit (Loss) for the Year

|   | <u>For the Year Ended December 31</u> |                       |
|---|---------------------------------------|-----------------------|
|   | 2023                                  | 2022                  |
| Earnings used in the computation of basic earnings (loss) per share   | \$ 4,690,523                          | \$ (4,696,692)        |
| Convertible bonds   | <u>58,184</u>                         | <u>-</u>              |
| Earnings used in the computation of diluted earnings (loss) per share | <u>\$ 4,748,707</u>                   | <u>\$ (4,696,692)</u> |

### Shares

|   | <u>For the Year Ended December 31</u> |                |
|---|---------------------------------------|----------------|
|   | 2023                                  | 2022           |
| Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share   | 1,012,976                             | 977,705        |
| Effect of potentially dilutive ordinary shares  |                                       |                |
| Compensation of employees   | 536                                   | -              |
| Convertible bonds   | <u>53,045</u>                         | <u>-</u>       |
| Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share | <u>1,066,557</u>                      | <u>977,705</u> |

In calculating the weighted average number of shares outstanding for the consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Group offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 32. BUSINESS COMBINATIONS

### a. Subsidiaries acquired

In order to build a complete service platform, the Company's board of directors resolved to invest \$950,000 thousand in JDW on June 16, 2023 and gain control over JDW and its subsidiary, JDW Taxi.

| Subsidiary | Principal Activity  | Date of Acquisition | Proportion of Voting Equity Interests Acquired (%) | Consideration Transferred |
|------------|---|---------------------|--|---------------------------|
| JDW        | Information software services, information processing services and general advertising services | August 30, 2023     | 50.70  | <u>\$ 950,000</u>         |

b. Assets acquired and liabilities assumed at the date of acquisition

|                               | JDW and Its Subsidiaries |
|-------------------------------|--------------------------|
| Current assets                |                          |
| Cash                          | \$ 1,150,344             |
| Accounts receivables          | 43,834                   |
| Other receivables             | 5,580                    |
| Prepayments                   | 2,675                    |
| Non-current assets            |                          |
| Property, plant and equipment | \$ 2,632                 |
| Other intangible assets       | 97,124                   |
| Refundable deposits           | 9,385                    |
| Current liabilities           |                          |
| Accounts payables             | (73,005)                 |
| Other payables                | (174,390)                |
| Deposits received             | (203)                    |
| Other current liabilities     | (3,486)                  |
| Non-current liabilities       |                          |
| Deferred tax liabilities      | <u>(19,541)</u>          |
|                               | <u>\$ 1,040,949</u>      |

c. Non-controlling interests

The non-controlling interests (49.3% and 37.5% ownership interests, respectively) in JDW and its subsidiaries are measured as the proportionate share of the recognized amount of the acquiree's identifiable net assets.

d. Goodwill recognized on acquisitions

|  | JDW and Its Subsidiaries |
|--|--------------------------|
| Consideration transferred  | \$ 950,000               |
| Plus: Non-controlling interests (49.3% Ownership Interest in JDW)      | 507,770                  |
| Plus: Non-controlling interests (37.5% Ownership Interest in JDW Taxi) | 9,731                    |
| Less: Fair value of identifiable net assets acquired                   | <u>(1,040,949)</u>       |
| Goodwill recognized on acquisitions                                    | <u>\$ 426,552</u>        |

The goodwill recognized by the Group in the acquisitions of JDW mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

e. Net cash inflow on the acquisition of subsidiaries

|                              | <b>JDW</b>          |
|------------------------------|---------------------|
| Consideration paid           | \$ 950,000          |
| Less: Cash balances acquired | <u>(1,150,344)</u>  |
|                              | <u>\$ (200,344)</u> |

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

|                   | <b>JDW</b>       |
|-------------------|------------------|
| Operating revenue | <u>\$ 77,269</u> |
| Net loss          | <u>\$ 64,083</u> |

Had JDW concluded the acquisition at the beginning of 2023, the Group's revenue would have been \$224,038 thousand, and the loss would have been \$116,250 thousand for the year ended December 31, 2023. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

### 33. ACQUISITION OF A SUBSIDIARY THAT DOES NOT CONSTITUTE A BUSINESS

In order to expand its business and gain access to the energy market, the Group acquired a 100% of the equity shares of Zysun Power and Wysun Power at a consideration of \$10,000 thousand and \$600 thousand in cash on the period from July to September 2023, respectively. In addition, in August 2023, acquired 96.92% equity interest in Tai Chuang Energy for \$630,000 thousand. In accordance with IFRS 3, the Group evaluated and concluded that the acquired shares did not constitute a business; therefore, the share purchase transaction is accounted for as acquisition of a group of assets.

The information relating to the assets acquired and liabilities assumed and the relevant net cash outflow at the date of acquisition:

a. Assets acquired and liabilities assumed

|                           | Zysun Power     | Wysun Power   | Tai Chuang Energy |
|---------------------------|-----------------|---------------|-------------------|
| Current assets            |                 |               |                   |
| Cash                      | \$ 80           | \$ 69         | \$ 630,448        |
| Prepayments               | 475             | 19            | 972               |
| Non-current assets        |                 |               |                   |
| Right-of-use assets       | -               | -             | 311,608           |
| Prepayments for equipment | 9,443           | 324           | 2,016             |
| Refundable deposits       | -               | -             | 4,028             |
| Current liabilities       |                 |               |                   |
| Other payables            | (35)            | -             | (8)               |
| Lease liabilities         | -               | -             | (11,705)          |
| Other current liabilities | -               | -             | (25)              |
| Non-current liabilities   |                 |               |                   |
| Lease liabilities         | <u>-</u>        | <u>-</u>      | <u>(307,604)</u>  |
|                           | <u>\$ 9,963</u> | <u>\$ 412</u> | <u>\$ 629,730</u> |

b. Net cash outflow (inflow) on the acquisition of subsidiaries.

|  | Zysun Power     | Wysun Power   | Tai Chuang Energy |
|--|-----------------|---------------|-------------------|
| Cash consideration paid in the current period    | \$ 10,000       | \$ 600        | \$ 630,000        |
| Less: cash acquired and approximate cash balance | <u>(80)</u>     | <u>(69)</u>   | <u>(630,448)</u>  |
|  | <u>\$ 9,920</u> | <u>\$ 531</u> | <u>\$ (448)</u>   |

### 34. SHARE-BASED PAYMENT ARRANGEMENTS

On March 9, 2023, the Company's board of directors resolved to issue ordinary shares. In accordance with the Company Act, the Company reserved 10% of ordinary shares for issue to employees, for a total of 7,000 thousand shares. For the waiver of subscribed shares by employees or the undersubscribed portion, the chairman was authorized to designate specific persons for subscription.

In June 2023, the Company granted employee share options and used the Black-Scholes pricing model, and the inputs to the model were as follows:

|                               | In June 2023 |
|-------------------------------|--------------|
| Grant-date share price (NT\$) | \$89.60      |
| Exercise price (NT\$)         | \$68.00      |
| Expected volatility           | 36.692%      |
| Expected life (in years)      | 16 days      |
| Risk-free interest rate       | 1.025%       |

The Company recognized a compensation cost of \$105,236 thousand under employee share option plans.

### 35. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS - 2023

From January to December 2023, the Company sold 52.58% of the preferred shares of YFC, and decreased its interest of preferred shares from 52.59% to 0.01%.

YFC increased capital and exchanged shares with Green World Fintech Service Co., Ltd. in February 2023, leading to a decrease in the Group's interest from 42.92% to 42.81%.

The Group subscribed for new shares issued by Car-plus Auto at a percentage different from its original ownership percentage in April 2023, purchased Car-plus Auto shares from non-controlling shareholders, and Car-plus Auto purchased treasury shares in June 2023, increasing its interest from 88.78% to 100%.

In June 2023, the Group purchased 4.43% of Sin Gan shares, increasing its interest from 93.04% to 97.47%.

The above transactions were accounted as equity transactions, since the Group did not cease to have control over these subsidiaries.

|  | <b>Car-plus Auto</b> | <b>YFC</b>         | <b>Sin Gan</b>    |                  |
|--|----------------------|--------------------|-------------------|------------------|
| Consideration (paid) received  | \$ (435,081)         | \$ 2,876,958       | \$ (38,113)       |                  |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred from (to) non-controlling interests                           | <u>304,521</u>       | <u>(2,649,051)</u> | <u>30,208</u>     |                  |
| Differences recognized from equity transactions  | <u>\$ (130,560)</u>  | <u>\$ 227,907</u>  | <u>\$ (7,905)</u> |                  |
|  | <b>Car-plus Auto</b> | <b>YFC</b>         | <b>Sin Gan</b>    | <b>Total</b>     |
| Line items adjusted for equity transactions  |                      |                    |                   |                  |
| Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' share during actual disposal or acquisition | \$ -                 | \$ 14,057          | \$ -              | \$ 14,057        |
| Capital surplus - changes in percentage of ownership interests in subsidiaries   | (1,775)              | 213,850            | -                 | 212,075          |
| Unappropriated earnings  | <u>(128,785)</u>     | <u>-</u>           | <u>(7,905)</u>    | <u>(136,690)</u> |
|  | <u>\$ (130,560)</u>  | <u>\$ 227,907</u>  | <u>\$ (7,905)</u> | <u>\$ 89,442</u> |



### 36. CAPITAL MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, and other equity).

According to externally imposed capital requirement of banks, part of the subsidiaries should keep the agreed equity during the borrowing period. As of December 31, 2023, the Company has met the requirements of banks.

The Group's management reviews the capital structure whenever necessary. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Group expects to balance its capital structure by paying dividends, borrowing new loans or repaying original loans.

### 37. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

Except as detailed in the following table, the management of the Company considers that the carrying amount of financial assets and financial liabilities, which are not measured at fair value, is close to their fair value.

|                              | <b>December 31</b>         |                   |                            |                   |
|------------------------------|----------------------------|-------------------|----------------------------|-------------------|
|                              | <b>2023</b>                |                   | <b>2022</b>                |                   |
|                              | <b>Carrying<br/>Amount</b> | <b>Fair Value</b> | <b>Carrying<br/>Amount</b> | <b>Fair Value</b> |
| <u>Financial liabilities</u> |                            |                   |                            |                   |
| Convertible bonds            | \$ 13,945,770              | \$ 13,972,105     | \$ -                       | \$ -              |

The Level 2 fair value measurement was determined under cash flow discounting analysis using the income approach.

## b. Fair value financial instruments that are measured at fair value on a recurring basis

## 1) Fair value hierarchy

December 31, 2023

|   | Level 1           | Level 2     | Level 3           | Total             |
|---|-------------------|-------------|-------------------|-------------------|
| <u>Financial assets at FVTPL</u>        |                   |             |                   |                   |
| Domestic and foreign<br>quoted shares   | \$ 10,054         | \$ -        | \$ -              | \$ 10,054         |
| Domestic and foreign<br>unlisted shares | -                 | -           | 2,303             | 2,303             |
| Mutual funds                            | 286,644           | -           | -                 | 286,644           |
| Limited partnership<br>investment       | -                 | -           | 71,985            | 71,985            |
| Others                                  | <u>264,447</u>    | <u>-</u>    | <u>201,399</u>    | <u>465,846</u>    |
|   | <u>\$ 561,145</u> | <u>\$ -</u> | <u>\$ 275,687</u> | <u>\$ 836,832</u> |

Financial assets at FVTOCI

|                          |                   |                 |                   |                   |
|--------------------------|-------------------|-----------------|-------------------|-------------------|
| Domestic quoted shares   | \$ 423,368        | \$ -            | \$ -              | \$ 423,368        |
| Domestic unlisted shares | -                 | -               | 459,706           | 459,706           |
| Others                   | <u>-</u>          | <u>1,497</u>    | <u>-</u>          | <u>1,497</u>      |
|                          | <u>\$ 423,368</u> | <u>\$ 1,497</u> | <u>\$ 459,706</u> | <u>\$ 884,571</u> |

Financial liabilities at  
FVTPL

|   |             |             |                  |                  |
|---|-------------|-------------|------------------|------------------|
| Derivatives redemption<br>option and put option of<br>convertible bonds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 70,054</u> | <u>\$ 70,054</u> |
|---|-------------|-------------|------------------|------------------|

December 31, 2022

|   | Level 1           | Level 2     | Level 3           | Total             |
|---|-------------------|-------------|-------------------|-------------------|
| <u>Financial assets at FVTPL</u>        |                   |             |                   |                   |
| Domestic and foreign<br>quoted shares   | \$ 8,910          | \$ -        | \$ -              | \$ 8,910          |
| Domestic and foreign<br>unlisted shares | -                 | -           | 2,303             | 2,303             |
| Mutual funds                            | 109,540           | -           | -                 | 109,540           |
| Limited partnership<br>investment       | -                 | -           | 71,985            | 71,985            |
| Others                                  | <u>163,148</u>    | <u>-</u>    | <u>399,869</u>    | <u>563,017</u>    |
|   | <u>\$ 281,598</u> | <u>\$ -</u> | <u>\$ 474,157</u> | <u>\$ 755,755</u> |

(Continued)

|                                   | Level 1           | Level 2       | Level 3           | Total             |
|-----------------------------------|-------------------|---------------|-------------------|-------------------|
| <u>Financial assets at FVTOCI</u> |                   |               |                   |                   |
| Domestic quoted shares            | \$ 253,308        | \$ -          | \$ -              | \$ 253,308        |
| Domestic unlisted shares          | -                 | -             | 425,940           | 425,940           |
| Others                            | -                 | 979           | -                 | 979               |
|                                   | <u>\$ 253,308</u> | <u>\$ 979</u> | <u>\$ 425,940</u> | <u>\$ 680,227</u> |

There were no transfers between Levels 1 and 2 in the current and prior years.

3) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended December 31, 2023

|   | Financial Assets<br>at Fair Value<br>Through Profit<br>or Loss | Available-for-<br>sale Financial<br>Assets<br>Equity<br>Instruments | Total             |
|---|--|---|-------------------|
| Balance at January 1, 2023  | \$ 474,157   | \$ 425,940  | \$ 900,097        |
| Recognized in profit or loss  |  |   |                   |
| Other gains and losses  | (569)  |   | (569)             |
| Interest revenue  | 5,276  | -   | 5,276             |
| Recognized in other<br>comprehensive income<br>(included in unrealized gain on<br>financial assets at FVTOCI) | -  | 33,127  | 33,127            |
| Purchases   | 119,176  | 1,000   | 120,176           |
| Disposals/settlements   | (320,221)  | (291)   | (320,512)         |
| Effects of exchange rate changes  | <u>(2,132)</u>   | <u>(70)</u>   | <u>(2,202)</u>    |
| Balance at December 31, 2023  | <u>\$ 275,687</u>  | <u>\$ 459,706</u>   | <u>\$ 735,393</u> |

For the year ended December 31, 2022

|                              | Financial Assets<br>at Fair Value<br>Through Profit<br>or Loss | Available-for-<br>sale Financial<br>Assets<br>Equity<br>Instruments | Total      |
|------------------------------|--|---|------------|
| Balance at January 1, 2022   | \$ 525,283   | \$ 407,022  | \$ 932,305 |
| Recognized in profit or loss |  |   |            |
| Other gains and losses       | (37)   | -   | (37)       |
| Interest revenue             | 11,756   | -   | 11,756     |

(Continued)

|  | <b>Financial Assets<br/>at Fair Value<br/>Through Profit<br/>or Loss</b> | <b>Available-for-<br/>sale Financial<br/>Assets<br/>Equity<br/>Instruments</b> | <b>Total</b>                     |
|--|--|--|----------------------------------|
| Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI) | -  | 21,540   | 21,540                           |
| Purchases  | 164,000  | -  | 164,000                          |
| Disposals/settlements  | (227,072)  | (2,622)  | (229,694)                        |
| Effects of exchange rate changes   | <u>227</u>   | <u>-</u>   | <u>227</u>                       |
| Balance at December 31, 2022   | <u>\$ 474,157</u>  | <u>\$ 425,940</u>  | <u>\$ 900,097</u><br>(Concluded) |

The fair values of non-public stocks and funds are mainly determined by using the asset approach, and the market approach.

To determine the fair value for the funds, the Company utilizes the asset approach and takes into account the net asset value measured at the fair value by independent parties. On December 31, 2023, the Company uses unobservable inputs derived from discount for lack of marketability and lack of non-controlling interest.

For the remaining few investments, the market approach is used to arrive at their fair value, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

#### 4) Valuation techniques and inputs applied for Level 3 fair value measurement

| <u>Financial Instrument</u>   | <u>Valuation Technique and Input</u>  |
|---|---|
| Derivatives - redemption option and put option of convertible bonds | Binomial tree valuation model.<br><br>Evaluated by the observable closing price of the stocks, risk-free interest rate, risk discount rate, and liquidity risk at the balance sheet date. |
| Overseas unlisted equity instruments                                | The comparable transaction method of the market approach was adopted by referring to the recent fund-raising activities of the investee company.  |

c. Categories of financial instruments

|   | <b>December 31</b> |             |
|---|--------------------|-------------|
|   | <b>2023</b>        | <b>2022</b> |
| <u>Financial assets</u>   |                    |             |
| Fair value through profit or loss (FVTPL)                           |                    |             |
| Mandatorily at FVTPL  | \$ 836,832         | \$ 755,755  |
| Financial assets at amortized cost (Note 1)                         | 262,549,262        | 255,902,928 |
| Fair value through other comprehensive income (FVTOCI)              | 884,571            | 680,227     |
| <u>Financial liabilities</u>  |                    |             |
| Derivative instruments in designated hedge accounting relationships | 62,354             | -           |
| Amortized cost (Note 2)   | 282,634,161        | 273,450,311 |
| Financial guaranteed contracts                                      | 77,655             | 84,725      |

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivables, trade receivables, finance lease receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans and bills payables, notes payable, trade and other payables, corporate bond payables, long-term loans and other payables, guarantee deposits received and current portion of long-term borrowings.

d. Financial risk management objectives and policies

In order to develop a clear direction and system for the Group to analyze, execute and respond to financial risk, it is of great importance to clarify the definition and the purpose of financial risk management prior to the establishment of related critical issues and policies. Through the process of financial risk management, the Group manages the financial risks relevant to the daily operation, including market risk (foreign exchange rate risk, interest rate risk, other price risk), credit risk, and liquidity risk. The Group strives to identify, evaluate and decrease market uncertainty to mitigate influence of the market fluctuation towards its financial performance.

- 1) Financial risk management is defined by the Group as: To achieve various methods to control and handle risks by assessing direct and indirect potential risks affecting Group's financial status. By minimizing "cost of risk", the Group ensures operation security and continue as going concern.
- 2) The critical issues of financial risk management: The Group emphasizes precautions in advance as well as controls during the ongoing process. In the event, with precautions and controls in place, of inevitable loss or discrepancies with Group's operational goal, post-event measures are to be taken to deter or ease the unfavorable factors and retain the Group's ongoing development. The source of financial risk includes external and internal factors. The key points of management, control mechanisms, and management tools of precautions, controls during the ongoing process and post-event measures are as follows:

## a) Precautions

Key points of management

- i. Business planning: The goal is for the Group to launch its business basing on key performance indicators that are clearly defined. The future operating guidelines and programs, from short term to long term, are also explicitly stated. In addition, goals and ways of achieving it for financial functions will also be specifically described within business planning.
- ii. Identification of risk and establishment of indicator: This is based on the previous phase of key points of management, to identify potential risks and its monitoring indicators.

Control mechanisms

- i. Business planning and adjustment: This is achieved by mid-term operating prospectus.
- ii. Macro-economic and study of laws and regulation: The Group invites external professional and scholars for workshops regarding current economic status and updates on laws and regulations nonscheduled.

Management tools

- i. Research reports on macroeconomics: This includes reports on foreign exchange rates, interest rates and economic growths around the world.
- ii. Operating prospectus: This is the Group's mid-term operating prospectus.
- iii. Articles of incorporation: Clearly states in the Group's article of incorporation the management measures and the standard of risk indicator.

## b) Controls during the ongoing process

Key points of management

- i. Assessment and monitor of risk: Carry out instant or periodical monitoring towards defined critical risk indicator and related financial process.
- ii. Risk feedbacks: The information system automatically sends reports regarding financial operation and indicator statistics simultaneously or periodically to the management of the Group. Internal audit teams are assigned, according to yearly or quarterly audit plans, to conduct audits relating to financial risk management of the Group and its subsidiaries. Internal audit teams are also assigned to conduct audits regarding financial risk management indicators and execution results.

Control mechanisms

- i. Internal audit: Each financial sub-unit within the Group manages, controls and conducts independent internal audits after audit plans are proposed to the management.

- ii. Financial management system and procedures: The Group establishes financial management system and monitors daily operations and specifically designated risks.

#### Management tools

- i. BIS (Business Intelligent System) reports and alerts: The Group utilizes BIS to provide feedbacks for important operation related financial indicators monthly, at least.
  - ii. Monthly reports on profits of the Group and its subsidiaries: Operating profit and loss reports are summarized monthly, particularly including analytical summaries and reviews of items not meeting standards set by the management.
  - iii. Internal audit report: Internal audit reports are issued by the internal audit team including the execution and result of financial risk management.
  - iv. Reports on capital financing and balance of endorsement: The Group issues a summary report of capital financing and balance of endorsement monthly for the prior month.
  - v. ERP, DMS and SAP system verifications: Operating management systems from external parties assist in verification, and strengthens the Group's financial risk management.
- c) Post-event measures

#### Key points of management

- i. Reasons and strategies for statistical deviations: Internal and external comprehension should be assembled, when abnormal outcomes arise for critical financial management indicators, to determine a corresponding strategy.
- ii. Execution and follow-ups on strategy: The Group keeps track of the execution of the corresponding strategy mentioned in the previous phase, determined for the statistics to improve.

#### Control mechanisms

- i. Analysis and feedbacks for unattainable indicators: The Group reviews the cause of unattainable financial management indicators in periodical reports and management meetings. In addition, improvement plans and schedules are also considered in management meetings.
- ii. Board and financial meetings: The Group summons board meetings and review of financial management meetings on a timely basis, to ensure that the related financial risk management matters be resolved promptly, if not simultaneously.

#### Management tools

- i. Reports on unfavorable factors and impacts: The Group lists the impacts of unattainable indicators and its actual status within its internal financial reports.

- ii. Board meeting reports: The execution of financial risk management is summarized in the board meeting reports.
- iii. Endorsement valuation report: Balance of endorsement is assessed and evaluated on a timely basis whether it conforms to local regulations and corporate rules.
- iv. Periodic review meetings according to corporate classifications: The Group holds comprehensive review meetings periodically for different corporate classifications, which is in accordance to their different industry attributes.

### 3) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

#### a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to exchange rate risk at the end of the reporting period are set out in Note 41.

#### Sensitivity analysis

The Group was mainly exposed to Currency USD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

|                | <b>USD Impact</b>                     |             |
|----------------|---------------------------------------|-------------|
|                | <b>For the Year Ended December 31</b> |             |
|                | <b>2023</b>                           | <b>2022</b> |
| Profit or loss | \$ 4,146                              | \$ (3,683)  |

#### b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.



The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

|                               | <b>December 31</b> |                |
|-------------------------------|--------------------|----------------|
|                               | <b>2023</b>        | <b>2022</b>    |
| Fair value interest rate risk |                    |                |
| Financial assets              | \$ 216,367,566     | \$ 214,045,422 |
| Financial liabilities         | 200,764,910        | 161,962,577    |
| Cash flow interest rate risk  |                    |                |
| Financial assets              | 12,605,323         | 14,570,315     |
| Financial liabilities         | 58,396,599         | 87,206,990     |

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would decrease by \$457,913 thousand and \$726,367 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

The Group assesses equity price risk using sensitivity analysis.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2023, financial assets at FVTPL and FVTOCI would have decreased by \$8,368 thousand and \$8,846 thousand, respectively.

If equity prices had been 1% lower, as of December 31, 2022, financial assets at FVTPL and FVTOCI would have decreased by \$7,558 thousand and \$6,802 thousand, respectively.

4) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

It is the Group's policy that transactions only be dealt with credit worthy counter parties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms be renewed after careful reexamination to ensure credit risk of counter parties are within scope of the Group.

The clients of the Group are widely spread and the Group analyzes its numerous trade receivable clients' financial status continuously.

#### 5) Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors how bank borrowings are used and ensures compliance with loan covenants.

#### Liquidity and interest risk rate table for non-derivative financial liabilities

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2023

|   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b>     | <b>5+ Years</b>     |
|---|-----------------------------|----------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                             |                      |                     |
| Non-interest bearing                        | \$ 10,974,679               | \$ -                 | \$ -                |
| Variable interest rate liabilities          | 37,893,341                  | 60,184,941           | -                   |
| Fixed interest rate liabilities             | 125,811,333                 | 35,080,102           | 1,700,000           |
| Lease liabilities                           | 555,305                     | 1,221,110            | 686,238             |
| Financial guarantee contracts               | <u>2,606,964</u>            | <u>-</u>             | <u>-</u>            |
|   | <u>\$ 177,843,622</u>       | <u>\$ 96,486,153</u> | <u>\$ 2,386,238</u> |

December 31, 2022

|   | <b>Less than<br/>1 Year</b> | <b>1-5 Years</b>     | <b>5+ Years</b>     |
|---|-----------------------------|----------------------|---------------------|
| <u>Non-derivative financial liabilities</u> |                             |                      |                     |
| Non-interest bearing                        | \$ 12,221,486               | \$ -                 | \$ -                |
| Variable interest rate liabilities          | 35,837,846                  | 63,554,049           | -                   |
| Fixed interest rate liabilities             | 123,398,809                 | 25,439,749           | 1,700,000           |
| Lease liabilities                           | 528,045                     | 1,086,600            | 405,772             |
| Financial guarantee contracts               | <u>2,661,674</u>            | <u>-</u>             | <u>-</u>            |
|   | <u>\$ 174,647,860</u>       | <u>\$ 90,080,398</u> | <u>\$ 2,105,772</u> |

The amount of variable interest rate liabilities included above varies as to the different floating rates estimated at the balance sheet date.

As of Balance Sheets date, the amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. The Group has estimated the probabilities of default and recognized related provisions (see Note 25).

### 38. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and its related parties are disclosed below.

#### a. Related parties

| <u>Related Party</u>                  | <u>Relationship with the Group</u>                         |
|---------------------------------------|--|
| Dongfeng Yulon Motor Co., Ltd.        | Joint ventures (became non-related party on June 27, 2023) |
| Dong Yu Tech. Co., Ltd.               | Joint ventures   |
| Zhuo He Co., Ltd.                     | Joint ventures   |
| Cheng Long Co., Ltd.                  | Associates   |
| Yuan Lon Co., Ltd.                    | Associates   |
| Yu Tang Co., Ltd.                     | Associates   |
| Yulon-Nissan Motor Co., Ltd.          | Associates   |
| Guangzhou He Xi Co., Ltd.             | Associates   |
| China Motor Co., Ltd.                 | Associates   |
| Tokio Marine Newa Insurance Co., Ltd. | Associates   |
| ROC-Spicer Co., Ltd.                  | Associates   |
| Fujian Spicer Co., Ltd.               | Associates   |
| Uni-calsonic Co., Ltd.                | Associates   |
| COC Tooling & Stamping Co., Ltd.      | Associates   |
| China Engine Co., Ltd.                | Associates   |

(Continued)

| <b>Related Party</b>                             | <b>Relationship with the Group</b>                                |
|--|---|
| HuiZhou DongFeng Yi Jing Co., Ltd.               | Associates (became non-related party from second quarter of 2023) |
| Hui-Lian Motor Co., Ltd.                         | Associates  |
| Yulon Management Co., Ltd.                       | Associates  |
| Foxtron Vehicle Technologies Co., Ltd.           | Associates  |
| Hong Kong-Spicer Co., Ltd.                       | Associates  |
| Zhuo Giu Co., Ltd.                               | Associates  |
| Bing Yu Co., Ltd.                                | Associates  |
| Guang Zhou Ri Zheng Spring                       | Associates  |
| Loopus Service Technology Inc.                   | Associates  |
| Victory Motors Co., Ltd.                         | Associates  |
| QPO Energy LLC                                   | Associates  |
| Ding Long Co., Ltd.                              | Associate's subsidiary  |
| Tang Li Co., Ltd.                                | Associate's subsidiary  |
| Yuan Zhi Co., Ltd.                               | Associate's subsidiary  |
| Lian Cheng Co., Ltd.                             | Associate's subsidiary  |
| Yuen-Jin Co., Ltd.                               | Associate's subsidiary  |
| Kian Shen Co., Ltd.                              | Associate's subsidiary  |
| Hua Ling Co., Ltd.                               | Associate's subsidiary  |
| Lin Wei Co., Ltd.                                | Associate's subsidiary  |
| Yuan Rui Auto Co., Ltd.                          | Associate's subsidiary  |
| MG Motor Taiwan Co., Ltd.                        | Associate's subsidiary  |
| Dong Feng Yulon Motor Sales Co., Ltd.            | Other related parties   |
| Tai-Yuen Textiles Co., Ltd.                      | Other related parties   |
| Wen Shen Co., Ltd.                               | Other related parties   |
| Shenyang Spicer Co., Ltd.                        | Other related parties   |
| Lowin Industrial Co., Ltd.                       | Other related parties   |
| Taiwin Company                                   | Other related parties   |
| Hui-Fong Motor Co., Ltd.                         | Other related parties   |
| Nissan Motor Co., Ltd.                           | Other related parties   |
| Shug Ye Motor Co., Ltd.                          | Other related parties   |
| Fortune Hsieh-Shin Motors Co., Ltd.              | Other related parties   |
| Southeast Motor Co., Ltd.                        | Other related parties   |
| Gunze Co., Ltd.                                  | Other related parties   |
| Taiway Co., Ltd.                                 | Other related parties   |
| ROC-Keeper Co., Ltd.                             | Other related parties   |
| Carnival Industrial Co., Ltd.                    | Other related parties   |
| Victory Motors Co., Ltd.                         | Other related parties   |
| Fortune Hsieh-Shin Motors Co., Ltd.              | Other related parties   |
| Feng Shun Machinery Co., Ltd.                    | Other related parties   |
| Fusion Motors Co., Ltd.                          | Other related parties   |
| Raising Motors Co., Ltd.                         | Other related parties   |
| Luxgen (Hangzhou) Real Estate Co., Ltd.          | Other related parties   |
| Yen Tjing Ling Industrial Development Foundation | Other related parties   |
| Vivian Wu Journalism Award Foundation            | Other related parties   |
| Greentrans Corporation                           | Other related parties   |
| Feng-Chan Motors Co., Ltd.                       | Other related parties   |

(Concluded)

b. Operating revenue

1) Sales of goods

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                      |
|---------------------------------|---------------------------------------|----------------------|
|                                 | <b>2023</b>                           | <b>2022</b>          |
| Associates                      |                                       |                      |
| Yulon-Nissan Motor Co., Ltd.    | \$ 10,997,145                         | \$ 9,646,518         |
| Others                          | <u>11,366,899</u>                     | <u>10,412,095</u>    |
|                                 | 22,364,044                            | 20,058,613           |
| Joint venture                   | 4                                     | -                    |
| Other related parties           | <u>53,299</u>                         | <u>81,000</u>        |
|                                 | <u>\$ 22,417,347</u>                  | <u>\$ 20,139,613</u> |

2) Rental revenue

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                   |
|---------------------------------|---------------------------------------|-------------------|
|                                 | <b>2023</b>                           | <b>2022</b>       |
| Associates                      | \$ 216,595                            | \$ 148,164        |
| Joint venture                   | 6,024                                 | -                 |
| Other related parties           | <u>45,667</u>                         | <u>47,522</u>     |
|                                 | <u>\$ 268,286</u>                     | <u>\$ 195,686</u> |

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                   |
|---------------------------------|---------------------------------------|-------------------|
|                                 | <b>2023</b>                           | <b>2022</b>       |
| <u>Service revenue</u>          |                                       |                   |
| Associates                      | \$ 322,700                            | \$ 308,843        |
| Joint venture                   | 40                                    | -                 |
| Other related parties           | <u>13,900</u>                         | <u>12,225</u>     |
|                                 | <u>\$ 336,640</u>                     | <u>\$ 321,068</u> |

Other operating income

|                       |                     |                   |
|-----------------------|---------------------|-------------------|
| Associates            | \$ 1,003,372        | \$ 971,077        |
| Joint venture         | 921                 | -                 |
| Other related parties | <u>6,206</u>        | <u>13,193</u>     |
|                       | <u>\$ 1,010,499</u> | <u>\$ 984,270</u> |

## 3) Installment sales interest subsidies revenue

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                   |
|---------------------------------|---------------------------------------|-------------------|
|                                 | <b>2023</b>                           | <b>2022</b>       |
| Associates                      |                                       |                   |
| Yulon-Nissan Motor Co., Ltd.    | \$ 42,446                             | \$ 102,987        |
| Others                          | <u>11,710</u>                         | <u>19,024</u>     |
|                                 | <u>\$ 54,156</u>                      | <u>\$ 122,011</u> |

## c. Purchase of goods

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                      |
|---------------------------------|---------------------------------------|----------------------|
|                                 | <b>2023</b>                           | <b>2022</b>          |
| Associates                      |                                       |                      |
| Yulon-Nissan Motor Co., Ltd.    | \$ 13,176,669                         | \$ 12,218,882        |
| Others                          | <u>733,093</u>                        | <u>899,170</u>       |
|                                 | 13,909,762                            | 13,118,052           |
| Joint venture                   | 10,244                                | -                    |
| Other related parties           |                                       |                      |
| Nissan Motor Co., Ltd.          | 10,013,574                            | 7,765,831            |
| Others                          | <u>194,642</u>                        | <u>187,097</u>       |
|                                 | <u>10,208,216</u>                     | <u>7,952,928</u>     |
|                                 | <u>\$ 24,128,222</u>                  | <u>\$ 21,070,980</u> |

## d. Operating expenses

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                   |
|---------------------------------|---------------------------------------|-------------------|
|                                 | <b>2023</b>                           | <b>2022</b>       |
| Associates                      | \$ 110,034                            | \$ 100,663        |
| Other related parties           | <u>4,403</u>                          | <u>4,249</u>      |
|                                 | <u>\$ 114,437</u>                     | <u>\$ 104,912</u> |

## e. Acquisition of property, plant and equipment

| <b>Related Party Categories</b> | <b>For the Year Ended December 31</b> |                |
|---------------------------------|---------------------------------------|----------------|
|                                 | <b>2023</b>                           | <b>2022</b>    |
| Associates                      |                                       |                |
| Cheng Long Co., Ltd.            | \$ 32,621                             | \$ 142,035     |
| Yulon-Nissan Motor Co., Ltd.    | 292,063                               | -              |
| Others                          | <u>284,357</u>                        | <u>176,634</u> |
|                                 | <u>609,041</u>                        | <u>318,669</u> |

(Continued)

| Related Party Categories | For the Year Ended December 31 |                   |
|--------------------------|--------------------------------|-------------------|
|                          | 2023                           | 2022              |
| Other related parties    |                                |                   |
| Hui-Fong Motor Co., Ltd. | 374,361                        | 449,743           |
| Shug Ye Motor Co., Ltd.  | 143,039                        | 203,718           |
| Others                   | <u>27,235</u>                  | <u>8,973</u>      |
|                          | <u>544,635</u>                 | <u>662,434</u>    |
|                          | <u>\$ 1,153,676</u>            | <u>\$ 981,103</u> |

(Concluded)

f. Acquisitions of right-of-use assets

| Related Party Categories                         | For the Year Ended December 31 |                  |
|--|--------------------------------|------------------|
|  | 2023                           | 2022             |
| Associates                                       |                                |                  |
| China Motor Co., Ltd.                            | \$ -                           | \$ 9,244         |
| Hua Ling Co., Ltd.                               | 89,058                         | -                |
| Others   | <u>-</u>                       | <u>76</u>        |
|  | <u>89,058</u>                  | <u>9,320</u>     |
| Other related parties                            |                                |                  |
| Yen Tjing Ling Industrial Development Foundation | -                              | 9,248            |
| Tai Yuen Textile Co., Ltd.                       | -                              | 4,706            |
| Others   | <u>474</u>                     | <u>-</u>         |
|  | <u>474</u>                     | <u>13,954</u>    |
|  | <u>\$ 89,532</u>               | <u>\$ 23,274</u> |

| Related Party Categories | For the Year Ended December 31 |                   |
|--------------------------|--------------------------------|-------------------|
|                          | 2023                           | 2022              |
| <u>Lease liabilities</u> |                                |                   |
| Associates               | \$ 55,874                      | \$ 32,336         |
| Other related parties    | <u>101,019</u>                 | <u>112,308</u>    |
|                          | <u>\$ 156,893</u>              | <u>\$ 144,644</u> |

g. Disposal of property, plant and equipment

| Related Party Category/Name            | Proceeds                       |                 | Gain (Loss) on Disposal        |                 |
|--|--------------------------------|-----------------|--------------------------------|-----------------|
|  | For the Year Ended December 31 |                 | For the Year Ended December 31 |                 |
|  | 2023                           | 2022            | 2023                           | 2022            |
| Associates                             |                                |                 |                                |                 |
| Foxtron Vehicle Technologies Co., Ltd. | \$ 202,123                     | \$ 1,188        | \$ 109,203                     | \$ (585)        |
| Others                                 | <u>27</u>                      | <u>-</u>        | <u>27</u>                      | <u>-</u>        |
|  | <u>\$ 202,150</u>              | <u>\$ 1,188</u> | <u>\$ 109,230</u>              | <u>\$ (585)</u> |

## h. Acquisition of receivables

| Related Party Categories     | For the Year Ended December 31 |                     |
|------------------------------|--------------------------------|---------------------|
|                              | 2023                           | 2022                |
| Associates                   |                                |                     |
| Yulon-Nissan Motor Co., Ltd. | \$ 2,004,961                   | \$ 2,005,429        |
| Cheng Long Co., Ltd.         | 247,070                        | 394,540             |
| Yu Tang Co., Ltd.            | 220,400                        | 517,940             |
| Hui-Lian Motor Co., Ltd.     | 664,590                        | 1,037,350           |
| Yuan Lon Co., Ltd.           | 331,440                        | 607,620             |
| Others                       | <u>304,484</u>                 | <u>362,048</u>      |
|                              | <u>\$ 3,772,945</u>            | <u>\$ 4,924,927</u> |

## i. Commissions paid (included in incremental costs of obtaining a contract and amortized over a period of time)

| Related Party Categories | For the Year Ended December 31 |                  |
|--------------------------|--------------------------------|------------------|
|                          | 2023                           | 2022             |
| Associates               | <u>\$ 7,762</u>                | <u>\$ 37,996</u> |

## j. Receivable from related parties

## 1) Notes receivable and trade receivables

| Related Party Categories       | December 31       |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2023              | 2022              |
| Associates                     | \$ 718,317        | \$ 723,203        |
| Joint venture (Note 1)         | 235               | -                 |
| Other related parties (Note 2) | <u>11,019</u>     | <u>18,072</u>     |
|                                | <u>\$ 729,571</u> | <u>\$ 741,275</u> |

## 2) Other receivables

| Related Party Categories       | December 31       |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2023              | 2022              |
| Associates                     | \$ 189,287        | \$ 257,440        |
| Joint venture                  | 1,311             | 813               |
| Other related parties (Note 1) | <u>7,808</u>      | <u>628</u>        |
|                                | <u>\$ 198,406</u> | <u>\$ 258,881</u> |



3) Refundable deposits

| <b>Related Party Categories</b> | <b>December 31</b> |                 |
|---------------------------------|--------------------|-----------------|
|                                 | <b>2023</b>        | <b>2022</b>     |
| Associates                      | \$ 2,120           | \$ 2,365        |
| Other related parties           | <u>2,405</u>       | <u>1,505</u>    |
|                                 | <u>\$ 4,525</u>    | <u>\$ 3,870</u> |

Note 1: As of December 31, 2023, the receivable from related parties of the Group - Dong Feng Yulon Motor Sales Co., Ltd. was assessed according to the expected credit loss model. At the end of the period, the carrying amount of receivable which deducts allowance loss of \$99,919 thousand is \$0 thousand.

Note 2: As of December 31, 2023, the other receivable from related parties of the Group - Dong Feng Yulon Motor Sales Co., Ltd. was assessed according to the expected credit loss model. At the end of the period, the carrying amount of other receivable which deducts allowance loss of \$674,323 thousand is \$0 thousand.

k. Payable to related parties

1) Notes payable and trade payables

| <b>Related Party Categories</b> | <b>December 31</b>  |                     |
|---------------------------------|---------------------|---------------------|
|                                 | <b>2023</b>         | <b>2022</b>         |
| Associates                      |                     |                     |
| Yulon-Nissan Motor Co., Ltd.    | \$ 98,475           | \$ 327,465          |
| Others                          | 217,228             | 195,908             |
| Joint venture                   | 2,942               | -                   |
| Other related parties           |                     |                     |
| Nissan Motor Co., Ltd.          | 751,173             | 365,761             |
| Others                          | <u>110,136</u>      | <u>131,430</u>      |
|                                 | <u>861,309</u>      | <u>497,191</u>      |
|                                 | <u>\$ 1,179,954</u> | <u>\$ 1,020,564</u> |

2) Other payables

| <b>Related Party Categories</b> | <b>December 31</b> |                   |
|---------------------------------|--------------------|-------------------|
|                                 | <b>2023</b>        | <b>2022</b>       |
| Associates                      | \$ 53,709          | \$ 155,443        |
| Other related parties           | <u>3,854</u>       | <u>5,591</u>      |
|                                 | <u>\$ 57,563</u>   | <u>\$ 161,034</u> |

1. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

## m. Compensation of key management personnel

|                                   | <b>For the Year Ended December 31</b> |                   |
|-----------------------------------|---------------------------------------|-------------------|
|                                   | <b>2023</b>                           | <b>2022</b>       |
| Short-term employee benefits      | \$ 530,329                            | \$ 409,158        |
| Post-employment benefits          | 3,461                                 | 15,854            |
| Other long-term employee benefits | 1,318                                 | 1,219             |
| Share-based payment               | <u>10,152</u>                         | <u>2,924</u>      |
|                                   | <u>\$ 545,260</u>                     | <u>\$ 429,155</u> |

The compensation of the board members and the Group's management is determined by the remuneration committee based on personal performances and market conditions.

**39. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

The following assets were provided as collateral for bank borrowings or the tariff of imported raw materials guarantees:

|  | <b>December 31</b>   |                      |
|--|----------------------|----------------------|
|  | <b>2023</b>          | <b>2022</b>          |
| Notes and trade receivables  | \$ 10,992,841        | \$ 11,879,384        |
| Property, plant and equipment  | 1,479,310            | 1,047,441            |
| Investment properties  | 8,717,927            | 3,306,938            |
| Vehicle certificates (classified as inventories)   | 351,408              | 575,990              |
| Reserve account and pledged time deposits (classified as financial assets at amortized cost) | 336,995              | 436,520              |
| Investments accounted for using the equity method  | -                    | 6,471,302            |
| Others   | <u>29,364</u>        | <u>600</u>           |
|  | <u>\$ 21,907,845</u> | <u>\$ 23,718,175</u> |

**40. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

In addition to those disclosed in other Notes, information on significant contingent liabilities and unrecognized commitments on the balance sheet date is as follows:

- a. The Company has a manufacturing contract with Yulon Nissan Motor Co., Ltd. ("Yulon Nissan") with a five-year validity from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance), as of December 31, 2023, it's the 4th year since the contract was automatically renewed. The contract states that Yulon Nissan has authorized the Company to manufacture Nissan automobiles and parts, and Yulon Nissan is responsible for the subsequent development of new automobile parts. The volume of the Company's manufacturing should be based on Yulon Nissan's projection of car unit sales for the year. In addition, the Company manufactures other service parts for Yulon Nissan upon the latter's request.

Yulon Nissan is responsible for developing new car models, refining designs, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

- b. Luxgen entrusted to the Company the assembly of cars, for which the obtaining of the manufacturing and selling license was assigned by Haitec to Luxgen. This car assembly is based on a five-year contract valid from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance), as of December 31, 2023, it's the 4th year since the contract was automatically renewed. The contract states that Luxgen authorizes the Company to manufacture Luxgen automobiles and parts. The volume of the Company's manufacturing should be based on Luxgen's projection of car unit sales for the year. In addition, the Company manufactures other service parts for Luxgen upon the latter's request.

Luxgen is responsible for contracting out the manufacture of new-car model parts, refining designs, registering products, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

- c. Yulon Commissioned Kumagai Gumi Co., Ltd. & BES Engineering Corporation to Contract the Yulon New Taipei City Commercial District Development Project. The commission coverage included the first stage of hypothetical engineering, the main structure engineering, the main steel structure engineering and the external wall engineering, etc. The total amount of project is \$3,663,911 thousand. This project is a turnkey contract, so the lump sum amount of engineering includes all related expenses to obtain the user license. The company obtained user license of the Yulon Town commercial district on February 24, 2022 and started operations in September 2023.

#### 41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

|                         | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|-------------------------|-----------------------------|----------------------|----------------------------|
| <u>Financial assets</u> |                             |                      |                            |
| Monetary items          |                             |                      |                            |
| USD                     | \$ 2,553                    | 30.705 (USD:NTD)     | \$ <u>78,392</u>           |

(Continued)

|  | <b>Foreign<br/>Currency</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b>       |
|--|-----------------------------|----------------------|----------------------------------|
| Non-monetary items   |                             |                      |                                  |
| Associates and joint ventures<br>accounted for by the equity<br>method |                             |                      |                                  |
| RMB  | 350,601                     | 4.3352 (RMB:NTD)     | \$ 1,519,924                     |
| RMB  | 220,501                     | 0.1412 (RMB:USD)     | <u>955,914</u>                   |
|  |                             |                      | <u>\$ 2,475,838</u>              |
| <u>Financial liabilities</u>   |                             |                      |                                  |
| Monetary items   |                             |                      |                                  |
| USD  | 16,057                      | 30.7050 (USD:NTD)    | \$ 493,029                       |
| JPY  | 1,271,804                   | 0.2172 (USD:NTD)     | <u>276,236</u>                   |
|  |                             |                      | <u>\$ 769,265</u><br>(Concluded) |

December 31, 2022

|  | <b>Foreign<br/>Currencies</b> | <b>Exchange Rate</b> | <b>Carrying<br/>Amount</b> |
|--|-------------------------------|----------------------|----------------------------|
| <u>Financial assets</u>  |                               |                      |                            |
| Monetary items   |                               |                      |                            |
| USD  | \$ 19,153                     | 30.71 (USD:NTD)      | <u>\$ 588,189</u>          |
| Non-monetary items   |                               |                      |                            |
| Associates and joint ventures<br>accounted for by the<br>equity method |                               |                      |                            |
| RMB  | 344,033                       | 4.40 (RMB:NTD)       | \$ 1,516,979               |
| RMB  | 224,904                       | 0.14 (RMB:USD)       | <u>991,693</u>             |
|  |                               |                      | <u>\$ 2,508,672</u>        |
| <u>Financial liabilities</u>   |                               |                      |                            |
| Monetary items   |                               |                      |                            |
| USD  | 7,161                         | 30.71 (USD:NTD)      | <u>\$ 219,914</u>          |

For the years ended December 31, 2023 and 2022, realized and unrealized foreign exchange gain/loss were loss \$8,052 thousand and gain \$31,581 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) on each significant foreign currency there were many foreign currency transactions and the Group entities had different functional currencies.

## 42. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees:
- 1) Financing provided to others. (Table 1)
  - 2) Endorsements/guarantees provided. (Table 2)
  - 3) Marketable securities held (excluded investment in subsidiaries, associates and joint controlled entities). (Table 3)
  - 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 5)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (Table 6)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 8)
  - 9) Information on investees. (Table 9)
  - 10) Trading in derivative instruments. (Note 37)
  - 11) Others: Intercompany relationships and significant intercompany transactions. (Table 11)
- b. Information on investments in mainland China (Table 10)
- c. Information of major shareholder

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 12)

## 43. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were "brand segments", "supporting segments", "horizontal segments", "Taiwan retail segments", "China retail segments" and "others".

- a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

|                                      | Brand Segments       | Supporting Segments | Horizontal Segments  | Taiwan Retail Segments | China Retail Segments | Others              | Adjustment and Eliminations | Total                |
|--------------------------------------|----------------------|---------------------|----------------------|------------------------|-----------------------|---------------------|-----------------------------|----------------------|
| For the year ended December 31, 2023 |                      |                     |                      |                        |                       |                     |                             |                      |
| Revenues from external customers     | \$ 12,701,930        | \$ 3,699,165        | \$ 41,161,706        | \$ 16,672,671          | \$ 7,018,797          | \$ 866,410          | \$ -                        | \$ 82,120,679        |
| Intersegment revenues                | <u>15,405,519</u>    | <u>1,326,659</u>    | <u>917,598</u>       | <u>1,026,263</u>       | <u>681,628</u>        | <u>1,079,112</u>    | <u>(20,436,779)</u>         | <u>-</u>             |
| Segment revenues                     | <u>\$ 28,107,449</u> | <u>\$ 5,025,824</u> | <u>\$ 42,079,304</u> | <u>\$ 17,698,934</u>   | <u>\$ 7,700,425</u>   | <u>\$ 1,945,522</u> | <u>\$ (20,436,779)</u>      | <u>\$ 82,120,679</u> |
| Segment income                       |                      |                     |                      |                        |                       |                     |                             | <u>\$ 10,791,876</u> |
| For the year ended December 31, 2022 |                      |                     |                      |                        |                       |                     |                             |                      |
| Revenues from external customers     | \$ 10,873,534        | \$ 3,701,525        | \$ 36,316,525        | \$ 15,869,923          | \$ 8,637,764          | \$ 1,679,992        | \$ -                        | \$ 77,079,263        |
| Intersegment revenues                | <u>14,309,343</u>    | <u>1,578,855</u>    | <u>637,041</u>       | <u>893,959</u>         | <u>39,810</u>         | <u>1,047,807</u>    | <u>(18,506,815)</u>         | <u>-</u>             |
| Segment revenues                     | <u>\$ 25,182,877</u> | <u>\$ 5,280,380</u> | <u>\$ 36,953,566</u> | <u>\$ 16,763,882</u>   | <u>\$ 8,677,574</u>   | <u>\$ 2,727,799</u> | <u>\$ (18,506,815)</u>      | <u>\$ 77,079,263</u> |
| Segment income                       |                      |                     |                      |                        |                       |                     |                             | <u>\$ 1,380,272</u>  |

This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The segment information on total assets and liabilities were not reported to the chief operating decision maker, therefore was not disclosed.

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Philippines.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

|        | Revenue from External Customers |                      | Non-current Assets   |                      |
|--------|---------------------------------|----------------------|----------------------|----------------------|
|        | For the Year Ended December 31  |                      | December 31          |                      |
|        | 2023                            | 2022                 | 2023                 | 2022                 |
| Taiwan | \$ 67,054,954                   | \$ 59,740,481        | \$ 68,291,585        | \$ 55,958,795        |
| China  | 14,845,542                      | 17,183,509           | 1,546,186            | 6,811,904            |
| Others | <u>220,183</u>                  | <u>155,273</u>       | <u>608,701</u>       | <u>309,100</u>       |
|        | <u>\$ 82,120,679</u>            | <u>\$ 77,079,263</u> | <u>\$ 70,446,472</u> | <u>\$ 63,079,799</u> |

Non-current assets exclude investments accounted for using the equity method and deferred tax assets.

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

| Customer                     | For the Year Ended December 31 |            |                      |            |
|------------------------------|--------------------------------|------------|----------------------|------------|
|                              | 2023                           |            | 2022                 |            |
|                              | Amount                         | % on Sales | Amount               | % on Sales |
| Yulon-Nissan Motor Co., Ltd. | <u>\$ 12,036,340</u>           | <u>15</u>  | <u>\$ 10,684,911</u> | <u>14</u>  |

TABLE 1

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender                       | Borrower                     | Financial Statement Account           | Related Parties     | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral        |         | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|------------------------------|------------------------------|---------------------------------------|---------------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|-------------------|---------|-----------------------------------|----------------------------|--------|
|     |                              |                              |                                       |                     |                                |                |                         |               |                              |                              |                                  |                               | Item              | Value   |                                   |                            |        |
| 1   | YFC                          | Shinshin Yu Rich             | Other receivables                     | Y                   | \$ 3,000,000                   | \$ -           | \$ -                    | -             | b                            | \$ -                         | Operating capital                | \$ -                          | -                 | \$ -    | \$ 3,638,192                      | \$ 36,381,928              | Note 1 |
|     |                              |                              | Other receivables                     | Y                   | 3,000,000                      | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 3,638,192                         | 36,381,928                 | Note 1 |
| 2   | Hsiang Shuo                  | Sinqual                      | Other receivables                     | Y                   | 60,000                         | 60,000         | 60,000                  | 1.94%         | b                            | -                            | Operating capital                | -                             | -                 | -       | 110,156                           | 110,156                    | Note 1 |
| 3   | Yulon China Motor Investment | Hang Zhou Hua You            | Accounts receivable - related parties | Y                   | 82,279                         | 80,175         | 80,175                  | 4.00%         | b                            | -                            | Operating capital                | -                             | -                 | -       | 780,060                           | 2,340,180                  | Note 1 |
| 4   | Sheng Qing                   | Nanjing Hanhong              | Accounts receivable - related parties | Y                   | 66,552                         | 65,007         | 65,007                  | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Wuhan Yu Hsin                | Accounts receivable - related parties | Y                   | 57,818                         | 34,670         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Zhu Hai Fu Te En             | Accounts receivable - related parties | Y                   | 44,368                         | 22,740         | 22,740                  | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Hang Zhou Hua Zhi            | Accounts receivable - related parties | Y                   | 57,364                         | 55,428         | 49,196                  | 3.00%         | b                            | -                            | Operating capital                | -                             | -                 | -       | 1,641,028                         | 1,641,028                  | Note 1 |
|     |                              | Hang Zhou Hua You            | Accounts receivable - related parties | Y                   | 10,301                         | 10,038         | 8,018                   | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Yulon China Motor Investment | Accounts receivable - related parties | Y                   | 993,368                        | 970,307        | 883,631                 | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Zi Bo Yu An                  | Accounts receivable - related parties | Y                   | 467                            | 455            | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Xiamen Young Chang           | Accounts receivable - related parties | Y                   | 169,895                        | 165,551        | 165,551                 | 0.60%         | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
|     |                              | Yu-Jie                       | Accounts receivable - related parties | Y                   | 177,900                        | 173,352        | 173,352                 | 1.00%         | b                            | -                            | Operating capital                | -                             | -                 | -       | 4,102,570                         | 12,307,711                 | Note 1 |
| 5   | Su Zhou Feng Shen            | Su Zhou Cheng Pin            | Other receivables                     | Y                   | 22,238                         | 12,386         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Tai Chang Cheng Mau          | Other receivables                     | Y                   | 44,475                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Hung           | Other receivables                     | Y                   | 22,238                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Feng Shun            | Other receivables                     | Y                   | 12,657                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Wu Jiang Lian Cheng          | Other receivables                     | -                   | 22,238                         | 12,382         | -                       | -             | -                            | -                            | -                                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Pang           | Other receivables                     | Y                   | 22,238                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Long           | Other receivables                     | Y                   | 35,580                         | 12,382         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | Su Zhou Cheng Guo            | Other receivables                     | Y                   | 22,238                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 332,769                           | 332,769                    | Note 1 |
|     |                              | 6                            | Wu Jiang Lian Cheng                   | Tai Chang Cheng Mau | Other receivables              | Y              | 22,238                  | 6,193         | -                            | -                            | b                                | -                             | Operating capital | -       | -                                 | -                          | 33,896 |
|     |                              |                              |                                       |                     |                                |                |                         |               |                              |                              |                                  |                               |                   |         |                                   |                            |        |
| 7   | Hang Zhou Yu Zhong           | Yulon China Motor Investment | Other receivables                     | Y                   | 39,138                         | 11,701         | 11,701                  | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 501,553                           | 752,330                    | Note 1 |
|     |                              | Hang Zhou Hsiao Yu           | Other receivables                     | Y                   | 13,787                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                 | -       | 501,553                           | 752,330                    | Note 1 |
| 8   | Shinshin                     | A32                          | Other receivables                     | N                   | 303,998                        | -              | -                       | 1.5%-16%      | a                            | 481,000                      | -                                | -                             | -                 | -       | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L55                          | Other receivables                     | N                   | 280,831                        | 280,671        | 126,671                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,267                         | Land              | 331,851 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L60                          | Other receivables                     | N                   | 123,315                        | 105,607        | 105,607                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,056                         | Land              | 211,300 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L63                          | Other receivables                     | N                   | 249,799                        | 152,128        | 152,128                 | 1.5%-16%      | a                            | -                            | Operating capital                | 1,521                         | Property          | 112,127 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | L88                          | Other receivables                     | N                   | 118,848                        | 111,805        | 111,805                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,118                         | Property          | 320,000 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | M8                           | Other receivables                     | N                   | 266,889                        | 264,201        | 264,201                 | 1.5%-16%      | b                            | -                            | Operating capital                | 2,642                         | Land              | 333,476 | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                              | M21                          | Other receivables                     | N                   | 124,999                        | 124,996        | 124,996                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,250                         | Land              | 174,376 | 3,336,072                         | 16,680,361                 | Note 1 |

(Continued)

| No. | Lender             | Borrower                     | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral                           |            | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|--------------------|------------------------------|-----------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------------|------------|-----------------------------------|----------------------------|--------|
|     |                    |                              |                             |                 |                                |                |                         |               |                              |                              |                                  |                               | Item                                 | Value      |                                   |                            |        |
|     |                    | M25                          | Other receivables           | N               | \$ 472,043                     | \$ 379,890     | \$ 379,890              | 1.5%-16%      | b                            | \$ -                         | Operating capital                | \$ 3,799                      | Land/property                        | \$ 551,774 | \$ 3,336,072                      | \$ 16,680,361              | Note 1 |
|     |                    | M48                          | Other receivables           | N               | 150,000                        | 104,433        | 104,433                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,305                         | Traveling Machines (including ships) | 240,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M51                          | Other receivables           | N               | 100,000                        | 78,000         | 78,000                  | 1.5%-16%      | b                            | -                            | Operating capital                | 1,560                         | Property                             | 135,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M63                          | Other receivables           | Y               | 348,500                        | 125,000        | 101,000                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,010                         | Self-built case                      | 128,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M66                          | Other receivables           | N               | 120,000                        | 40,000         | 40,000                  | 1.5%-16%      | b                            | -                            | Operating capital                | 800                           | Performance bond                     | 6,000      | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | M83                          | Other receivables           | N               | 922,000                        | -              | -                       | 1.5%-16%      | b                            | -                            | Operating capital                | -                             | -                                    | -          | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N6                           | Other receivables           | N               | 168,000                        | 168,000        | 168,000                 | 1.5%-16%      | b                            | -                            | Operating capital                | 1,680                         | Land                                 | 236,000    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N19                          | Other receivables           | N               | 268,000                        | 267,350        | 267,350                 | 1.5%-16%      | b                            | -                            | Operating capital                | 5,120                         | Property                             | 335,147    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N20                          | Other receivables           | N               | 102,000                        | 99,450         | 99,450                  | 1.5%-16%      | b                            | -                            | Operating capital                | 1,989                         | Property                             | 353,680    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N46                          | Other receivables           | N               | 102,000                        | 101,927        | 101,927                 | 1.5%-16%      | b                            | -                            | Operating capital                | 2,039                         | Property                             | 128,965    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | N3                           | Other receivables           | Y               | 60,000                         | 60,000         | -                       | 1.5%-16%      | b                            | -                            | Operating capital                | -                             | Performance bond                     | 6,000      | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | Others                       | Other receivables           | N               | 488,780                        | 281,974        | 246,974                 | 1.5%-16%      | a                            | 757,500                      | -                                | 4,284                         | Land/property/<br>performance bond   | 466,935    | 3,336,072                         | 16,680,361                 | Note 1 |
|     |                    | Others                       | Other receivables           | N               | 5,850,459                      | 3,475,782      | 2,696,782               | 1.5%-16%      | b                            | -                            | Operating capital                | 47,093                        | Land/property/<br>performance bond   | 3,420,809  | 3,336,072                         | 16,680,361                 | Note 1 |
| 9   | Su Zhou Feng Shun  | Su Zhou Feng Shen            | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Long           | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Pang           | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Wu Jiang Lian Cheng          | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Pin            | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Hung           | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Tai Chang Cheng Mau          | Other receivables           | Y               | 22,238                         | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
|     |                    | Su Zhou Cheng Li             | Other receivables           | Y               | 8,307                          | 8,126          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 114,108                           | 114,108                    | Note 1 |
| 10  | Su Zhou Yueshun    | Tai Chang Cheng Mau          | Other receivables           | Y               | 6,671                          | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 16,529                            | 16,529                     | Note 1 |
|     |                    | Su Zhou Feng Shun            | Other receivables           | Y               | 13,291                         | 13,001         | 13,001                  | 3.60%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 16,529                            | 16,529                     | Note 1 |
| 11  | Nan Jing Yu Hua    | Nanjing Hanhong              | Other receivables           | Y               | 120,625                        | 117,541        | 117,541                 | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 175,300                           | 350,600                    | Note 1 |
| 12  | Yu-Hsin Intl       | Yu-Hsin Intl HK              | Other receivables           | Y               | 95,562                         | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 265,322                           | 397,984                    | Note 1 |
| 13  | Su Zhou Cheng Long | Su Zhou Cheng Pin            | Other receivables           | Y               | 43,980                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Hung           | Other receivables           | Y               | 48,923                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Li             | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Tai Chang Cheng Mau          | Other receivables           | Y               | 66,713                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Feng Shun            | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Cheng Pang           | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Su Zhou Feng Shen            | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
|     |                    | Wu Jiang Lian Cheng          | Other receivables           | Y               | 16,614                         | 16,252         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 139,311                           | 139,311                    | Note 1 |
| 14  | Su Zhou Cheng Pang | Su Zhou Cheng Hung           | Other receivables           | Y               | 13,343                         | 7,224          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 27,748                            | 27,748                     | Note 1 |
| 15  | Hang Zhou Tang Yu  | Yulon China Motor Investment | Other receivables           | Y               | 39,138                         | 38,137         | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
| 16  | Hang Zhou Qien Yu  | Yulon China Motor Investment | Other receivables           | Y               | 3,558                          | 3,467          | -                       | -             | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
| 18  | Mei De             | Shi Cheng                    | Other receivables           | Y               | 133,425                        | 130,014        | 130,014                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |
|     |                    | Xiamen Young Chang           | Other receivables           | Y               | 133,425                        | 86,676         | 86,676                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -                                    | -          | 433,380                           | 650,070                    | Note 1 |

(Continued)



| No. | Lender              | Borrower                                | Financial Statement Account           | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | Interest Rate | Nature of Financing (Note 2) | Business Transaction Amounts | Reasons for Short-term Financing | Allowance for Impairment Loss | Collateral |       | Financing Limit for Each Borrower | Aggregate Financing Limits | Note   |
|-----|---------------------|---|---------------------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------------|------------------------------|----------------------------------|-------------------------------|------------|-------|-----------------------------------|----------------------------|--------|
|     |                     |   |                                       |                 |                                |                |                         |               |                              |                              |                                  |                               | Item       | Value |                                   |                            |        |
| 20  | Jin Ce              | Yi Ding                                 | Other receivables                     | Y               | \$ 17,790                      | \$ 17,335      | \$ 17,335               | 0.50%         | b                            | \$ -                         | Operating capital                | \$ -                          | -          | \$ -  | \$ 666,740                        | \$ 1,000,110               | Note 1 |
| 21  | Tai Feng            | Dong Tai                                | Other receivables                     | Y               | 162,197                        | 160,351        | 130,014                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Yi Ding                                 | Other receivables                     | Y               | 78,907                         | 78,008         | 78,008                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Sheng Qing (Beijing) Investment Limited | Other receivables                     | Y               | 213,925                        | 211,489        | 211,489                 | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Shi Cheng                               | Other receivables                     | Y               | 61,372                         | 60,673         | 60,673                  | 0.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
|     |                     | Hang Zhou Hua Zhi                       | Other receivables                     | Y               | 6,193                          | 6,193          | 478                     | 3.45%         | b                            | -                            | Operating capital                | -                             | -          | -     | 490,498                           | 980,996                    | Note 1 |
| 22  | Dong Tai            | An Ching Tsai Tung                      | Other receivables                     | Y               | 7,023                          | 6,843          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 756,068                           | 1,512,136                  | Note 1 |
|     |                     | Tung Ling Kuo Tung                      | Other receivables                     | Y               | 2,215                          | 2,167          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 756,068                           | 1,512,136                  | Note 1 |
| 23  | Su Zhou Cheng Li    | Su Zhou Cheng Pin                       | Other receivables                     | Y               | 8,895                          | 8,668          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 29,599                            | 29,599                     | Note 1 |
|     |                     | Su Zhou Feng Shun                       | Other receivables                     | Y               | 13,343                         | 8,668          | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 29,599                            | 29,599                     | Note 1 |
| 24  | Tai Chang Cheng Mau | Su Zhou Cheng Guo                       | Accounts receivable - related parties | Y               | 8,895                          | -              | -                       | -             | a                            | -                            | Operating capital                | -                             | -          | -     | 40,140                            | 40,140                     | Note 1 |
| 25  | Yu-Hsin Intl HK     | Hang Zhou Y-Teks                        | Other receivables                     | Y               | 127,416                        | -              | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 164,190                           | 164,190                    | Note 1 |
| 26  | Chuang Jie          | LUXGEN (Hangzhou) Motor Sales           | Other receivables                     | Y               | 111,188                        | 108,345        | -                       | -             | b                            | -                            | Operating capital                | -                             | -          | -     | 337,583                           | 1,012,748                  | Note 1 |
| 27  | Yu Ching            | UMPI                                    | Other receivables                     | N               | 129,072                        | -              | -                       | 2.50%         | b                            | -                            | Operating capital                | -                             | -          | -     | 251,925                           | 251,925                    | Note 1 |

Note 1: 1. YFC: While credit financing limit for each borrower was 10% of the lender's net equity and aggregate financing limits was 100% of the lender's net equity.

2. Hsiang Shuo: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

3. Yulon China Motor Investment: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

4. Sheng Qing: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

5. Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Feng Shen applies common quota totaling RMB20,000 thousand to seven corporation.

6. Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

7. Hang Zhou Yu Zhong: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.

8. Shinshin: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Business transactions financing limit for each borrower were not exceeding 100% of the lender's net equity and aggregate financing limits were not exceeding 25% of the lender's net equity.

9. Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Feng Shun applies common quota totalling RMB15,000 thousand to eight corporation.

10. Su Zhou Yueshun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

11. Nan Jing Yu Hua: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

12. Yu-Hsin Intl: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.

13. Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. Su Zhou Chen Long applies common quota totalling RMB30,000 thousand to eight corporation.

14. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

15. Hang Zhou Tang Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.

16. Hang Zhou Qien Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was RMB100 million and aggregate financing limits was RMB150 million.

(Continued)

17. Ke Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.
18. Mei De: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
19. Qing Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
20. Jin Ce: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1000% of the lender's net equity and aggregate financing limits was 1500% of the lender's net equity.
21. Tai Feng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.
22. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
23. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
24. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
25. Yu-Hsin Intl HK: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.
26. Chuang Jie: Credit financing limit for each borrower were not exceeding 10% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.
27. Yu Ching: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Note 2: Explanation of nature of financing:

- a. Transactions.
- b. Short-term financing.

(Concluded)

TABLE 2

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Endorser/Guarantor  | Endorsee/Guarantee                      |                       | Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/ Guaranteed During the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China | Note   |
|-----|---------------------|---|-----------------------|---|---|---|-------------------------|--|--|--|--|--|---|--------|
|     |                     | Name                                    | Relationship (Note 2) |   |   |   |                         |  |  |  |  |  |   |        |
| 0   | The Company         | Yu Sing                                 | b                     | \$ 17,974,349   | \$ 460,000  | \$ 210,000  | \$ 20,000               | \$   | 0.35   | \$ 44,935,872                          | Y  | N  | N   | Note 1 |
|     |                     | Luxgen                                  | b                     | 17,974,349  | 2,500,000   | 2,500,000   | 200,000                 |  | 4.17   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | UMPI                                    | b                     | 17,974,349  | 426,720   | 199,778   | 89,132                  |  | 0.33   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | Yu Ching                                | b                     | 17,974,349  | 500,000   | 500,000   | -                       |  | 0.83   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | Sin Chi                                 | b                     | 17,974,349  | 500,000   | 500,000   | -                       |  | 0.83   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | Electrified LUXGEN Motor                | b                     | 17,974,349  | 200,000   | 200,000   | 100,000                 |  | 0.33   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | New LUXGEN North Motor                  | b                     | 17,974,349  | 50,000  | 37,500  | -                       |  | 0.06   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | New LUXGEN Central Motor                | b                     | 17,974,349  | 50,000  | 37,500  | -                       |  | 0.06   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | Luxgen Tainan Motor                     | b                     | 17,974,349  | 50,000  | 37,500  | -                       |  | 0.06   | 44,935,872                             | Y  | N  | N   | Note 1 |
|     |                     | New LUXGEN South Motor                  | b                     | 17,974,349  | 50,000  | 37,500  | -                       |  | 0.06   | 44,935,872                             | Y  | N  | N   | Note 1 |
| 1   | Union & NKH         | Hangzhou Liangrun                       | b                     | 329,613   | 90,000  | 90,000  | -                       |  | -  | 943,724                                | Y  | N  | Y   | Note 1 |
| 2   | YFC                 | Yulon Finance Philippines Corporation   | b                     | 90,954,820  | 2,288,800   | 2,218,000   | 623,743                 |  | -  | 181,909,640                            | Y  | N  | N   | Note 1 |
|     |                     | Jiangsu TAC Financial Leasing Co., Ltd. | b                     | 90,954,820  | 8,670,400   | 8,670,400   | -                       |  | -  | 181,909,640                            | Y  | N  | Y   | Note 1 |
|     |                     | YULON CAPITAL SDN. BHD.                 | b                     | 90,954,820  | 614,100   | 614,100   | -                       |  | -  | 181,909,640                            | Y  | N  | N   | Note 1 |
| 3   | Sheng Qing(Beijing) | Guang Zhou Yuan Du                      | b                     | 20,512,852  | 200,138   | 195,021   | -                       |  | 4.75   | 102,564,259                            | N  | N  | Y   | Note 1 |
|     |                     | Yu-Jie                                  | b                     | 20,512,852  | 889,500   | -   | -                       |  | -  | 102,564,259                            | N  | N  | Y   | Note 1 |
| 4   | Nanjing Hanhong     | Zhu Hai Fu Te En                        | d                     | 512,644   | 133,425   | 130,014   | -                       |  | 50.72  | 640,805                                | N  | N  | Y   | Note 1 |
|     |                     | Xiao Gan Yu Feng                        | d                     | 512,644   | 133,425   | 130,014   | 40,732                  |  | 50.72  | 640,805                                | N  | N  | Y   | Note 1 |
| 5   | Zhu Hai Fu Te En    | Nanjing Hanhong                         | d                     | 568,448   | 111,188   | 108,345   | -                       |  | 38.12  | 852,671                                | N  | N  | Y   | Note 1 |
|     |                     | Xiao Gan Yu Feng                        | d                     | 568,448   | 133,425   | 130,014   | 40,732                  |  | 45.74  | 852,671                                | N  | N  | Y   | Note 1 |
| 6   | Su Zhou Feng Shen   | Su Zhou Feng Shun                       | b                     | 831,921   | 77,564  | -   | -                       |  | -  | 2,495,764                              | N  | N  | Y   | Note 1 |
|     |                     | Wu Jiang Lian Cheng                     | b                     | 831,921   | 44,475  | -   | -                       |  | -  | 2,495,764                              | N  | N  | Y   | Note 1 |
|     |                     | Su Zhou Cheng Pang                      | b                     | 831,921   | 249,060   | 130,014   | 46,813                  |  | 15.63  | 2,495,764                              | N  | N  | Y   | Note 1 |
|     |                     | Tai Chang Cheng Mau                     | b                     | 831,921   | 88,950  | 86,676  | 51,146                  |  | 10.42  | 2,495,764                              | N  | N  | Y   | Note 1 |
| 7   | Wu Jiang Lian Cheng | Su Zhou Feng Shen                       | c                     | 423,697   | 44,475  | -   | -                       |  | -  | 866,760                                | N  | N  | Y   | Note 1 |
|     |                     | Su Zhou Feng Shun                       | c                     | 423,697   | 233,227   | 151,683   | 102,994                 |  | 179.00   | 866,760                                | N  | N  | Y   | Note 1 |
| 8   | Su Zhou Feng Shun   | Wu Jiang Lian Cheng                     | b                     | 1,426,345   | 155,663   | 86,676  | 7,860                   |  | 30.38  | 2,852,690                              | N  | N  | Y   | Note 1 |
|     |                     | Su Zhou Feng Shen                       | c                     | 1,426,345   | 44,475  | -   | -                       |  | -  | 2,852,690                              | N  | N  | Y   | Note 1 |
|     |                     | Su Zhou Cheng Li                        | b                     | 1,426,345   | 70,885  | 69,341  | 16,547                  |  | 24.31  | 2,852,690                              | N  | N  | Y   | Note 1 |
| 9   | Su Zhou Cheng Pang  | Su Zhou Feng Shen                       | c                     | 390,042   | 155,663   | 151,683   | 17,371                  |  | 218.66   | 780,084                                | N  | N  | Y   | Note 1 |
| 10  | Tai Chang Cheng Mau | Su Zhou Feng Shen                       | c                     | 501,756   | 155,663   | 151,683   | 17,371                  |  | 151.15   | 1,003,511                              | N  | N  | Y   | Note 1 |
| 11  | Su Zhou Cheng Guo   | Su Zhou Chen Long                       | c                     | 390,042   | 155,663   | 151,683   | -                       |  | 454.14   | 866,760                                | N  | N  | Y   | Note 1 |

(Continued)

| No. | Endorser/Guarantor | Endorsee/Guarantee                      |                       | Limits on Each Endorsement/Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/Guaranteed During the Period | Outstanding Endorsement/Guarantee at the End of the Period | Actual Borrowing Amount | Amount Endorsed/Guaranteed by Collaterals | Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%) | Aggregate Endorsement/Guarantee Limit | Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/Guarantee Given on Behalf of Companies in Mainland China | Note             |
|-----|--------------------|---|-----------------------|--|--|--|-------------------------|---|---|---------------------------------------|---|---|--|------------------|
|     |                    | Name                                    | Relationship (Note 2) |  |  |  |                         |   |   |                                       |   |   |  |                  |
| 12  | Su Zhou Cheng Long | Su Zhou Cheng Hung<br>Su Zhou Cheng Guo | b<br>b                | \$ 1,741,392<br>1,741,392  | \$ 80,055<br>240,165                                 | \$ 47,672<br>-   | \$ 16,211<br>-          | \$ -<br>-                                 | 13.69<br>-  | \$ 3,482,784<br>3,482,784             | N<br>N  | N<br>N  | Y<br>Y   | Note 1<br>Note 1 |
| 13  | Xiao Gan Yu Feng   | Nanjing Hanhong<br>Zhu Hai Fu Te En     | c<br>c                | 1,387,766<br>1,387,766   | 111,188<br>133,425                                   | 108,345<br>130,014   | -<br>-                  | -<br>-                                    | 39.04<br>46.84  | 2,775,533<br>2,775,533                | N<br>N  | N<br>N  | Y<br>Y   | Note 1<br>Note 1 |
| 14  | Wuhan Yu Hsin      | Xiao Gan Yu Feng                        | b                     | 2,221,973  | 133,425  | 130,014  | 40,732                  | -   | 29.26   | 4,443,945                             | N   | N   | Y  | Note 1           |
| 15  | Su Zhou Cheng Li   | Su Zhou Feng Shun                       | c                     | 1,109,976  | 155,061  | 151,683  | 102,994                 | -   | 204.98  | 2,589,945                             | N   | N   | Y  | Note 1           |

Note 1: 0. The Company: The aggregate endorsement/guarantee limit was calculated for 75% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 40% of the aggregate endorsement/guarantee amount.

1. Union & NKH: The aggregate endorsement/guarantee limit was calculated for 40% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 35% of the aggregate endorsement/guarantee amount.
2. YFC: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 50% of the aggregate endorsement/guarantee amount.
3. Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
4. Nanjing Hanhong: The aggregate endorsement/guarantee limit was calculated for 250% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
5. Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
6. Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity.
7. Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
8. Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.
9. Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
10. Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
11. Su Zhou Cheng Guo: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
12. Su Zhou Cheng Long: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.
13. Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
14. Wuhan Yu Hsin: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 500% of the endorser's/guarantor's net equity.

15. Su Zhou Cheng Li: The aggregate endorsement/guarantee limit was calculated for 3500% of the endorser's/guarantor's net equity. The limit on each endorsement/guarantee given on behalf of each party was not exceeding 1500% of the endorser's/guarantor's net equity.

Note 2: The relationship between guarantor and guarantee are as follows:

- a. The Company in relation to business.
- b. Subsidiaries' common stocks which were directly owned by parent company over 50%.
- c. Investees' common stocks which were both owned by parent company and subsidiary over 50%.
- d. Investees' common stocks which were directly or indirectly held by the Company over 90%.
- e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
- f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
- g. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Holding Company Name                              | Type and Name of Marketable Securities               | Relationship with the Holding Company                               | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|---|--|---|---|-------------------|-----------------|-----------------------------|------------|------|
|   |  |   |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| The Company                                       | <u>Common stocks</u>                                 |   |   |                   |                 |                             |            |      |
|   | Taiwan Stock Exchange                                | -   | Financial assets at fair value through other comprehensive income - non-current | 11,585            | \$ 413,356      | 1.00                        | \$ 413,356 | -    |
|   | Taiwan Aerospace Company                             | -   | Financial assets at fair value through other comprehensive income - non-current | 811               | -               | 0.60                        | -          | -    |
|   | YFC, Preferred Shares A                              | Subsidiary  | Financial assets at fair value through other comprehensive income - non-current | 13                | 642             | 0.01                        | 642        | -    |
|   | TYC Brother Industrial Preferred Shares A            | -   | Financial assets at fair value through other comprehensive income - non-current | 1,000             | 45,250          | 3.33                        | 45,250     | -    |
|   | Fubon Financial Holding Co., Ltd. Preferred Shares C | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 27,500          | 0.15                        | 27,500     | -    |
|   | Formosa Electronic Industries Inc.                   | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 21,100          | 0.65                        | 21,100     | -    |
|   | <u>Structured finance products</u>                   |   |   |                   |                 |                             |            |      |
|   | KGI Securities CLN - Taiwan Mask. 3rd                | -   | Financial assets at fair value through profit or loss - current                 | 1                 | 50,140          | -                           | 50,140     | -    |
|   | <u>Limited partnership investment</u>                |   |   |                   |                 |                             |            |      |
| Future Technology Venture Capital Limited Partner | -  | Financial assets at fair value through profit or loss - non-current | -   | 41,985            | -               | 41,985                      | -          |      |
| Cathay Smart Technology Privately Offered Fund    | -  | Financial assets at fair value through profit or loss - non-current | -   | 30,000            | -               | 30,000                      | -          |      |
| YFC   | <u>Bonds</u>   |   |   |                   |                 |                             |            |      |
|   | Government bonds                                     | -   | Financial assets at amortized cost - non-current                                | -                 | 200             | -                           | 207        | -    |
| Shinshin  | <u>Common stocks</u>                                 |   |   |                   |                 |                             |            |      |
|   | Green World Fintech Service Co., Ltd.                | -   | Financial assets at fair value through other comprehensive income - non-current | 500               | 229,250         | 2.72                        | 229,250    | -    |
| Diamond Leasing<br>H. K. Manpower Service         | BSOS Holdings  | -   | Financial assets at fair value through other comprehensive income - non-current | 2,406             | 9,825           | 3.01                        | 9,825      | -    |
|   | <u>Beneficiary certificates</u>                      |   |   |                   |                 |                             |            |      |
|   | Union Money Market Fund                              | -   | Financial assets at fair value through profit or loss - current                 | 5,569             | 75,598          | -                           | 75,598     | -    |
|   | Capital Money Market Fund                            | -   | Financial assets at fair value through profit or loss - current                 | 129               | 2,134           | -                           | 2,134      | -    |
|   | Union Money Market Fund                              | -   | Financial assets at fair value through profit or loss - current                 | 235               | 3,186           | -                           | 3,186      | -    |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities                 | Relationship with the Holding Company | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|----------------------|--|---------------------------------------|---|-------------------|-----------------|-----------------------------|------------|------|
|                      |  |                                       |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
|                      | The RSIT Enhanced Money Market                         | -                                     | Financial assets at fair value through profit or loss - current                 | 254               | \$ 3,112        | -                           | \$ 3,112   | -    |
|                      | Jih Sun Money Market Fund                              | -                                     | Financial assets at fair value through profit or loss - current                 | 206               | 3,138           | -                           | 3,138      | -    |
|                      | <u>Common stocks</u>                                   |                                       |   |                   |                 |                             |            |      |
| Yu Ching             | Yulon Motor Company                                    | The parent company                    | Financial assets at fair value through other comprehensive income - non-current | 7,526             | 376,301         | 0.70                        | 562,977    | -    |
|                      | <u>Structured finance products</u>                     |                                       |   |                   |                 |                             |            |      |
| Yu Pong              | KGI Securities CLN - Taiwan Mask. 3rd                  | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 17,048          | -                           | 17,048     | -    |
|                      | KGI Securities CLN - Mobiletron Electronics. 3rd       | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 10,043          | -                           | 10,043     | -    |
|                      | <u>Common stocks</u>                                   |                                       |   |                   |                 |                             |            |      |
| Yu Pong              | Fubon Financial Company                                | -                                     | Financial assets at fair value through other comprehensive income - current     | 1,547             | 100,268         | 0.01                        | 100,268    | -    |
| Yung Hong            | Carnival Industrial Corporation                        | Related party in substance            | Financial assets at fair value through profit or loss - current                 | 141               | 1,691           | 0.07                        | 1,691      | -    |
|                      | Kian Shen  | Related party in substance            | Financial assets at fair value through profit or loss - current                 | 81                | 6,341           | 0.11                        | 6,341      | -    |
|                      | YFC  | The same ultimate parent company      | Financial assets at fair value through profit or loss - current                 | 397               | 73,769          | 0.07                        | 73,769     | -    |
|                      | YFC, Preferred Shares A                                | The same ultimate parent company      | Financial assets at fair value through other comprehensive income - current     | 104               | 5,156           | 0.10                        | 5,156      | -    |
|                      | Orgchem Technology Company                             | -                                     | Financial assets at fair value through other comprehensive income - non-current | 291               | 845             | 0.53                        | 845        | -    |
|                      | T-Car Inc.   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 1,275             | 24,088          | -                           | 24,088     | -    |
|                      | ADTO Company   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 1                 | 10              | 0.01                        | 10         | -    |
|                      | ROCKER ZONE  | -                                     | Financial assets at amortized cost - non-current                                | 330               | 7,024           | 1.67                        | 7,024      | -    |
|                      | <u>Beneficiary certificates</u>                        |                                       |   |                   |                 |                             |            |      |
|                      | FSITC Taiwan Money Market Fund                         | -                                     | Financial assets at fair value through profit or loss - current                 | 833               | 13,116          | -                           | 13,116     | -    |
|                      | Cathay Pacific Taiwan Money Market Fund                | -                                     | Financial assets at fair value through profit or loss - current                 | 412               | 5,253           | -                           | 5,253      | -    |
|                      | Prudential Financial Money Market Fund                 | -                                     | Financial assets at fair value through profit or loss - current                 | 1,058             | 17,194          | -                           | 17,194     | -    |
|                      | Capital Money Market Fund                              | -                                     | Financial assets at fair value through profit or loss - current                 | 1,187             | 19,694          | -                           | 19,694     | -    |
|                      | Allianz Gbl Investors Taiwan Money Mkt                 | -                                     | Financial assets at fair value through profit or loss - current                 | 191               | 2,456           | -                           | 2,456      | -    |
|                      | Nomura Small & Medium Fund                             | -                                     | Financial assets at fair value through profit or loss - current                 | 42                | 6,365           | -                           | 6,365      | -    |
|                      | Nomura Premium Fund                                    | -                                     | Financial assets at fair value through profit or loss - current                 | 44                | 5,484           | -                           | 5,484      | -    |
|                      | GUNY American New Ventures Bright Spot Fund            | -                                     | Financial assets at fair value through profit or loss - current                 | 96                | 2,071           | -                           | 2,071      | -    |
|                      | Nomura Taiwan e technology Fund                        | -                                     | Financial assets at fair value through profit or loss - current                 | 87                | 5,271           | -                           | 5,271      | -    |
|                      | Yuanta Vantage Money Market Fund                       | -                                     | Financial assets at fair value through profit or loss - current                 | 401               | 6,238           | -                           | 6,238      | -    |
|                      | <u>Structured finance products</u>                     |                                       |   |                   |                 |                             |            |      |
|                      | Credit-linked structured finance products - Kistler-KY | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 7,028           | -                           | 7,028      | -    |
|                      | Credit-linked structured finance products - GMTC       | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 13,095          | -                           | 13,095     | -    |

(Continued)

| Holding Company Name | Type and Name of Marketable Securities   | Relationship with the Holding Company | Financial Statement Account   | December 31, 2023 |                 |                             |            | Note |
|----------------------|--|---------------------------------------|---|-------------------|-----------------|-----------------------------|------------|------|
|                      |  |                                       |   | Shares or Units   | Carrying Amount | Percentage of Ownership (%) | Fair Value |      |
| Yue Sheng            | <u>Common stocks</u><br>Yueki  | The same ultimate parent company      | Financial assets at fair value through other comprehensive income - non-current | 16                | \$ 100          | 0.08                        | \$ 100     | -    |
| Yu Chang             | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yushin               | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yulon Construction   | Shin Kong Security Co., Ltd.   | -                                     | Financial assets at fair value through profit or loss - current                 | 50                | 2,022           | 0.01                        | 2,022      | -    |
| Yulon Construction   | <u>Beneficiary certificates</u><br>Bloomberg USD Corporate 10+ Year High Grade Capped Bond Index | -                                     | Financial assets at fair value through profit or loss - current                 | 143               | 5,192           | -                           | 5,192      | -    |
|                      | 00646 TT EQUITY  | -                                     | Financial assets at fair value through profit or loss - current                 | 115               | 5,261           | -                           | 5,261      | -    |
|                      | Yuanta U.S. Government 20-Year (More) Bond Fund  | -                                     | Financial assets at fair value through profit or loss - current                 | 181               | 5,584           | -                           | 5,584      | -    |
| Empower              | <u>Common stocks</u><br>Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Yu Sing              | Kai Xing Insurance Agency  | -                                     | Financial assets at fair value through other comprehensive income - non-current | 43                | 1,614           | 6.96                        | 1,614      | -    |
| Luxgen               | Union Auto international Co., Ltd.   | -                                     | Financial assets at fair value through other comprehensive income - non-current | 100               | 1,000           | 10.00                       | 1,000      | -    |
| Haitec               | <u>Beneficiary certificates</u><br>Taishin 1699 Money Market                                     | -                                     | Financial assets at fair value through profit or loss - current                 | 3,597             | 50,150          | -                           | 50,150     | -    |
|                      | Capital Money Market Fund  | -                                     | Financial assets at fair value through profit or loss - current                 | 3,023             | 50,147          | -                           | 50,147     | -    |
| Yulon China          | <u>Common stocks</u><br>YUNG JEN INDUSTRIAL CO., LTD.  | -                                     | Financial assets at fair value through profit or loss -non-current              | -                 | 2,303           | -                           | 2,303      | -    |
| Su Zhou Feng Shen    | Guang Zhou Cheng Yi  | -                                     | Financial assets at fair value through other comprehensive income - non-current | -                 | 4,125           | 2.20                        | 4,125      | -    |
| Su Zhou Cheng Long   | <u>Structured finance products</u><br>Bank of China Limited Structural Deposit                   | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 60,693          | -                           | 60,693     | -    |
|                      | Industrial Bank Structural Deposit   | -                                     | Financial assets at fair value through profit or loss - current                 | -                 | 43,352          | -                           | 43,352     | -    |
| BeijingSheng Qing    | <u>Financial products</u><br>Fubon Bank (China) Structured Deposit                               | -                                     | Financial assets at fair value through profit or loss - non-current             | -                 | 177,743         | -                           | 177,743    | -    |
| Hangzhou Yu-Jie      | Lidodo Public Structural Deposit   | -                                     | Financial assets at fair value through profit or loss - non-current             | -                 | 86,704          | -                           | 86,704     | -    |

(Concluded)



TABLE 4

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Company Name                            | Type and Name of Marketable Securities | Financial Statement Account   | Counterparty                                   | Relationship            | Beginning Balance |                 | Acquisition  |           | Disposal     |              |                |                         | Ending Balance        |                 |
|---|--|---|--|-------------------------|-------------------|-----------------|--------------|-----------|--------------|--------------|----------------|-------------------------|-----------------------|-----------------|
|   |  |   |  |                         | Shares/Units      | Amount (Note 1) | Shares/Units | Amount    | Shares/Units | Amount       | Carrying Value | Gain (Loss) on Disposal | Shares/Units (Note 2) | Amount (Note 1) |
| The Company                             | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income - non-current | -  | Subsidiary              | 36,584            | \$ 1,840,175    | -            | \$ -      | 36,571       | \$ 1,840,557 | \$ 1,828,550   | \$ 12,007               | 13                    | \$ 642          |
|   | Tokio Marine Newa Insurance            | Investments accounted for using equity method                                   | Issuance of common share for cash              | Associates              | 94,142            | (3,075,938)     | 372,529      | 3,725,287 | -            | -            | -              | -                       | 223,517               | 1,150,229       |
|   | Haitec                                 | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 1,413,600         | 319,286         | 660,000      | 6,600,000 | -            | -            | -              | -                       | 2,073,600             | 9,252,428       |
| Yung Hong                               | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income -current      | -  | Associates              | 8,001             | 402,464         | -            | -         | 7,897        | 395,869      | 394,850        | 1,019                   | 104                   | 5,156           |
| Luxgen                                  | YFC, Preferred Shares A                | Financial assets at fair value through other comprehensive income - non-current | -  | Associates              | 8,000             | 402,400         | -            | -         | 8,000        | 401,032      | 400,000        | 1,032                   | -                     | -               |
|   | Phoenix Money Market Fund              | Financial assets at fair value through profit or loss - current                 | Hua Nan Investment Trust Corporation (HNIT)    | -                       | -                 | -               | 18,050       | 300,000   | 9,016        | 150,000      | 149,831        | 169                     | 9,034                 | 150,780         |
| YFC                                     | Shinshin                               | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 430,300           | 9,394,196       | 127,500      | 5,500,000 | -            | -            | -              | -                       | 557,800               | 16,680,362      |
|   | Tokio Marine Newa Insurance            | Investments accounted for using equity method                                   | -  | Associates              | 14,345            | (470,714)       | 136,143      | 1,361,434 | -            | -            | -              | -                       | 81,686                | 420,454         |
|   | Yu Rich                                | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | 247,481           | 4,260,503       | 62,500       | 2,000,000 | -            | -            | -              | -                       | 430,608               | 7,627,252       |
|   | Car-plus Auto                          | Investments accounted for using equity method                                   | -  | Subsidiary              | 94,464            | 2,030,452       | 53,502       | 1,926,064 | -            | -            | -              | -                       | 147,965               | 3,805,909       |
|   | JDW                                    | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 38,508       | 950,000   | -            | -            | -              | -                       | 38,508                | 916,707         |
|   | Sin Gan                                | Investments accounted for using equity method                                   | Car-plus Auto                                  | Subsidiary              | 21,004            | 437,237         | -            | -         | 21,004       | 499,487      | 367,088        | -                       | -                     | -               |
| Shinshin                                | Tai Chuang Energy                      | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 95,000       | 950,000   | -            | -            | -              | -                       | 95,000                | 940,876         |
|   | Wysun Power                            | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | -            | 770,600   | -            | -            | -              | -                       | -                     | 763,840         |
|   | Yulon Capital Sdn. Bhd.                | Investments accounted for using equity method                                   | Issuance of common share for cash              | Subsidiary              | -                 | -               | 46,608       | 316,014   | -            | -            | -              | -                       | 46,608                | 298,799         |
| CARPLUS Auto Leasing Corporation        | Sin Gan.                               | Investments accounted for using equity method                                   | -  | -                       | -                 | 22,275          | 537,600      | -         | -            | -            | -              | 22,275                  | 464,856               |                 |
| Jiangsu TAC Financial Leasing Co., Ltd. | Car-Plus Leasing (Shanghai)            | Investments accounted for using equity method                                   | Car-plus Shanghai Investment (Samoa) Co., Ltd. | The same parent company | 79,039            | 381,106         | 90,961       | 462,301   | -            | -            | -              | -                       | 170,000               | 845,252         |

Note 1: The beginning balance and ending balance included unrealized gains or loss on financial assets and investments of investments accounted for using equity method.

Note 2: The number of shares at end of the year included dividend and the share of make up for the loss by reducing capital.

**TABLE 5****YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name | Types of Property | Transaction Date | Transaction Amount | Payment Term   | Counterparty | Nature of Relationships | Prior Transaction of Related Counter Party |               |               |        | Price Reference   | Purpose of Acquisition                    | Other Terms |
|--------------|-------------------|------------------|--------------------|----------------|--------------|-------------------------|--|---------------|---------------|--------|---|---|-------------|
|              |                   |                  |                    |                |              |                         | Owner                                      | Relationships | Transfer Date | Amount |   |   |             |
| YFC          | Land and building | 2023.3.9         | \$ 881,334         | By negotiation | The Company  | Parent company          | -  | -             | -             | -      | After negotiation according to the real estate valuation report, it shall be resolved by the board of directors | To meet future business development needs | None        |

TABLE 6

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Seller      | Property          | Event Date | Original Acquisition Date         | Carrying Amount | Transaction Amount | Collection of Payments | Gain (Loss) on Disposal | Counterparty | Relationship | Purpose of Disposal                       | Price Reference                   | Other Terms |
|-------------|-------------------|------------|-----------------------------------|-----------------|--------------------|------------------------|-------------------------|--------------|--------------|---|-----------------------------------|-------------|
| The Company | Land and building | 2023.3.9   | 1986.5.1<br>1986.6.1<br>1986.12.1 | \$ 121,339      | \$ 881,334         | By negotiation         | Note                    | YFC          | Subsidiary   | To meet future business development needs | Zhanqi Real Estate Appraisal Firm | None        |

Note: Since YFC is a subsidiary of the Company, no gain or loss on disposal was recognized in the consolidated financial statements.

TABLE 7

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Purchasing or<br>(Selling) Company<br>Name | Related Party                                 | Relationship                                  | Transaction Details |                 |                               |                               | Abnormal Transaction  |                          | Notes/Accounts (Payable) or<br>Receivable |            | Note |
|--|---|---|---------------------|-----------------|-------------------------------|-------------------------------|---|--------------------------|---|------------|------|
|  |   |   | Purchase/<br>(Sale) | Amount          | % to Total                    | Payment Terms                 | Unit Price  | Payment Terms            | Ending Balance                            | % to Total |      |
| The Company                                | Yulon Nissan                                  | An investee accounted for using equity method | Sales               | \$ (21,259,403) | 91                            | Within 45 days                | -   | 3 days to 45 days        | \$ 212,868                                | 61         |      |
|  | Luxgen  | Subsidiary                                    | Sales               | (1,933,616)     | 8                             | Within 10 days                | -   | 3 days to 10 days        | 78,199                                    | 22         |      |
| YFC  | Yu Chang                                      | The same ultimate parent company              | Sales               | (3,231,964)     | 8                             | Receipt of payment on the day | -   | -                        | 10,511                                    | -          |      |
|  | Yuan Lon                                      | An investee accounted for using equity method | Sales               | (2,794,631)     | 7                             | Receipt of payment on the day | -   | -                        | 8,101                                     | -          |      |
|  | Hui-Lian                                      | An investee accounted for using equity method | Sales               | (2,567,836)     | 6                             | Receipt of payment on the day | -   | -                        | 15,672                                    | -          |      |
|  | Electrified LUXGEN Motor                      | The same ultimate parent company              | Sales               | (591,454)       | 1                             | Receipt of payment on the day | -   | -                        | 65,512                                    | -          |      |
|  | Yu Sing                                       | The same ultimate parent company              | Sales               | (2,694,938)     | 6                             | Receipt of payment on the day | -   | -                        | 14,109                                    | -          |      |
|  | Yushin  | The same ultimate parent company              | Sales               | (1,819,212)     | 4                             | Receipt of payment on the day | -   | -                        | 9,925                                     | -          |      |
|  | Yu Tang                                       | An investee accounted for using equity method | Sales               | (1,581,322)     | 4                             | Receipt of payment on the day | -   | -                        | 9,872                                     | -          |      |
|  | New LUXGEN Taipei Motor                       | The same ultimate parent company              | Sales               | (338,234)       | 1                             | Receipt of payment on the day | -   | -                        | 22  | -          |      |
|  | Empower                                       | The same ultimate parent company              | Sales               | (2,190,113)     | 5                             | Receipt of payment on the day | -   | -                        | 5,540                                     | -          |      |
|  | Cheng Long                                    | An investee accounted for using equity method | Sales               | (1,540,979)     | 4                             | Receipt of payment on the day | -   | -                        | 8,578                                     | -          |      |
|  | New LUXGEN Central Motor                      | The same ultimate parent company              | Sales               | (408,173)       | 1                             | Receipt of payment on the day | -   | -                        | 2,650                                     | -          |      |
|  | New LUXGEN South Motor                        | The same ultimate parent company              | Sales               | (288,021)       | 1                             | Receipt of payment on the day | -   | -                        | 1,699                                     | -          |      |
|  | Luxgen Tainan Motor                           | The same ultimate parent company              | Sales               | (225,625)       | 1                             | Receipt of payment on the day | -   | -                        | 3,017                                     | -          |      |
|  | Ding Long                                     | An investee accounted for using equity method | Sales               | (757,496)       | 2                             | Receipt of payment on the day | -   | -                        | 441                                       | -          |      |
|  | Lian Cheng                                    | An investee accounted for using equity method | Sales               | (407,096)       | 1                             | Receipt of payment on the day | -   | -                        | 1,060                                     | -          |      |
| Yuan Zhi                                   | An investee accounted for using equity method | Sales   | (366,327)           | 1               | Receipt of payment on the day | -                             | -   | 1,998                    | -   |            |      |
| Sin Jang                                   | YFC   | The same ultimate parent company              | Sales               | (18,902,399)    | 98                            | Receipt of payment on the day | -   | -                        | -   | -          |      |
| Union & NKH                                | The Company                                   | The parent company                            | Sales               | (583,925)       | 41                            | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | Same as general customer | 113,815                                   | 40         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (608,845)       | 43                            | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | Same as general customer | 125,718                                   | 44         |      |
| Yueki                                      | The Company                                   | The parent company                            | Sales               | (254,295)       | 37                            | 45 days                       | Bargaining  | 45 days                  | 41,299                                    | 23         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (165,624)       | 24                            | 45 days                       | Bargaining  | 45 days                  | 56,980                                    | 31         |      |
|  | Kian-shen                                     | Related party in substance                    | Sales               | (134,952)       | 19                            | 45 days                       | Bargaining  | 45 days                  | 42,481                                    | 23         |      |
| Y-Teks                                     | The Company                                   | The parent company                            | Sales               | (133,394)       | 67                            | 45 days                       | -   | -                        | 16,893                                    | 36         |      |
| Yue Sheng                                  | The Company                                   | The parent company                            | Sales               | (105,928)       | 40                            | At sight or a month           | Bargaining  | At sight or a month      | 17,581                                    | 34         |      |
|  | China Motor                                   | An investee accounted for by equity method    | Sales               | (108,229)       | 41                            | At sight or a month           | Bargaining  | At sight or a month      | 24,660                                    | 48         |      |
| Luxgen                                     | Electrified LUXGEN Motor                      | The same ultimate parent company              | Sales               | (231,714)       | 9                             | At sight                      | -   | At sight                 | 24,790                                    | 30         |      |
|  | New LUXGEN North Motor                        | The same ultimate parent company              | Sales               | (142,702)       | 5                             | At sight                      | -   | At sight                 | 27,350                                    | 33         |      |
|  | New LUXGEN Central Motor                      | The same ultimate parent company              | Sales               | (136,447)       | 5                             | At sight                      | -   | At sight                 | 3,403                                     | 4          |      |
|  | Luxgen Tainan Motor                           | The same ultimate parent company              | Sales               | (101,033)       | 4                             | At sight                      | -   | At sight                 | 1,968                                     | 2          |      |
|  | Car-plus Auto                                 | The same ultimate parent company              | Sales               | (113,065)       | 4                             | At sight                      | -   | At sight                 | -   | -          |      |
| YFC  | The same ultimate parent company              | Sales   | (1,836,537)         | 69              | Within 3 days                 | -                             | Within 3 days   | 23,985                   | 29  |            |      |
| Sinqual                                    | The Company                                   | The parent company                            | Sales               | (130,223)       | 26                            | At sight or a month           | Bargaining  | At sight or a month      | 19,922                                    | 21         |      |
| Kuen You Trading                           | Yu Sing                                       | The same ultimate parent company              | Sales               | (107,034)       | 84                            | At sight or a month           | Bargaining  | At sight or a month      | 6,671                                     | 87         |      |
| Hang Zhou Haitec                           | The Company                                   | The parent company                            | Sales               | (291,895)       | 60                            | 25 days                       | -   | -                        | -   | -          |      |
|  | China Motor                                   | An investee accounted for using equity method | Sales               | (146,128)       | 30                            | Receipt of payment on the day | -   | -                        | -   | -          |      |

(Continued)

| Purchasing or (Selling) Company Name | Related Party          | Relationship                                  | Transaction Details |              |            |                               | Abnormal Transaction  |                               | Notes/Accounts (Payable) or Receivable |            | Note |
|--------------------------------------|------------------------|---|---------------------|--------------|------------|-------------------------------|---|-------------------------------|--|------------|------|
|                                      |                        |   | Purchase/(Sale)     | Amount       | % to Total | Payment Terms                 | Unit Price  | Payment Terms                 | Ending Balance                         | % to Total |      |
| Chuang Jie                           | Hang Zhou Haitec       | The same ultimate parent company              | Sales               | \$ (473,653) | 99         | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | -                             | \$ -                                   | -          |      |
| Yu Chang                             | Tian Wang              | The same ultimate parent company              | Sales               | (103,849)    | 3          | 90 days                       | -   | -                             | 36,555                                 | 26         |      |
| Yu Sing                              | Car-plus Auto          | The same ultimate parent company              | Sales               | (131,045)    | 4          | 45 days                       | -   | -                             | 18,477                                 | 8          |      |
| The Company                          | Union & NKH            | Subsidiary                                    | Purchase            | 583,925      | 3          | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | -                             | (113,815)                              | 6          |      |
|                                      | Yueki                  | Subsidiary                                    | Purchase            | 254,295      | 1          | 45 days                       | Bargaining  | 45 days                       | (41,299)                               | 2          |      |
|                                      | Nissan Motor           | A related party in substance                  | Purchase            | 10,013,574   | 51         | 12 days after bill of lading  | -   | 12 days after bill of lading  | (751,173)                              | 39         |      |
|                                      | Y-Teks                 | Subsidiary                                    | Purchase            | 133,394      | 1          | 45 days                       | -   | -                             | (16,893)                               | 1          |      |
|                                      | Yue Sheng              | Subsidiary                                    | Purchase            | 105,928      | 1          | At sight or a month           | Bargaining  | At sight or a month           | (17,581)                               | 1          |      |
|                                      | Sinqual                | Subsidiary                                    | Purchase            | 130,223      | 1          | At sight or a month           | Bargaining  | At sight or a month           | (19,922)                               | 1          |      |
|                                      | COC Tooling & Stamping | An investee accounted for using equity method | Purchase            | 205,520      | 1          | 45 days after monthly closing | Bargaining  | 45 days after monthly closing | (13,616)                               | 1          |      |
|                                      | Taiway Co., Ltd.       | Related party in substance                    | Purchase            | 103,392      | 1          | 45 days after monthly closing | Bargaining  | 45 days after monthly closing | (17,013)                               | 1          |      |
|                                      | Hang Zhou Haitec       | Subsidiary                                    | Purchase            | 291,895      | 1          | 25 days                       | -   | -                             | -                                      | -          |      |
| Yulon Finance Corporation            | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 21,975,442   | 52         | Within 3 days                 | -   | -                             | (50,752)                               | 39         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 1,836,537    | 4          | Within 3 days                 | -   | -                             | (23,985)                               | 19         |      |
|                                      | Sin Jang               | The same ultimate parent company              | Purchase            | 18,902,399   | 44         | Receipt of payment on the day | -   | -                             | -                                      | -          |      |
| Yu Sing                              | YFC                    | The same ultimate parent company              | Purchase            | 2,694,938    | 85         | Receipt of payment on the day | -   | -                             | (14,109)                               | 39         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 368,100      | 12         | Receipt of payment on the day | -   | -                             | -                                      | -          |      |
|                                      | Kuen You Trading       | The same ultimate parent company              | Purchase            | 107,034      | 3          | 60 days                       | -   | -                             | (6,671)                                | 18         |      |
| Yushin                               | YFC                    | The same ultimate parent company              | Purchase            | 1,819,212    | 83         | Receipt of payment on the day | -   | -                             | (9,925)                                | 19         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 271,864      | 12         | Receipt of payment on the day | -   | -                             | (8,789)                                | 17         |      |
| Yu Chang                             | YFC                    | The same ultimate parent company              | Purchase            | 3,231,964    | 85         | Receipt of payment on the day | -   | -                             | (10,511)                               | 11         |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 447,570      | 12         | Receipt of payment on the day | -   | -                             | (16,348)                               | 18         |      |
| Empower                              | YFC                    | The same ultimate parent company              | Purchase            | 2,190,113    | 67         | Receipt of payment on the day | -   | -                             | (5,540)                                | 7          |      |
|                                      | Yulon Nissan           | An investee accounted for using equity method | Purchase            | 373,968      | 11         | Receipt of payment on the day | -   | -                             | (14,276)                               | 19         |      |
| Luxgen                               | The Company            | The parent company                            | Purchase            | 1,933,616    | 90         | Within 10 days                | -   | 3 days to 10 days             | (78,199)                               | 25         |      |
| Electrified LUXGEN Motor             | YFC                    | The same ultimate parent company              | Purchase            | 591,454      | 67         | Receipt of payment on the day | -   | -                             | (65,512)                               | 65         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 231,714      | 26         | At sight                      | -   | -                             | (24,790)                               | 24         |      |
| New LUXGEN North Motor               | YFC                    | The same ultimate parent company              | Purchase            | 338,234      | 64         | Receipt of payment on the day | -   | -                             | (22)                                   | -          |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 142,702      | 27         | At sight                      | -   | -                             | (27,350)                               | 74         |      |
| New LUXGEN Central Motor             | YFC                    | The same ultimate parent company              | Purchase            | 408,173      | 68         | Receipt of payment on the day | -   | -                             | (2,650)                                | 17         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 136,447      | 23         | At sight                      | -   | -                             | (3,403)                                | 22         |      |
| Luxgen Tainan Motor                  | YFC                    | The same ultimate parent company              | Purchase            | 225,625      | 65         | Receipt of payment on the day | -   | -                             | (3,017)                                | 52         |      |
|                                      | Luxgen                 | The same ultimate parent company              | Purchase            | 101,033      | 29         | Receipt of payment on the day | -   | -                             | (1,968)                                | 34         |      |
| New LUXGEN South Motor               | YFC                    | The same ultimate parent company              | Purchase            | 288,021      | 68         | Receipt of payment on the day | -   | -                             | (1,699)                                | 9          |      |
| Hang Zhou Haitec                     | Chuang Jie             | The same ultimate parent company              | Purchase            | 473,653      | 99         | 60 days                       | Because the standard and characteristic of products are different, there is no base to compare. | 60 days                       | -                                      | -          |      |

(Concluded)

**TABLE 8**

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

| Company Name                                | Related Party                               | Relationship  | Ending Balance      | Turnover Rate | Overdue |                           | Amounts Received in Subsequent Period | Allowance for Impairment Loss |
|---|---|---|---------------------|---------------|---------|---------------------------|---------------------------------------|-------------------------------|
|   |   |   |                     |               | Amount  | Action Taken              |                                       |                               |
| The Company                                 | Yulon Nissan Luxgen                         | An investee accounted for by equity method Subsidiary | \$ 250,493 (Note 1) | 67.79         | \$ -    | -                         | \$ 128,999                            | \$ -                          |
|   |   |   | 145,451 (Note 2)    | 12.27         | -       | -                         | 147,668                               | -                             |
| Shinshin                                    | Yes-Energy                                  | The same ultimate parent company                      | 115,314 (Note 7)    | -             | -       | Depends on status of fund | 239                                   | 627                           |
|   | Zysun Power                                 | The same ultimate parent company                      | 101,998 (Note 9)    | -             | -       | Depends on status of fund | -                                     | 1,010                         |
| Yulon China                                 | Wen Yang                                    | The same ultimate parent company                      | 646,198 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Tai Feng                                    | Dong Tai                                    | The same ultimate parent company                      | 130,235 (Note 9)    | -             | -       | -                         | -                                     | -                             |
|   | Sheng Qing                                  | The same ultimate parent company                      | 211,693 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Mei De                                      | Shi Cheng                                   | The same ultimate parent company                      | 130,715 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| Yulon Automotive (China) Investment Limited | Hang Zhou Hua You                           | The same ultimate parent company                      | 111,354 (Note 9)    | -             | -       | -                         | -                                     | 111,354                       |
| Nan Jing Yu Hua                             | Nanjing Hanhong                             | The same ultimate parent company                      | 117,579 (Note 9)    | -             | -       | -                         | -                                     | -                             |
| LUXGEN (Hangzhou) Motor Sales               | Dong Feng Yulon Sales Company               | Other related parties                                 | 675,215 (Note 3)    | -             | -       | -                         | -                                     | 675,215                       |
| Sheng Qing                                  | Hangzhou Yu-Jie                             | The same ultimate parent company                      | 174,891 (Note 4)    | -             | -       | -                         | -                                     | -                             |
|   | Xiamen Young Chang                          | The same ultimate parent company                      | 166,820 (Note 5)    | -             | -       | -                         | -                                     | -                             |
|   | Yulon Automotive (China) Investment Limited | The same ultimate parent company                      | 888,619 (Note 6)    | -             | -       | -                         | -                                     | -                             |
| Union & NKH                                 | The Company                                 | The parent company                                    | 113,815 (Note 8)    | 4.65          | -       | -                         | 113,815                               | -                             |
|   | China Motor                                 | An investee accounted for by equity method            | 125,718 (Note 8)    | 4.93          | -       | -                         | 123,403                               | -                             |

Note 1: The receivables comprised accounts receivable of \$212,868 thousand and other receivables of \$37,625 thousand.

Note 2: The receivables comprised accounts receivable of \$78,199 thousand and other receivables of \$67,252 thousand.

Note 3: The receivables comprised accounts receivable of \$6,893 thousand and other receivables of \$668,322 thousand.

Note 4: The receivables comprised accounts receivable of \$1,040 thousand and other receivables of \$173,851 thousand.

(Continued)

Note 5: The receivables comprised accounts receivable of \$208 thousand and other receivables of \$166,612 thousand.

Note 6: The receivables comprised accounts receivable of \$1,040 thousand and other receivables of \$887,579 thousand.

Note 7: The receivables comprised notes receivables.

Note 8: The receivables comprised accounts receivables.

Note 9: The receivables comprised other receivables.

(Concluded)

TABLE 9

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor Company       | Investee Company            | Location  | Main Businesses and Products   | Investment Amount |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|------------------------|-----------------------------|---|--|-------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                        |                             |   |  | December 31, 2023 | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| The Company            | Yulon Nissan                | Miaoli, Taiwan  | Sales of cars  | \$ 7,062,225      | \$ 7,062,225      | 143,500                         | 47.83                   | \$ 8,336,821   | \$ 1,161,025                      | \$ 472,676              | -    |
|                        | China Motor                 | Taoyuan, Taiwan   | Manufacturing and sales of cars  | 141,526           | 141,526           | 44,592                          | 8.05                    | 3,076,722      | 5,649,536                         | 405,836                 | -    |
|                        | YFC                         | Taipei, Taiwan  | Sale and lease of cars and parts   | 1,832,150         | 1,832,150         | 234,713                         | 42.81                   | 11,482,240     | 6,274,510                         | 2,601,689               | -    |
|                        | Yueki                       | Hsinchu, Taiwan   | Manufacturing and sale of car components   | 169,978           | 169,978           | 12,767                          | 65.58                   | 351,131        | 30,665                            | 38,951                  | -    |
|                        | Yue Sheng                   | Miaoli, Taiwan  | Car manufacture and furnishing; manufacture, installation and sale of car parts  | 329,210           | 329,210           | 28,800                          | 100.00                  | 417,831        | (8,061)                           | (7,007)                 | -    |
|                        | China Cast Iron             | Taipei, Taiwan  | Metal casting and related business   | 24,850            | 24,850            | 25                              | 77.66                   | 45,143         | 13,791                            | 10,701                  | -    |
|                        | Union & NKH                 | Miaoli, Taiwan  | Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles                         | 183,692           | 183,692           | 21,729                          | 25.01                   | 587,464        | (18,485)                          | (3,900)                 | -    |
|                        | UNI-Calsonic                | Miaoli, Taiwan  | Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts         | 96,449            | 96,449            | 5,983                           | 30.68                   | 156,105        | 59,193                            | 22,233                  | -    |
|                        | Yu Chang                    | Kaohsiung, Taiwan   | Sale, maintenance and repair of cars and parts   | 114,096           | 114,096           | 13,999                          | 64.99                   | 195,885        | 37,264                            | 30,564                  | -    |
|                        | COC Tooling & Stamping      | Taoyuan, Taiwan   | Design, manufacturing and sales of cars and various kinds of molds, fixtures, stamping parts and inspection implements | 280,071           | 280,071           | 25,470                          | 37.76                   | 566,815        | 94,318                            | 41,356                  | -    |
|                        | Yuan Lon                    | Taoyuan, Taiwan   | Sale, maintenance and repair of cars and parts   | 84,405            | 84,405            | 7,999                           | 20.00                   | 106,165        | 43,237                            | 10,750                  | -    |
|                        | Yu Ching                    | New Taipei City, Taiwan   | Import and export and sale of cars and parts   | 776,907           | 776,907           | 42,660                          | 60.00                   | 36,509         | 24,633                            | (8,249)                 | -    |
|                        | Yu Pong                     | New Taipei City, Taiwan   | Yulon basketball team management and related services  | 972,659           | 1,122,659         | 13,470                          | 100.00                  | 468,467        | (5,833)                           | (2,583)                 | -    |
|                        | Yung Hong                   | New Taipei City, Taiwan   | Investments  | 87,311            | 537,311           | 32,622                          | 100.00                  | 513,244        | 57,505                            | 57,505                  | -    |
|                        | Yushin                      | Hsinchu, Taiwan   | Sale, maintenance and repair of cars and parts   | 186,926           | 186,926           | 19,999                          | 99.99                   | 300,263        | 51,700                            | 48,725                  | -    |
|                        | China Engine                | Taoyuan, Taiwan   | Manufacturing of car engines and parts   | 675,137           | 789,878           | 16,113                          | 38.16                   | 456,946        | 470                               | 527                     | -    |
|                        | Cheng Long                  | Taipei, Taiwan  | Sale, maintenance and repair of cars and parts   | 51,677            | 51,677            | 13,935                          | 27.00                   | 261,609        | 48,853                            | 24,535                  | -    |
|                        | Yu Tang                     | Taichung, Taiwan  | Sale, maintenance and repair of cars and parts   | 71,166            | 71,166            | 7,117                           | 20.33                   | 109,397        | 14,918                            | (2,679)                 | -    |
|                        | ROC-Spicer                  | Taoyuan, Taiwan   | Manufacturing and sales of cars and parts  | 476,740           | 476,740           | 102                             | 20.46                   | 231,614        | 134,068                           | 21,632                  | -    |
|                        | Empower                     | Taichung, Taiwan  | Sale, maintenance and repair of cars and parts   | 29,987            | 29,987            | 5,999                           | 20.00                   | 73,229         | 20,533                            | 4,743                   | -    |
|                        | Chan Yun                    | Hsinchu, Taiwan   | Wholesale and retail of information software   | 58,594            | 58,594            | 16,664                          | 87.71                   | 37,749         | 2,598                             | 2,240                   | -    |
|                        | Sin Chi                     | Taipei, Taiwan  | General advertising planning services  | 850,896           | 950,896           | 80,500                          | 100.00                  | 906,115        | 31,282                            | 31,289                  | -    |
|                        | Yu Sing                     | Taipei, Taiwan  | Sale, maintenance and repair of cars and parts   | 505,189           | 505,189           | 17,999                          | 99.99                   | 186,541        | 19,830                            | 22,957                  | -    |
|                        | Y-Teks                      | Taoyuan, Taiwan   | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts             | 61,307            | 61,307            | 602                             | 34.00                   | 291,416        | 71,796                            | 26,063                  | -    |
|                        | Yulon Overseas              | B.V.I.  | Investments  | 32,056,349        | 32,302,352        | 1,072,085                       | 100.00                  | 7,207,467      | 765,760                           | 372,212                 | -    |
|                        | Tokio Marine Newa Insurance | Taipei, Taiwan  | Property insurance   | 8,075,258         | 4,349,971         | 223,517                         | 18.63                   | 1,150,229      | 3,231,464                         | 583,416                 | -    |
|                        | Haitec                      | New Taipei City, Taiwan   | Product design   | 17,769,859        | 11,169,859        | 2,073,600                       | 99.99                   | 9,252,428      | (516,614)                         | (516,614)               | -    |
|                        | Hui-Lian                    | Changhua, Taiwan  | Sale, maintenance and repair of cars and parts   | 74,366            | 74,366            | 6,116                           | 20.34                   | 81,460         | 23,814                            | 4,871                   | -    |
|                        | Luxgen                      | Miaoli, Taiwan  | Sales and producing of cars and related parts  | 29,067,000        | 29,067,000        | 92,700                          | 100.00                  | 778,103        | (87,366)                          | (80,185)                | -    |
|                        | Yulon Construction          | New Taipei City, Taiwan   | Construction industry  | 3,034,485         | 3,034,485         | 144,078                         | 100.00                  | 3,428,829      | 92,019                            | 78,548                  | -    |
|                        | Hong Kong-Spicer            | Hong Kong   | Investments  | 56,475            | 56,475            | 1,585                           | 20.50                   | 53,213         | 14,040                            | 356                     | -    |
|                        | Advance Power Machinery     | Miaoli, Taiwan  | Sales and producing of cars and related parts  | 210,787           | 10,787            | 20,500                          | 100.00                  | 196,919        | (11,373)                          | (12,513)                | -    |
| Yuke                   | New Taipei City, Taiwan     | Energy Technical Services   | 15,000   | -                 | 1,500             | 100.00                          | 1,739                   | (13,261)       | (13,261)                          | -                       |      |
| Yu Yao                 | New Taipei City, Taiwan     | Energy Technical Services   | 15,000   | -                 | 1,500             | 100.00                          | 1,738                   | (13,262)       | (13,262)                          | -                       |      |
| New Energy World Motor | New Taipei City, Taiwan     | Sales of automobiles and related products, as well as automobile maintenance and repair business. | 76,933   | -                 | 7,375             | 20.00                           | 76,513                  | (420)          | (420)                             | -                       |      |
| YFC                    | Car-plus Auto               | Taipei, Taiwan  | Car lease and trade  | 3,435,813         | 1,509,749         | 147,965                         | 100.00                  | 3,805,909      | 249,849                           | -                       | -    |
|                        | Shinshin                    | Taipei, Taiwan  | Installment financing services for cars and trucks   | 8,919,808         | 3,419,808         | 557,800                         | 100.00                  | 16,680,362     | 1,804,468                         | -                       | -    |
|                        | TAC Global                  | Samoa   | Shareholding company   | 3,342,688         | 3,342,688         | 108,833                         | 100.00                  | 6,485,386      | 889,264                           | -                       | -    |
|                        | Tokio Marine Newa Insurance | Taipei, Taiwan  | Property insurance   | 1,960,885         | 599,451           | 81,686                          | 6.81                    | 420,454        | 3,231,464                         | -                       | -    |
|                        | Empower                     | Taichung, Taiwan  | Retail of cars and related parts   | 48,843            | 48,843            | 8,100                           | 27.00                   | 106,514        | 20,533                            | -                       | -    |
|                        | Yu Rich                     | New Taipei City, Taiwan   | Installment loans of consumer products   | 3,160,662         | 1,160,662         | 430,608                         | 100.00                  | 7,627,252      | 1,366,749                         | -                       | -    |

(Continued)



| Investor Company        | Investee Company        | Location  | Main Businesses and Products  | Investment Amount        |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|-------------------------|-------------------------|---|---|--------------------------|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                         |                         |   |   | December 31, 2023        | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| Shinshin                | Yulon Finance Overseas  | Samoa   | Shareholding company  | \$ 437,490               | \$ 437,490        | 15,000                          | 100.00                  | \$ 160,651     | \$ 4,611                          | \$ -                    | -    |
|                         | Sin Gan                 | Taipei, Taiwan  | Sales of automobile - related products  | -                        | 315,157           | -                               | -                       | -              | 194,097                           | -                       | -    |
|                         | JDW                     | Taipei, Taiwan  | Software design services, information processing service and advertisement services | 950,000                  | -                 | 38,508                          | 50.70                   | 916,707        | (63,044)                          | -                       | -    |
|                         | Shinshin Samoa          | Samoa   | Shareholding company  | 389,077                  | 389,077           | 12,000                          | 100.00                  | 131,169        | 23,809                            | -                       | -    |
|                         | YES Energy              | New Taipei City, Taiwan   | Energy Technical Services   | 246,407                  | 246,407           | 29,000                          | 100.00                  | 401,191        | 130,350                           | -                       | -    |
|                         | Shinshin Power          | Taipei, Taiwan  | Energy Technical Services   | 1,000                    | -                 | 100                             | 100.00                  | 803            | (197)                             | -                       | -    |
|                         | Zysun Power             | Taipei, Taiwan  | Energy Technical Services   | 10,000                   | -                 | -                               | 100.00                  | 8,365          | (1,639)                           | -                       | -    |
|                         | Wysun Power             | Taipei, Taiwan  | Energy Technical Services   | 770,600                  | -                 | -                               | 100.00                  | 763,840        | (6,769)                           | -                       | -    |
|                         | Tai Chuang Energy       | Taipei, Taiwan  | Energy Technical Services   | 950,000                  | -                 | 95,000                          | 95.00                   | 940,876        | (10,035)                          | -                       | -    |
| Yulon Capital SDN. BHD. | Malaysia                | Equipment leasing business and installment-related financing services | 316,014   | -                        | 46,608            | 100.00                          | 298,799                 | (4)            | -                                 | -                       |      |
| Car-plus Auto           | Diamond Leasing         | Taipei, Taiwan  | Car lease and trade   | 133,351                  | 85,000            | 11,306                          | 100.00                  | 202,518        | 21,162                            | -                       | -    |
|                         | Car-Plus Samoa          | Samoa   | Shareholding company  | 941,992                  | 941,992           | 31,200                          | 100.00                  | 686,678        | 6,000                             | -                       | -    |
|                         | Da-Wei                  | Taipei, Taiwan  | Brokerage of electric vehicles  | -                        | 40,000            | -                               | -                       | -              | 4,084                             | -                       | -    |
|                         | Hong Shou Culture       | Taipei, Taiwan  | Publication   | 11,881                   | 11,881            | 4,050                           | 100.00                  | 22,970         | 2,072                             | -                       | -    |
|                         | YES Charging Service    | New Taipei City, Taiwan   | Wholesale and retail sale of batteries  | 100,005                  | 70,005            | 10,200                          | 100.00                  | 38,592         | (51,462)                          | -                       | -    |
|                         | Sin Gan                 | Taipei, Taiwan  | Sales of automobile - related products  | 537,600                  | -                 | 22,275                          | 77.69                   | 464,856        | 194,097                           | -                       | -    |
| Bing Yu                 | New Taipei City, Taiwan | Vehicle Subscription Service Platform                                 | 8,685   | 8,685                    | 724               | 20.00                           | 9,804                   | 6,329          | -                                 | -                       |      |
| Da-Wei                  | Da Teng                 | Taipei, Taiwan  | Taxi service  | -                        | 7,028             | -                               | -                       | -              | 841                               | -                       | -    |
|                         | Da-Chuan                | Taipei, Taiwan  | Taxi service  | -                        | 1,125             | -                               | -                       | -              | 573                               | -                       | -    |
|                         | Da-Mu                   | Taipei, Taiwan  | Taxi service  | -                        | 1,575             | -                               | -                       | -              | 166                               | -                       | -    |
|                         | Da-Chung                | Taipei, Taiwan  | Taxi service  | -                        | 900               | -                               | -                       | -              | 215                               | -                       | -    |
|                         | Yong-Xiang              | Taipei, Taiwan  | Taxi service  | -                        | 3,810             | -                               | -                       | -              | 598                               | -                       | -    |
|                         | Guo-Ma                  | Taipei, Taiwan  | Taxi service  | -                        | 2,286             | -                               | -                       | -              | 155                               | -                       | -    |
|                         | Jin-Yu                  | Taipei, Taiwan  | Taxi service  | -                        | 3,048             | -                               | -                       | -              | 118                               | -                       | -    |
|                         | Zhong-Xing              | Taipei, Taiwan  | Taxi service  | -                        | 3,810             | -                               | -                       | -              | 373                               | -                       | -    |
|                         | Li-Yang                 | Taipei, Taiwan  | Taxi service  | -                        | 5,381             | -                               | -                       | -              | 825                               | -                       | -    |
|                         | He-Yang                 | Taipei, Taiwan  | Taxi service  | -                        | 2,032             | -                               | -                       | -              | 482                               | -                       | -    |
|                         | Jia-Yu                  | Taipei, Taiwan  | Taxi service  | -                        | 1,778             | -                               | -                       | -              | 120                               | -                       | -    |
|                         | Tian-Yang               | Taipei, Taiwan  | Taxi service  | -                        | 2,159             | -                               | -                       | -              | 767                               | -                       | -    |
|                         | Diamond Leasing         | H. K. Manpower  | Taipei, Taiwan  | Temporary labor services | 10,000            | 10,000                          | 1,000                   | 100.00         | 20,939                            | 4,103                   | -    |
| Da-Teng                 |                         | Taipei, Taiwan  | Taxi service  | 7,028                    | -                 | 600                             | 100.00                  | 6,707          | 841                               | -                       | -    |
| Da-Chuan                |                         | Taipei, Taiwan  | Taxi service  | 1,125                    | -                 | 300                             | 100.00                  | 3,109          | 573                               | -                       | -    |
| Da-Mu                   |                         | Taipei, Taiwan  | Taxi service  | 1,575                    | -                 | 600                             | 100.00                  | 2,887          | 166                               | -                       | -    |
| Da-Jun                  |                         | Taipei, Taiwan  | Taxi service  | -                        | -                 | 300                             | 100.00                  | 2,321          | 215                               | -                       | -    |
| Yong-Xiang              |                         | Taipei, Taiwan  | Taxi service  | 3,810                    | -                 | 300                             | 100.00                  | 5,215          | 598                               | -                       | -    |
| Guo-Ma                  |                         | Taipei, Taiwan  | Taxi service  | 2,286                    | -                 | 400                             | 100.00                  | 2,860          | 155                               | -                       | -    |
| Jin-Yu                  |                         | Taipei, Taiwan  | Taxi service  | 3,048                    | -                 | 300                             | 100.00                  | 3,718          | 118                               | -                       | -    |
| Zhong-Xing              |                         | Taipei, Taiwan  | Taxi service  | 3,810                    | -                 | 350                             | 100.00                  | 4,697          | 373                               | -                       | -    |
| Li-Yang                 |                         | Taipei, Taiwan  | Taxi service  | 5,381                    | -                 | 900                             | 100.00                  | 8,281          | 825                               | -                       | -    |
| He-Yang                 |                         | Taipei, Taiwan  | Taxi service  | 2,032                    | -                 | 600                             | 100.00                  | 3,108          | 482                               | -                       | -    |
| Jia-Yu                  |                         | Taipei, Taiwan  | Taxi service  | 1,778                    | -                 | 300                             | 100.00                  | 2,188          | 120                               | -                       | -    |
| Tian-Yang               |                         | Taipei, Taiwan  | Taxi service  | 2,159                    | -                 | 600                             | 100.00                  | 3,972          | 767                               | -                       | -    |
| Sin Jang                |                         | Sinjang Samoa   | Samoa   | Shareholding company     | -                 | 42,790                          | -                       | -              | -                                 | 128                     | -    |
| Car-Plus Samoa          | Car-Plus China          | Samoa   | Shareholding company  | 193,004                  | 193,004           | 6,000                           | 60.00                   | 403,157        | 31,050                            | -                       | -    |
|                         | Car-Plus Shanghai       | Samoa   | Shareholding company  | -                        | 185,183           | -                               | -                       | -              | (13,349)                          | -                       | -    |
|                         | Car-Plus Hangzhou       | Samoa   | Shareholding company  | 563,805                  | 563,805           | 19,200                          | 60.00                   | 11,434         | (14,823)                          | -                       | -    |

(Continued)

| Investor Company          | Investee Company                      | Location                | Main Businesses and Products  | Investment Amount                              |                   | Balance as of December 31, 2023 |                         |                | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note |
|---------------------------|---------------------------------------|-------------------------|---|--|-------------------|---------------------------------|-------------------------|----------------|-----------------------------------|-------------------------|------|
|                           |                                       |                         |   | December 31, 2023                              | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value |                                   |                         |      |
| TAC Global                | Car-Plus China                        | Samoa                   | Shareholding company  | \$ 128,647                                     | \$ 128,647        | 4,000                           | 40.00                   | \$ 268,772     | \$ 31,050                         | \$ -                    | -    |
|                           | Car-Plus Shanghai                     | Samoa                   | Shareholding company  | -  | 123,455           | -                               | -                       | -              | (13,349)                          | -                       | -    |
|                           | Car-Plus Hangzhou                     | Samoa                   | Shareholding company  | 375,906  | 375,906           | 12,800                          | 40.00                   | 7,622          | (14,823)                          | -                       | -    |
|                           | Yu Rong International                 | Samoa                   | Shareholding company  | 2,698,460                                      | 2,698,460         | 87,496                          | 100.00                  | 6,018,877      | 885,871                           | -                       | -    |
|                           | Sinjang Samoa                         | Samoa                   | Shareholding company  | -  | 16,220            | -                               | -                       | -              | 128                               | -                       | -    |
| Yulon Finance Overseas    | Yulon Finance Philippines             | Samoa                   | Shareholding company  | 437,490  | 437,490           | 15,000                          | 100.00                  | 160,651        | 4,611                             | -                       | -    |
| Yulon Finance Philippines | Yulon Finance Philippines Corporation | Philippines             | Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases | 437,490  | 437,490           | 7,500                           | 100.00                  | 160,651        | 4,611                             | -                       | -    |
| Sin Gan                   | Hsiang Shuo                           | New Taipei City, Taiwan | Towing  | 128,400  | 128,400           | 10,000                          | 100.00                  | 275,392        | 88,358                            | -                       | -    |
|                           | Sinqual                               | New Taipei City, Taiwan | Sale of cars and parts  | 130,591  | 130,591           | 13,000                          | 100.00                  | 193,250        | 16,049                            | -                       | -    |
|                           | Sin Jang                              | Taipei, Taiwan          | Sale and brokerage of secondhand vehicles   | 218,754  | 218,754           | 12,824                          | 100.00                  | 278,161        | 90,588                            | -                       | -    |
|                           | Ching-Tong                            | Tainan, Taiwan          | Sales maintenance and repair of cars and parts  | 75,578   | 75,578            | 6,746                           | 100.00                  | 58,751         | 12,189                            | -                       | -    |
|                           | Zhuo Giu                              | Taoyuan, Taiwan         | Freezer construction and repair service   | 19,400   | -                 | 400                             | 40.00                   | 16,536         | (7,159)                           | -                       | -    |
|                           | Zhuo Ho                               | New Taipei City, Taiwan | Freezer construction and repair service   | 400  | -                 | 40                              | 40.00                   | (2,860)        | (8,151)                           | -                       | -    |
|                           | JDW                                   | JDW Taxi                | Taipei, Taiwan  | Taxi transportation and advertisement services | 6,250             | -                               | 625                     | 62.50          | 9,964                             | (2,772)                 | -    |
| Yu Pong                   | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 35,269   | 35,269            | 454                             | 0.08                    | 51,308         | 5,649,536                         | -                       | -    |
|                           | Yu Ching                              | New Taipei City, Taiwan | Import and export and sale of cars and parts  | 472,511  | 472,511           | 28,440                          | 40.00                   | 357,375        | 24,633                            | -                       | -    |
| Yue Sheng                 | Y-Teks                                | Taoyuan, Taiwan         | Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts          | 25,510   | 25,510            | 212                             | 11.99                   | 104,647        | 71,796                            | -                       | -    |
| Yung Hong                 | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 193,869  | 193,869           | 3,998                           | 0.72                    | 279,182        | 5,649,536                         | -                       | -    |
| Yu Ching                  | Tokio Marine Nawa Insurance           | Taipei, Taiwan          | Property insurance  | 20,467   | 227,850           | -                               | -                       | -              | 3,231,464                         | -                       | -    |
|                           | Yulon Nissan                          | Miaoli, Taiwan          | Sales of cars   | 336,923  | 336,923           | 3,500                           | 1.17                    | 212,565        | 1,161,025                         | -                       | -    |
|                           | Yulon Management                      | New Taipei City, Taiwan | Investment advisor and temporary labor services   | 32,403   | 32,403            | 3,300                           | 33.00                   | 30,432         | 1,700                             | -                       | -    |
| Yueki                     | China Motor                           | Taoyuan, Taiwan         | Manufacturing and sales of cars   | 243  | 243               | 11                              | -                       | 1,240          | 5,649,536                         | -                       | -    |
|                           | UNI-Calsonic                          | Miaoli, Taiwan          | Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts      | 17,328   | 17,328            | 800                             | 4.10                    | 17,328         | 59,193                            | -                       | -    |
|                           | Yue Ki Samoa                          | Samoa                   | Investments   | 123,058  | 123,058           | 4,126                           | 100.00                  | 15,477         | 118,513                           | -                       | -    |
|                           | Yue Ki HK                             | Hong Kong               | Investments   | 330,094  | 330,094           | 10,600                          | 100.00                  | 13,597         | 20,879                            | -                       | -    |
| Yu Chang                  | Tian Wang                             | Kaohsiung, Taiwan       | Secondhand cars and car related products  | 17,000   | 17,000            | 1,700                           | 100.00                  | 22,952         | 1,851                             | -                       | -    |
| Yushin                    | Yu Pool                               | Miaoli, Taiwan          | Supply of and providing services on information software and retail trade of spare parts of vehicles                | 7,000  | 7,000             | 5,000                           | 100.00                  | 67,900         | 5,545                             | -                       | -    |
|                           | New LUXGEN North Motor                | Taoyuan, Taiwan         | Sales, maintenance and repair of cars and related products  | -  | 12,250            | -                               | -                       | -              | 7,968                             | -                       | -    |
|                           | Yu Shin Investment                    | Samoa                   | Investments   | 148,966  | 154,805           | 185                             | 100.00                  | 3,768          | 17                                | -                       | -    |
| Empower                   | Chunmin                               | Taichung, Taiwan        | Comprehensive retail of car parts   | 8,000  | 8,000             | 800                             | 100.00                  | 14,418         | 763                               | -                       | -    |
|                           | Hong Yen                              | Samoa                   | Investments   | 213,774  | 213,774           | 213,774                         | 100.00                  | 35,876         | 6,620                             | -                       | -    |
|                           | Yu Ming Insurance                     | Taichung, Taiwan        | Property insurance  | 5,000  | 5,000             | 500                             | 100.00                  | 5,175          | 213                               | -                       | -    |
|                           | Min Shiang                            | Taichung, Taiwan        | Lease of cars and related services  | 30,000   | 30,000            | 3,000                           | 100.00                  | 31,368         | 403                               | -                       | -    |
| Sin Chi                   | Yulon Nissan                          | Miaoli, Taiwan          | Sales of cars   | 311,853  | 311,853           | 3,050                           | 1.02                    | 187,768        | 1,161,025                         | -                       | -    |
|                           | Yulon TOBE                            | New Taipei City, Taiwan | Sale, maintenance and repair of cars and parts  | 27,996   | 27,996            | 22,005                          | 59.64                   | 58,856         | (15,485)                          | -                       | -    |
| Yu Sing                   | Ding Long                             | Taipei, Taiwan          | Sales, maintenance and repair of cars and parts   | 37,790   | 37,790            | 3,779                           | 37.79                   | 30,965         | 4,157                             | -                       | -    |
|                           | Kuen You                              | New Taipei City, Taiwan | Sale, maintenance and repair of cars and parts  | 10,000   | 10,000            | 1,000                           | 100.00                  | 17,632         | 1,535                             | -                       | -    |

(Continued)

| Investor Company       | Investee Company                              | Location                   | Main Businesses and Products  | Investment Amount |                   | Balance as of December 31, 2023 |                         |                     | Net Income (Loss) of the Investee | Share of Profits (Loss) | Note   |
|------------------------|---|----------------------------|---|-------------------|-------------------|---------------------------------|-------------------------|---------------------|-----------------------------------|-------------------------|--------|
|                        |   |                            |   | December 31, 2023 | December 31, 2022 | Shares                          | Percentage of Ownership | Carrying Value      |                                   |                         |        |
| Y-Teks                 | Yu-Hsin Intl<br>China Motor                   | B.V.I.<br>Taoyuan, Taiwan  | Investments<br>Manufacturing and sales of cars  | \$ 65,854<br>265  | \$ 65,854<br>265  | 2,208<br>11                     | 66.67<br>-              | \$ 825,301<br>1,278 | \$ 99,476<br>5,649,536            | \$ -<br>-               | -<br>- |
| Yu-Hsin Intl           | Yu-Hsin Intl HK                               | Hong Kong                  | Investments   | 311,194           | 311,194           | 13,071                          | 100.00                  | 385,831             | 43,339                            | -                       | -      |
| Union & NKH            | Uni Investment                                | B.V.I.                     | Investments   | 289,287           | 289,287           | 8,403                           | 100.00                  | 1,871,558           | (21,360)                          | -                       | -      |
| Luxgen                 | Electrified LUXGEN Motor                      | New Taipei City, Taiwan    | Repair, wholesale and retail of cars and parts  | 513,613           | 513,613           | 18,499                          | 99.99                   | 101,781             | (31,882)                          | -                       | -      |
|                        | New LUXGEN North Motor                        | Taoyuan, Taiwan            | Repair, wholesale and retail of cars and parts  | 108,192           | 108,192           | 10,499                          | 99.99                   | 114,933             | 7,968                             | -                       | -      |
|                        | New LUXGEN Central Motor                      | Taichung, Taiwan           | Repair, wholesale and retail of cars and parts  | 174,767           | 174,767           | 10,599                          | 99.99                   | 142,682             | 2,552                             | -                       | -      |
|                        | Luxgen Tainan Motor                           | Tainan, Taiwan             | Repair, wholesale and retail of cars and parts  | 263,153           | 263,153           | 10,499                          | 99.99                   | 111,152             | 2,309                             | -                       | -      |
|                        | New LUXGEN South Motor                        | Kaohsiung, Taiwan          | Repair, wholesale and retail of cars and parts  | 121,458           | 121,458           | 7,099                           | 99.99                   | 66,183              | (1,220)                           | -                       | -      |
|                        | Sin Gan                                       | New Taipei City, Taiwan    | Wholesale and retail of information software  | 81,191            | 81,191            | 5,670                           | 19.78                   | 110,056             | 194,097                           | -                       | -      |
|                        | New Energy World Motor                        | New Taipei City, Taiwan    | Product design  | 295,000           | -                 | 29,500                          | 80.00                   | 297,210             | (420)                             | -                       | -      |
| Yulon<br>Construction  | Yufong Property Management                    | New Taipei City, Taiwan    | Construction greening industry  | 24,990            | 24,990            | 2,499                           | 99.96                   | 62,372              | 8,626                             | -                       | -      |
| Haitec                 | Hua-Chung Overseas Investment Co.,<br>Ltd.    | B.V.I.                     | Investments   | 371,771           | 371,771           | 15,965                          | 100.00                  | -                   | -                                 | -                       | -      |
|                        | Foxtron Vehicle Technologies<br>Corporation   | New Taipei City, Taiwan    | Product design  | 7,632,000         | 7,632,000         | 763,200                         | 43.83                   | 8,402,299           | (1,927,201)                       | -                       | -      |
| Hua-Chung<br>Overseas  | Haitec China Investment                       | Hong Kong                  | Investments   | 343,374           | 343,374           | 15,014                          | 100.00                  | -                   | -                                 | -                       | -      |
| Yulon Overseas         | Yulon Philippine                              | Cayman Islands             | Investments   | 1,097,236         | 1,097,415         | 35,741                          | 100.00                  | 194                 | 24,216                            | -                       | -      |
|                        | Yulon China                                   | B.V.I.                     | Investments   | 32,333,459        | 32,584,659        | 1,057,380                       | 100.00                  | 7,013               | 741,816                           | -                       | -      |
| Yulon Philippine       | UMPI & SCIC<br>NPI                            | Philippines<br>Philippines | Manufacturing of cars and factory lease<br>Sale, maintenance and repair of cars and parts | 896,402<br>72,224 | 896,548<br>72,235 | 10,914<br>12                    | 100.00<br>24.50         | 193<br>-            | 25,049<br>295,288                 | -<br>-                  | -<br>- |
| Yulon China            | Qing Yi                                       | Samoa                      | Investments   | 430,606           | 430,676           | -                               | 100.00                  | 81                  | 28,899                            | -                       | -      |
|                        | Wen Yang                                      | Samoa                      | Investments   | 910,403           | 910,552           | 31,450                          | 100.00                  | 664                 | (42,167)                          | -                       | -      |
|                        | Yulon China (Hong Kong) Investment<br>Limited | Hong Kong                  | Investments   | 8,344,968         | 8,348,041         | -                               | 100.00                  | -                   | 599,939                           | -                       | -      |
|                        | Yulon China Holding                           | Cayman Islands             | Investments   | 21,790,472        | 22,039,956        | 702,043                         | 100.00                  | 5,338               | 147,685                           | -                       | -      |
|                        | Feng Hua                                      | Hong Kong                  | Investments   | 85,974            | 85,988            | -                               | 40.00                   | 170                 | 11,822                            | -                       | -      |
| Yulon China<br>Holding | Yulon China (HK) Holding                      | Hong Kong                  | Investments   | 21,790,472        | 22,039,956        | -                               | 100.00                  | 5,338               | 147,685                           | -                       | -      |

Note: In June 2023, Tokio Marine Nawa Insurance Co., Ltd. reduced its capital by 999.9 shares per thousand shares. As of December 31, 2023, Yu Ching holds 1 share of Tokio Marine Nawa Insurance Co., Ltd.

(Concluded)

TABLE 10

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investee Company              | Main Businesses and Products   | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note    |
|-------------------------------|--|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|---------|
|                               |  |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |         |
| Xiamen Young Chang            | Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting | \$ 67,081       | b.                            | \$ 55,763   | \$ -                | \$ -   | \$ 55,763   | \$ 2,488                          | 100.00                                       | \$ 2,488                        | \$ 502,370                              | \$ -  | 2, c.   |
| Ke Yu                         | Computer software maintenance and computer system integration  | 780,469         | b.                            | 723,154   | -                   | -      | 723,154   | 2,466                             | 100.00                                       | 2,466                           | 665,488                                 | -   | 2, c. 5 |
| Tai Feng                      | Computer software maintenance and computer system integration  | 495,140         | b.                            | 445,203   | -                   | -      | 445,203   | (6,511)                           | 100.00                                       | (6,511)                         | 314,580                                 | -   | 2, c.   |
| Qing Tai                      | Computer software maintenance and computer system integration  | 521,374         | b.                            | 460,193   | -                   | -      | 460,193   | (37,937)                          | 100.00                                       | (37,937)                        | 329,664                                 | -   | 2, c. 5 |
| Dongfeng Yulon                | Manufacturing of key car components, electric cars and related parts   | 15,362,034      | b.                            | 7,969,003   | -                   | -      | 7,969,003   | (94,830)                          | -  | -                               | -                                       | -   | 2, c. 4 |
| Su Zhou Cheng Long            | Sale, maintenance and repair of cars and parts   | 191,436         | b.                            | 83,944  | -                   | -      | 83,944  | 11,822                            | 40.00  | 4,729                           | 316,624                                 | -   | 2, c.   |
| Yulon China Motor Investment  | Investment, shareholding and related business  | 8,191,562       | b.                            | 1,745,943   | -                   | -      | 1,745,943   | 145,345                           | 100.00                                       | 145,345                         | 4,822,922                               | -   | 2, b.   |
| Luxgen (Hangzhou) Motor Sales | Sales of cars and car parts  | 13,057,027      | b.                            | 12,928,809  | -                   | -      | 12,928,809  | 2,194                             | 100.00                                       | 2,194                           | 131,542                                 | -   | 2, a.   |
| Yulon Motor Finance (China)   | Car purchases and loans to car dealers for car purchases   | 4,335,200       | a.                            | 2,479,875   | -                   | -      | 2,479,875   | 184,478                           | 71.98  | 132,782                         | -                                       | -   | 2, b.   |
| Hang Zhou Yong Ren            | Manufacturing of machinery, car accessory and seat parts   | 173,029         | b.                            | 2,249   | -                   | -      | 2,249   | (8,096)                           | 2.59   | -                               | 2,303                                   | -   | -       |
| Hang Zhou Haitec              | Product design   | 858,225         | b.                            | -   | -                   | -      | -   | 2,194                             | 100.00                                       | 2,194                           | (3,839)                                 | -   | 2, c.   |
| Fujian Spicer                 | Production of car key parts, drive axle assemblies and parts   | 887,875         | a.                            | 228,152   | -                   | -      | 228,152   | 602,643                           | 20.50  | 123,542                         | 376,416                                 | 33,610  | 2, c.   |
| Shenyang Spicer               | Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts  | 372,510         | a.                            | 55,124  | -                   | -      | 55,124  | 23,940                            | 14.29  | 3,421                           | 272,213                                 | -   | 2, c.   |
| Hui Zhou Deng Feng Yi Jing    | Manufacturing of car parts   | 650,280         | b.                            | -   | -                   | -      | -   | (7,693)                           | -  | (1,715)                         | -                                       | -   | 2, c.   |
| Hang Zhou Yue Wan             | Manufacturing of car parts   | 609,801         | b.                            | 267,362   | -                   | -      | 267,362   | 37,357                            | 80.76  | 30,170                          | 23,796                                  | -   | 2, c.   |
| Hang Zhou Y-Teks              | Manufacturing and sales of car interior furnishing and related business  | 320,867         | b.                            | 44,327  | -                   | -      | 44,327  | 38,653                            | 30.66  | 11,851                          | 85,697                                  | -   | 2, c.   |
| Chang Zhou Y-Teks             | Manufacturing and sales of car interior furnishing and related business  | 42,987          | b.                            | -   | -                   | -      | -   | 8,230                             | 15.64  | 1,287                           | 49,589                                  | -   | 2, c.   |

(Continued)

| Investee Company                             | Main Businesses and Products  | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note  |
|--|---|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|-------|
|  |   |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |       |
| Liu Zhou Yu Xin Fang Sheng                   | Manufacturing and sales of car interior furnishing and related business | \$ 153,525      | b.                            | \$ -  | \$ -                | \$ -   | \$ -  | \$ 16,168                         | 6.13   | \$ 991                          | \$ 157,582                              | \$ -  | 2, c. |
| Guang Zhou He Xi                             | Manufacturing and sales of car interior furnishing and related business | 356,178         | b.                            | -   | -                   | -      | -   | 186,946                           | 6.96   | 13,011                          | 798,332                                 | -   | 2, c. |
| Fuzhou Lianghong                             | Manufacturing of car seats  | 450,705         | b.                            | -   | -                   | -      | -   | 13,138                            | 16.67  | 2,190                           | 533,090                                 | -   | 2, c. |
| Hang Zhou Liangrun                           | Manufacturing of car seats  | 642,679         | b.                            | 142,431   | -                   | -      | 142,431   | 60,613                            | 40.39  | 24,481                          | 94,840                                  | -   | 2, c. |
| Guang Zhou Ri Zheng Spring                   | Manufacturing of vibration damper springs                               | 821,359         | b.                            | -   | -                   | -      | -   | (271,675)                         | 10.00  | (27,168)                        | 1,143,508                               | -   | 2, c. |
| Yu-Jie                                       | Construction industry   | 2,167,600       | a.                            | -   | -                   | -      | -   | 28,350                            | 100.00                                       | 28,350                          | 2,202,525                               | -   | 2, c. |
| Car-Plus (Suzhou)                            | Lease of cars and related services                                      | 745,498         | b.                            | -   | -                   | -      | -   | 31,037                            | 42.81  | 13,022                          | 670,743                                 | -   | 2, c. |
| Car-Plus Leasing (Shanghai)                  | Lease of cars and related services                                      | 786,250         | b.                            | -   | -                   | -      | -   | 40,090                            | 42.81  | 17,032                          | 845,252                                 | -   | 2, c. |
| Car-Plus Go                                  | Car-hailing related services  | 982,560         | b.                            | -   | -                   | -      | -   | (14,823)                          | 42.81  | (6,337)                         | 19,056                                  | -   | 2, c. |
| Jiangsu TAC Financial Leasing Co., Ltd.      | Equipment and cars leasing business                                     | 2,318,105       | b.                            | -   | -                   | -      | -   | 862,062                           | 42.81  | 369,049                         | 5,929,285                               | -   | 2, b  |
| TAC Finance Company                          | Cars leasing business   | 921,150         | b.                            | -   | -                   | -      | -   | 59,524                            | 54.25  | 32,291                          | 220,738                                 | -   | 2, c  |
| Zhe Jiang Cheng Yi Company                   | Secondhand vehicle consulting service and vehicle agent                 | 86,704          | b.                            | -   | -                   | -      | -   | (300)                             | 54.25  | (163)                           | 15,087                                  | -   | 2, c. |
| Zhe Jiang Cheng-Yi-Jun                       | Secondhand vehicle authentication and evaluation service                | 6,503           | b.                            | -   | -                   | -      | -   | 606                               | 54.25  | 329                             | 3,518                                   | -   | 2, c. |
| Zhe Jiang Cheng-Yi Auction                   | Secondhand vehicles auction service                                     | 8,670           | b.                            | -   | -                   | -      | -   | (1,057)                           | 54.25  | (573)                           | 9,064                                   | -   | 2, c. |
| Wuhan TAC Auto Trade Co., Ltd.               | Sales of cars   | -               | b.                            | -   | -                   | -      | -   | 119                               | 20.00  | 24                              | -                                       | -   | 2, c. |
| Genwise Auto Technology Co., Ltd. (Shanghai) | Sales of car parts  | 48,897          | b.                            | -   | -                   | -      | -   | 2,616                             | 53.04  | 1,388                           | 26,540                                  | -   | 2, c. |
| Dong Yu Tech. Company                        | Sales of car parts  | 65,028          | b.                            | -   | -                   | -      | -   | -                                 | 17.95  | -                               | -                                       | -   | 2, c. |
| Shanghai Yuming                              | Sales of cars   | 353,575         | b.                            | -   | -                   | -      | -   | 6,657                             | 32.62  | 2,172                           | -                                       | -   | 2, c  |
| Jia Hsin Yuda                                | Sales of cars   | 116,040         | b.                            | -   | -                   | -      | -   | -                                 | 32.62  | -                               | -                                       | -   | 2, c  |
| Sheng Qing                                   | Investments   | 5,374,222       | b.                            | 3,080,606   | -                   | -      | 3,080,606   | 12,959                            | 100.00                                       | 12,959                          | 4,116,594                               | -   | 2, c  |
| Chuang Jie                                   | Manufacturing of key car components, electric cars and related parts    | 3,424,808       | b.                            | 3,432,301   | -                   | -      | 3,432,301   | 102,111                           | 100.00                                       | 102,111                         | 2,257,764                               | -   | 2, c  |
| Mei De                                       | Computer software maintenance and computer system integration           | 344,648         | b.                            | -   | -                   | -      | -   | (810)                             | 100.00                                       | (810)                           | 321,267                                 | -   | 2, c  |
| Shi Cheng                                    | Computer software maintenance and computer system integration           | 311,397         | b.                            | -   | -                   | -      | -   | (36,389)                          | 100.00                                       | (36,389)                        | 115,248                                 | -   | 2, c  |
| Jin Ce                                       | Computer software maintenance and computer system integration           | 85,273          | b.                            | -   | -                   | -      | -   | (2,567)                           | 100.00                                       | (2,567)                         | -                                       | -   | 2, c  |
| Yi Ding                                      | Computer software maintenance and computer system integration           | 239,303         | b.                            | -   | -                   | -      | -   | (3,074)                           | 100.00                                       | (3,074)                         | 147,883                                 | -   | 2, c  |

(Continued)

| Investee Company    | Main Businesses and Products | Paid-in Capital | Method of Investment (Note 1) | Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 | Remittance of Funds |        | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of December 31, 2023 | Accumulated Repatriation of Investment Income as of December 31, 2023 | Note |
|---------------------|------------------------------|-----------------|-------------------------------|---|---------------------|--------|---|-----------------------------------|--|---------------------------------|---|---|------|
|                     |                              |                 |                               |   | Outward             | Inward |   |                                   |  |                                 |   |   |      |
| Dong Tai            | Investments                  | \$ 317,337      | b.                            | \$ -  | \$ -                | \$ -   | \$ -  | \$ (39,197)                       | 100.00                                       | \$ (39,197)                     | \$ 112,807                              | \$ -  | 2, c |
| Gao Te              | Investments                  | 251,442         | b.                            | -   | -                   | -      | -   | (3,685)                           | 100.00                                       | (3,685)                         | 167,332                                 | -   | 2, c |
| Su Zhou Feng Shen   | Sales of cars                | 208,090         | b.                            | -   | -                   | -      | -   | 73,760                            | 40.00  | 29,504                          | 351,383                                 | -   | 2, c |
| Guang Zhou Yuan Du  | Sales of cars                | 151,732         | b.                            | -   | -                   | -      | -   | 703                               | 51.00  | 359                             | 77,885                                  | -   | 2, c |
| Zhu Hai Fu Te En    | Sales of cars                | 185,113         | b.                            | -   | -                   | -      | -   | 6,044                             | 100.00                                       | 6,044                           | 322,752                                 | -   | 2, c |
| Nanjing Hanhong     | Sales of cars                | 567,911         | b.                            | -   | -                   | -      | -   | (67,449)                          | 100.00                                       | (67,449)                        | 190,310                                 | -   | 2, c |
| Wuhan Yu Hsin       | Sales of cars                | 496,814         | b.                            | -   | -                   | -      | -   | 30,406                            | 100.00                                       | 30,406                          | 537,628                                 | -   | 2, c |
| HangZhou Yu Zhong   | Trading                      | 43,352          | b.                            | -   | -                   | -      | -   | 144                               | 100.00                                       | 144                             | 50,313                                  | -   | 2, c |
| Hang Zhou Hua Zhi   | Sales of cars                | 86,704          | b.                            | -   | -                   | -      | -   | (8,702)                           | 60.00  | (5,221)                         | (180,930)                               | -   | 2, c |
| Chang Sha Yu Lu     | Sales of cars                | 137,859         | b.                            | -   | -                   | -      | -   | 7,821                             | 100.00                                       | 7,821                           | 19,338                                  | -   | 2, c |
| Hang Zhou Tang Yu   | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (39,016)                          | 100.00                                       | (39,016)                        | 792                                     | -   | 2, c |
| Hang Zhou Qien Yu   | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (3,649)                           | 100.00                                       | (3,649)                         | 749                                     | -   | 2, c |
| Xiao Gan Yu Feng    | Sales of cars                | 149,998         | b.                            | -   | -                   | -      | -   | 16,572                            | 100.00                                       | 16,572                          | 305,154                                 | -   | 2, c |
| Su Zhou Feng Shun   | Sales of cars                | 108,380         | b.                            | -   | -                   | -      | -   | 34,266                            | 40.00  | 13,706                          | 305,933                                 | -   | 2, c |
| Su Zhou Yueshun     | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | (2,937)                           | 40.00  | (1,175)                         | 38,458                                  | -   | 2, c |
| Su Chou Cheng Pin   | Sales of cars                | 173,408         | b.                            | -   | -                   | -      | -   | 5,699                             | 40.00  | 2,280                           | 203,513                                 | -   | 2, c |
| Wu Jiang Lian Cheng | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 16,238                            | 40.00  | 6,495                           | 87,673                                  | -   | 2, c |
| Su Zhou Cheng Li    | Sales of cars                | 65,028          | b.                            | -   | -                   | -      | -   | 11,254                            | 40.00  | 4,502                           | 85,050                                  | -   | 2, c |
| Hang Zhou Hsiao Yu  | Investments                  | 43,352          | b.                            | -   | -                   | -      | -   | (88)                              | 99.00  | (87)                            | 744                                     | -   | 2, c |
| Nan Jing Yu Shang   | Sales of cars                | 164,738         | b.                            | -   | -                   | -      | -   | 580                               | 100.00                                       | 580                             | 6,666                                   | -   | 2, c |
| Hang Zhou Hua You   | Sales of cars                | 34,682          | b.                            | -   | -                   | -      | -   | (3,830)                           | 60.00  | (2,298)                         | (183,194)                               | -   | 2, c |
| Su Zhou Cheng Pang  | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 7,912                             | 40.00  | 3,165                           | 77,146                                  | -   | 2, c |
| Nan Jing Yu Hua     | Sales of cars                | 190,749         | b.                            | -   | -                   | -      | -   | (3,932)                           | 100.00                                       | (3,932)                         | 113,051                                 | -   | 2, c |
| Su Zhou Cheng Guo   | Sales of cars                | -               | b.                            | -   | -                   | -      | -   | 1,723                             | 40.00  | 689                             | -                                       | -   | 2, c |
| Su Zhou Cheng Hung  | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | (6,175)                           | 40.00  | (2,470)                         | 42,153                                  | -   | 2, c |
| Tai Chang Cheng Mau | Sales of cars                | 43,352          | b.                            | -   | -                   | -      | -   | 11,332                            | 40.00  | 4,533                           | 111,488                                 | -   | 2, c |
| An Ching Tsai Tung  | Sales of cars                | 118,858         | b.                            | -   | -                   | -      | -   | 439                               | 100.00                                       | 439                             | 14                                      | -   | 2, c |
| Tung Ling Kuo Tong  | Sales of cars                | 73,321          | b.                            | -   | -                   | -      | -   | (941)                             | 100.00                                       | (941)                           | 26,045                                  | -   | 2, c |
| Zi Bo Yu An         | Sales of cars                | 66,935          | b.                            | -   | -                   | -      | -   | 4,403                             | 100.00                                       | 4,403                           | 1,690                                   | -   | 2, c |

(Continued)

| Accumulated Investment in Mainland China as of December 31, 2023 | Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|--|---|--|---|
| Yulon Motor Company Ltd.   | \$34,144,439  | \$37,506,129   | \$53,251,350  |

Note 1: Methods of investment are as follows:

- a. Direct investment in Mainland China.
- b. Indirect investment in the Company of Mainland China through a third place.
- c. Other

Note 2: a. If it is in preparation, there are no investment gains and losses, should be noted.

- b. The amount of investment gain (loss) was recognized on following bases:
  - 1) Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
  - 2) Based on the financial statements audited by the auditor of parent company.
  - 3) Other

Note 3: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of net equity or consolidated net equity.

Note 4: On December 30, 2022, the Court approved the reorganization plan of Dongfeng Yulon Company. Dongfeng, its had completed shareholder change registration and no longer a shareholder of the corporation on June 27, 2023.

(Concluded)

**TABLE 11**

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES**

**BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

| Number      | Company Name | Counterparty                                    | Relationship (Note) | Financial Statement Account                     |           |                        | % to Total Revenue or Assets |
|-------------|--------------|---|---------------------|---|-----------|------------------------|------------------------------|
|             |              |   |                     | Financial Statement Account                     | Amount    | Transaction Terms      |                              |
| 0           | The Company  | Advance Power Machinery                         | 1                   | Notes and trade receivables, net                | \$ 15,543 | Based on regular terms | -                            |
|             |              | Luxgen  | 1                   | Notes and trade receivables, net                | 78,199    | Based on regular terms | -                            |
|             |              | Luxgen  | 1                   | Other receivables                               | 67,252    | Based on regular terms | -                            |
|             |              | Hang Zhou Haitec                                | 1                   | Other current assets                            | 50,595    | Based on regular terms | -                            |
|             |              | UMPI  | 1                   | Operating revenue, net                          | 10,656    | Based on regular terms | -                            |
|             |              | Advance Power Machinery                         | 1                   | Operating revenue, net                          | 64,359    | Based on regular terms | -                            |
|             |              | Sin Chi   | 1                   | Operating revenue, net                          | 10,208    | Based on regular terms | -                            |
|             |              | Luxgen  | 1                   | Operating revenue, net                          | 2,037,629 | Based on regular terms | 2                            |
|             |              | Yu Sing   | 1                   | Operating revenue, net                          | 16,698    | Based on regular terms | -                            |
|             |              | Yu Ching  | 1                   | Operating revenue, net                          | 39,233    | Based on regular terms | -                            |
|             |              | Yulon Construction                              | 1                   | Operating revenue, net                          | 71,038    | Based on regular terms | -                            |
|             |              | Yufong Property Management                      | 1                   | Operating revenue, net                          | 22,963    | Based on regular terms | -                            |
|             |              | Electrified LUXGEN Motor                        | 1                   | Operating revenue, net                          | 15,190    | Based on regular terms | -                            |
|             |              | The Company                                     | 1                   | Long term investment                            | 11,956    | Based on regular terms | -                            |
|             |              | The Company                                     | 1                   | Long term investment                            | 15,019    | Based on regular terms | -                            |
|             |              | Empower   | 1                   | Operating revenue, net                          | 1,840,927 | Based on regular terms | 2                            |
|             |              | Empower   | 1                   | Operating revenue, net                          | 142,719   | Based on regular terms | -                            |
|             |              | Empower   | 1                   | Operating revenue, net                          | 263,882   | Based on regular terms | -                            |
|             |              | Empower   | 1                   | Operating revenue, net                          | 21,664    | Based on regular terms | -                            |
|             |              | Yu Chang  | 1                   | Operating revenue, net                          | 2,749,454 | Based on regular terms | 3                            |
|             |              | Yu Chang  | 1                   | Operating revenue, net                          | 181,041   | Based on regular terms | -                            |
|             |              | Yu Chang  | 1                   | Operating revenue, net                          | 329,482   | Based on regular terms | -                            |
|             |              | Yu Chang  | 1                   | Operating revenue, net                          | 36,601    | Based on regular terms | -                            |
|             |              | Yu Sing   | 1                   | Operating revenue, net                          | 2,408,936 | Based on regular terms | 3                            |
|             |              | Yu Sing   | 1                   | Operating revenue, net                          | 33,688    | Based on regular terms | -                            |
|             |              | Yu Sing   | 1                   | Operating revenue, net                          | 297,538   | Based on regular terms | -                            |
|             |              | Yu Sing   | 1                   | Operating revenue, net                          | 22,378    | Based on regular terms | -                            |
|             |              | Yushin  | 1                   | Operating revenue, net                          | 1,576,072 | Based on regular terms | 2                            |
|             |              | Yushin  | 1                   | Operating revenue, net                          | 72,794    | Based on regular terms | -                            |
|             |              | Yushin  | 1                   | Operating revenue, net                          | 218,124   | Based on regular terms | -                            |
|             |              | Yushin  | 1                   | Operating revenue, net                          | 16,630    | Based on regular terms | -                            |
|             |              | YFC   | 1                   | Operating revenue, net                          | 182,216   | Based on regular terms | -                            |
|             |              | The Company                                     | 1                   | Unrealized gain on transactions with associates | 11,956    | Based on regular terms | -                            |
| The Company | 1            | Unrealized gain on transactions with associates | 15,019              | Based on regular terms                          | -         |                        |                              |
| The Company | 1            | Unrealized gain on transactions with associates | 14,920              | Based on regular terms                          | -         |                        |                              |

(Continued)



| Number | Company Name  | Counterparty                       | Relationship (Note) | Financial Statement Account      |           |                        | % to Total Revenue or Assets |
|--------|---------------|------------------------------------|---------------------|----------------------------------|-----------|------------------------|------------------------------|
|        |               |                                    |                     | Financial Statement Account      | Amount    | Transaction Terms      |                              |
| 1      | YFC           | Min Shiang                         | 3                   | Notes and trade receivables, net | \$ 19,226 | Based on regular terms | -                            |
|        |               | Yu Chang                           | 3                   | Notes and trade receivables, net | 10,511    | Based on regular terms | -                            |
|        |               | Yu Sing                            | 3                   | Notes and trade receivables, net | 14,109    | Based on regular terms | -                            |
|        |               | Electrified LUXGEN Motor Co., Ltd. | 3                   | Notes and trade receivables, net | 65,512    | Based on regular terms | -                            |
|        |               | Car-plus Auto                      | 3                   | Other receivables                | 20,474    | Based on regular terms | -                            |
|        |               | Shinshin                           | 3                   | Other receivables                | 72,573    | Based on regular terms | -                            |
|        |               | Yu Rich                            | 3                   | Other receivables                | 44,862    | Based on regular terms | -                            |
|        |               | Acceptance (Su Zhou) Corporation   | 3                   | Other receivables                | 20,115    | Based on regular terms | -                            |
|        |               | Yu Rich                            | 3                   | Operating revenue, net           | 10,908    | Based on regular terms | -                            |
|        |               | Shinshin                           | 3                   | Nonoperating revenue and expense | 11,741    | Based on regular terms | -                            |
| 2      | Yue Sheng     | The Company                        | 2                   | Notes and trade receivables, net | 17,581    | Based on regular terms | -                            |
|        |               | The Company                        | 2                   | Operating revenue, net           | 105,928   | Based on regular terms | -                            |
| 3      | Yueki         | The Company                        | 2                   | Notes and trade receivables, net | 41,299    | Based on regular terms | -                            |
|        |               | The Company                        | 2                   | Operating revenue, net           | 314,872   | Based on regular terms | -                            |
|        |               | Luxgen                             | 3                   | Operating revenue, net           | 46,080    | Based on regular terms | -                            |
| 4      | Yu Chang      | Tian Wang                          | 3                   | Notes and trade receivables, net | 36,555    | Based on regular terms | -                            |
|        |               | YFC                                | 3                   | Notes and trade receivables, net | 13,419    | Based on regular terms | -                            |
|        |               | Car-plus Auto                      | 3                   | Operating revenue, net           | 47,143    | Based on regular terms | -                            |
|        |               | Tian Wang                          | 3                   | Operating revenue, net           | 110,000   | Based on regular terms | -                            |
| 5      | Sinqual       | The Company                        | 2                   | Notes and trade receivables, net | 19,922    | Based on regular terms | -                            |
|        |               | The Company                        | 2                   | Operating revenue, net           | 130,223   | Based on regular terms | -                            |
|        |               | Ching-Tong                         | 3                   | Operating revenue, net           | 21,122    | Based on regular terms | -                            |
| 6      | Yu Pool       | Yushin                             | 3                   | Operating revenue, net           | 61,694    | Based on regular terms | -                            |
| 7      | Yu Sing       | Car-plus Auto                      | 3                   | Notes and trade receivables, net | 18,477    | Based on regular terms | -                            |
|        |               | YFC                                | 3                   | Notes and trade receivables, net | 22,240    | Based on regular terms | -                            |
|        |               | Kuen You Trading                   | 3                   | Operating revenue, net           | 10,494    | Based on regular terms | -                            |
|        |               | Car-plus Auto                      | 3                   | Operating revenue, net           | 132,397   | Based on regular terms | -                            |
|        |               | Kuen You                           | 3                   | Nonoperating revenue and expense | 25,132    | Based on regular terms | -                            |
|        |               | Electrified LUXGEN Motor           | 3                   | Nonoperating revenue and expense | 12,428    | Based on regular terms | -                            |
| 8      | Y-Teks        | The Company                        | 2                   | Notes and trade receivables, net | 16,893    | Based on regular terms | -                            |
|        |               | The Company                        | 2                   | Operating revenue, net           | 133,394   | Based on regular terms | -                            |
| 9      | Union & NKH   | The Company                        | 2                   | Notes and trade receivables, net | 113,815   | Based on regular terms | -                            |
|        |               | Uni Investment                     | 3                   | Other receivables                | 31,816    | Based on regular terms | -                            |
|        |               | Hang Zhou Liangrun                 | 3                   | Other receivables                | 89,088    | Based on regular terms | -                            |
|        |               | The Company                        | 2                   | Operating revenue, net           | 583,925   | Based on regular terms | 1                            |
|        |               | Fu Zhou Lianghong                  | 3                   | Operating revenue, net           | 31,351    | Based on regular terms | -                            |
| 10     | Car-plus Auto | Yu Sing                            | 3                   | Operating revenue, net           | 10,018    | Based on regular terms | -                            |

(Continued)

| Number                   | Company Name                                | Counterparty                                | Relationship (Note) | Financial Statement Account      |           |                        | % to Total Revenue or Assets |
|--------------------------|---|---|---------------------|----------------------------------|-----------|------------------------|------------------------------|
|                          |   |   |                     | Financial Statement Account      | Amount    | Transaction Terms      |                              |
| 11                       | Luxgen                                      | New LUXGEN North Motor                      | 3                   | Notes and trade receivables, net | \$ 27,350 | Based on regular terms | -                            |
|                          |   | YFC   | 3                   | Notes and trade receivables, net | 23,985    | Based on regular terms | -                            |
|                          |   | Electrified LUXGEN Motor                    | 3                   | Notes and trade receivables, net | 24,790    | Based on regular terms | -                            |
|                          |   | LUXGEN (Hangzhou) Motor Sales               | 3                   | Other current assets             | 12,554    | Based on regular terms | -                            |
|                          |   | The Company                                 | 2                   | Guarantee deposits               | 375,544   | Based on regular terms | -                            |
|                          |   | Luxgen Tainan Motor                         | 3                   | Operating revenue, net           | 101,794   | Based on regular terms | -                            |
|                          |   | Car-plus                                    | 3                   | Operating revenue, net           | 113,065   | Based on regular terms | -                            |
|                          |   | New LUXGEN Central Motor                    | 3                   | Operating revenue, net           | 137,381   | Based on regular terms | -                            |
|                          |   | New LUXGEN North Motor                      | 3                   | Operating revenue, net           | 143,912   | Based on regular terms | -                            |
|                          |   | New LUXGEN South Motor                      | 3                   | Operating revenue, net           | 85,347    | Based on regular terms | -                            |
|                          |   | YFC   | 3                   | Operating revenue, net           | 1,836,537 | Based on regular terms | 2                            |
| Electrified LUXGEN Motor | 3   | Operating revenue, net                      | 233,935             | Based on regular terms           | -         |                        |                              |
| 12                       | Electrified LUXGEN Motor                    | Luxgen                                      | 3                   | Notes and trade receivables, net | 13,438    | Based on regular terms | -                            |
|                          |   | New LUXGEN North Motor                      | 3                   | Notes and trade receivables, net | 29,171    | Based on regular terms | -                            |
|                          |   | Car-plus Auto                               | 3                   | Operating revenue, net           | 41,617    | Based on regular terms | -                            |
|                          |   | Luxgen                                      | 3                   | Operating revenue, net           | 15,722    | Based on regular terms | -                            |
|                          |   | New LUXGEN North Motor                      | 3                   | Operating revenue, net           | 27,080    | Based on regular terms | -                            |
| 13                       | New LUXGEN North Motor                      | YFC   | 3                   | Other current assets             | 10,067    | Based on regular terms | -                            |
|                          |   | Luxgen                                      | 3                   | Operating revenue, net           | 23,333    | Based on regular terms | -                            |
|                          |   | New LUXGEN Central Motor                    | 3                   | Operating revenue, net           | 13,891    | Based on regular terms | -                            |
|                          |   | Electrified LUXGEN Motor                    | 3                   | Operating revenue, net           | 33,797    | Based on regular terms | -                            |
| 14                       | Yulon Automotive (China) Investment Limited | Hang Zhou Hua You                           | 3                   | Nonoperating revenue and expense | 14,699    | Based on regular terms | -                            |
|                          |   | Hang Zhou Tang Yu                           | 3                   | Nonoperating revenue and expense | 38,931    | Based on regular terms | -                            |
| 15                       | Kuen You                                    | Yu Sing                                     | 3                   | Operating revenue, net           | 107,034   | Based on regular terms | -                            |
| 16                       | Chuang Jie                                  | The Company                                 | 2                   | Notes and trade receivables, net | 23,571    | Based on regular terms | -                            |
|                          |   | Yulon Automotive (China) Investment Limited | 3                   | Notes and trade receivables, net | 22,152    | Based on regular terms | -                            |
|                          |   | The Company                                 | 2                   | Operating revenue, net           | 22,693    | Based on regular terms | -                            |
|                          |   | Hang Zhou Haitec                            | 3                   | Operating revenue, net           | 474,528   | Based on regular terms | 1                            |
|                          |   | Yulon Automotive (China) Investment Limited | 3                   | Operating revenue, net           | 20,005    | Based on regular terms | -                            |
| 17                       | Yulon China                                 | Wen Yang                                    | 3                   | Other receivables                | 646,198   | Based on regular terms | -                            |
| 18                       | Yue Ki Samoa                                | Yueki                                       | 3                   | Other current assets             | 15,400    | Based on regular terms | -                            |
| 20                       | Tai Feng                                    | Shi Cheng                                   | 3                   | Other receivables                | 60,732    | Based on regular terms | -                            |
|                          |   | Dong Tai                                    | 3                   | Other receivables                | 130,235   | Based on regular terms | -                            |
|                          |   | Yi Ding                                     | 3                   | Other receivables                | 78,141    | Based on regular terms | -                            |
|                          |   | Sheng Qing                                  | 3                   | Other receivables                | 211,693   | Based on regular terms | -                            |
| 22                       | Mei De                                      | Shi Cheng                                   | 3                   | Other receivables                | 130,715   | Based on regular terms | -                            |
|                          |   | Xiamen Young Chang                          | 3                   | Other receivables                | 87,144    | Based on regular terms | -                            |

(Continued)

| Number | Company Name             | Counterparty                                | Relationship (Note) | Financial Statement Account      |           |                        | % to Total Revenue or Assets |
|--------|--------------------------|---|---------------------|----------------------------------|-----------|------------------------|------------------------------|
|        |                          |   |                     | Financial Statement Account      | Amount    | Transaction Terms      |                              |
| 23     | Jin Ce                   | Yi Ding                                     | 3                   | Other receivables                | \$ 17,429 | Based on regular terms | -                            |
| 24     | Sheng Qing               | Nanjing Hanhong                             | 3                   | Other receivables                | 65,028    | Based on regular terms | -                            |
|        |                          | Zhu Hai Fu Te En                            | 3                   | Other receivables                | 22,748    | Based on regular terms | -                            |
|        |                          | Xiamen Young Chang                          | 3                   | Other receivables                | 166,612   | Based on regular terms | -                            |
|        |                          | Yu-Jie                                      | 3                   | Other receivables                | 173,851   | Based on regular terms | -                            |
|        |                          | Yulon Automotive (China) Investment Limited | 3                   | Other receivables                | 887,579   | Based on regular terms | -                            |
|        |                          | Su Zhou Feng Shen                           | 3                   | Other receivables                | 10,404    | Based on regular terms | -                            |
|        |                          | Hang Zhou Hua Zhi                           | 3                   | Nonoperating revenue and expense | 17,940    | Based on regular terms | -                            |
|        |                          | Yulon Automotive (China) Investment Limited | 3                   | Nonoperating revenue and expense | 13,986    | Based on regular terms | -                            |
| 25     | Su Zhou Cheng Long       | Tai Chang Cheng Mau                         | 3                   | Operating revenue, net           | 12,307    | Based on regular terms | -                            |
|        |                          | Su Zhou Feng Shen                           | 3                   | Operating revenue, net           | 31,041    | Based on regular terms | -                            |
|        |                          | Su Zhou Feng Shun                           | 3                   | Operating revenue, net           | 22,699    | Based on regular terms | -                            |
| 26     | Hang Zhou Yu Zhong       | Yulon Automotive (China) Investment Limited | 3                   | Other receivables                | 11,705    | Based on regular terms | -                            |
| 28     | Hsiang Shuo              | Sinqual                                     | 3                   | Other receivables                | 60,409    | Based on regular terms | -                            |
|        |                          | Sin Jang                                    | 3                   | Operating revenue, net           | 13,081    | Based on regular terms | -                            |
|        |                          | Car-plus Auto                               | 3                   | Operating revenue, net           | 13,698    | Based on regular terms | -                            |
|        |                          | Luxgen                                      | 3                   | Operating revenue, net           | 10,207    | Based on regular terms | -                            |
|        |                          | YFC   | 3                   | Operating revenue, net           | 38,654    | Based on regular terms | -                            |
| 29     | Sin Jang                 | YFC   | 3                   | Operating revenue, net           | 89,160    | Based on regular terms | -                            |
| 30     | Nan Jing Yu Hua          | Nanjing Hanhong                             | 3                   | Other receivables                | 117,579   | Based on regular terms | -                            |
| 31     | Yulon Construction       | The Company                                 | 2                   | Guarantee deposits               | 40,263    | Based on regular terms | -                            |
|        |                          | The Company                                 | 2                   | Operating revenue, net           | 54,614    | Based on regular terms | -                            |
| 32     | New LUXGEN Central Motor | Luxgen                                      | 3                   | Operating revenue, net           | 10,743    | Based on regular terms | -                            |
| 33     | Yu Pong                  | The Company                                 | 2                   | Operating revenue, net           | 20,571    | Based on regular terms | -                            |
| 34     | Yushin                   | Car-plus Auto                               | 3                   | Operating revenue, net           | 30,821    | Based on regular terms | -                            |
|        |                          | Yu Pool                                     | 3                   | Operating revenue, net           | 58,599    | Based on regular terms | -                            |
| 35     | Empower                  | Min Shiang                                  | 3                   | Notes and trade receivables, net | 10,762    | Based on regular terms | -                            |
|        |                          | Min Shiang                                  | 3                   | Guarantee deposits               | 15,000    | Based on regular terms | -                            |
|        |                          | Min Shiang                                  | 3                   | Operating revenue, net           | 63,581    | Based on regular terms | -                            |
|        |                          | Car-plus Auto                               | 3                   | Operating revenue, net           | 58,943    | Based on regular terms | -                            |
| 36     | Tian Wang                | Yu Chang                                    | 3                   | Operating revenue, net           | 69,537    | Based on regular terms | -                            |
| 37     | Sin Chi                  | Yu Sing                                     | 3                   | Operating revenue, net           | 55,237    | Based on regular terms | -                            |

(Continued)

| Number | Company Name               | Counterparty                        | Relationship (Note) | Financial Statement Account      |           |                        | % to Total Revenue or Assets |
|--------|----------------------------|-------------------------------------|---------------------|----------------------------------|-----------|------------------------|------------------------------|
|        |                            |                                     |                     | Financial Statement Account      | Amount    | Transaction Terms      |                              |
| 38     | New LUXGEN South Motor     | Car-plus Auto                       | 3                   | Operating revenue, net           | \$ 11,374 | Based on regular terms | -                            |
| 40     | Yufong Property Management | The Company                         | 2                   | Operating revenue, net           | 40,246    | Based on regular terms | -                            |
| 41     | Yu Ching                   | The Company                         | 2                   | Operating revenue, net           | 12,807    | Based on regular terms | -                            |
| 42     | Sin Gan                    | Sin Jang                            | 3                   | Operating revenue, net           | 23,885    | Based on regular terms | -                            |
| 43     | Su Zhou Yueshun            | Su Zhou Feng Shun                   | 3                   | Other receivables                | 13,006    | Based on regular terms | -                            |
|        |                            | Su Zhou Cheng Pin                   | 3                   | Other receivables                | 13,006    | Based on regular terms | -                            |
| 44     | Hong Yen                   | Shanghai Empower                    | 3                   | Other current assets             | 11,130    | Based on regular terms | -                            |
| 45     | Shinshin                   | Yes-Energy                          | 3                   | Notes and trade receivables, net | 114,688   | Based on regular terms | -                            |
|        |                            | Zysun Company Limited               | 3                   | Other receivables                | 100,988   | Based on regular terms | -                            |
|        |                            | Yes-Energy                          | 3                   | Other current assets             | 311,160   | Based on regular terms | -                            |
| 46     | Fu Zhou Lianghong          | Union & NKH                         | 3                   | Notes and trade receivables, net | 22,599    | Based on regular terms | -                            |
|        |                            | Hangzhou Liangrun                   | 3                   | Notes and trade receivables, net | 17,762    | Based on regular terms | -                            |
|        |                            | Union & NKH                         | 3                   | Operating revenue, net           | 53,876    | Based on regular terms | -                            |
|        |                            | Hang Zhou Liangrun                  | 3                   | Operating revenue, net           | 16,037    | Based on regular terms | -                            |
| 47     | Su Zhou Feng Shun          | Wu Jiang Lian Cheng                 | 3                   | Other receivables                | 13,006    | Based on regular terms | -                            |
|        |                            | Tai Chang Cheng Mau                 | 3                   | Operating revenue, net           | 27,991    | Based on regular terms | -                            |
|        |                            | Wu Jiang Lian Cheng                 | 3                   | Operating revenue, net           | 21,771    | Based on regular terms | -                            |
|        |                            | Su Zhou Feng Shen                   | 3                   | Operating revenue, net           | 46,514    | Based on regular terms | -                            |
|        |                            | Su Zhou Cheng Pang                  | 3                   | Operating revenue, net           | 26,620    | Based on regular terms | -                            |
|        |                            | Su Zhou Cheng Pin                   | 3                   | Operating revenue, net           | 18,341    | Based on regular terms | -                            |
|        |                            | Su Zhou Cheng Long                  | 3                   | Operating revenue, net           | 32,647    | Based on regular terms | -                            |
| 48     | Nanjing Hanhong            | Nan Jing Yu Hua                     | 3                   | Other receivables                | 16,381    | Based on regular terms | -                            |
|        |                            | Xiao Gan Yufong Property Management | 3                   | Operating revenue, net           | 25,364    | Based on regular terms | -                            |
| 51     | Hang Zhou Haitec           | Chuang Jie                          | 3                   | Other current assets             | 71,003    | Based on regular terms | -                            |
|        |                            | The Company                         | 2                   | Operating revenue, net           | 291,895   | Based on regular terms | -                            |
| 52     | Ching-Tong                 | YFC                                 | 3                   | Notes and trade receivables, net | 12,443    | Based on regular terms | -                            |
|        |                            | Sin Jang                            | 3                   | Operating revenue, net           | 16,177    | Based on regular terms | -                            |
|        |                            | YFC                                 | 3                   | Operating revenue, net           | 23,700    | Based on regular terms | -                            |
| 53     | Advance Power Machinery    | The Company                         | 2                   | Operating revenue, net           | 24,519    | Based on regular terms | -                            |
| 55     | Car-Plus Go                | Su Zhou Car-plus                    | 3                   | Notes and trade receivables, net | 17,581    | Based on regular terms | -                            |
| 56     | Yulon TOBE                 | The Company                         | 2                   | Other current assets             | 63,582    | Based on regular terms | -                            |

(Continued)

| Number | Company Name                        | Counterparty                        | Relationship (Note) | Financial Statement Account      |           |                        | % to Total Revenue or Assets |
|--------|-------------------------------------|-------------------------------------|---------------------|----------------------------------|-----------|------------------------|------------------------------|
|        |                                     |                                     |                     | Financial Statement Account      | Amount    | Transaction Terms      |                              |
| 57     | Su Zhou Feng Shen                   | Su Zhou Feng Shun                   | 3                   | Other receivables                | \$ 13,006 | Based on regular terms | -                            |
|        |                                     | Wu Jiang Lian Cheng                 | 3                   | Operating revenue, net           | 10,574    | Based on regular terms | -                            |
|        |                                     | Su Zhou Feng Shun                   | 3                   | Operating revenue, net           | 43,052    | Based on regular terms | -                            |
|        |                                     | Su Zhou Cheng Pang                  | 3                   | Operating revenue, net           | 18,628    | Based on regular terms | -                            |
|        |                                     | Su Zhou Cheng Long                  | 3                   | Operating revenue, net           | 35,848    | Based on regular terms | -                            |
| 60     | Feng Hua                            | Su Zhou Cheng Long                  | 3                   | Other receivables                | 43,352    | Based on regular terms | -                            |
| 61     | YES Charging Service Co., Ltd.      | Yes-Energy                          | 3                   | Operating revenue, net           | 16,979    | Based on regular terms | -                            |
| 63     | Wuhan Yu Sing                       | Xiao Gan Yufong Property Management | 3                   | Operating revenue, net           | 34,864    | Based on regular terms | -                            |
| 65     | JDW Taxi                            | JDW                                 | 3                   | Notes and trade receivables, net | 39,578    | Based on regular terms | -                            |
| 66     | H. K. Manpower                      | Car-plus Auto                       | 3                   | Operating revenue, net           | 18,474    | Based on regular terms | -                            |
| 67     | Su Zhou Cheng Pin                   | Su Zhou Feng Shen                   | 3                   | Operating revenue, net           | 21,599    | Based on regular terms | -                            |
|        |                                     | Su Zhou Feng Shun                   | 3                   | Operating revenue, net           | 17,750    | Based on regular terms | -                            |
|        |                                     | Su Zhou Cheng Long                  | 3                   | Operating revenue, net           | 18,275    | Based on regular terms | -                            |
| 69     | Tai Chang Cheng Mau                 | Wu Jiang Lian Cheng                 | 3                   | Operating revenue, net           | 10,839    | Based on regular terms | -                            |
|        |                                     | Su Zhou Feng Shen                   | 3                   | Operating revenue, net           | 18,469    | Based on regular terms | -                            |
|        |                                     | Su Zhou Feng Shun                   | 3                   | Operating revenue, net           | 21,252    | Based on regular terms | -                            |
|        |                                     | Su Zhou Cheng Long                  | 3                   | Operating revenue, net           | 17,969    | Based on regular terms | -                            |
| 70     | Min Shiang                          | Empower                             | 3                   | Operating revenue, net           | 15,776    | Based on regular terms | -                            |
| 71     | Luxgen Tainan Motor                 | New LUXGEN South Motor              | 3                   | Notes and trade receivables, net | 13,333    | Based on regular terms | -                            |
|        |                                     | New LUXGEN South Motor              | 3                   | Operating revenue, net           | 12,796    | Based on regular terms | -                            |
| 72     | Xiao Gan Yufong Property Management | Wuhan Yu Sing                       | 3                   | Notes and trade receivables, net | 12,343    | Based on regular terms | -                            |
|        |                                     | Wuhan Yu Sing                       | 3                   | Operating revenue, net           | 15,145    | Based on regular terms | -                            |
| 73     | JDW                                 | JDW Taxi                            | 3                   | Operating revenue, net           | 23,213    | Based on regular terms | -                            |

Note 1: From the parent company to a subsidiary.

Note 2: From a subsidiary to the parent company.

Note 3: Between subsidiaries.

(Concluded)

**TABLE 12****YULON MOTOR COMPANY LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Name of Major Shareholder | Shares           |                             |
|---------------------------|------------------|-----------------------------|
|                           | Number of Shares | Percentage of Ownership (%) |
| Tai-Yuen Textiles         | 186,508,584      | 17.43                       |
| China Motor               | 171,382,445      | 16.01                       |

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

**VI. If the Company or its affiliates have experienced financial difficulties from the most recent year up to the date of publication of the annual report, the effects on the Company's financial status: Not applicable.**

## VII The review and analysis of financial position and financial performance, and the risk matters

### I. Financial status

#### Comparative Analysis of Consolidated Financial Status

Unit: Thousands of NTD

| Items                      | Year | 2023        | 2022        | Difference  |          |
|----------------------------|------|-------------|-------------|-------------|----------|
|                            |      |             |             | Amount      | %        |
| Current assets             |      | 288,248,644 | 270,783,114 | 17,465,530  | 6.45%    |
| Non-Current assets         |      | 99,495,182  | 89,648,500  | 9,846,682   | 10.98%   |
| Total assets               |      | 387,743,826 | 360,431,614 | 27,312,212  | 7.58%    |
| Current liabilities        |      | 273,704,673 | 253,571,875 | 20,132,798  | 7.94%    |
| Non-current liabilities    |      | 25,286,903  | 34,347,887  | (9,060,984) | (26.38%) |
| Total liabilities          |      | 298,991,576 | 287,919,762 | 11,071,814  | 3.85%    |
| Capital stock              |      | 10,700,013  | 10,000,000  | 700,013     | 7.00%    |
| Capital surplus            |      | 16,051,927  | 7,923,262   | 8,128,665   | 102.59%  |
| Retained earnings          |      | 33,274,696  | 29,851,250  | 3,423,446   | 11.47%   |
| Total shareholders' equity |      | 88,752,250  | 72,511,852  | 16,240,398  | 22.40%   |

Analysis of the change in the increase or decrease percentage: (The main reasons for the significant changes and their effects, and if the effects are significant, the future response plan should be stated.)

1. The increase in current assets was mainly due to the growth of loan business of Taiwan Acceptance Corporation, and the increase in notes and accounts receivable.
2. The increase in current liabilities was mainly due to the increase in short-term bills and the Group's raising of funds.
3. The decrease in non-current liabilities was mainly due to the repayment of long-term loan.
4. The increase in share capital was mainly due to the raising of capital from capital increase.
5. The increase in capital reserve was mainly due to the effect of recognition of changes in equity generated by the increase in capital.
6. The increase in retained earnings was mainly due to the profit made in the current year.

#### Comparative Analysis of Parent company only Financial Status

Unit: Thousands of NTD

| Items                      | Year | 2023       | 2022       | Difference  |          |
|----------------------------|------|------------|------------|-------------|----------|
|                            |      |            |            | Amount      | %        |
| Current assets             |      | 14,490,450 | 11,109,773 | 3,380,677   | 30.43%   |
| Non-Current assets         |      | 74,365,723 | 69,626,910 | 4,738,813   | 6.81%    |
| Total assets               |      | 88,856,173 | 80,736,683 | 8,119,490   | 10.06%   |
| Current liabilities        |      | 11,390,510 | 11,869,938 | (479,428)   | (4.04%)  |
| Non-current liabilities    |      | 17,551,167 | 20,735,812 | (3,184,645) | (15.36%) |
| Total liabilities          |      | 28,941,677 | 32,605,750 | (3,664,073) | (11.24%) |
| Capital stock              |      | 10,700,013 | 10,000,000 | 700,013     | 7.00%    |
| Capital surplus            |      | 16,051,927 | 7,923,262  | 8,128,665   | 102.59%  |
| Retained earnings          |      | 33,274,696 | 29,851,250 | 3,423,446   | 11.47%   |
| Total shareholders' equity |      | 59,914,496 | 48,130,933 | 11,783,563  | 24.48%   |

Analysis of the change in the increase or decrease percentage: (The main reasons for the significant changes and their effects, and if the effects are significant, the future response plan should be stated.)

1. The increase in current assets was mainly due to the disposal of investee companies.
2. The increase in capital reserve was mainly due to the cash capital increase by employee stock subscription in 2023.



## II. Financial Performance Analysis

### Comparative Analysis of Consolidated Financial Performance

Unit: Thousands of NTD

| Items   | Year | 2023      |            | 2022        |             | Increase (decrease) amount | Variation (%) |
|---|------|-----------|------------|-------------|-------------|----------------------------|---------------|
|   |      | Subtotal  | Total      | Subtotal    | Total       |                            |               |
| Operating revenues  |      |           | 82,120,679 |             | 77,079,263  | 5,041,416                  | 6.54%         |
| Operating costs   |      |           | 53,256,786 |             | 49,622,977  | 3,633,809                  | 7.32%         |
| Gross profits   |      |           | 28,863,893 |             | 27,456,286  | 1,407,607                  | 5.13%         |
| Realized (unrealized) profits or losses on sales  |      |           | (1,908)    |             | 11          | (1,919)                    | (17445.45%)   |
| Net operating margin  |      |           | 28,861,985 |             | 27,456,297  | 1,405,688                  | 5.12%         |
| Operating expenses  |      |           | 20,270,477 |             | 17,350,124  | 2,920,353                  | 16.83%        |
| Net operating profits (losses)  |      |           | 8,591,508  |             | 10,106,173  | (1,514,665)                | (14.99%)      |
| Non-operating income and expenses   |      |           | 2,200,368  |             | (8,725,901) | 10,926,269                 | 125.22%       |
| Other income  |      | 1,215,499 |            | 1,324,107   |             | (108,608)                  | (8.20%)       |
| Other profits and losses  |      | 554,575   |            | 52,996      |             | 501,579                    | 946.45%       |
| Financial costs   |      | (601,884) |            | (476,439)   |             | (125,445)                  | (26.33%)      |
| Shareholding in the affiliated companies and joint ventures under the equity method   |      | 1,032,178 |            | (9,626,565) |             | 10,658,743                 | 110.72%       |
| Profit before income tax  |      |           | 10,791,876 |             | 1,380,272   | 9,411,604                  | 681.87%       |
| Income tax expense  |      |           | 2,297,646  |             | 2,568,309   | (270,663)                  | (10.54%)      |
| Net profits (losses) for the period   |      |           | 8,494,230  |             | (1,188,037) | 9,682,267                  | 814.98%       |
| Other comprehensive profit and loss (net)   |      |           | (453,331)  |             | 719,534     | (1,172,865)                | (163.00%)     |
| Titles not reclassified as profit and loss accounts:  |      |           |            |             |             |                            |               |
| Reevaluation of determined benefit plan   |      | 49,815    |            | 162,920     |             | (113,105)                  | (69.42%)      |
| Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income |      | 43,520    |            | (31,973)    |             | 75,493                     | 236.11%       |
| The share of other comprehensive income of affiliates and joint ventures recognized in equity method                                |      | 33,876    |            | (35,681)    |             | 69,557                     | 194.94%       |
| Accounts to be reclassified to profit or loss subsequently:   |      |           |            |             |             |                            |               |
| Exchange differences on the translation of financial statements of foreign operations   |      | (340,155) |            | 318,329     |             | (658,484)                  | (206.86%)     |
| Profit or loss on hedging instruments not subject to basis adjustment   |      | -         |            | (128)       |             | 128                        | 100.00%       |
| The share of other comprehensive income of affiliates and joint ventures recognized in equity method                                |      | (240,387) |            | 306,067     |             | (546,454)                  | (178.54%)     |
| Total comprehensive income for the period   |      |           | 8,040,899  |             | (468,503)   | 8,509,402                  | 1816.30%      |

Analysis of the change in the increase or decrease percentage:

1. The increase in operating gross profit was mainly due to the growth of the loan business of Taiwan Acceptance Corporation in 2023, which had higher gross profit.
2. The increase in other gains is mainly due to the increase in gains on impairment reversal in 2023.
3. The increase in share of profit or loss of associates and joint ventures recognized under the equity method was mainly due to the recognition of investment income of companies using the equity method in 2023.
4. The increase in unrealized gains and losses on equity instrument measured by fair value through other comprehensive gains and losses was mainly due to the gains from this account in 2023.
5. The decrease in share of other comprehensive income of affiliates and joint ventures recognized under the equity method was mainly due to the unrealized loss on the fair value of the investment in equity instruments through other comprehensive income of subsidiaries in 2023.

## Comparative Analysis of Parent company only Financial Performance

Unit: Thousands of NTD

| Items   | Year | 2023      |            | 2022        |             | Increase (decrease) amount | Variation (%) |
|---|------|-----------|------------|-------------|-------------|----------------------------|---------------|
|   |      | Subtotal  | Total      | Subtotal    | Total       |                            |               |
| Operating revenues  |      |           | 25,222,538 |             | 22,410,271  | 2,812,267                  | 12.55%        |
| Operating costs   |      |           | 22,995,611 |             | 20,378,211  | 2,617,400                  | 12.84%        |
| Gross profits   |      |           | 2,226,927  |             | 2,032,060   | 194,867                    | 9.59%         |
| Realized (unrealized) profits or losses on sales  |      |           | (10,239)   |             | (5,111)     | (5,128)                    | (100.33%)     |
| Net operating margin  |      |           | 2,216,688  |             | 2,026,949   | 189,739                    | 9.36%         |
| Operating expenses  |      |           | 1,668,950  |             | 1,274,368   | 394,582                    | 30.96%        |
| Net operating profits (losses)  |      |           | 547,738    |             | 752,581     | (204,843)                  | (27.22%)      |
| Non-operating income and expenses   |      |           | 4,256,592  |             | (5,317,514) | 9,574,106                  | 180.05%       |
| Other income  |      | 36,415    |            | 58,216      |             | (21,801)                   | (37.45%)      |
| Other profits and losses  |      | 7,554     |            | (814,971)   |             | 822,525                    | 100.93%       |
| Financial costs   |      | (368,080) |            | (218,591)   |             | (149,489)                  | (68.39%)      |
| Shareholdings in the subsidiaries, associates and joint ventures under the equity method  |      | 4,491,428 |            | (4,391,389) |             | 8,882,817                  | 202.28%       |
| Interest revenue  |      | 89,275    |            | 49,221      |             | 40,054                     | 81.38%        |
| Profit before income tax  |      |           | 4,804,330  |             | (4,564,933) | 9,369,263                  | 205.24%       |
| Income tax expense  |      |           | 113,807    |             | 131,759     | (17,952)                   | (13.62%)      |
| Net profits (losses) for the period   |      |           | 4,690,523  |             | (4,696,692) | 9,387,215                  | 199.87%       |
| Other comprehensive profit and loss (net)   |      |           | (329,682)  |             | 597,468     | (927,150)                  | (155.18%)     |
| Exchange differences on the translation of financial statements of foreign operations   |      | 0         |            | 0           |             | 0                          | 0.00%         |
| Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income |      | 33,024    |            | 16,620      |             | 16,404                     | 98.70%        |
| Reevaluation of determined benefit plan   |      | 94        |            | 116,606     |             | (116,512)                  | (99.92%)      |
| The share of other comprehensive income of subsidiaries, associates and joint ventures recognized in equity method                  |      | (362,800) |            | 464,242     |             | (827,042)                  | (178.15%)     |
| Total comprehensive income for the period   |      |           | 4,360,841  |             | (4,099,224) | 8,460,065                  | 206.38%       |

Analysis of the change in the increase or decrease percentage:

1. The increase in unrealized gain or loss on sales of goods was mainly due to the increase in dealership inventory as a result of consumers placing orders that could not be registered.
2. The increase in other gains was mainly due to the provision for impairment of the design change cost of Yulong City in 2022, and there was no such event in this period.
3. The increase in profit or loss of subsidiaries, associates and joint ventures under equity method was mainly due to the impact of the COVID-19 pandemic and government policies in 2022, and the reinvestment company set aside reserve for losses on pandemic prevention policies. There was no such event in this period.
4. The decrease in share of other comprehensive income of subsidiaries, associates and joint ventures recognized under the equity method is mainly due to the currency conversion of the reinvestment companies recognized in 2023, resulting in an increase in accumulated exchange losses.

### III. Cash flow analysis

#### (I) Liquidity analysis for the most recent 2 years

| Items   | Year     |          |                            |
|---|----------|----------|----------------------------|
|   | 2023     | 2022     | Increase (decrease) amount |
| Cash flow ratio   | (4.75)   | (11.82)  | 59.81%                     |
| Cash flow adequacy ratio  | (224.52) | (289.26) | 22.38%                     |
| Cash reinvestment ratio   | (11.98)  | (26.34)  | 54.52%                     |
| Analysis of the change in the increase or decrease percentage:<br>The increase in all indicators of cash flow in 2023 from those in 2022 was mainly due to the fact that the annual growth rate of receivables of the company Taiwan Acceptance Corporation was slower than that of last year, which affected the decrease of net cash outflow from operating activities in 2023. |          |          |                            |

Note: The information presented in the table is based on the consolidated financial statements.

#### (II) Cash liquidity analysis for the coming year

Unit: Thousands of NTD

| Cash balance at the beginning of the period ①  | Estimated cash inflow for the whole year ② | Estimated cash outflow for the whole year ③ | Estimated cash balance (shortfall). ①+②+③ | Remedy for estimated cash shortage |                 |
|--|--|---|---|------------------------------------|-----------------|
|  |  |   |   | Investing plan                     | Financing plan  |
| 2,133,848  | 39,187,901                                 | (54,549,244)                                | (13,227,495)                              | -                                  | Bank borrowings |
| 1. Analysis of changes in cash flows in the coming year:<br>(1) Annual cash inflow: mainly cash inflow from the Company's operations, dividend income and sale of equity of subsidiaries, etc.<br>(2) Annual cash outflows: mainly used for operating expenses, tax payments, repayment of bank borrowings and corporate debts.<br>2. Remedy for estimated cash shortage and liquidity analysis: In addition to cash inflows and expenditures from operating activities, bank borrowings will be used to cover insufficient cash balances. |  |   |   |                                    |                 |

Note: The information presented in the table is based on the parent company only financial statements.

#### IV. Material capital expenditures in the latest year and impacts on business performance

(I) Status of major capital expenditures and sources of funds for the most recent year:

Unit: Thousands of NTD

| Plans                                | Actual and expected funding source | Actual and expected completion date | Total fund required | Actual or expected uses of funds |             |           |           |           |           |           |
|--------------------------------------|------------------------------------|-------------------------------------|---------------------|----------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|
|                                      |                                    |                                     |                     | 2020                             | 2021        | 2022      | 2023      | 2024      | 2025      | 2026      |
| Expansion of machinery and equipment | Self-owned Capital                 | 2026.12.31                          | \$1,194,114         | \$77,310                         | \$48,588    | \$342,519 | \$199,052 | \$242,715 | \$141,965 | \$141,965 |
| Production equipment                 | Self-owned Capital                 | 2026.12.31                          | \$1,394,547         | \$147,237                        | \$468,886   | \$389,256 | \$278,572 | \$22,832  | \$43,882  | \$43,882  |
| Environmental protection equipment   | Self-owned Capital                 | 2026.12.31                          | \$34,452            | \$2,143                          | \$3,085     | -         | \$942     | \$13,670  | \$7,306   | \$7,306   |
| IT Equipment                         | Self-owned Capital                 | 2026.12.31                          | \$250,089           | \$20,712                         | \$5,961     | \$140,755 | \$78,491  | \$1,554   | \$1,308   | \$1,308   |
| Quality assurance equipment          | Self-owned Capital                 | 2026.12.31                          | \$270,534           | \$43,443                         | \$29,645    | \$19,593  | \$35,678  | \$56,279  | \$42,948  | \$42,948  |
| Construction and Maintenance         | Self-owned Capital                 | 2026.12.31                          | \$4,355,154         | \$1,734,528                      | \$1,722,734 | \$703,340 | \$91,437  | \$75,495  | \$13,810  | \$13,810  |

(II) Expected benefits from major capital expenditures in the most recent year:

1. Strengthen the multi-brand OEM strategy, and with the introduction of mass production of new models of each brand, through the expansion of machinery and equipment, in order to improve the efficiency and quality of each production line, and further increase the competitiveness of products in the market.
2. Renew and replace old production systems and equipment according to the project schedule of new vehicle models of each brand to achieve the development schedule and quality target of each product.
3. In line with the government's "energy transition" policy, expand solar energy installation and solar energy storage, and in order to comply with Taipower regulations, add protection stations and establish communication loops to maintain the operation of the transmission system, with a view to increasing the power generation of the Sany plant.
4. Introduce and improve information equipment software and hardware, update production information system, financial information system, management information system, to improve data integration efficiency and cyber security protection.
5. By updating and improving the quality inspection equipment, we can reduce the defects arising from the production process to ensure the stability of the whole production process.
6. Improve the efficiency of the Company's land resources and consider the development of the overall cityscape, in addition to the construction of commercial complexes, we will also build parks and green areas to beautify the overall environment, further creating a comprehensive business effect and driving the new consumer life circle in the areas surrounding the new factory.

## V. Investment policy for 2023, the main reasons for profit or loss, improvement plan and investment plan for the coming year:

The LUXGEN n7 electric vehicle were mass-produced in 2023 and will be launched to the market in 2024.

In terms of real estate development, the Yulon City was officially open to the public in September 2023. The business status after the opening has exceeded expectations, and it will be a stable source of profit for the Company in the future.

Tokio Marine Nawa Insurance in 2022, caused losses due to claims of COVID-19 policies. In 2023, Tokio Marine Nawa Insurance turned losses into profits and returned to its previous profitability level.

In terms of overseas investments, (1) UMPI in the Philippines transformed into an asset management company, revitalizing vacant plants and providing stable cash flow (2) Auto Finance in China is growing steadily by actively exploring the financing of used cars.

Looking ahead to 2024's investment plan, the focus will continue to be on strengthening the competitiveness of existing vehicle platforms. Through the joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, we promote the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to develop more competitive new vehicle platform, aim at lowering the cost of future vehicles with the new platform, and provide consumers with a higher CP value vehicle choice to create long-term brand value and increase market share. In response to global climate change, the use of renewable energy in the industry is growing significantly, and the demand for energy storage equipment is increasing along with the trend of electricity liberalization, the Company has integrated the accumulated resources of new energy vehicle research and development, assembly technology, and common use to build a new production line of energy storage products and strive for business opportunities in the energy storage market and develop solar power business.

## VI. Risk management and assessment

### (I) Organizational structure of risk management

The execution and the units of authority and responsibility for risk management of the Company are as follows.

| Units of authority and responsibility    | Content of execution  |
|--|---|
| Internal Audit office                    | Based on the risk assessment results, incorporate main audit items in the annual audit plan, and audit the internal control system, and disclose the audit results in the audit report, and deliver it or notify each supervisor in accordance with the regulations, and follow up for improvement.   |
| Finance and Business planning department | 1. Manage the company's business strategy, objectives and operational plans, manage working capital and provide financial analysis, handle accounting, stock affairs, taxation and human resources management, provide management with fast and effective operational management information, and reduce corporate risks through strict control and regular updates on technological changes, industry trends, and important domestic and international policies and laws.<br>2. Supervise each unit and subsidiary to include revenue and profit in the annual KPI and track the achievement in order to avoid the risk of operational performance.  |
| Safety and health office                 | Regularly perform labor environmental inspection and monitoring. Conduct industrial safety and health related business in accordance with the company's regulations, prevent occupational disasters, and guide relevant units to implement related plans to reduce work related risks for employees   |
| Supply chain management                  | 1. Coordination, planning and control of integrated production planning; management of D&C evaluation of new vehicle series and suppliers; planning and control of parts and materials requirements; control and follow-up of outsourced parts delivery to reduce the risk of material failure by suppliers.<br>2. Supply productivity and storage cost control; planning and control of parts and material supply; planning and establishment of logistics supply application system; assistance and support of material supply activities in overseas production sites; support of brand sales service parts storage and distribution to reduce the risk of material failure in production lines. |
| Quality inspection department            | Planning and promotion of company-wide quality assurance strategy and quality assurance system; promotion and monitoring of product inspection and intelligence system; promotion of quality awareness and improvement activities. In addition, also manage the quality of automobile parts and components produced by suppliers to reduce the risk of assembled vehicles.  |

- (II) The impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss from 2023 up to the publication date of the annual report, and future countermeasures.
- The impact of changes in interest rates on the Company's profit or loss and countermeasures.  
The Company manages and maintains a sufficient portion of cash and cash equivalents to support the Group's operations by monitoring the availability and utilization of bank facilities and ensuring compliance with the terms of borrowing contracts. The interest rate risk arising is managed by maintaining an appropriate mix of fixed and floating interest rates and by using interest rate swap contracts and forward interest rate contracts. The impact of changes in interest rates on profit or loss is limited, as the current cash position is still considered sufficient. Based on the analysis of the consolidated financial statements for 2023, if interest rates increase by 1%, with all other variables held constant, the Company's net profits before tax for 2023 will decrease by \$457,913 thousand.
  - The impact of changes in exchange rates on the Company's profit or loss and countermeasures.  
The Company's material costs are affected by the double cross-exchange rates of USD, RMB, JPY and NTD. The impact on profit or loss is not fixed, but depends on a combination of (1) the correctness of foreign currency hedging operations (2) the level of imports (3) the size of inventory (4) the appreciation or depreciation of NTD (5) other factors. The Company has established a foreign exchange hedging operation group to be responsible for foreign exchange hedging operations in order to reduce the risk of exchange rate changes. We have an exchange rate risk sharing measure with Nissan Motor Co., Ltd., a major material supplier, to ensure stable and reasonable material supply prices. In addition, in order to reduce foreign exchange requirements and material prices, we also set annual targets for domestic procurement of parts. Based on the analysis of the consolidated financial statements for 2023, if the exchange rate of NTD had appreciated by 1%, with all other variables held constant, the Company's net profits before tax would have increased by \$4,146 thousand for 2023.
  - The impact of inflation on the Company's profit or loss and countermeasures.  
According to the data released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the average total consumer price index for 2023 was 105.52, up 2.50% from the average of 102.95 for 2022. The total consumer price index increased to 107.26 in February 2024 from 106.59 in December 2023, an increase of 0.63%, and the average of 106.93 in January-February increased by 2.43% compared to 104.39 in the same period of 2023. Inflation showed a slight increase in 2024, which is still within an acceptable range. Therefore, the impact of inflation on the Company is not expected to be material.
- (III) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions from 2023 up to the publication date of the annual report, main reasons for gain or loss, and future countermeasures:
- Engagement in high-risk and high-leverage investments  
The Company has never engaged in high-risk and high-leverage investments
  - Engagement in lending funds to others, and endorsement and guarantee  
These were handled in accordance with the "Operating Procedures for Lending Funds to Others" and "Management Measures for Endorsements and Guarantees." The relevant rules are disclosed on the Company's official website.
  - Engagement in derivative transactions  
These were handled in accordance with the "Operating Procedures for Lending Funds to Others" and "Procedures for Derivative Transactions." The relevant rules are disclosed on the Company's official website.
- (IV) Future R&D plans and estimated expenses:  
The Company is committed to transforming and upgrading from manufacturing to manufacturing service industry, and will move towards multi-brand OEM operation, expecting to create new profit model with new business model and service model to provide more value to consumers while creating greater benefits for the enterprise. For the future R&D plans and estimated expenses, please see the description in Paragraph 3, Section 1, Chapter 5 of "Technology and R&D Overview."
- (V) The impact of important domestic and foreign policy and legal changes on the Company's finance and business from 2023 up to the publication date of the annual report and countermeasures  
The Company has been paying close attention to the laws and policies affecting its business and operations. Currently, there are no significant domestic or foreign policy and legal changes that have a material impact on the Company's finance or business.
- (VI) The technological changes (including information security risks) as well as the impact of industrial changes on the corporate financing and corresponding measure in 2023 and as of the report date:  
The Company's intellectual property management policies are: (1) Prevent and reduce intellectual property risks and enhance intellectual property protection awareness; (2) Actively cooperate with emerging businesses to improve technology layout and intellectual property protection. Therefore, the goals of the Company's

intellectual property management plan are based on the Group's open platform and diversified product (customer) development strategy, including raising employees' awareness of intellectual property protection, strengthening technology R&D energy, and will re-inventory and review the intellectual property accumulated by the Group. Based on the results of business development in the future, the Company will conduct technical grouping and so on. In the process of this transformation, the intellectual property protection and management mechanism applicable to diversified customers have been simultaneously reinforced, and enhanced through which are employees' awareness of intellectual property protection and risk prevention, as one of the key optimization tasks to achieve year by year.

The intellectual property management measures and operating standards have gradually been established since 2012, and the intellectual property-related matters have been reported to the board of directors at least once a year since 2018. The 2023 intellectual property related agenda included: (1) 172 registered trademarks, 7 registered patent and 1 patent pending application as of the report dated April 1, 2024; (2) 3 sessions of intellectual property seminars in 2023 to strengthen employees' awareness of respecting the intellectual property rights of others.

For the information security risk structure, please see the section "Information Security Management" in Chapter 5.

- (VII) The impact of change in corporate image on corporate crisis management from 2023 up to the publication date of the annual report and countermeasures

In order to strengthen corporate governance, the Company has appointed independent directors, set up an audit committee, a remuneration committee and Sustainable Development Committee that meet regularly. In addition, the Company also complies with the requirements of the competent authorities by making immediate announcements and disclosing significant information, and continues to pay attention to sustainable development and social responsibility issues to build a good corporate image. In order to effectively control the quality of communication with the media and to prevent the corporate image from being affected by improper crisis management, the Company has implemented a spokesperson mechanism. We also have a dedicated unit to response to valuable advice from stakeholders in order to effectively protect the reputation and image of the Company.

In response to the 2022 Greenhouse Gas Reduction and Management Act amended to the Climate Change Response Act, the National Development Commission issued the 2050 net-zero emission target to control the temperature rise of 1.5°C. The Company integrates professional views, and selects high-concern climate risks through regular surveys and reviews, and sets a linear reduction of 4.2% per year in greenhouse gas reduction with reference to the SBTi science-based carbon reduction target calculation methodology.

To meet the 2050 net-zero emission milestone, we promote energy conservation and emission reduction (including: process improvement and introduction of digital energy-saving management system, improvement of equipment efficiency and introduction of digital electronic billboards, electrification of official vehicles, waste reduction and recycling, etc.), increase the use of renewable energy, transform and upgrade intelligent electric vehicle manufacturing, forest carbon sink and other strategic axes and issues, and facilitate the achievement of the 2050 net zero emission pathway goal by reviewing the progress and countermeasures of greenhouse gas emission reduction at regular ESG meetings.

- (VIII) Expected benefits, possible risks and corresponding measures on mergers and acquisitions in 2023 and as of the report date: None.

- (IX) Expected benefits, possible risks and corresponding measures of the plant expansion in 2023 and as of the report date:

The current equipment capacity is still sufficient to supply the market demand, but the benefits and risks will be evaluated if there is a need for future capacity expansion.

- (X) Risks and corresponding measures related to concentrated purchases or sales in 2023 and as of the report date:

The Company's purchased are mainly made from Nissan Japan and domestic and foreign collaborative suppliers. Due to their long-term cooperation and long-term supply contracts, therefore, the Company's supply of raw materials is normal and stable, and there is no risk of concentration of purchases.

In addition to the Nissan brand, the Company's sales of its private brand, Luxgen, have been stabilizing. The Company continues to leverage its expertise and strengths in production and manufacturing to serve as an OEM service provider in the domestic market, selling to various brand companies in accordance with contractual requirements. For the overseas market, we go on to expand the international OEM business, and believe that we will continue to increase revenue.

- (XI) From 2023 up to the publication date of the annual report, impact, risks and corresponding measures related to large-scale equity transfers or replacement by directors, supervisors or major shareholders with more than 10% of total shares issues: None.

- (XII) Impact and risks from change of operating rights, and corresponding measures: None.

(XIII) For litigious and non-litigious matters from 2023 up to the publication date of the annual report, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the president, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report:

No such matter.

(XIV) Other major risks and corresponding measures: None.

## VII. Other important matters:

The Company's personnel involved in the transparency of financial information obtain the relevant licenses specified by the competent authorities:

| Type of license  | Department                               | No. of People |
|--|--|---------------|
| Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2006 for CPAs.<br>(License No. (2006) Zhuan-Gao-Kuai-Zi No. 000850) | Finance and Business planning department | 1             |
| Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2013 for CPAs.<br>(License No. (2013) Zhuan-Gao-Kuai-Zi No. 000328) | Business development department          | 1             |
| Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2019 for CPAs.<br>(License No. (2019) Zhuan-Gao-Kuai-Zi No. 000227) | Internal Audit office                    | 1             |



# VIII. Special Notes

## I. Information on Affiliates

### (I) Consolidated business report of affiliates

#### 1. Organizational Chart of Affiliates

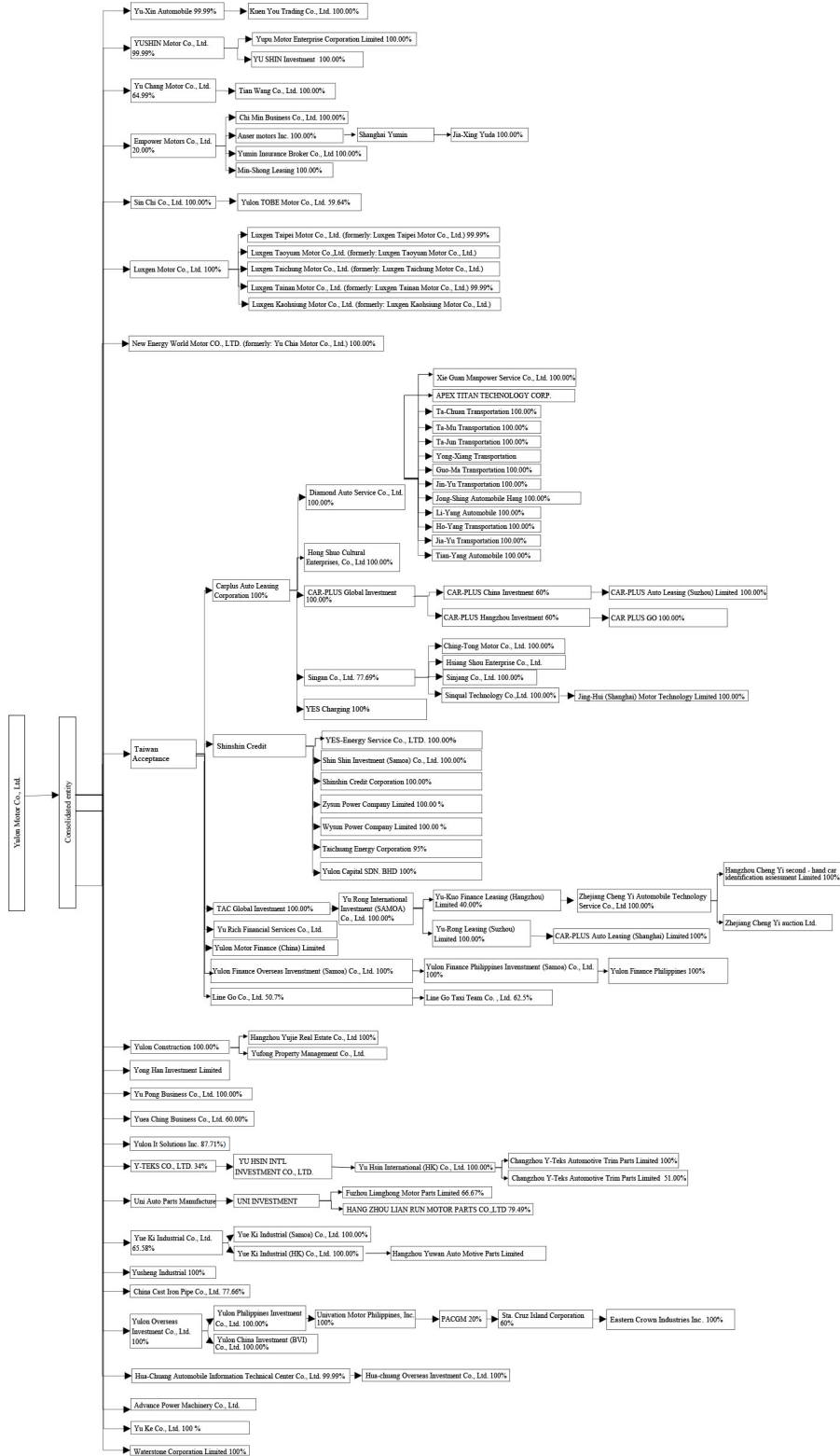
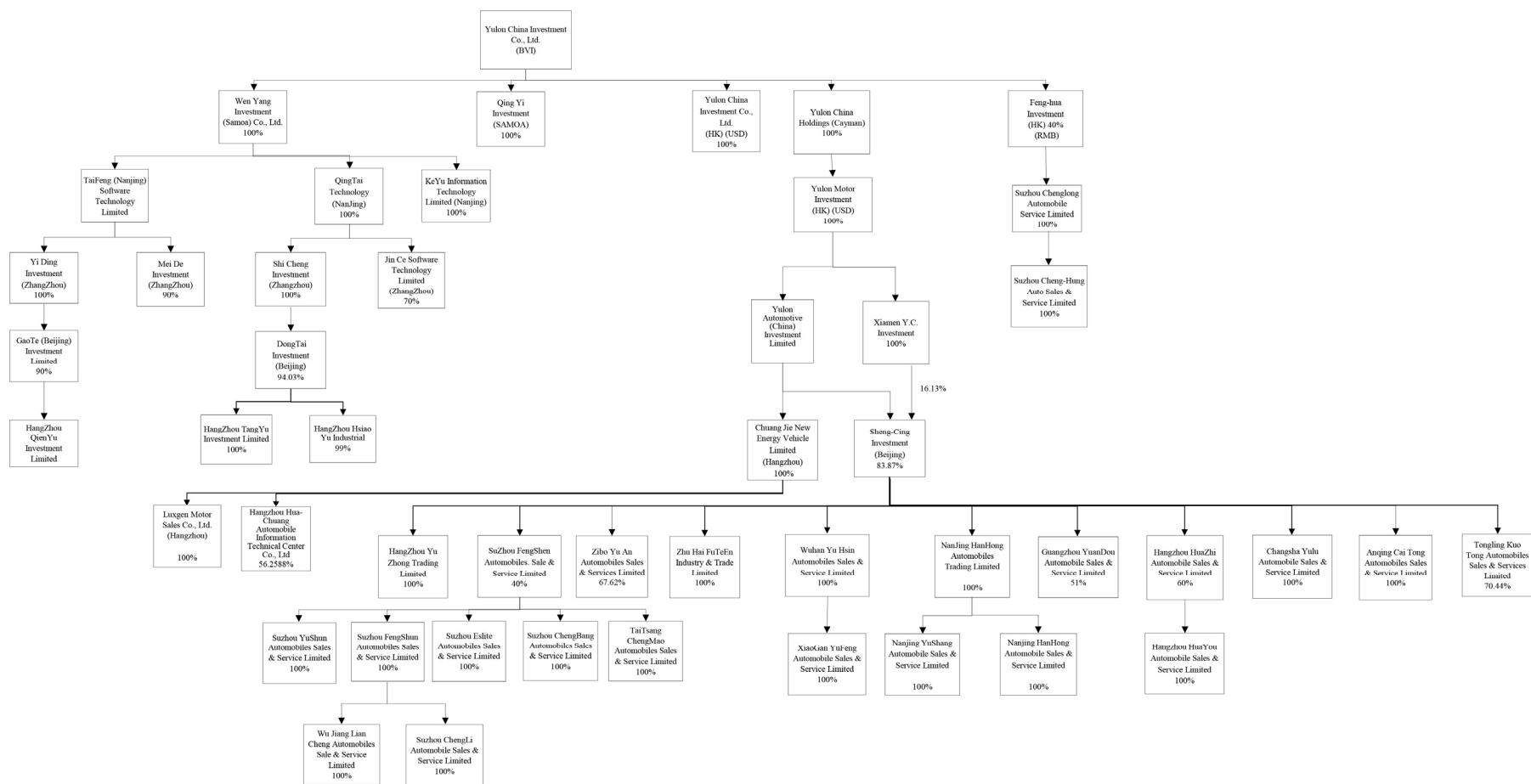


Figure 1:



2. Basic information on affiliates

As of 2023.12.31

| Investing Company                                      | Item No. | Enterprise Name  | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|--|----------|--|--------------------|--|--|---|
| YULON MOTOR CO., LTD                                   | 1        | Taiwan Acceptance Corporation                            | 1990.04.12         | 15F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City   | 6,482,250                              | Sales of various types of automobiles and related products, etc.  |
| Taiwan Acceptance Corporation                          | 2        | Shinshin Credit Corporation                              | 1987.11.19         | 14F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City   | 5,578,000                              | Installment payment for all types of cars and trucks  |
|  | 3        | Carplus Auto Leasing Corporation                         | 1978.11.13         | 11F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City   | 1,479,653                              | Leasing of passenger cars and small trucks, and wholesale and retail sales of automobiles, etc.                       |
|  | 4        | Yu Rich Financial Services Co., Ltd.                     | 2003.12.30         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 4,306,082                              | Consumer goods installment business, auto parts wholesale and retail, etc.  |
|  | 5        | Yulon Motor Finance (China) Limited                      | 2016.02.19         | Room 1301-1305, Oriental Century Center, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou | RMB 1,000,000 thousand                 | Car purchase and car dealership purchase loan business  |
| Shinshin Credit Corporation                            | 6        | Shin Shin Investment (Samoa) Co., Ltd.                   | 2015.08.24         | Portcullis Trustnet Chambers, P.o. Box 1225, Apia, Samoa   | USD 12,000 thousand                    | Holding company   |
|  | 7        | YES-Energy Service Co., LTD.                             | 2010.06.15         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 290,000                                | Wholesale and retail of batteries and wholesale and retail of motorcycle parts and accessories                        |
| Taiwan Acceptance Corporation                          | 8        | Yulon Finance Overseas Investment (Samoa) Co., Ltd.      | 2018.01.31         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa   | USD 15,000 thousand                    | Holding company   |
| Yulon Finance Overseas Investment (Samoa) Co., Ltd.    | 9        | Yulon Finance Philippines Investment (Samoa) Co., Ltd.   | 2018.02.01         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa   | USD 15,000 thousand                    | Holding company   |
| Yulon Finance Philippines Investment (Samoa) Co., Ltd. | 10       | Yulon Finance Philippines Co., Ltd                       | 2018.04.26         | 17 floor, Curve, 32nd Street corner 3rd Ave ,BGC ,Taguig City  | PHP 750,000 thousand                   | Financing and leasing of all kinds of automobile and commercial vehicles and loans to automobile dealers for purchase |
| Taiwan Acceptance Corporation                          | 11       | TAC Global Investment (Samoa)Co., Ltd                    | 2006.11.01         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa   | USD 108,833 thousand                   | Holding company   |
| TAC Global Investment (Samoa) Co., Ltd                 | 12       | Yu Rong International Investment (SAMOA) Co., Ltd.       | 2010.04.01         | Portcullis TrustNet Chambers P.O. Box 1225 Apia, Samoa   | USD 87,496 thousand                    | Holding company   |
| Yu Rong International Investment (SAMOA) Co., Ltd.     | 13       | Jiangsu Yu-Rong Leasing Co., Ltd.                        | 2010.06.30         | Room 1118, Building 23, Times Square, Suzhou Industrial Park   | RMB 500,000 thousand                   | Equipment and vehicle finance lease business  |
|  | 14       | Yu-Kuo Finance Leasing (Hangzhou) Limited                | 2014.03.06         | Room 124, Science and Technology Cultural Center, Linjiang High-tech Industrial Park, Xiaoshan District, Hangzhou          | USD 30,000 thousand                    | Vehicle finance lease   |
| Jiangsu Yu-Rong Leasing Co., Ltd.                      | 15       | CAR-PLUS Auto Leasing (Shanghai) Limited                 | 2009.07.09         | Block A, 3rd Floor, Building 1, No. 5179, Longdong Avenue, Pudong New Area, Shanghai                                       | RMB 170,000 thousand                   | Vehicle leasing business and related ancillary services   |
| Yu-Kuo Finance Leasing (Hangzhou) Limited              | 16       | Zhejiang Cheng Yi Automobile Technology Service Co., Ltd | 2014.01.31         | Room 203-3, Bonded Building, West of Bonded Road, Hangzhou Airport Economic Zone, Xiaoshan District, Hangzhou, Hangzhou    | RMB 20,000 thousand                    | Sales and brokerage services of used vehicles   |

| Investing Company  | Item No. | Enterprise Name   | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|--|----------|---|--------------------|---|--|---|
| Zhejiang Cheng Yi Automobile Technology Service Co., Ltd | 17       | Hangzhou Cheng Yi second - hand car identification assessment Limited | 2014.10.22         | Room 1805, Oriental Century Center, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou City                    | RMB 1,500 thousand                     | Used Vehicle Identification Service   |
|  | 18       | Zhejiang Cheng Yi auction Ltd.  | 2016.11.16         | 418Y, 99 Shixin North Road, Xiaoshan Economic and Technological Development Zone  | RMB 2,000 thousand                     | Sales and brokerage services of used vehicles   |
| Carplus Auto Leasing Corporation                         | 19       | Diamond Auto Service Co., Ltd.  | 1988.11.10         | 15F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City  | 113,058                                | Small passenger car rental, automobile wholesale and retail business, etc.            |
|  | 20       | Hong Shuo Cultural Enterprises Co., Ltd.                              | 1999.02.01         | 15F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City  | 40,500                                 | Magazine Book Publishing  |
|  | 21       | Singan Co., Ltd.  | 1999.12.15         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City   | 286,700                                | Wholesale of automobile and motorcycle parts, wholesale of information software, etc. |
|  | 22       | YES CHARGING SERVICE CO., LTD.  | 2012.05.10         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City   | 72,000                                 | Electrical appliance wholesale and battery wholesale and retail, etc.                 |
|  | 23       | CAR-PLUS Global Investment(Samoa)Co., Ltd                             | 2006.11.02         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa  | USD 31,200 thousand                    | Holding company   |
| CAR-PLUS Global Investment (Samoa) Co., Ltd              | 24       | CAR-PLUS China Investment(Samoa) Co., Ltd                             | 2006.11.02         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa  | USD 10,000 thousand                    | Holding company   |
|  | 25       | CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd                         | 2018.08.23         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa  | USD 32,000 thousand                    | Holding company   |
| CAR-PLUS China Investment (Samoa) Co., Ltd               | 26       | CAR-PLUS Auto Leasing (Suzhou) Limited                                | 2007.01.29         | No. 8 Dongfu Road, Suzhou Industrial Park   | RMB 170,000 thousand                   | Vehicle leasing business and related ancillary services                               |
| CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd            | 27       | CAR-PLUS GO Co., Ltd.   | 2018.11.13         | Room 2402, Oriental Century Center, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou City, Zhejiang Province | USD 32,000 thousand                    | Internet booking taxi passenger transportation  |
| Diamond Auto Service Co., Ltd.                           | 28       | Xie Guan Manpower Service Co., Ltd.                                   | 2001.11.09         | 15F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City  | 10,000                                 | Corporate Management Consulting Business  |
|  | 29       | Ta Teng Transportation Co., Ltd.                                      | 1973.06.29         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 6,000                                  | Taxicab Transportation Business   |
|  | 30       | Dachuan Transportation Co., Ltd.                                      | 1978.06.19         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 3,000                                  | Taxicab Transportation Business   |
|  | 31       | Damu Transportation Co., Ltd.   | 1976.07.01         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 6,000                                  | Taxicab Transportation Business   |
|  | 32       | Dajun Transportation Co., Ltd.  | 1979.05.24         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 3,000                                  | Taxicab Transportation Business   |
|  | 33       | Yongxiang Transportation Co., Ltd.                                    | 1977.10.28         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 3,000                                  | Taxicab Transportation Business   |
|  | 34       | Guoma Transportation Co., Ltd.  | 1978.11.16         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 4,000                                  | Taxicab Transportation Business   |
|  | 35       | Jinyu Transportation Enterprise Co., Ltd                              | 1977.06.02         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 3,000                                  | Taxicab Transportation Business   |
|  | 36       | Zhongxing Automobile Co., Ltd.  | 1968.02.17         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 3,500                                  | Taxicab Transportation Business   |
|  | 37       | Liyang Automobile Co., Ltd.   | 1977.12.08         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 9,000                                  | Taxicab Transportation Business   |
|  | 38       | Heyang Transportation Co., Ltd.                                       | 1974.12.10         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City   | 6,000                                  | Taxicab Transportation Business   |

| Investing Company            | Item No. | Enterprise Name                              | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|------------------------------|----------|--|--------------------|--|--|--|
|                              | 39       | Jiayu Transportation Enterprise Co., Ltd     | 1977.09.13         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City  | 3,000                                  | Taxicab Transportation Business  |
|                              | 40       | Tianyang Transportation Co., Ltd.            | 1978.05.27         | 1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City  | 6,000                                  | Taxicab Transportation Business  |
| Singan Co., Ltd.             | 41       | Sinqual Technology Co., Ltd.                 | 1999.12.17         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 130,000                                | Wholesale of automobile and motorcycle parts, wholesale of machine, etc.   |
|                              | 42       | Hsiang Shou Enterprise Co., Ltd.             | 1999.02.02         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 100,000                                | Car and Motorcycle parts retail and wholesale and car towing   |
|                              | 43       | Qinton Motor Co., Ltd.                       | 2005.05.24         | No. 315, Zhongzheng S. Rd., Yongkang Dist., Tainan City  | 67,459                                 | Sale and purchase of automobiles and parts, repair and maintenance of automobiles and vehicle leasing  |
|                              | 44       | Sinjang Co., Ltd                             | 2000.08.09         | No. 136, Sanmin Rd., Linkou Dist., New Taipei City   | 128,240                                | Sales and brokerage services of used vehicles  |
| Sinqual Technology Co., Ltd. | 45       | Jing-Hui (Shanghai) Motor Technology Limited | 2008.03.03         | Room 3254, 3rd Floor, No. 17, Lane 658, Jinzhong Road, Changning District, Shanghai  | USD 1,675 thousand                     | Import, export, wholesale, commission agency (except auction) and other related services for auto parts and auto repair equipment  |
| YULON MOTOR CO., LTD         | 46       | Yu Ching Business Co., Ltd.                  | 1992.04.20         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 711,000                                | Import and export of automobiles, materials and parts, etc.  |
|                              | 47       | Yulon Construction Co., Ltd.                 | 1977.01.28         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 1,440,780                              | Commissioned construction of residential buildings for sale and introduction of related housing for rent and sale, etc.  |
| Yulon Construction Co., Ltd. | 48       | Hangzhou Yujie Real Estate Co., Ltd          | 2016.09.22         | F/21, Building 1, Hangzhou Yulon Building, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 500,000 thousand                   | The development, construction and operation and management of the Xiaozheng Storage (2016) No. 14 land parcel (except for those involving the implementation of special management measures for access as stipulated by the country) |
|                              | 49       | Yufong Property Management Co., Ltd.         | 2017.11.27         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 25,000                                 | Condominium Buildings Management Service   |
| YULON MOTOR CO., LTD         | 50       | Sin Chi Co., Ltd.                            | 2001.12.25         | 7F., No. 150, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City   | 805,000                                | Advertising services and business management consulting, etc.  |
| Sin Chi Co., Ltd.            | 51       | Yulon TOBE Motor Co., Ltd.                   | 2009.09.25         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 368,959                                | Manufacture of automobiles and parts, and wholesale mold manufacturing, etc.   |
| YULON MOTOR CO., LTD         | 52       | Yung Hang Investment Co., Ltd.               | 1994.09.12         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 326,220                                | Investment in various production and service businesses.   |
|                              | 53       | Yu Pong Business Co., Ltd.                   | 1992.04.13         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City  | 134,704                                | Management and related business of Yulon professional basketball team  |
|                              | 54       | Yulon It Solutions Inc.                      | 2000.09.01         | 4F.-1, No. 30, Taiyuan St., Zhubei City, Hsinchu County  | 190,000                                | Information Software Services  |
|                              | 55       | China Cast Iron Pipe Co., Ltd.               | 1954.03.17         | 10F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City   | 32,000                                 | Casting and operation of various sizes of cast iron pipes and parts, etc.  |
|                              | 56       | Yue Sheng Industrial Co., Ltd.               | 1969.04.29         | No. 40-5, Bogongkeng, Sanyi Township, Miaoli County  | 288,000                                | Manufacture of automobiles and parts, etc.   |

| Investing Company                      | Item No. | Enterprise Name                          | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|--|----------|--|--------------------|--|--|--|
|  | 57       | Advance Power Machinery Co., Ltd.        | 2008.06.03         | No. 39-1, Bogongkeng, Sanyi Township, Miaoli County  | 205,000                                | Manufacture and sale of automobile and motorcycle parts, etc.  |
|  | 58       | Yueki Industrial Co., Ltd.               | 1978.09.26         | No. 23, Wenhua Rd., Hukou Township, Hsinchu County   | 194,670                                | Manufacture, processing, assembly and sales of automobile and motorcycle parts, etc.   |
| Yueki Industrial Co., Ltd.             | 59       | Yue Ki Industrial (Samoa) Co., Ltd.      | 2002.01.03         | TrustNet Chambers, Lotemau Centre, P. O. BOX 1225, Apia, Samoa.  | USD 4,126 thousand                     | Holding company  |
|  | 60       | Hong Kong Yueki Holdings Co., Ltd.       | 2008.07.28         | Flat B, 6/F., Teda Building, 87 Wing Lok Street, Sheung Wan, Hong Kong   | USD 10,600 thousand                    | Holding company  |
| Hong Kong Yueki Holdings Co., Ltd.     | 61       | Hangzhou Yuwan Auto Motive Parts Limited | 2010.02.02         | Linlong Branch Road, Linjiang Industrial Park, Xiaoshan District, Hangzhou                                     | USD 16,160 thousand                    | Automobile parts design, development, manufacturing, sales, installation and after-sales service, etc.                                 |
| YULON MOTOR CO., LTD                   | 62       | Esinn Co., Ltd                           | 2002.04.09         | No. 40-1, Siyuan Rd., Xinzhuang Dist., New Taipei City   | 180,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 63       | Yushin Motor Co., Ltd.                   | 1994.09.27         | No. 2, 9th Neighborhood, Sec. 1, Jingguo Rd., East Dist., Hsinchu City   | 200,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 64       | Yu Chang Motor Co., Ltd.                 | 1990.05.16         | No. 399, Dazhong 1st Rd., Zuoying Dist., Kaohsiung City  | 215,385                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
| Yushin Motor Co., Ltd.                 | 65       | Yupu Enterprise Co., Ltd.                | 2000.05.16         | No. 668, Guohua Rd., Neighborhood 3, Wensheng Vil., Miaoli City, Miaoli County                                 | 50,000                                 | Information software service industry, electronic information supply service and automobile and motorcycle spare parts retail industry |
|  | 66       | YU SHIN Investment Ltd.                  | 2011.03.23         | Portcullis TrustNet Chambers, P.O.Box 1225, Apia, Samoa  | RMB 37,480 thousand                    | Holding company  |
| Esinn Co., Ltd                         | 67       | KUEN YOU TRADING CO., LTD.               | 2018.04.27         | No. 154-5, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City  | 15,000                                 | Wholesale and retail of automobiles and motorcycles and parts, tires   |
| Yu Chang Motor Co., Ltd.               | 68       | Tian Wang Co., Ltd.                      | 2000.05.15         | No. 399, Dazhong 1st Rd., Zuoying Dist., Kaohsiung City  | 17,000                                 | Automobile wholesale and retail trade, automobile and motorcycle parts wholesale   |
| YULON MOTOR CO., LTD                   | 69       | Yulon Overseas Investment Co., Ltd.      | 2003.07.04         | TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands                                   | USD 1,072,085 thousand                 | Investment   |
| Yulon Overseas Investment Co., Ltd.    | 70       | Yulon China Investment Co., Ltd.         | 2003.07.08         | TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands                                   | USD 1,047,659 thousand                 | Investment   |
|  | 71       | Yulon Philippines Investment Co., Ltd.   | 1999.11.17         | 2/F., Cayside, Harbour Drive P.O. Box 30592 S.M.B George Town Grand Cayman, Cayman Islands British West Indies | USD 35,741 thousand                    | Investment   |
| Yulon Philippines Investment Co., Ltd. | 72       | UNIVATION MOTOR PHILIPPINES, INC.        | 1982.04.28         | Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines                                   | PHP 1,091,383 thousand                 | Automobile Manufacturing   |
| UNIVATION MOTOR PHILIPPINES, INC.      | 73       | STA. CRUZ ISLAND CORPORATION             | 1991.09.23         | Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines                                   | PHP 533,799 thousand                   | Housing Leasing  |

| Investing Company                         | Item No. | Enterprise Name                                | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|---|----------|--|--------------------|---|--|--|
| Yulon China Investment Co., Ltd.          | 74       | Wen Yang Investment Co., Ltd.                  | 2005.09.01         | Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA   | USD 29,650 thousand                    | Investment   |
|   | 75       | Qing Yi Investment Co., Ltd.                   | 2005.09.01         | Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA   | USD 14,024 thousand                    | Investment   |
|   | 76       | Yulon China Investment Co., Ltd.               | 2008.02.13         | 15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong   | USD 269,984 thousand                   | Investment   |
|   | 77       | Yulon China Holdings Co. Ltd.                  | 2012.01.06         | The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box32052, Grand Cayman KY1-1208, Cayman Islands | USD 703,795 thousand                   | Investment   |
|   | 78       | Feng-hua Investment (HK) Co., Ltd.             | 2011.03.22         | UNIT 706 HALESON BLDG1 JUBILEE ST, HK.  | USD 7,000 thousand                     | Holding company  |
| Feng-hua Investment (HK) Co., Ltd.        | 79       | Suzhou Chenglong Auto Sales & Service Co.      | 2011.06.17         | No. 2959, Sun Road, Yuanhe Street, Xiangcheng District, Suzhou City   | USD 7,000 thousand                     | Type I of automotive repair (passenger cars). Sales of automobiles and parts, supporting services for the sale of automobiles; used car dealership; technical consultation, technical services and related consulting services for automobiles; business information consulting services, economic information consulting services; wholesale and retail of lubricating oil; wholesale and import/export of automobile parts and accessories, retail of automobile decorations, automobile cleaning and maintenance supplies, automobile safety supplies, automobile tools and electrical appliances |
| Suzhou Chenglong Auto Sales & Service Co. | 80       | Suzhou Cheng-Hung Auto Sales & Service Limited | 2014.05.22         | No. 149, Luzhi Avenue, Luzhi Town, Wuzhong District, Suzhou City  | RMB 10,000 thousand                    | Sales: automobiles and accessories, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, lubricants, non-hazardous chemicals; used car dealership; car licensing procedures; car rental; motor vehicle repair and technical consulting services, business information consulting services; economic information consulting services; automotive information consulting services; self-supporting and acting as a dealer for the import and export of various goods and technologies                         |

| Investing Company                             | Item No. | Enterprise Name   | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|---|----------|---|--------------------|--|--|---|
| Wen Yang Investment (Samoa) Co., Ltd.         | 81       | KeYu (Nanjing) Information Technology Limited           | 2005.11.10         | Room 413-39, Commercial Office Building, Nanjing High-tech Development Zone            | RMB 180,031 thousand                   | Research and development, production of software and related products, sales of self-produced products; computer hardware, automotive electronics and its in-vehicle navigation system product development, technology transfer and related services  |
|   | 82       | TaiFeng (Nanjing) Software Technology Limited           | 2005.11.10         | Room 413-38, Commercial Office Building, Nanjing High-tech Development Zone            | USD 14,850 thousand                    | Research and development, production of software and related products; sales of self-produced products; wholesale, retail and distribution of auto parts and software products; commission agency; import and export of self-owned and non-owned products   |
|   | 83       | QingTai (NanJing) Technology Limited                    | 2005.09.28         | Room 413-37, Commercial Office Building, Nanjing High-tech Development Zone            | USD 15,350 thousand                    | Research and development, production of software and related products; Research and development, technology transfer and related services for computer hardware, automotive electronic products and their in-vehicle navigation system products. sales of self-produced products; wholesale, retail and distribution of auto parts and software products; commission agency; import and export of self-owned and non-owned products |
| TaiFeng (Nanjing) Software Technology Limited | 84       | Zhangzhou Development Zone Yi Ding Investment Co., Ltd. | 2005.12.09         | Room 604-4, Building 6, Shanhuayuan, No. 8 Xiangjiang Road, Zhangzhou Development Zone | RMB 55,200 thousand                    | Investment management and investment consulting for the automotive industry and related industries; consulting services for the introduction of advanced international technologies, products and equipment; computer software and hardware development and technical services and consulting   |
|   | 85       | Zhangzhou Development Zone Mei De Investment Co., Ltd.  | 2005.12.09         | Room 604-2, Building 6, Shanhuayuan, No. 8 Xiangjiang Road, Zhangzhou Development Zone | RMB 79,500 thousand                    | Investment management and investment consulting for the automotive industry and related industries; consulting services for the introduction of advanced international technologies, products and equipment; computer software and hardware development and technical services and consulting   |



| Investing Company                                       | Item No. | Enterprise Name  | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|---|----------|--|--------------------|---|--|---|
| QingTai (NanJing) Technology Limited                    | 86       | Zhangzhou Development Shi Cheng Investment Co., Ltd.   | 2005.12.09         | Room 604-3, Building 6, Shanhuayuan, No. 8 Xiangjiang Road, Zhangzhou Development Zone  | RMB 71,830 thousand                    | Investment management and investment consulting for the automotive industry and related industries; consulting services for the introduction of advanced international technologies, products and equipment; computer software and hardware development and technical services and consulting |
|   | 87       | Zhangzhou Development Zone Jin Ce Investment Co., Ltd. | 2005.12.09         | Room 604-1, Building 6, Shanhuayuan, No. 8 Xiangjiang Road, Zhangzhou Development Zone  | RMB 19,670 thousand                    | Investment management and investment consulting for the automotive industry and related industries; consulting services for the introduction of advanced international technologies, products and equipment; computer software and hardware development and technical services and consulting |
| Zhangzhou Development Zone Yi Ding Investment Co., Ltd. | 88       | GaoTe (Beijing) Investment Limited                     | 2005.12.23         | Room 1602, 16th Floor, Building 3, No. 17, Zhongguancun South Street, Haidian District, Beijing   | RMB 58,000 thousand                    | Project investment, investment management, investment consulting, business management, market research, marketing planning, public relations planning; technical consulting, technical services   |
| GaoTe (Beijing) Investment Limited                      | 89       | HangZhou QienYu Investment Limited                     | 2007.09.13         | Room 507, No. 428 Wensan West Road, Xihu District, Hangzhou   | RMB 10,000 thousand                    | Investment management, investment consulting (except securities and futures), market research; corporate marketing planning; public relations planning  |
| Zhangzhou Development Shi Cheng Investment Co., Ltd.    | 90       | DongTai (Beijing) Investment Limited                   | 2005.12.23         | Room 1603, 16th Floor, Building 3, No. 17, Zhongguancun South Street, Haidian District, Beijing   | RMB 73,200 thousand                    | Investment management, investment consulting (except brokerage); business management, market research; marketing planning, public relations planning  |
| DongTai (Beijing) Investment Limited                    | 91       | HangZhou TangYu Investment Limited                     | 2007.09.13         | Room 508, No. 428 Wensan West Road, Xihu District, Hangzhou   | RMB 10,000 thousand                    | Investment management, investment consulting (except securities and futures), business management consulting, market research; corporate marketing planning; public relations planning  |
| DongTai (Beijing) Investment Limited                    | 92       | Hangzhou Xiaoyu Technology Co., Ltd.                   | 2007.10.22         | Room 1014, Building 2, Hangzhou Yulon Building, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 10,000 thousand                    | Business investment and all other legal projects that do not require approval   |
| Yulon China Holdings Co. Ltd.                           | 93       | Yulon Motor Investment (HK) Co., Ltd.                  | 2012.01.30         | 15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong   | USD 703,795 thousand                   | Investment  |

| Investing Company                           | Item No. | Enterprise Name                             | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|---|----------|---|--------------------|---|--|---|
| Yulon Motor Investment (HK) Co., Ltd.       | 94       | Yulon Automotive (China) Investment Limited | 2012.09.26         | Room 123, Science and Technology Cultural Center, Linjiang Industrial Park, Xiaoshan District, Hangzhou | USD 274,940 thousand                   | Purchase of machinery and equipment, office equipment, raw materials and components for production, and provision of after-sales services; technical support, staff training, and internal personnel management services; research and development of new products and high technology; and provision of consultation services on market information and investment policies related to its investments   |
|   | 95       | Xiamen Y.C. Invest. Consulting Limited      | 1995.12.29         | Room 8-21-201, Dongpu Road, Siming District, Xiamen   | USD 1,860 thousand                     | Investment advisory services in the automotive, electronics, textile and related industries and consulting services for the introduction of advanced international technologies, products and equipment   |
| Yulon Automotive (China) Investment Limited | 96       | Chuang Jie New Energy Vehicle (HZ) Limited  | 2018.09.10         | No. 2688, New Century Avenue, Linjiang High-tech Industrial Park, Hangzhou, Zhejiang Province           | RMB 790,000 thousand                   | Research and development, manufacturing and sales of automobile engines, parts and components and automobile electronic devices; sales of complete automobiles. Vehicle design and development, technology transfer, technical consultation and technical services; system, parts and components research and development, manufacturing, sales, technology transfer, technical consultation and technical services; agent for the import and export of new energy goods and technologies. Vehicle charging module sales; new materials technology promotion services; charging pile facilities installation; vehicle energy-saving technology promotion services.<br>Internet of things technology research and development; vehicle engineering technology research and development; agent for the import and export of machinery and equipment (except for those involving the implementation of special management measures for state access) |
|   | 97       | Sheng Qing (Beijing) Investment Limited     | 2005.12.23         | No. 100, Fangshan Science and Technology Industrial Park, Fangshan District, Beijing                    | RMB 1,239,671 thousand                 | Investment consulting (except brokerage); business management; marketing planning, public   |

| Investing Company                                   | Item No. | Enterprise Name                                      | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|---|----------|--|--------------------|---|--|--|
|   |          |  |                    |   |  | relations planning; technical consulting (except brokerage), technical services; technology import and export  |
| Chuang Jie New Energy Vehicle (HZ) Limited          | 98       | Luxgen (Hangzhou) Motor Sales Co., Ltd               | 2017.08.15         | Room B1-3-007, No. 198, Qidi Road, Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province | USD 434,550 thousand                   | R&D, design and sales of passenger cars, their chassis, engines and parts, commercial vehicles, sales, import and export of auto parts and auto supplies   |
|   | 99       | Hangzhou Hua-chuang Automobile Informati             | 2012.11.28         | No.407, Building No.2, Nong Erchang, Linjiang Industrial Park, Xiaoshan District, Hangzhou City, Zhejiang Province        | USD 29,894 thousand                    | Automobile parts and components research and development; automotive parts and components retail; technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; domestic freight forwarding agent; international freight forwarding agent   |
| Sheng Qing (Beijing) Investment Limited             | 100      | SuZhou FengShen Automobiles. Sale & Service Limited  | 2000.10.23         | 1268 Donghuan South Road, Guoxiang, Wuzhong District, Suzhou City   | RMB 48,000 thousand                    | Sales: Dongfeng Nissan brand cars, imported Nissan brand cars, cars and accessories, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, non-hazardous chemical products; lubricants; used car dealership; car licensing services; car rental; type I vehicle maintenance (small passenger cars); motor vehicle insurance part-time agent; car information consulting services; business information consulting services. Economic information consulting services (Projects statutorily subject to approval can be executed only after being approved by competent authorities) |
| SuZhou FengShen Automobiles. Sale & Service Limited | 101      | Suzhou ChengBang Automobiles Sales & Service Limited | 2013.11.21         | No. 399, Xingjia Road, East of Pangbei Road, Jiangling Street, Wujiang District, Suzhou City                              | RMB 10,000 thousand                    | Dongfeng Nissan brand vehicles; sales of automobiles and auto parts, motorcycles and parts, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, chemical products (except dangerous chemicals); used car replacement; car leasing, car licensing  |

| Investing Company | Item No. | Enterprise Name                                   | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|-------------------|----------|---|--------------------|--|--|---|
|                   |          |   |                    |  |  | procedure agency services; type II car repair (passenger cars); technical consultation and technical services in the field of automobile technology; self-supporting and acting as an agent for the import and export of various goods and technologies Automobile information consulting services; business information consulting services; economic information consulting services; social and economic consulting; wholesale and retail of lubricating oil and motor oil (closed cup flash point >60C)   |
|                   | 102      | Suzhou Eslite Automobiles Sales & Service Limited | 2013.07.18         | No. 149, Luzhi Avenue, Luzhi Town, Wuzhong District, Suzhou City | RMB 40,000 thousand                    | Sales: automobiles and accessories, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, lubricants, non-hazardous chemicals; used car dealership; car licensing procedures; car rental; motor vehicle repair and technical consulting services, business information consulting services; economic information consulting services; automotive information consulting services; self-supporting and acting as an agent for the import and export of various goods and technologies            |
|                   | 103      | Suzhou YuShun Automobiles Sales & Service Limited | 2009.11.12         | No. 149, Luzhi Avenue, Luzhi Town, Wuzhong District, Suzhou City | RMB 10,000 thousand                    | Sales: automobiles and accessories, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, chemical products (excluding dangerous goods), motor oil, lubricating oil; type I complete vehicle repair (passenger cars); motor vehicle insurance agency; automobile licensing procedures on behalf of the service; car rental; automobile class technical advice, technical services and related consulting services; automotive information consulting, business information consulting, economic |

| Investing Company                                   | Item No. | Enterprise Name  | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|---|----------|--|--------------------|--|--|---|
|   |          |  |                    |  |  | information consulting; self-employment and agency of various technologies and commodities import and export business. Economic information consulting; self-management and agency import and export of various technologies and commodities  |
|   | 104      | TaiTsang ChengMao Automobiles Sales & Service Limited  | 2014.08.21         | 16 Ningbo West Road, Taicang City  | RMB 10,000 thousand                    | Distribution of automobiles and accessories, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, non-hazardous chemical products; used car dealership; agent car licensing services; car rental; car repair and maintenance; commodity consulting services; trade consulting; distribution of lubricating oil   |
|   | 105      | Suzhou FengShun Automobiles Sales & Service Limited    | 2002.11.07         | 136 East Zhongshan Road, Mudu Town, Wuzhong District, Suzhou City                  | RMB 25,000 thousand                    | Sales: cars, auto parts, motorcycles and accessories, metal materials, hardware, electrical and mechanical products, construction materials, non-hazardous chemical products, motor oil, lubricating oil; type I vehicle repair (small cars); motor vehicle insurance agency; used car dealership; car licensing procedures; car rental; automotive technical advice, technical services and related consulting services, automotive information consulting, business information Consulting, economic information consulting. Direct operation and agent for import and export of various commodities and technologies |
| Suzhou FengShun Automobiles Sales & Service Limited | 106      | Wu Jiang Lian Cheng Automobiles Sale & Service Limited | 2007.09.28         | Northeast of Pingwang Bridge, Zhonglu Village, Pingwang Town, Wujiang, Suzhou City | RMB 10,000 thousand                    | Sales of automobiles and auto parts, imported automobiles and parts, motorcycles and parts, metal materials, hardware and electricity, construction materials, motor oil, lubricating oil; type I auto repair (passenger cars); insurance agency (limited to the scope of the license); used car replacement; motor vehicle licensing services; car rental; technical advice  |

| Investing Company                       | Item No. | Enterprise Name  | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product   |
|---|----------|--|--------------------|---|--|---|
|   |          |  |                    |   |  | and technical services in the field of automotive technology; catering services; automotive information consulting services; business Information consulting services; economic information consulting services; self-management and agency import and export business of various commodities and technologies  |
|   | 107      | Suzhou ChengLi Automobile Sales & Service Limited      | 2011.08.17         | 136 East Zhongshan Road, Mudu Town, Wuzhong District, Suzhou City                               | RMB 15,000 thousand                    | Sales: automobiles, motorcycles and accessories, metal materials, hardware and electrical appliances, electrical and mechanical products, construction materials, non-hazardous chemical products, motor oil, lubricating oil; automobile licensing procedures agency services; automobile leasing; automotive technical advice, technical services and related consulting services; automotive information consulting, business information consulting, economic information consulting; self-management and agency of various technologies and commodities import and export business |
| Sheng Qing (Beijing) Investment Limited | 108      | Anqing Cai Tong Automobiles Sales & Service Limited    | 2012.07.12         | 33#, East Building 2, Phase I, Guangcai Market, Development Zone, Anqing City, Anhui Province   | RMB 27,417 thousand                    | Sales of Dongfeng Luxgen brand vehicles. General business items: car sales (excluding brand cars) and after-sales services; auto parts sales; insurance agency services; car mortgage consulting services; car rental services  |
|   | 109      | Tongling Kuo Tong Automobiles Sales & Services Limited | 2010.08.27         | Gusheng Community Neighborhood Committee, Qiaonan Office, Suburb, Tongling City, Anhui Province | RMB 16,913 thousand                    | Dongfeng Citroen brand car sales, auto parts, lubricating oil, electrical and mechanical products sales, car decoration, auto parts agency services, used car dealership, type II motor vehicle repair (small vehicle repair)   |
|   | 110      | Zibo Yu An Automobiles Sales & Services Limited        | 2015.04.14         | No. 212, Shanquan Road, Zhangdian District, Zibo City, Shandong Province                        | RMB 15,440 thousand                    | Sales of automobiles, second-handed cars, auto parts, lubricating oil, auto equipment; auto beauty; auto repair and maintenance; convention services; second-handed car appraisal and evaluation; auto leasing  |

| Investing Company                                 | Item No. | Enterprise Name                                      | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|---|----------|--|--------------------|---|--|--|
|   | 111      | Guangzhou YuanDou Automobile Sales & Service Limited | 2006.10.16         | No. 1, Helianbei Road, Zhucun, Tianhe District, Guangzhou             | RMB 35,000 thousand                    | Auto parts and accessories wholesale; auto parts and accessories retail; commodity information consulting services; auto repair and maintenance; insurance agency services; brand car sales  |
|   | 112      | Zhu Hai FuTeEn Industry & Trade Limited              | 2003.04.29         | No. 123, Huayu Road, Xiangzhou District, Zhuhai City                  | RMB 42,700 thousand                    | Wholesale and retail of branded cars, motor vehicle parts and accessories, steel, chemical products (excluding dangerous and easily toxic chemicals), household appliances, daily necessities; used car sales; car leasing; complete vehicle repair, total repair, complete vehicle maintenance, minor repair, special repair; motor vehicle insurance agency (permit valid until December 23, 2012); business services (excluding licensed items) |
|   | 113      | Wuhan Yu Hsin Automobiles Sales & Service Limited    | 2007.09.12         | No. 1 Gongnong Road, Qiaokou District, Wuhan City, Hubei Province     | RMB 114,600 thousand                   | Dongfeng Nissan brand car sales, imported Nissan brand car sales; auto parts, daily necessities wholesale and retail; old motor vehicle trading (excluding old motor vehicle evaluation), consulting and dealer services; car rental, small vehicle maintenance (type I); motor vehicle insurance dealer   |
| Wuhan Yu Hsin Automobiles Sales & Service Limited | 114      | Xiaogan Yufeng Automobile Sales Service Co., Ltd.    | 2011.05.16         | Fairy Lake East Road, Xiaonan Economic Development Zone, Xiaogan City | RMB 34,600 thousand                    | Sales of branded cars; wholesale and retail of auto parts, daily necessities, trading of used motor vehicles, type I (small vehicle repair), consulting services   |
| Sheng Qing (Beijing) Investment Limited           | 115      | NanJing HanHong Automobiles Trading Limited          | 2003.09.27         | 228 Mufu East Road, Yanziji Street, Qixia District, Nanjing           | RMB 131,000 thousand                   | Type I car repair (small vehicles); car, imported brand car sales; auto parts, lubricants, daily necessities, hardware and electricity sales; used car broker; agent motor vehicle insurance; economic information consulting; car rental  |
| NanJing HanHong Automobiles Trading Limited       | 116      | Nanjing YuShang Automobile Sales & Service Limited   | 2011.08.31         | 9-8 Yanshan East Road, Taishan Street, Jiangbei New District, Nanjing | RMB 38,000 thousand                    | Motor vehicle type I repair (passenger cars); accidental injury insurance; motor vehicle insurance; sales of automobiles, auto parts, daily necessities, hardware and electricity; lubricant sales; used car brokerage; business information consulting; car rental  |

| Investing Company                                  | Item No. | Enterprise Name                                    | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|--|----------|--|--------------------|--|--|--|
|  | 117      | Nanjing HanHong Automobile Sales & Service Limited | 2013.09.22         | Room 410, Building 8, No. 18 Fenghua Road, Yuhua Economic Development Zone, Nanjing  | RMB 44,000 thousand                    | Automobile, auto parts, daily department store, lubricant, hardware and electricity sales; used car brokerage; social and economic consulting (except investment consulting); car rental service; motor vehicle repair   |
| Sheng Qing (Beijing) Investment Limited            | 118      | HangZhou Yu Zhong Trading Limited                  | 2007.09.25         | Room 1016, Building 2, Hangzhou Yulon Building, Economic and Technological Development Zone, Xiaoshan District, Hangzhou City, Zhejiang Province   | RMB 10,000 thousand                    | General items: import and export of goods; Internet sales (except for sales of products that require a permit); sales of daily necessities; domestic trade agency; sales agency; clothing and apparel retail (except for projects that must be approved according to law, where business activities are carried out independently with business licenses).   |
|  | 119      | Hangzhou HuaZhi Automobile Sales & Service Limited | 2011.05.20         | 520 Huzhou Road, Gongshu District, Hangzhou City, Zhejiang Province  | RMB 20,000 thousand                    | Luxgen brand car sales (excluding wholesale); motor vehicle repair: Type II motor vehicle repair (small vehicle repair); motor vehicle insurance, accident insurance; car rental; auto parts, motorcycles and accessories, metal materials, hardware, electrical and mechanical products, construction materials, chemical products (except chemical dangerous goods and toxic chemicals), used cars (commercial vehicles and passenger cars with nine seats or more only) Sales |
| Hangzhou HuaZhi Automobile Sales & Service Limited | 120      | Hangzhou HuaYou Automobile Sales & Service Limited | 2011.09.05         | Room 2004-32, Qianjiang Century City Smart Technology Park, Building 1, Zhejiang Private Enterprise Development Building, No. 3 Fuye Lane, Ningwei Street, Xiaoshan District, Hangzhou City, Zhejiang Province | RMB 8,000 thousand                     | Motor vehicle repair: Type II motor vehicle repair (small vehicle repair); Luxgen brand car sales; sales: nine seats and more than nine seats left with cars, auto parts, motorcycles and accessories, metal materials, hardware and electricity, electrical and mechanical products, construction materials, chemical products (except chemical dangerous goods and easily toxic chemicals), automotive agency services; used car dealership; car rental                        |
| Sheng Qing (Beijing) Investment Limited            | 121      | Changsha Yulu Automobile Sales & Service Limited   | 2012.04.13         | D-06, Lugu Auto World, No. 9 Jiayun Road, Lugu Street, Changsha High-tech Development Zone   | RMB 31,800 thousand                    | Sales of branded cars, small cars with less than nine seats, auto supplies, auto interior supplies; used car business; auto retail; auto parts retail; auto-   |



| Investing Company                        | Item No. | Enterprise Name                                | Incorporation Date | Address  | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|--|----------|--|--------------------|--|--|--|
|  |          |  |                    |  |  | related technical consulting services; auto leasing; auto repair; auto repair technical consulting; venue leasing; machinery and equipment leasing             |
| YULON MOTOR CO., LTD                     | 122      | Y-Teks Co., Ltd.                               | 1973.12.28         | No. 1,Shanping Rd., Zhongli Dist., Taoyuan City  | 177,100                                | Computer and peripheral equipment manufacturing industry, automobile and parts manufacturing industry, etc.  |
| Y-Teks Co., Ltd.                         | 123      | YU HSIN INT'L INVESTMENT (BVI) CO., LTD.       | 2002.07.02         | P.O.BOX957, OFFSHORE INCORPORATIONS CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS'                                    | USD 3,347 thousand                     | Holding company  |
| YU HSIN INT'L INVESTMENT (BVI) CO., LTD. | 124      | YU HSIN INT'L INVESTMENT (HK) CO., LTD.        | 2008.04.28         | 1004 AXA Centre, 151 Gloucester Road, Wan Chai , Hong Kong   | USD 13,071 thousand                    | Holding company  |
| YU HSIN INT'L INVESTMENT (HK) CO., LTD.  | 125      | Changzhou Y-Teks Automotive Trim Parts Limited | 1995.12.15         | 833 Laodong East Road, Tianning District, Changzhou City   | USD 1,400 thousand                     | Production of mid- and high-end automotive engineering plastics and plastic alloys and other interior parts and materials, and sales of self-produced products |
|  | 126      | Hangzhou Y-teks Automotive Trim Parts Lt       | 2010.01.13         | No. 926-180, Linlong Road, Linjiang High-tech Industrial Park, Dajiangdong Industrial Cluster, Hangzhou                    | USD 7,950 thousand                     | Design, development, manufacturing and sales services of automotive interior components  |
| YULON MOTOR CO., LTD                     | 127      | Uni Auto Parts Manufacture Co., Ltd            | 1969.09.04         | No. 40-10,Bogongkeng,Sanyi Township, Miaoli County   | 868,892                                | Manufacture and sale of various motor vehicle springs and their products   |
| Uni Auto Parts Manufacture Co., Ltd      | 128      | Uni Investment Co., Ltd.                       | 1998.06.25         | P. O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands.                                  | 289,287                                | Holding company  |
| Uni Investment Co., Ltd.                 | 129      | Fuzhou Lianghong Motor Parts Limited           | 1995.12.19         | Fuzhou Minhou Qingkou Investment Zone (Southeast Automobile City)  | RMB 103,964 thousand                   | Manufacture and sale of car seats, etc.  |
|  | 130      | HANG ZHOU LIAN RUN MOTOR PARTS CO.,LTD         | 2010.03.24         | No. 926-118, Linlong Road, Linjiang High-tech Industrial Park, Dajiangdong Industrial Cluster, Hangzhou, Zhejiang Province | RMB 148,247 thousand                   | Manufacture and sale of car seats, etc.  |
| YULON MOTOR CO., LTD                     | 131      | Luxgen Motor Co., Ltd.                         | 2008.05.29         | No. 39-1,Bogongkeng,Sanyi Township, Miaoli County  | 927,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
| Luxgen Motor Co., Ltd.                   | 132      | Electrified LUXGEN Motor Co.,Ltd.              | 2009.03.11         | No. 11,Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City   | 185,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 133      | New LUXGEN North Motor Co., Ltd.               | 2009.03.10         | No. 256,Zhonghua Rd., Bade Dist., Taoyuan City   | 105,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 134      | New LUXGEN Central Motor Co., Ltd.             | 2009.03.10         | No. 618,Wenxin S. Rd., South Dist., Taichung City  | 106,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 135      | Luxgen Tainan Motor Co., Ltd.                  | 2009.03.12         | No. 546,Zhongzheng S. Rd., Yongkang Dist., Tainan City   | 105,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |

| Investing Company  | Item No. | Enterprise Name  | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|--|----------|--|--------------------|---|--|--|
|  | 136      | New LUXGEN South Motor Co., Ltd.                             | 2009.03.23         | No. 1, Sec. 2, Guangfu Rd., Fengshan Dist., Kaohsiung City                                    | 71,000                                 | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
|  | 137      | New Energy World Motor CO., LTD.                             | 1999.08.25         | No. 83, Da'an Rd., Tucheng Dist., New Taipei City   | 368,750                                | Automobile retail industry, vehicle parts retail industry, automobile repair industry, etc.  |
| YULON MOTOR CO., LTD   | 138      | EMPOWER MOTORS CO., LTD.                                     | 2000.01.07         | No. 1161, Sec. 2, Wuquan W. Rd., Nantun Dist., Taichung City                                  | 300,000                                | Sale and purchase of automobiles and parts, repair and maintenance of automobiles  |
| EMPOWER MOTORS CO., LTD.                                     | 139      | Chi Min Business Co., Ltd.                                   | 2001.02.16         | No. 385, Sec. 4, Huanzhong Rd., Nantun Dist., Taichung City                                   | 8,000                                  | Wholesale and retail of automobile and motorcycle parts and equipment, computer and business machines and equipment, and information software  |
|  | 140      | Hongyan Automobile Co., Ltd.                                 | 2010.12.15         | Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA                                      | 213,774                                | Holding company  |
|  | 141      | Yumin Insurance Broker Co., Ltd                              | 2013.12.11         | 3F., No. 1161, Sec. 2, Wuquan W. Rd., Nantun Dist., Taichung City                             | 5,000                                  | Property and Liability Insurance Broker  |
|  | 142      | Mingxiang Auto Leasing Corporation                           | 2020.07.08         | 4F., No. 1161, Sec. 2, Wuquan W. Rd., Nantun Dist., Taichung City                             | 30,000                                 | Car and Motorcycles and parts, tires wholesale and retail, small passenger car rental  |
| Hongyan Automobile Co., Ltd.                                 | 143      | Shanghai Yumin Automobiles Sales & Service Limited           | 2011.01.27         | Room 222-U, 2nd Floor, Area B, Building 6, No. 255, Hongliu Road, Putuo District, Shanghai    | RMB 81,559 thousand                    | Engaged in the sale of brand-name cars; commercial vehicles and passenger cars with more than nine seats; wholesale and retail of daily necessities, auto parts and accessories; repair of type II motor vehicles; rental of own houses                                      |
| Shanghai Yumin Automobiles Sales & Service Limited           | 144      | ChiaHsing YuTa Automobiles Sales & Service Limited           | 2014.07.23         | Exhibition Hall 3, Yuantong Automobile Shop, Jiaxing Automobile Trade Park, Zhejiang Province | RMB 26,767 thousand                    | Wholesale and retail of automobiles, daily necessities, auto parts and accessories; auto consulting; licensing services; used car brokerage services; auto leasing services; auto technical consulting services; entrusted with auto mortgage services; motor vehicle repair |
| YULON MOTOR CO., LTD   | 145      | Hua-Chuang Automobile Information Technical Center Co., Ltd. | 2005.12.27         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City                             | 20,736,001                             | Automobile product design business and parts manufacturing, wholesale and retail, and management consulting  |
| Hua-Chuang Automobile Information Technical Center Co., Ltd. | 146      | Hua-Chuang Overseas Investment Co., Ltd.                     | 2012.07.13         | Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands                    | 371,771                                | Investment   |
| YULON MOTOR CO., LTD   | 147      | Yu Ke Co., Ltd.  | 2023.02.09         | 3F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City                             | 15,000                                 | Energy technology services   |
|  | 148      | YUH YAU CO.,LTD  | 2023.02.09         | 2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City                             | 15,000                                 | Energy technology services   |

| Investing Company             | Item No. | Enterprise Name              | Incorporation Date | Address   | Paid-up Capital Unit: Thousands of NTD | Primary Business or Product  |
|-------------------------------|----------|------------------------------|--------------------|---|--|--|
| Shinshin Credit Corporation   | 149      | Shinshin Credit Corporation  | 2023.01.29         | 14F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City                  | 1,000                                  | Renewable energy electricity retailing and energy technology services            |
|                               | 150      | Zysun Power Company Limited  | 2020.01.14         | 14F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City                  | 10,100                                 | Self-use renewable energy power generation equipment, energy technology services |
|                               | 151      | Wysun Power Company Limited  | 2020.01.14         | 14F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City                  | 770,600                                | Self-use renewable energy power generation equipment, energy technology services |
|                               | 152      | Taichuang Energy Corporation | 2022.03.25         | 14F., No. 2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City                  | 1,000,000                              | Self-use renewable energy power generation equipment, energy technology services |
| Taiwan Acceptance Corporation | 153      | Line Go Co., Ltd.            | 2017.03.27         | 7F., No. 168, Dunhua N. Rd., Songshan Dist., Taipei City                      | 189,893                                | Electronic information supply service, wholesale of information software         |
| Line Go Co., Ltd.             | 154      | Line Go Taxi Team Co., Ltd.  | 2017.07.05         | 7F., No. 168, Dunhua N. Rd., Songshan Dist., Taipei City                      | 10,000                                 | Taxi service   |
| Shinshin Credit Corporation   | 155      | Yulon Capital SDN. BHD       | 2023.09.29         | Wilayah Persekutuan Kuala Lumpur, Kuala Lumpur, Bangsar South, Jalan Kerinchi | MYR 46,608                             | Installment payment for all types of cars and trucks                             |

- Those who are presumed to have a controlling affiliation of the same shareholder: None
- The industries covered in the businesses of overall affiliates (for affiliates with interconnected businesses, the involved transactions and collaborations should be explained): As described in paragraphs 1 and 2.
- Names of directors, supervisors and presidents of affiliated enterprises and their shareholdings or capital contributions to such enterprises (as of December 31, 2023)

| Item No.             | Enterprise Name               | Title                         | Name or Representative                         | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------------------|-------------------------------|-------------------------------|--|--|-------------------|
| 1                    | Taiwan Acceptance Corporation | Chairman                      | YULON MOTOR CO., LTD                           | 234,713,381  | 42.81             |
|                      |                               | Director                      | Yen Chen Li-Lien                               |  |                   |
|                      |                               | Director                      | Tso, Chi-Sen                                   |  |                   |
|                      |                               | Director                      | Zhen-Xiang Yao                                 |  |                   |
|                      |                               | Director                      | Yulon-Administered Enterprises Company Limited | 19,443   | -                 |
|                      |                               | Vice Chairman (and President) | Kuo-Hsing Hsu                                  |  |                   |
|                      |                               | Director                      | Le Wen Investment Co., Ltd.                    | 6,300,438  | 1.15              |
|                      |                               | Director                      | Yuan-Lung Chueh                                |  |                   |
|                      |                               | Director                      | Wen-Jung Tsai                                  |  |                   |
|                      |                               | Director                      | Liang Zhang                                    |  |                   |
| Independent Director | Jiqing Chen                   |                               |  |  |                   |
| Independent Director | Yi-Hong Hsieh                 |                               |  |  |                   |
| Independent Director | Zhongqi Zhou                  |                               |  |  |                   |
| Independent Director | Huang Gao-Qian                |                               |  |  |                   |
| 2                    | Shinshin Credit Corporation   | Chairman (and President)      | Taiwan Acceptance Corporation                  | 557,800,000  | 100.00            |
|                      |                               | Director                      | Yuan-Lung Chueh                                |  |                   |
|                      |                               | Director                      | Mei-Chin Liu                                   |  |                   |
|                      |                               | Director                      | Fa-ke Chen                                     |  |                   |
|                      |                               | Director                      | Po-An Lai                                      |  |                   |
|                      |                               | Director (and President)      | Yuan-Lung Chueh                                |  |                   |
|                      |                               | Supervisor                    | Yuan-long Chen                                 |  |                   |
|                      |                               | Supervisor                    | Shu-hua Liao                                   |  |                   |

| Item No. | Enterprise Name  | Title  | Name or Representative   | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%)   |
|----------|--|--|--|--|------------------------|
| 3        | Carplus Auto Leasing Corporation                       | Chairman (and President)<br>Vice Chairman<br>Director<br>Director<br>Director<br>Supervisor                | Taiwan Acceptance Corporation<br>Kuo-Hsing Hsu<br>Chun-Cheng Lin<br>Chien-Shun Liao<br>Po-An Lai<br>Jung-Fu Cheng<br>Shu-hua Liao  | 147,965,303  | 100.00                 |
| 4        | Yu Rich Financial Services Co., Ltd.                   | Chairman<br>Director<br>Director<br>Director<br>Director<br>Supervisor<br>Supervisor                       | Taiwan Acceptance Corporation<br>Yuan-Lung Chueh<br>Shi-Jie Li<br>Te-Chao Huang<br>Fa-ke Chen<br>Po-An Lai<br>Yuan-long Chen<br>Shu-hua Liao                             | 430,608,164  | 100.00                 |
| 5        | Yulon Motor Finance (China) Limited                    | Chairman<br>Director<br>Supervisors<br><br>Director<br>Director<br>Director (and President)<br>Supervisors | YULON MOTOR CO., LTD<br>Chin-Chuan Chen<br>Shi-hao Fang<br>Yan Zhou<br>Taiwan Acceptance Corporation<br>Fu-Hsiung Liu<br>Chun-Cheng Lin<br>Chi-Chang Ho<br>Shu-hua Liao  | RMB 510,000 thousand*<br><br><br>RMB 490,000 thousand*             | 51.00<br><br><br>49.00 |
| 6        | Shin Shin Investment (Samoa) Co., Ltd.                 | Director   | Shinshin Credit Corporation<br>Kuo-Hsing Hsu   | USD 12,000 thousand*   | 100.00                 |
| 7        | YES-Energy Service Co., LTD.                           | Chairman<br>Director<br>Director<br>Supervisor   | Shinshin Credit Corporation<br>Yuan-Lung Chueh<br>Shih-Neng Yeh<br>Che-Jen Tao<br>Mingde Lo  | 29,000,000   | 100.00                 |
| 8        | Yulon Finance Overseas Investment (Samoa) Co., Ltd.    | Director   | Taiwan Acceptance Corporation<br>Kuo-Hsing Hsu   | USD 15,000 thousand*   | 100.00                 |
| 9        | Yulon Finance Philippines Investment (Samoa) Co., Ltd. | Director   | Yulon Finance Overseas Investment (Samoa) Co., Ltd.<br>Kuo-Hsing Hsu   | USD 15,000 thousand*   | 100.00                 |
| 10       | Yulon Finance Philippines Co., Ltd.                    | Chairman<br>Director (and President)<br>Director<br>Director<br>Director<br>Independent Director           | Yulon Finance Philippines Investment (Samoa) Co., Ltd.<br>Mingqi Hu<br>Zhiling Zhan<br>Yu-Chueh Li<br>Jun Chen<br>Chun-Cheng Lin<br>JESSIE D. CABALUNA                   | PHP 750,000 thousand*  | 100.00                 |
| 11       | TAC Global Investment (Samoa) Co., Ltd.                |  | Taiwan Acceptance Corporation  | USD 108,833 thousand*  | 100.00                 |
| 12       | Yu Rong International Investment (SAMOA) Co., Ltd.     | Director   | TAC Global Investment (Samoa) Co., Ltd.<br>Kuo-Hsing Hsu   | USD 87,496 thousand*   | 100.00                 |
| 13       | Jiangsu Yu-Rong Leasing Co., Ltd.                      | Chairman (and President)<br>Director<br>Director<br>Director<br>Director<br>Supervisor<br>Supervisor       | Yu Rong International Investment (SAMOA) Co., Ltd.<br>Fu-Hsiung Liu<br>Chin-Chuan Chen<br>Yuan-Lung Chueh<br>Wen-Kai Chuang<br>Xiao Yong-Lin<br>Shu-hua Liao<br>Yan Zhou | RMB 500,000 thousand*  | 100.00                 |
| 14       | Yu-Kuo Finance Leasing (Hangzhou) Limited              | Chairman   | Yu Rong International Investment (SAMOA) Co., Ltd.<br>Fu-Hsiung Liu  | USD 12,000 thousand*   | 40.00                  |

| Item No. | Enterprise Name   | Title  | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|---|--|--|--|-------------------|
|          |   | Supervisors  | Shu-hua Liao<br>Shin Shin Investment (Samoa) Co., Ltd.   | USD 12,000 thousand*   | 40.00             |
|          |   | Director   | Xiao Yong-Lin<br>Yulon Automotive (China) Investment Limited   | USD 6,000 thousand*  | 20.00             |
|          |   | Director   | Chi-Chang Ho   |  |                   |
| 15       | CAR-PLUS Auto Leasing (Shanghai) Limited                              | Chairman (and President)<br>Director<br>Director<br>Supervisors  | Jiangsu Yu-Rong Leasing Co., Ltd.<br>Fu-Hsiung Liu<br>Jun Chen<br>Yung-Lin Hsiao<br>Xinzhen Lin  | RMB 170,000 thousand*  | 100.00            |
| 16       | Zhejiang Cheng Yi Automobile Technology Service Co., Ltd              | Chairman<br>Director<br>Director<br>Supervisors  | Yu-Kuo Finance Leasing (Hangzhou) Limited<br>Fu-Hsiung Liu<br>Xiao Yong-Lin<br>Ching-Yu Tsai<br>Huang Hung   | RMB 20,000 thousand*   | 100.00            |
| 17       | Hangzhou Cheng Yi second - hand car identification assessment Limited | Managing director  | Zhejiang Cheng Yi Automobile Technology Service Co., Ltd<br>Ching-Yu Tsai  | RMB 1,500 thousand*  | 100.00            |
| 18       | Zhejiang Cheng Yi auction Ltd.  | Director (and President)<br>Supervisors  | Zhejiang Cheng Yi Automobile Technology Service Co., Ltd<br>Ching-Yu Tsai<br>Huang Hung  | RMB 2,000 thousand*  | 100.00            |
| 19       | Diamond Auto Service Co., Ltd.  | Chairman   | Carplus Auto Leasing Corporation<br>Chun-Cheng Lin   | 11,305,841   | 100.00            |
| 20       | Hong Shuo Cultural Enterprises Co., Ltd.                              | Chairman (and President)   | Carplus Auto Leasing Corporation<br>Chun-Cheng Lin   | 4,050,000  | 100.00            |
| 21       | Singan Co., Ltd.  | Chairman<br>Director<br>Director<br>Director<br>Director<br>Supervisor                                 | Carplus Auto Leasing Corporation<br>Chun-Cheng Lin<br>Jung-Fu Cheng<br>Xiuzhi Gao<br>Kuo-Chiang Chen<br>Shun-Yen Hung<br>Luxgen Motor Co., Ltd.<br>Xinzhen Lin | 22,274,945<br>5,669,791                                      | 77.69<br>19.78    |
| 22       | YES CHARGING SERVICE CO., LTD.  | Chairman<br>Director<br>Director<br>Supervisor   | Carplus Auto Leasing Corporation<br>Jung-Fu Cheng<br>Chun-Cheng Lin<br>Zhuang Yi-Xue<br>Xinzhen Lin  | 7,200,000  | 100.00            |
| 23       | CAR-PLUS Global Investment (Samoa) Co., Ltd.                          | Director   | Carplus Auto Leasing Corporation<br>Chun-Cheng Lin   | USD 31,200 thousand*   | 100.00            |
| 24       | CAR-PLUS China Investment (Samoa) Co., Ltd                            | Director   | CAR-PLUS Global Investment<br>Chun-Cheng Lin<br>TAC Global Investment  | USD 6,000 thousand*<br>USD 4,000 thousand*                   | 60.00<br>40.00    |
| 25       | CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd                         | Director   | CAR-PLUS Global Investment<br>Chun-Cheng Lin<br>TAC Global Investment  | USD 19,200 thousand*<br>USD 12,800 thousand*                 | 60.00<br>40.00    |
| 26       | CAR-PLUS Auto Leasing (Suzhou) Limited                                | Chairman (and President)<br>Director<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors | CAR-PLUS China Investment (Samoa) Co., Ltd<br>Fu-Hsiung Liu<br>Jun Chen<br>Yung-Lin Hsiao<br>Po-An Lai<br>Chin-Chuan Chen<br>Yan Zhou<br>Xinzhen Lin           | RMB 170,000 thousand*  | 100.00            |

| Item No. | Enterprise Name                              | Title   | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|--|---|--|--|-------------------|
| 27       | CAR-PLUS GO Co., Ltd.                        | Chairman (and President)<br>Director<br>Director                            | CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd<br>Jun Chen<br>Chin-Chuan Chen<br>Qingya Chen                                  | USD 32,000 thousand*   | 100.00            |
| 28       | Xie Guan Manpower Service Co., Ltd.          | Chairman  | Diamond Auto Service Co., Ltd.<br>Chun-Cheng Lin   | 1,000,000  | 100.00            |
| 29       | Ta Teng Transportation Co., Ltd.             | Director  | Diamond Auto Service Co., Ltd.   | NTD 6,000 thousand*  | 100.00            |
| 30       | Dachuan Transportation Co., Ltd.             | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,000 thousand*  | 100.00            |
| 31       | Damu Transportation Co., Ltd.                | Director  | Diamond Auto Service Co., Ltd.   | NTD 6,000 thousand*  | 100.00            |
| 32       | Dajun Transportation Co., Ltd.               | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,000 thousand*  | 100.00            |
| 33       | Yongxiang Transportation Co., Ltd.           | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,000 thousand*  | 100.00            |
| 34       | Guoma Transportation Co., Ltd.               | Director  | Diamond Auto Service Co., Ltd.   | NTD 4,000 thousand*  | 100.00            |
| 35       | Jinyu Transportation Enterprise Co., Ltd     | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,000 thousand*  | 100.00            |
| 36       | Zhongxing Automobile Co., Ltd.               | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,500 thousand*  | 100.00            |
| 37       | Liyang Automobile Co., Ltd.                  | Director  | Diamond Auto Service Co., Ltd.   | NTD 9,000 thousand*  | 100.00            |
| 38       | Heyang Transportation Co., Ltd.              | Director  | Diamond Auto Service Co., Ltd.   | NTD 6,000 thousand*  | 100.00            |
| 39       | Jiayu Transportation Enterprise Co., Ltd     | Director  | Diamond Auto Service Co., Ltd.   | NTD 3,000 thousand*  | 100.00            |
| 40       | Tianyang Transportation Co., Ltd.            | Director  | Diamond Auto Service Co., Ltd.   | NTD 6,000 thousand*  | 100.00            |
| 41       | Sinqual Technology Co., Ltd.                 | Chairman (and President)  | Singan Co., Ltd.<br>Shun-Yen Hung  | 13,000,000   | 100.00            |
| 42       | Hsiang Shou Enterprise Co., Ltd.             | Chairman (and President)  | Singan Co., Ltd.<br>Shun-Yen Hung  | 10,000,000   | 100.00            |
| 43       | Qinton Motor Co., Ltd.                       | Chairman<br>President   | Singan Co., Ltd.<br>Shun-Yen Hung<br>Wen-Tung Hsieh  | 6,745,947  | 100.00            |
| 44       | Sinjang Co., Ltd                             | Chairman (and President)  | Singan Co., Ltd.<br>Shun-Yen Hung  | 12,824,000   | 100.00            |
| 45       | Jing-Hui (Shanghai) Motor Technology Limited | Chairman<br>Director (and President)<br>Supervisors                         | Sinqual Technology Co., Ltd.<br>Shun-Yen Hung<br>Yu-Hsuan Wu<br>Jo-Mei Fu  | USD 1,675 thousand*  | 100.00            |
| 46       | Yu Ching Business Co., Ltd.                  | Chairman<br>Director<br>Director<br>Supervisor                              | YULON MOTOR CO., LTD<br>Jian-Hui Li<br>Wen-Yi Lo<br>Hsun-Kuei Hsieh<br>Yu Pong Business Co., Ltd.<br>Hong Yao Jian           | 42,660,000<br>28,440,000                                     | 60.00<br>40.00    |
| 47       | Yulon Construction Co., Ltd.                 | Chairman<br>Vice Chairman<br>Director<br>Director<br>Director<br>Supervisor | YULON MOTOR CO., LTD<br>Mao Xiao-Ling<br>Zhen-Xiang Yao<br>Chen Bo-Yung<br>Yen Chen Li-Lien<br>Te-Chao Huang<br>Qi-hong Tasi | 1,440,780  | 100.00            |
| 48       | Hangzhou Yujie Real Estate Co., Ltd          | Chairman (and President)<br>Director<br>Director<br>Supervisors             | Yulon Construction Co., Ltd.<br>Chin-Chuan Chen<br>Wen-Yi Lo<br>Yu-Chien Li<br>Qi-hong Tasi                                  | RMB 500,000 thousand*  | 100.00            |

| Item No. | Enterprise Name                      | Title                    | Name or Representative                         | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%) |
|----------|--------------------------------------|--------------------------|--|--|----------------------|
| 49       | Yufong Property Management Co., Ltd. | Chairman                 | Yulon Construction Co., Ltd.                   | 2,499,000  | 99.96                |
|          |                                      | Director                 | Te-Chao Huang                                  |  |                      |
|          |                                      | Supervisor               | Yu-Chien Li                                    | 1,000  | 0.04                 |
|          |                                      |                          | Yulon-Administered Enterprises Company Limited |  |                      |
|          |                                      |                          | Qi-hong Tasi                                   |  |                      |
| 50       | Sin Chi Co., Ltd.                    | Chairman                 | YULON MOTOR CO., LTD                           | 80,500,000   | 100.00               |
|          |                                      | Director                 | Zhen-Xiang Yao                                 |  |                      |
|          |                                      | Director                 | Jian-Hui Li                                    |  |                      |
|          |                                      | Supervisor               | Wen-Yi Lo                                      |  |                      |
|          |                                      |                          | Hong Yao Jian                                  |  |                      |
| 51       | Yulon TOBE Motor Co., Ltd.           | Chairman                 | Sin Chi Co., Ltd.                              | 22,005,453   | 60.00                |
|          |                                      | Director                 | Jian-Hui Li                                    |  |                      |
|          |                                      | Director                 | Shih-Lin Wu                                    |  |                      |
|          |                                      | Director                 | Chiung-Hui Huang                               |  |                      |
|          |                                      | Director                 | Ellectramobilys SARL                           | 14,890,400   | 40.00                |
|          |                                      | Director                 | Damien Biro                                    |  |                      |
|          |                                      | Director                 | Axei Biro                                      |  |                      |
|          |                                      | Supervisor               | Hsun-Kuei Hsieh                                |  |                      |
|          |                                      | Supervisor               | Chiang Wang                                    |  |                      |
| 52       | Yung Hang Investment Co., Ltd.       | Chairman                 | YULON MOTOR CO., LTD                           | 32,622,000   | 100.00               |
|          |                                      | Director                 | Yen Chen Li-Lien                               |  |                      |
|          |                                      | Supervisor               | Zhen-Xiang Yao                                 |  |                      |
|          |                                      |                          | Qi-hong Tasi                                   |  |                      |
| 53       | Yu Pong Business Co., Ltd.           | Chairman (and President) | YULON MOTOR CO., LTD                           | 13,470,422   | 100.00               |
|          |                                      | Director                 | Yen Chen Li-Lien                               |  |                      |
|          |                                      | Director                 | Wen-Yi Lo                                      |  |                      |
|          |                                      | Director                 | Chien-Shun Liao                                |  |                      |
|          |                                      | Supervisor               | Hong Yao Jian                                  |  |                      |
| 54       | Yulon It Solutions Inc.              | Chairman                 | YULON MOTOR CO., LTD                           | 16,663,998   | 87.71                |
|          |                                      | Director                 | Tzu-Yuan Lin                                   |  |                      |
|          |                                      | Director                 | Wen-Chiang Chung                               |  |                      |
|          |                                      | Director                 | Hong-Zheng Chen                                |  |                      |
|          |                                      | Supervisor               | Tai Yuen Textile Co., Ltd.                     | 2,336,002  | 12.29                |
|          |                                      |                          | Yi-Chun Chen                                   |  |                      |
| 55       | China Cast Iron Pipe Co., Ltd.       | Chairman                 | YULON MOTOR CO., LTD                           | 24,850   | 77.66                |
|          |                                      | Director                 | Wen-Yi Lo                                      |  |                      |
|          |                                      | Director                 | Liang-Wei Kuo                                  |  |                      |
|          |                                      | Director                 | Tai Yuen Textile Co., Ltd.                     | 430  | 1.34                 |
|          |                                      | Director                 | Yu-Wen Yang                                    |  |                      |
|          |                                      | Supervisor               | Tai Yuen Textile Co., Ltd.                     | 5,679  | 17.75                |
|          |                                      |                          | Hsun-Kuei Hsieh                                |  |                      |
| 56       | Yue Sheng Industrial Co., Ltd.       | Chairman                 | YULON MOTOR CO., LTD                           | 28,800,000   | 100.00               |
|          |                                      | Director                 | Wen-Jung Tsai                                  |  |                      |
|          |                                      | Director (and President) | Jian-Hui Li                                    |  |                      |
|          |                                      | Director                 | Tseng Guo-Feng                                 |  |                      |
|          |                                      | Director                 | Che-Yu Cho                                     |  |                      |
|          |                                      | Supervisor               | Hsun-Kuei Hsieh                                |  |                      |
| 57       | Advance Power Machinery Co., Ltd.    | Chairman                 | YULON MOTOR CO., LTD                           | 20,500,000   | 100.00               |
|          |                                      | Director (and President) | Zhen-Xiang Yao                                 |  |                      |
|          |                                      | Director                 | Jian-Hui Li                                    |  |                      |
|          |                                      | Director                 | Hong-Zheng Chen                                |  |                      |
|          |                                      | Supervisor               | Hsun-Kuei Hsieh                                |  |                      |
| 58       | Yueki Industrial Co., Ltd.           | Chairman                 | YULON MOTOR CO., LTD                           | 12,766,887   | 65.58                |
|          |                                      | Director                 | Chun-Hung Chen                                 |  |                      |
|          |                                      | Director                 | Yan Zhou                                       |  |                      |
|          |                                      | Director                 | Meng-Yue Jie                                   |  |                      |
|          |                                      | Director                 | Shih-Lin Wu                                    |  |                      |
|          |                                      | Director                 | Wen-Yuan Li                                    |  |                      |
|          |                                      | Director                 | Japan MARELLI CORPORATION                      | 3,698,000  | 19                   |
|          |                                      | Director                 | Ssu-Kung Chuang                                |  |                      |
|          |                                      | Director                 | China Motor Corporation                        | 2,936,222  | 15.08                |
|          |                                      | Director                 | Tung-Tai Hsiung                                |  |                      |

| Item No. | Enterprise Name                          | Title   | Name or Representative   | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%)                   |
|----------|--|---|--|--|--|
|          |  | Supervisor<br>Supervisor  | Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen<br>Tatsuya Terenuma  | 1,000<br>-   | 0.01<br>-                              |
| 59       | Yue Ki Industrial (Samoa) Co., Ltd.      | Director  | Yueki Industrial Co., Ltd.   | 4,125,945  | 100.00                                 |
| 60       | Hong Kong Yueki Holdings Co., Ltd.       | Director<br>Director  | Yueki Industrial Co., Ltd.<br>Chun-Hung Chen<br>Zhixiong Wu  | 10,600,000   | 100.00                                 |
| 61       | Hangzhou Yuwan Auto Motive Parts Limited | Chairman<br>Director (and<br>President)<br>Director<br>Supervisor                         | Hong Kong Yueki Holdings Co., Ltd.<br>Shih-Lin Wu<br>Shunxiong Fan<br>Qing Yi Investment Co., Ltd.<br>Huang Shi-Gu<br>Yuming Zhuang  | USD 9,032 thousand*<br>USD 7,128 thousand*<br>-                    | 55.89<br>44.11<br>-                    |
| 62       | Esinn Co., Ltd                           | Chairman<br>Director (and<br>President)<br>Director<br>Director<br>Director<br>Supervisor | YULON MOTOR CO., LTD<br>Shih-Lin Wu<br>Wen- Chiang Hsu<br>Meng-Fen Hsiao<br>Wen-Chiang Chung<br>Wen-Jung Tsai<br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen           | 17,999,000<br>1,000  | 99.99<br>0.01                          |
| 63       | Yushin Motor Co., Ltd.                   | Chairman<br>Director<br>Director<br>Director<br>Director<br>Supervisor                    | YULON MOTOR CO., LTD<br>Wen- Chiang Hsu<br>Wen-Chiang Chung<br>Wenxiu Zhu<br>Meng-Fen Hsiao<br>Shih-Lin Wu<br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen              | 19,999,000<br>1,000  | 99.99<br>0.01                          |
| 64       | Yu Chang Motor Co., Ltd.                 | Chairman<br>Director<br>Director<br>Director<br>Supervisor<br>Supervisor                  | Yao-Hsin Kuo<br>Yu-Hung Kuo<br>YULON MOTOR CO., LTD<br>Wen-Jung Tsai<br>Chiu-Yueh Lo<br>Meng-Fen Hsiao<br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen<br>Chiu-Hua Chen | 2,920,400<br>1,545,200<br>13,998,500<br>1,000<br>1,111,200         | 13.56<br>7.17<br>64.99<br>0.01<br>5.16 |
| 65       | Yupu Enterprise Co., Ltd.                | Chairman<br>Director<br>Director<br>Supervisor  | Yushin Motor Co., Ltd.<br>Wenxiu Zhu<br>Jian-Syong Liao<br>Wentian Guo<br>I-Hsuan Lin  | 5,000,000  | 100.00                                 |
| 66       | YU SHIN Investment Ltd.                  | Chairman  | Yushin Motor Co., Ltd.<br>Wenxiu Zhu   | RMB 37,480 thousand*   | 100.00                                 |
| 67       | KUEN YOU TRADING CO., LTD.               | Chairman<br>Director<br>Director<br>Supervisor  | Esinn Co., Ltd<br>Wen- Chiang Hsu<br>Wen-Chiang Chung<br>Yung-Shun Li<br>Meng-Fen Hsiao  | 1,500,000  | 100                                    |
| 68       | Tian Wang Co., Ltd.                      | Chairman<br>Director<br>Director<br>Supervisor  | Yu Chang Motor Co., Ltd.<br>Yao-Hsin Kuo<br>Meng-Fen Hsiao<br>Chiu-Yueh Lo<br>Ti-Chien Wei   | 1,700,000  | 100                                    |
| 69       | Yulon Overseas Investment Co., Ltd.      | Director  | YULON MOTOR CO., LTD<br>Heng-Yao Wang  | 1,072,085,083.62   | 100.00                                 |
| 70       | Yulon China Investment Co., Ltd.         | Director  | Yulon Overseas Investment Co., Ltd.<br>Heng-Yao Wang   | 1,047,659 thousand*  | 100.00                                 |
| 71       | Yulon Philippines Investment Co., Ltd.   | Director  | Yulon Overseas Investment Co., Ltd.<br>Zhen-Xiang Yao  | 35,740,966   | 100.00                                 |



| Item No. | Enterprise Name                                | Title  | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|--|--|--|--|-------------------|
| 72       | UNIVATION MOTOR PHILIPPINES, INC.              | Chairman<br>Director (and CEO)<br>Director<br>Director<br>Director                                     | Yulon Philippines Investment Co., Ltd.                                   | PHP 436,553 thousand*  | 40.00             |
|          |  |  | Jian-Hui Li  | -  | -                 |
|          |  |  | Yu-Chueh Li  | -  | -                 |
|          |  |  | Kuo-Chang Peng   | -  | -                 |
|          |  |  | Reynaldo J. Concepcion   | -  | -                 |
|          |  |  | Teresita D. Hamor  | -  | -                 |
|          |  |  | EASTERN CROWNE INDUSTRIES, INC.  | PHP 35,000 thousand*   | 3.21              |
|          |  |  | STA.CRUZ ISLAND CORP.  | PHP 619,830 thousand*  | 56.79             |
| 73       | STA.CRUZ ISLAND CORROPATION                    | Director<br>Chairman<br><br>Director<br>Director   | Yulon Philippines Investment Co., Ltd.                                   | PHP 74,937 thousand*   | 14.04             |
|          |  |  | Pacific Gem Corporation  | PHP 320,279 thousand*  | 60.00             |
|          |  |  | Reynaldo J. Concepcion   | -  | -                 |
|          |  |  | William C. Yu  | -  | -                 |
|          |  |  | UNIVATIONMOTOR PHILIPPINES, INC.   | PHP 138,583 thousand*  | 25.96             |
|          |  |  | Nedia O. Sagun   | -  | -                 |
|          |  |  | Teresita D. Hamor  | -  | -                 |
| 74       | Wen Yang Investment Co., Ltd.                  | Director   | Yulon China Investment Co., Ltd.<br>Zhen-Xiang Yao                       | 29,650,000   | 100.00            |
| 75       | Qing Yi Investment Co., Ltd.                   | Director   | Yulon China Investment Co., Ltd.<br>Zhen-Xiang Yao                       | USD 14,024 thousand*   | 100.00            |
| 76       | Yulon China Investment Co., Ltd.               | Director   | Yulon China Investment Co., Ltd.<br>Zhen-Xiang Yao                       | USD 269,984 thousand*  | 100.00            |
| 77       | Yulon China Holdings Co. Ltd.                  | Director   | Yulon China Investment Co., Ltd.<br>Chin-Chuan Chen                      | USD 703,795 thousand*  | 100.00            |
| 78       | Feng-hua Investment (HK) Co., Ltd.             | Director<br><br>Director   | Chenglong Limited.   | USD 2,100 thousand*  | 30.00             |
|          |  |  | I-Wei Wang   | USD 2,800 thousand*  | 40.00             |
|          |  |  | Yulon China Investment Co., Ltd.<br>Yuan-long Chen                       | USD 2,100 thousand*  | 30.00             |
|          |  |  | Huamao International Investment Co., Ltd.                                |  |                   |
| 79       | Suzhou Chenglong Auto Sales & Service Co.      | Chairman (and President)<br>Director<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors | Feng-hua Investment (HK) Co., Ltd.                                       | USD 7,000 thousand*  | 100.00            |
|          |  |  | I-Wei Wang   |  |                   |
|          |  |  | Chin-Chuan Chen  |  |                   |
|          |  |  | Hsiao-Ming Kuo   |  |                   |
|          |  |  | Ching-Yi Wang  |  |                   |
|          |  |  | Ming-Tsang Chao  |  |                   |
|          |  |  | Liu Zong-Xin   |  |                   |
| Yan Zhou |  |  |  |  |                   |
| 80       | Suzhou Cheng-Hung Auto Sales & Service Limited | Chairman (and President)<br>Director<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors | Suzhou Chenglong Auto Sales & Service Co.                                | RMB 10,000 thousand*   | 100.00            |
|          |  |  | I-Wei Wang   |  |                   |
|          |  |  | Chin-Chuan Chen  |  |                   |
|          |  |  | Hsiao-Ming Kuo   |  |                   |
|          |  |  | Ching-Yi Wang  |  |                   |
|          |  |  | Ming-Tsang Chao  |  |                   |
|          |  |  | Liu Zong-Xin   |  |                   |
| Yan Zhou |  |  |  |  |                   |
| 81       | KeYu (Nanjing) Information Technology Limited  | Managing director<br>Supervisors   | Wen Yang Investment (Samoa) Co., Ltd.<br>Chin-Chuan Chen<br>Qi-hong Tasi | RMB 180,031 thousand*  | 100.00            |
| 82       | TaiFeng (Nanjing) Software Technology Limited  | Managing director  | Wen Yang Investment (Samoa) Co., Ltd.<br>Chin-Chuan Chen                 | USD 14,850 thousand*   | 100.00            |
| 83       | QingTai (NanJing) Technology Limited           | Managing director<br>Supervisors   | Wen Yang Investment (Samoa) Co., Ltd.<br>Chin-Chuan Chen<br>Wen-Yi Lo    | USD15,350 thousand*  | 100.00            |

| Item No. | Enterprise Name   | Title  | Name or Representative  | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|---|--|---|--|-------------------|
| 84       | Zhangzhou Development Zone Yi Ding Investment Co., Ltd. | Director (and President) Supervisors                   | TaiFeng (Nanjing) Software Technology Limited<br>Yuan-long Chen<br>Wen-Yi Lo  | RMB 55,200 thousand*   | 100.00            |
| 85       | Zhangzhou Development Zone Mei De Investment Co., Ltd.  | Director (and President) Supervisors                   | TaiFeng (Nanjing) Software Technology Limited<br>QingTai (NanJing) Technology Limited<br>Yuan-long Chen<br>Wen-Yi Lo                        | RMB 71,550 thousand*<br>RMB 7,950 thousand*                  | 90.00<br>10.00    |
| 86       | Zhangzhou Development Shi Cheng Investment Co., Ltd.    | Director (and President) Supervisors                   | QingTai (NanJing) Technology Limited<br>Yuan-long Chen<br>Wen-Yi Lo   | RMB 71,830 thousand*   | 100.00            |
| 87       | Zhangzhou Development Zone Jin Ce Investment Co., Ltd.  | Director (and President) Supervisors                   | QingTai (NanJing) Technology Limited<br>TaiFeng (Nanjing) Software Technology Limited<br>Yuan-long Chen<br>Wen-Yi Lo                        | RMB 13,769 thousand*<br>RMB 5,901 thousand*                  | 70.00<br>30.00    |
| 88       | GaoTe (Beijing) Investment Limited                      | Director (and President) Supervisors                   | Zhangzhou Development Zone Yi Ding Investment Co., Ltd.<br>Zhangzhou Development Zone Jin Ce Investment Co., Ltd.<br>Yi Liu<br>Qi-hong Tasi | RMB 52,200 thousand*<br>RMB 5,800 thousand*                  | 90.00<br>10.00    |
| 89       | HangZhou QienYu Investment Limited                      | Director (and President) Supervisors                   | GaoTe (Beijing) Investment Limited<br>Yi Liu<br>Ya-Ming Chen  | RMB 10,000 thousand*   | 100.00            |
| 90       | DongTai (Beijing) Investment Limited                    | Chairman (and Manager) Supervisors                     | Zhangzhou Development Shi Cheng Investment Co., Ltd.<br>Zhangzhou Development Zone Jin Ce Investment Co., Ltd.<br>Lai Liu<br>Qi-hong Tasi   | RMB 68,830 thousand*<br>RMB 4,370 thousand*                  | 94.03<br>5.97     |
| 91       | HangZhou TangYu Investment Limited                      | Chairman (and Manager) Supervisors                     | DongTai (Beijing) Investment Limited<br>Chi-Tsai Wen<br>Ming Chen   | RMB 10,000 thousand*   | 100.00            |
| 92       | Hangzhou Xiaoyu Technology Co., Ltd                     | Chairman (and Manager) Supervisors                     | DongTai (Beijing) Investment Limited<br>Zhejiang Zhongyu (Holdings) Group Co., Ltd.<br>Yin Lu<br>Lai Liu                                    | RMB 9,900 thousand*<br>RMB 100 thousand*                     | 99.00<br>1.00     |
| 93       | Yulon Motor Investment (HK) Co., Ltd.                   | Director   | Yulon China Holdings Co. Ltd.<br>Zhen-Xiang Yao   | USD 703,795 thousand*  | 100.00            |
| 94       | Yulon Automotive (China) Investment Limited             | Chairman Director (and President) Director Supervisors | Yulon Motor Investment (HK) Co., Ltd.<br>Zhen-Xiang Yao<br>Chin-Chuan Chen<br>Wen-Jung Tsai<br>Yuan-long Chen                               | USD 274,940 thousand*  | 100.00            |
| 95       | Xiamen Y.C. Invest. Consulting Limited                  | Managing director Supervisors                          | Yulon Motor Investment (HK) Co., Ltd.<br>Chin-Chuan Chen<br>Wen-Yi Lo   | USD 1,860 thousand*  | 100.00            |

| Item No. | Enterprise Name                                      | Title  | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%)  |
|----------|--|--|--|--|--------------------|
| 96       | Chuang Jie New Energy Vehicle (HZ) Limited           | Chairman<br>Director (and President)<br>Director<br>Supervisors  | Yulon Automotive (China) Investment Limited<br>Binglin Chen<br>Huang Shi-Gu<br>Chin-Chuan Chen<br>Yi-Chin Lin  | RMB 790,000 thousand*  | 100.00             |
| 97       | Sheng Qing (Beijing) Investment Limited              | Vice Chairman<br><br>Chairman (and President)<br>Director<br>Supervisors                                   | Yulon Automotive (China) Investment Limited<br>Chin-Chuan Chen<br>Xiamen Y.C. Invest. Consulting Limited<br>Yuan-long Chen<br>Yan Zhou<br>Wen-Yi Lo  | RMB 1,039,671 thousand*<br><br>RMB 200,000 thousand*         | 83.87<br><br>16.13 |
| 98       | Luxgen (Hangzhou) Motor Sales Co., Ltd               | Chairman<br>Director<br>Director<br>President<br>Supervisors   | Chuang Jie New Energy Vehicle (HZ) Limited<br>Wen-Yuan Li<br>Chin-Chuan Chen<br>Huang Shi-Gu<br>Yi-Chin Lin<br>Heng-Yao Wang   | USD 434,550 thousand*  | 100.00             |
| 99       | Hangzhou Hua-chuang Automobile Informati             | Chairman<br>Director (and President)<br>Director<br>Supervisors  | Chuang Jie New Energy Vehicle (HZ) Limited<br>Yulon Automotive (China) Investment Limited<br>Min-Hui Qiu<br>Huang Shi-Gu<br>Chin-Chuan Chen<br>Hong Yao Jian                                     | USD 16,818 thousand*<br>USD 13,076 thousand*                 | 56.26<br>43.74     |
| 100      | SuZhou FengShen Automobiles. Sale & Service Limited  | Director<br>Director<br>Director<br>Supervisors<br><br>Chairman (and President)<br>Director<br>Supervisors | Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Hsiao-Ming Kuo<br>Ming-Tsang Chao<br>Yan Zhou<br>Suzhou Chengfeng Trading Co., Ltd.<br>I-Wei Wang<br>Ching-Yi Wang<br>Liu Zong-Xin | RMB 19,200 thousand*<br><br>RMB 28,800 thousand*             | 40.00<br><br>60.00 |
| 101      | Suzhou ChengBang Automobiles Sales & Service Limited | Chairman (and President)<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors                 | SuZhou FengShen Automobiles. Sale & Service Limited<br>I-Wei Wang<br>Chin-Chuan Chen<br>Hsiao-Ming Kuo<br>Ming-Tsang Chao<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou                           | RMB 10,000 thousand*   | 100.00             |
| 102      | Suzhou Eslite Automobiles Sales & Service Limited    | Chairman (and President)<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors                 | SuZhou FengShen Automobiles. Sale & Service Limited<br>I-Wei Wang<br>Chin-Chuan Chen<br>Ming-Tsang Chao<br>Hsiao-Ming Kuo<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou                           | RMB 40,000 thousand*   | 100.00             |
| 103      | Suzhou YuShun Automobiles Sales & Service Limited    | Chairman (and President)<br>Director   | SuZhou FengShen Automobiles. Sale & Service Limited<br>I-Wei Wang<br>Chin-Chuan Chen   | RMB 10,000 thousand*   | 100.00             |

| Item No. | Enterprise Name  | Title  | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|--|--|--|--|-------------------|
|          |  | Director<br>Director<br>Supervisors<br>Supervisors   | Ming-Tsang Chao<br>Hsiao-Ming Kuo<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou   |  |                   |
| 104      | TaiTsang ChengMao Automobiles Sales & Service Limited  | Chairman (and President)<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors             | SuZhou FengShen Automobiles. Sale & Service Limited<br><br>I-Wei Wang<br><br>Chin-Chuan Chen<br>Ming-Tsang Chao<br>Hsiao-Ming Kuo<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou | RMB 10,000 thousand*   | 100.00            |
| 105      | Suzhou FengShun Automobiles Sales & Service Limited    | Chairman (and President)<br>Director<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors | SuZhou FengShen Automobiles. Sale & Service Limited<br><br>I-Wei Wang<br><br>Chin-Chuan Chen<br>Hsiao-Ming Kuo<br>Ming-Tsang Chao<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou | RMB 25,000 thousand*   | 100.00            |
| 106      | Wu Jiang Lian Cheng Automobiles Sale & Service Limited | Chairman (and President)<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors             | Suzhou FengShun Automobiles Sales & Service Limited<br><br>I-Wei Wang<br>Chin-Chuan Chen<br><br>Hsiao-Ming Kuo<br>Ming-Tsang Chao<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou | RMB 10,000 thousand*   | 100.00            |
| 107      | Suzhou ChengLi Automobile Sales & Service Limited      | Chairman (and President)<br>Director<br>Director<br>Director<br>Supervisors<br>Supervisors             | Suzhou FengShun Automobiles Sales & Service Limited<br><br>I-Wei Wang<br><br>Chin-Chuan Chen<br>Ming-Tsang Chao<br>Hsiao-Ming Kuo<br>Ching-Yi Wang<br>Liu Zong-Xin<br>Yan Zhou | RMB 15,000 thousand*   | 100.00            |
| 108      | Anqing Cai Tong Automobiles Sales & Service Limited    | Chairman<br>Director<br>Director<br>Supervisors  | Sheng Qing (Beijing) Investment Limited<br><br>Huang Yu-Zheng<br><br>Zhiqiang Yan<br>Chin-Chuan Chen<br>Yan Zhou   | RMB 27,417 thousand*   | 100.00            |
| 109      | Tongling Kuo Tong Automobiles Sales & Services Limited | Chairman (and President)<br>Director<br>Director<br>Supervisors  | DongTai (Beijing) Investment Limited<br>Sheng Qing (Beijing) Investment Limited<br><br>Huang Yu-Zheng<br><br>Zhiqiang Yan<br>Chin-Chuan Chen<br>Yan Zhou                       | RMB 5,000 thousand*<br>RMB 11,913 thousand*                  | 29.56<br>70.44    |
| 110      | Zibo Yu An Automobiles Sales & Services Limited        | Chairman (and President)<br>Director<br>Director<br>Supervisors  | DongTai (Beijing) Investment Limited<br>Sheng Qing (Beijing) Investment Limited<br><br>Huang Yu-Zheng<br><br>Chin-Chuan Chen<br>Zhiqiang Yan<br>Yan Zhou                       | RMB 5,000 thousand*<br>RMB 10,440 thousand*                  | 32.38<br>67.62    |

| Item No. | Enterprise Name                                      | Title  | Name or Representative   | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%)  |
|----------|--|--|--|--|--------------------|
| 111      | Guangzhou YuanDou Automobile Sales & Service Limited | Chairman<br>Director<br>Supervisors<br><br>Vice Chairman<br>Director<br>Director<br>President<br>Supervisors | Yuanlong Automobile Co., Ltd.<br>Chen-Fang Chang<br>Ming-Jung Hsu<br>Ming-Ching Chen<br>Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Wu-Hung Lin<br>Hsiao-Ming Kuo<br>Chun-Pao Ho<br>Yan Zhou | RMB 17,150 thousand*<br><br>RMB 17,850 thousand*             | 49.00<br><br>51.00 |
| 112      | Zhu Hai FuTeEn Industry & Trade Limited              | Chairman<br>Director<br>Director<br>President<br>Supervisors   | Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Wu-Hung Lin<br>Hsiao-Ming Kuo<br>Huang Xian-Wu<br>Huang Shi-Gu   | RMB 42,700 thousand*   | 100.00             |
| 113      | Wuhan Yu Hsin Automobiles Sales & Service Limited    | Chairman<br>Director<br>Director<br>President<br>Supervisors   | Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Wu-Hung Lin<br>Hsiao-Ming Kuo<br>Wei Chen<br>Huang Shi-Gu  | RMB 114,600 thousand*  | 100.00             |
| 114      | Xiaogan Yufeng Automobile Sales Service Co., Ltd.    | Chairman<br>President<br>Director<br>Director<br>Supervisors   | Wuhan Yu Hsin Automobiles Sales & Service Limited<br>Chin-Chuan Chen<br>Lei Li<br>Hsiao-Ming Kuo<br>Wu-Hung Lin<br>Huang Shi-Gu  | RMB 34,600 thousand*   | 100.00             |
| 115      | NanJing HanHong Automobiles Trading Limited          | Chairman<br>President<br>Director<br>Director<br>Supervisors   | Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Te-Kuo Wang<br>Hsiao-Ming Kuo<br>Wu-Hung Lin<br>Huang Shi-Gu   | RMB 131,000 thousand*  | 100.00             |
| 116      | Nanjing YuShang Automobile Sales & Service Limited   | Chairman<br>Director<br>Director<br>Supervisors  | NanJing HanHong Automobiles Trading Limited<br>Chi-Ruei Chen<br>Chin-Chuan Chen<br>Zhiqiang Yan<br>Huang Shi-Gu  | RMB 38,000 thousand*   | 100.00             |
| 117      | Nanjing HanHong Automobile Sales & Service Limited   | Chairman<br>Director<br>Director<br>Supervisors  | NanJing HanHong Automobiles Trading Limited<br>Chin-Chuan Chen<br>Chi-Ruei Chen<br>Zhiqiang Yan<br>Huang Shi-Gu  | RMB 44,000 thousand*   | 100.00             |
| 118      | HangZhou Yu Zhong Trading Limited                    | Managing director<br>President<br>Supervisors  | Sheng Qing (Beijing) Investment Limited<br>Chin-Chuan Chen<br>Chun-Chung Li<br>Qi-hong Tasi  | RMB 10,000 thousand*   | 100.00             |
| 119      | Hangzhou HuaZhi Automobile Sales & Service Limited   | Chairman<br>Supervisors<br><br>President<br>Director   | Dengfeng Yulon Motor Co.Ltd<br>Tsai Wei-Feng<br>Shi-hao Fang<br>Sheng Qing (Beijing) Investment Limited<br>Miao Tu<br>Chin-Chuan Chen  | RMB 8,000 thousand*<br><br>RMB 12,000 thousand*              | 40.00<br><br>60.00 |
| 120      | Hangzhou HuaYou Automobile Sales & Service Limited   | Managing director<br>Supervisors   | Hangzhou HuaZhi Automobile Sales & Service Limited<br>Tsai Wei-Feng<br>Shi-hao Fang  | RMB 8,000 thousand*  | 100.00             |

| Item No. | Enterprise Name                                  | Title  | Name or Representative   | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%)                               |
|----------|--|--|--|--|--|
| 121      | Changsha Yulu Automobile Sales & Service Limited | Managing director<br>President<br>Supervisors  | Sheng Qing (Beijing) Investment Limited<br>Wu-Hung Lin<br>Gong Yi-Ming<br>Huang Shi-Gu   | RMB 31,800 thousand*   | 100.00   |
| 122      | Y-Teks Co., Ltd.                                 | Chairman<br>Director<br>Director<br>Director<br>Director<br>Director<br>Supervisor<br>Supervisor                               | YULON MOTOR CO., LTD<br>Chun-Hung Chen<br>Chong-Yuan Chen<br>Kasai Kogyo Co., Ltd.<br>Yasushi Ishii<br>Sandou Shouichi<br>Yue Sheng Industrial Co., Ltd.<br>Tseng Guo-Feng<br>Sanlong Asset Management Co., Ltd.<br>Chung-Hsien Chen<br>Changyu Industrial Co., Ltd.<br>Shang-Hui Chen<br>Chia-Ching Chen<br>Li-Hsiung Cheng                                   | 602,124<br>591,185<br>212,388<br>93,948<br>213,299<br>-<br>-       | 34.00<br>33.38<br>11.99<br>5.30<br>12.04<br>-<br>- |
| 123      | YU HSIN INT'L INVESTMENT (BVI) CO., LTD.         | Chairman<br>Director<br>Director<br>Director   | Y-Teks Co., Ltd.<br>Chun-Hung Chen<br>Sandou Shouichi<br>Chin-Chu Lin<br>Malaysia. SL Investment Co.,Ltd.<br>Li-Hsiung Cheng<br>SAMOA Fangbang Investment Co., Ltd.<br>Li-Tai Kuo  | USD 2,231 thousand*<br>USD 558 thousand*<br>USD 558 thousand*      | 66.66<br>16.67<br>16.67                            |
| 124      | YU HSIN INT'L INVESTMENT (HK) CO., LTD.          | Chairman<br>Director<br>Director<br>Director<br>Director   | YU HSIN INT'L INVESTMENT (BVI) CO., LTD.<br>Chun-Hung Chen<br>Sandou Shouichi<br>Chin-Chu Lin<br>Li-Hsiung Cheng<br>Li-Tai Kuo   | USD 13,071 thousand*   | 100  |
| 125      | Changzhou Y-Teks Automotive Trim Parts Limited   | Director<br>Director<br>Director (and President)<br>Director<br>Chairman<br>Director<br>Director<br>Supervisors<br>Supervisors | YU HSIN INT'L INVESTMENT (HK) CO., LTD.<br>Li-Sung Cheng<br>Imamura Hitoshi<br>Chung-Kun Hsueh<br>Chin-Chu Lin<br>Jiangsu Changbian Integration Technology Co., Ltd.<br>Pin-Gang Rwei<br>Chien-Min Kuo<br>China National Machinery International Cooperation Co., Ltd.<br>Jyun-Min Mao<br>Wun-Long Li<br>YU HSIN INT'L INVESTMENT (HK) CO., LTD.<br>Li-Tai Kuo | USD 714 thousand*<br>USD 462 thousand*<br>USD 224 thousand*        | 51.00<br>33.00<br>16.00                            |
| 126      | Hangzhou Y-teks Automotive Trim Parts Lt         | Chairman<br>Director (and President)<br>Director<br>Director<br>Director<br>Supervisors  | YU HSIN INT'L INVESTMENT (HK) CO., LTD.<br>Chong-Yuan Chen<br>Sun Dong-Yu<br>Imamura Hitoshi<br>Zhao-Zhi Lu<br>Sun Dong-Yu<br>Li-Hsiung Cheng  | USD 7,950 thousand*  | 100.00   |
| 127      | Uni Auto Parts Manufacture Co., Ltd              | Chairman<br>Director<br>Director (and President)   | YULON MOTOR CO., LTD<br>Jian-Hui Li<br>Min-Hui Qiu<br>Deng Ji-Xiong<br>Xinchang Machinery Factory Co., Ltd.  | 21,728,516<br>17,377,154   | 25.01<br>20.00                                     |

| Item No. | Enterprise Name                        | Title                    | Name or Representative                                       | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|--|--------------------------|--|--|-------------------|
|          |  | Managing Director        | Chih-Hsiung His  |  |                   |
|          |  | Director                 | Chin-Ming His  | 13,032,137   | 15.00             |
|          |  | Director                 | China Motor Corporation                                      |  |                   |
|          |  | Director                 | Ching-Chi Chen   | 5,211,979  | 6.00              |
|          |  | Managing Director        | Quanxing Investment Development Co., Ltd.                    |  |                   |
|          |  | Director                 | Chungsin-Wu  | 13,033,833   | 15.00             |
|          |  | Director                 | Japan Clockwork Co., Ltd.                                    |  |                   |
|          |  | Director                 | Siao Ye, Wun-Shou  | 8,688,921  | 10.00             |
|          |  | Director                 | British Channel Islands Merchant Adient Global Holdings Ltd. |  |                   |
|          |  | Director                 | Kuo-Jung Wang  | 1,000  | -                 |
|          |  | Supervisor               | Yulon-Administered Enterprises Company Limited               |  |                   |
|          |  | Supervisor               | Hsun-Kuei Hsieh  | -  | -                 |
|          |  | Supervisor               | Kuei-Fen Tien  |  |                   |
| 128      | Uni Investment Co., Ltd.               | Director                 | Uni Auto Parts Manufacture Co., Ltd                          | NTD 289,287 thousand*  | 100.00            |
|          |  | Director                 | Teng-Hung Yang   |  |                   |
|          |  | Director                 | Chih-Hsiung His  |  |                   |
| 129      | Fuzhou Lianghong Motor Parts Limited   | Chairman                 | Uni Investment Co., Ltd.                                     | RMB 69,313 thousand*   | 66.67             |
|          |  | Director                 | Teng-Hung Yang   |  |                   |
|          |  | Director (and President) | Wei-Hsiang Go  |  |                   |
|          |  | Director                 | Deng Ji-Xiong  |  |                   |
|          |  | Director                 | Chih-Hsiung His  |  |                   |
|          |  | Director                 | Kuo-Jung Wang  |  |                   |
|          |  | Director                 | Chungsin-Wu  |  |                   |
|          |  | Director                 | Ching-Chi Chen   |  |                   |
|          |  | Supervisor               | Chiu Qiong-Kuan  |  |                   |
|          |  | Supervisor               | Wen-Chun Peng  |  |                   |
|          |  | Director                 | Namba Press Industry Co., Ltd.                               | RMB 34,651 thousand*   | 33.33             |
|          |  | Director                 | Namba Chikako  |  |                   |
|          |  | Director                 | Junichi Namba  |  |                   |
| 130      | HANG ZHOU LIAN RUN MOTOR PARTS CO.,LTD | Chairman                 | Uni Investment Co., Ltd.                                     | RMB 117,842 thousand*  | 79.49             |
|          |  | Director (and President) | Deng Ji-Xiong  |  |                   |
|          |  | Director                 | Wei-Hsiang Go  |  |                   |
|          |  | Director                 | Wen-Chun Peng  |  |                   |
|          |  | Director                 | Chungsin-Wu  |  |                   |
|          |  | Director                 | Chih-Hsiung His  |  |                   |
|          |  | Director                 | Kuo-Jung Wang  |  |                   |
|          |  | Supervisor               | Chiu Qiong-Kuan  |  |                   |
|          |  | Supervisor               | Qing Yi Investment Co., Ltd.                                 | RMB 30,405 thousand*   | 20.51             |
|          |  | Director                 | Yuming Zhuang  |  |                   |
| 131      | Luxgen Motor Co., Ltd.                 | Chairman (and President) | Yulon Motor Co., Ltd.,                                       | 92,700,000   | 100.00            |
|          |  | Director                 | Tso, Chi-Sen   |  |                   |
|          |  | Director                 | Zhen-Xiang Yao   |  |                   |
|          |  | Supervisor               | Ying-Sheng Li  |  |                   |
|          |  | Supervisor               | Hong Yao Jian  |  |                   |
| 132      | Electrified LUXGEN Motor Co.,Ltd       | Chairman                 | Luxgen Motor Co., Ltd.                                       | 18,499,000   | 99.99             |
|          |  | Director                 | Tso, Chi-Sen   |  |                   |
|          |  | Director                 | Ching-Hsing Lin  |  |                   |
|          |  | Director                 | Meng-Fen Hsiao   |  |                   |
|          |  | Director                 | Ying-Sheng Li  |  |                   |
|          |  | Supervisor               | Yulon-Administered Enterprises Company Limited               | 1,000  | 0.01              |
|          |  | Supervisor               | Hong Yao Jian  |  |                   |
| 133      | New LUXGEN North Motor Co., Ltd.       | Chairman                 | Luxgen Motor Co., Ltd.                                       | 10,499,000   | 99.99             |
|          |  | Director                 | Tso, Chi-Sen   |  |                   |
|          |  | Director                 | Ying-Sheng Li  |  |                   |
|          |  | Director                 | Wei-Ting Yang  |  |                   |
|          |  | Director                 | Chao-Hsien Liu   |  |                   |
|          |  | Director                 | Meng-Fen Hsiao   |  |                   |
|          |  | Supervisor               | Yulon-Administered Enterprises Company Limited               | 1,000  | 0.01              |
|          |  | Supervisor               | Hong Yao Jian  |  |                   |

| Item No. | Enterprise Name                    | Title  | Name or Representative  | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%) |
|----------|------------------------------------|--|---|--|----------------------|
| 134      | New LUXGEN Central Motor Co., Ltd. | Chairman   | Luxgen Motor Co., Ltd.  | 10,599,000   | 99.99                |
|          |                                    | Director<br>Director<br>Director<br>Director                   | Tso, Chi-Sen<br>Ying-Sheng Li<br>Meng-Fen Hsiao<br>Wei-Ting Yang<br>Chao-Hsien Liu<br>Yulon-Administered Enterprises<br>Company Limited<br>Hong Yao Jian  | 1,000  | 0.01                 |
| 135      | Luxgen Tainan Motor Co., Ltd.      | Chairman   | Luxgen Motor Co., Ltd.  | 10,499,000   | 99.99                |
|          |                                    | Director<br>Director<br>Director<br>Director                   | Tso, Chi-Sen<br>Che-Yu Cho<br>Meng-Fen Hsiao<br>Ying-Sheng Li<br>Shortage<br><br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen      | 1,000  | 0.01                 |
| 136      | New LUXGEN South Motor Co., Ltd.   | Chairman   | Luxgen Motor Co., Ltd.  | 7,099,000  | 99.99                |
|          |                                    | Director<br>Director<br>Director<br>Director                   | Tso, Chi-Sen<br>Ying-Sheng Li<br>Meng-Fen Hsiao<br>Wei-Ting Yang<br>Chao-Hsien Liu<br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen | 1,000  | 0.01                 |
| 137      | New Energy World Motor CO., LTD.   | Chairman   | YULON MOTOR CO., LTD  | 7,375,000  | 20.00                |
|          |                                    | Director<br>Director<br>Director<br>Director<br>Supervisor     | Jian-Hui Li<br>Luxgen Motor Co., Ltd.<br>Ying-Sheng Li<br>Yi-Ta Chiang<br>Sheng-Lun Fan<br>Shi-Chun Hong<br>Hong Yao Jian                                 | 29,500,000   | 80.00                |
| 138      | EMPOWER MOTORS CO., LTD.           | Chairman   | Yupu Enterprise Co., Ltd.   | 15,900,000   | 53.000               |
|          |                                    | Director<br>Director<br>Director                               | Chin-Feng Kao<br>His-Kun Liu<br>Kuo-Lung Lai<br>Mei-Chang Hsu<br>YULON MOTOR CO., LTD   | 5,998,780  | 19.996               |
| 139      | Chi Min Business Co., Ltd.         | Director<br>Director<br>Director                               | Fang-Zhong Lai<br>Yu-Cho Hsieh<br>Meng-Fen Hsiao<br>Taiwan Acceptance Corporation   | 8,100,000  | 27.000               |
|          |                                    | Director<br>Director<br>Supervisor<br>Supervisor<br>Supervisor | Pei-Chin Tsou<br>Shi-Jie Li<br>Yulon-Administered Enterprises<br>Company Limited<br>Yuan-long Chen<br>Nan-Cheng Pan<br>Shu-hua Liao                       | 1,220<br>-<br>-  | 0.004<br>-<br>-      |
| 140      | Hongyan Automobile Co., Ltd.       | Chairman   | EMPOWER MOTORS CO., LTD.<br>Chin-Feng Kao   | NTD 213,774 thousand*  | 100.00               |
| 141      | Yumin Insurance Broker Co., Ltd    | Chairman<br>Director<br>Director<br>Director                   | EMPOWER MOTORS CO., LTD.<br>Chin-Feng Kao<br>Meng-Fen Hsiao<br>Fang-Zhong Lai<br>His-Kun Liu<br>Pei-Chin Tsou   | 500,000  | 100.00               |



| Item No. | Enterprise Name  | Title                        | Name or Representative                                       | Shareholding (shares) (Investment amount, thousands of NTD*) | Shareholdings (%) |
|----------|--|------------------------------|--|--|-------------------|
|          |  | Supervisor                   | Yu-Ting Kuo  |  |                   |
|          |  | Supervisor                   | Mei-Chang Hsu  |  |                   |
| 142      | Mingxiang Auto Leasing Corporation                           | Chairman                     | EMPOWER MOTORS CO., LTD.                                     | 3,000,000  | 100.00            |
|          |  | Director                     | Chin-Feng Kao  |  |                   |
|          |  | Director                     | His-Kun Liu  |  |                   |
|          |  | Director                     | Fang-Zhong Lai   |  |                   |
|          |  | Director                     | Meng-Fen Hsiao   |  |                   |
|          |  | Director                     | Pei-Chin Tsou  |  |                   |
|          |  | Supervisor                   | Mei-Chang Hsu  |  |                   |
|          |  | Supervisor                   | Yu-Ting Kuo  |  |                   |
| 143      | Shanghai Yumin Automobiles Sales & Service Limited           | Chairman                     | Hongyan Automobile Co., Ltd.                                 | RMB 81,559 thousand*   | 100.00            |
|          |  |                              | Chin-Feng Kao  |  |                   |
| 144      | ChiaHsing YuTa Automobiles Sales & Service Limited           | Managing director            | Shanghai Yumin Automobiles Sales & Service Limited           | RMB 26,767 thousand*   | 100.00            |
|          |  | Supervisors                  | Chin-Feng Kao  |  |                   |
|          |  |                              | Ya-Wen Yang  |  |                   |
| 145      | Hua-Chuang Automobile Information Technical Center Co., Ltd. | Chairman                     | YULON MOTOR CO., LTD   | 2,073,600,107  | 99.99             |
|          |  | Director (and President)     | Wen-Jung Tsai  |  |                   |
|          |  | Director                     | Min-Hui Qiu  |  |                   |
|          |  | Director                     | Wen-Yi Lo  |  |                   |
|          |  | Supervisor                   | Yuan-long Chen   |  |                   |
| 146      | Hua-Chuang Overseas Investment Co., Ltd.                     | Institutional representative | Hua-Chuang Automobile Information Technical Center Co., Ltd. | NTD 371,771 thousand*  | 100.00            |
|          |  |                              | Chin-Chuan Chen  |  |                   |
| 147      | Yu Ke Co., Ltd.  | Chairman                     | YULON MOTOR CO., LTD   | 1,500,000  | 100.00            |
|          |  | Director                     | Hong-Zheng Chen  |  |                   |
|          |  | Director                     | Min-Hui Qiu  |  |                   |
|          |  | Director                     | Che-Yu Cho   |  |                   |
|          |  | Supervisor                   | Hsun-Kuei Hsieh  |  |                   |
| 148      | YUH YAU CO.,LTD  | Chairman                     | YULON MOTOR CO., LTD   | 1,500,000  | 100.00            |
|          |  | Director                     | Hong-Zheng Chen  |  |                   |
|          |  | Director                     | Min-Hui Qiu  |  |                   |
|          |  | Director                     | Che-Yu Cho   |  |                   |
|          |  | Supervisor                   | Hsun-Kuei Hsieh  |  |                   |
| 149      | Shinshin Credit Corporation                                  | Chairman                     | Shinshin Credit Corporation                                  | 100,000  | 100               |
|          |  |                              | Yuan-Lung Chueh  |  |                   |
| 150      | Zysun Power Company Limited                                  | Chairman                     | Shinshin Credit Corporation                                  | NTD 10,100 thousand*   | 100               |
|          |  |                              | Yuan-Lung Chueh  |  |                   |
| 151      | Wysun Power Company Limited                                  | Chairman                     | Shinshin Credit Corporation                                  | NTD 770,600 thousand*  | 100               |
|          |  |                              | Yuan-Lung Chueh  |  |                   |
| 152      | Taichuang Energy Corporation                                 | Chairman                     | Shinshin Credit Corporation                                  | 95,000,000   | 95                |
|          |  | Director                     | Yuan-Lung Chueh  |  |                   |
|          |  | Director                     | Shih-Neng Yeh  |  |                   |
|          |  | Director                     | Che-Jen Tao  |  |                   |
|          |  | Supervisor                   | Mingde Lo  |  |                   |
| 153      | Line Go Co., Ltd.  | Chairman                     | Taiwan Acceptance Corporation                                | 38,508,309   | 50.70             |
|          |  | Director                     | Chun-Cheng Lin   |  |                   |
|          |  | Director                     | Kuo-Hsing Hsu  |  |                   |
|          |  | Director                     | Po-An Lai  |  |                   |
|          |  | Director                     | Jung-Fu Cheng  |  |                   |
|          |  | Director                     | Tzu-Yuan Lin   |  |                   |
|          |  | Director                     | Ine Taiwan Limited   | 36,283,197   | 47.77             |
|          |  | Director                     | KANG HYUNBIN   |  |                   |
|          |  | Director                     | Li-Jen Chen  |  |                   |
|          |  | Director                     | Hsin Tang  |  |                   |
|          |  | Director                     | Shin Hyunjun   |  |                   |
|          |  | Supervisor                   | Shu-hua Liao   |  |                   |
|          |  | Supervisor                   | Shin Jae Sung  |  |                   |
| 154      | Line Go Taxi Team Co., Ltd.                                  | Chairman                     | Line Go Co., Ltd.  | 625,000  | 62.5              |
|          |  | Director                     | Kai-Wei Chen   |  |                   |
|          |  | Director                     | Hui-Lan Hsu  |  |                   |
|          |  | Director                     | CHAN TAI SHING KEVIN   |  |                   |
|          |  | Director                     | Ming-Hsiung Wang   | 10,000   | 1.0               |
|          |  | Director                     | Ping-Hsien Huang   |  |                   |
|          |  | Supervisor                   | Yu-Ting Huang  |  |                   |
|          |  | Supervisor                   | Hui-Fen Huang  |  |                   |

| Item No. | Enterprise Name        | Title    | Name or Representative                         | Shareholding (shares)<br>(Investment amount,<br>thousands of NTD*) | Shareholdings<br>(%) |
|----------|------------------------|----------|--|--|----------------------|
| 155      | Yulon Capital SDN. BHD | Chairman | Shinshin Credit Corporation<br>Yuan-Lung Chueh | MYR 46,608   | 100                  |

## 6. Operating overview of affiliated companies (as of December 31, 2023)

(In Thousands of NTD Except Earnings Per Share in NTD)

| Company code | Company name   | Paid-up Capital | Total assets | Total liabilities | Net Worth  | Operating revenues | Operating profits | Gain or loss in current period | Earnings per share |
|--------------|--|-----------------|--------------|-------------------|------------|--------------------|-------------------|--------------------------------|--------------------|
| 22010001     | Taiwan Acceptance Corporation                                | 6,482,250       | 145,342,398  | 108,960,470       | 36,381,928 | 10,359,775         | 2,169,236         | 6,274,510                      | 11.07              |
| 22010002     | Yu Ching Business Co., Ltd.                                  | 711,000         | 895,135      | 1,951             | 893,184    | 17,927             | 1,562             | 24,633                         | 0.04               |
| 22010004     | Yu Pong Business Co., Ltd.                                   | 134,704         | 570,586      | 18,125            | 552,461    | 45,667             | (21,012)          | -5,833                         | -0.43              |
| 22010005     | Yung Hang Investment Co., Ltd.                               | 326,220         | 685,976      | 238               | 685,738    | 18,548             | 52,179            | 57,505                         | 1.75               |
| 22010008     | Yue Sheng Industrial Co., Ltd.                               | 288,000         | 488,691      | 69,883            | 418,808    | 281,327            | (15,899)          | (8,061)                        | (0.28)             |
| 22010010     | Yueki Industrial Co., Ltd.                                   | 194,670         | 904,272      | 348,842           | 555,430    | 874,212            | 4,234             | 30,665                         | 1.58               |
| 22010012     | China Cast Iron Pipe Co., Ltd.                               | 32,000          | 92,195       | 34,067            | 58,128     | 21,170             | 16,995            | 13,791                         | 4.31               |
| 22010014     | Yu Chang Motor Co., Ltd.                                     | 215,385         | 1,467,208    | 1,159,156         | 308,052    | 4,180,180          | (34,228)          | 37,264                         | 0.19               |
| 22010017     | Yushin Motor Co., Ltd.                                       | 200,000         | 837,255      | 533,045           | 304,210    | 2,335,543          | 16,049            | 51,700                         | 0.17               |
| 22010020     | New Energy World Motor CO., LTD.                             | 368,750         | 371,666      | 153               | 371,513    | 2,101              | (1,141)           | (420)                          | (0.00)             |
| 22010023     | Singan Co., Ltd.   | 286,700         | 863,550      | 265,192           | 598,358    | 52,366             | 4,196             | 194,097                        | 6.77               |
| 22010024     | Sinqual Technology Co., Ltd.                                 | 130,000         | 472,113      | 278,863           | 193,250    | 513,715            | 18,781            | 16,049                         | 1.23               |
| 22010027     | Yulon Construction Co., Ltd.                                 | 1,440,780       | 4,679,483    | 810,799           | 3,868,684  | 251,010            | 68,994            | 92,019                         | 0.64               |
| 22010034     | EMPOWER MOTORS CO., LTD.                                     | 300,000         | 1,247,122    | 852,625           | 394,497    | 3,291,257          | (80,122)          | 20,533                         | 0.68               |
| 22010035     | Tian Wang Co., Ltd.  | 17,000          | 80,755       | 57,810            | 22,945     | 89,507             | 1,401             | 1,851                          | 0.10               |
| 22010036     | Yupu Enterprise Co., Ltd.                                    | 50,000          | 85,580       | 17,679            | 67,901     | 88,553             | 737               | 5,545                          | 0.11               |
| 22010042     | Yulon It Solutions Inc.                                      | 190,000         | 49,895       | 6,857             | 43,038     | 27,087             | 1,371             | 2,598                          | 0.08               |
| 22010047     | STA. CRUZ ISLAND CORPORATION                                 | 141,255         | 308,009      | 3,730             | 304,279    | 7,272              | 5,503             | 2,723                          | 0.18               |
| 22010051     | Xiamen Y.C. Invest. Consulting Limited                       | 67,081          | 760,359      | 257,991           | 502,368    | 0                  | (628)             | 2,488                          | Note               |
| 22010053     | Sin Chi Co., Ltd.  | 805,000         | 955,652      | 24,832            | 930,820    | 66,938             | 35,836            | 31,282                         | 0.03               |
| 22010054     | Esinn Co., Ltd.  | 180,000         | 1,337,662    | 1,133,059         | 204,603    | 3,780,965          | (54,630)          | 19,830                         | 0.11               |
| 22010055     | Y-Teks Co., Ltd.   | 177,100         | 1,140,682    | 267,896           | 872,786    | 216,406            | 12,009            | 71,796                         | 4.05               |
| 22010060     | YU HSIN INT'L INVESTMENT (BVI) CO., LTD.                     | 102,770         | 1,238,517    | 627               | 1,237,890  | 0                  | (10,058)          | 99,476                         | 9.68               |
| 22010063     | Yulon Overseas Investment Co., Ltd.                          | 32,056,349      | 7,207,550    | 83                | 7,207,467  | 0                  | (323)             | 765,760                        | 0.24               |
| 22010067     | Yulon China Investment Co., Ltd.                             | 32,333,459      | 7,013,290    | 353               | 7,012,937  | 0                  | (1,515)           | 741,816                        | 0.23               |
| 22010068     | Yulon Philippines Investment Co., Ltd.                       | 1,097,426       | 193,991      | 461               | 193,530    | 0                  | (802)             | 25,049                         | 0.34               |
| 22010070     | Uni Auto Parts Manufacture Co., Ltd.                         | 868,892         | 3,141,764    | 782,456           | 2,359,308  | 1,434,685          | 11,287            | (18,485)                       | (0.21)             |
| 22010073     | Shinshin Credit Corporation                                  | 5,578,000       | 84,251,885   | 67,571,524        | 16,680,361 | 5,617,388          | 2,216,259         | 1,804,468                      | 3.60               |
| 22010076     | Carplus Auto Leasing Corporation                             | 1,479,653       | 30,195,278   | 26,389,369        | 3,805,909  | 13,384,490         | 239,341           | 249,849                        | 1.69               |
| 22010077     | Chi Min Business Co., Ltd.                                   | 8,000           | 38,624       | 24,206            | 14,418     | 89,102             | 878               | 763                            | 0.09               |
| 22010079     | Diamond Auto Service Co., Ltd.                               | 113,058         | 376,285      | 173,767           | 202,518    | 130,666            | 19,639            | 21,162                         | 1.87               |
| 22010081     | Yu Rich Financial Services Co., Ltd.                         | 4,306,082       | 32,320,254   | 24,693,001        | 7,627,253  | 5,039,343          | 1,739,117         | 1,366,749                      | 3.17               |
| 22010085     | Uni Investment Co., Ltd.                                     | 289,287         | 1,901,350    | 29,792            | 1,871,558  | 0                  | (2,157)           | (21,360)                       | (0.74)             |
| 22010086     | Fuzhou Lianghong Motor Parts Limited                         | 450,705         | 1,418,177    | 618,582           | 799,595    | 2,028,530          | (2,932)           | 13,138                         | Note               |
| 22010087     | Yue Ki Industrial (Samoa) Co., Ltd.                          | 123,058         | 15,477       | 0                 | 15,477     | 0                  | (186)             | 118,513                        | 9.63               |
| 22010093     | Qinton Motor Co., Ltd.                                       | 67,459          | 168,710      | 109,959           | 58,751     | 266,955            | 10,067            | 12,189                         | 1.81               |
| 22010096     | Hua-Chuang Automobile Information Technical Center Co., Ltd. | 20,736,001      | 10,701,149   | 173,518           | 10,527,631 | 52,295             | 119,646           | (516,614)                      | 0.00               |
| 22010098     | Wen Yang Investment (Samoa) Co., Ltd.                        | 910,403         | 1,309,953    | 646,198           | 663,755    | 0                  | (166)             | (42,167)                       | (0.46)             |
| 22010099     | Qing Yi Investment (Samoa) Co., Ltd.                         | 430,606         | 80,895       | 0                 | 80,895     | 0                  | (1)               | 28,899                         | 0.67               |
| 22010100     | KeYu (Nanjing) Information Technology Limited                | 780,469         | 0            | 0                 | 0          | 0                  | (168)             | 2,446                          | Note               |
| 22010101     | TaiFeng (Nanjing) Software Technology Limited                | 495,140         | 1,310,875    | 876               | 1,309,999  | 0                  | (2,419)           | (6,511)                        | Note               |
| 22010102     | QingTai (NanJing) Technology Limited                         | 521,374         | 0            | 0                 | 0          | 0                  | (142)             | (37,937)                       | Note               |
| 22010104     | Xie Guan Manpower Service Co., Ltd.                          | 10,000          | 28,074       | 7,135             | 20,939     | 51,701             | 4,143             | 4,103                          | 4.10               |
| 22010105     | Zhangzhou Development Zone Yi Ding Investment Co., Ltd.      | 239,303         | 243,827      | 95,944            | 147,883    | 0                  | (496)             | (3,074)                        | Note               |
| 22010106     | Zhangzhou Development Zone Mei De Investment Co., Ltd.       | 344,648         | 321,870      | 603               | 321,267    | 0                  | (1,754)           | (810)                          | Note               |
| 22010107     | Zhangzhou Development Shi Cheng Investment Co., Ltd.         | 311,397         | 307,137      | 191,889           | 115,248    | 0                  | (543)             | (36,389)                       | Note               |
| 22010108     | Zhangzhou Development Zone Jin Ce Investment Co., Ltd.       | 85,273          | 64,249       | 334               | 63,915     | 0                  | (455)             | (2,567)                        | Note               |
| 22010109     | GaoTe (Beijing) Investment Limited                           | 251,442         | 167,761      | 429               | 167,332    | 0                  | (2,695)           | (3,685)                        | Note               |
| 22010111     | DongTai (Beijing) Investment Limited                         | 317,337         | 245,257      | 132,449           | 112,808    | 2,273              | (5,952)           | (39,197)                       | Note               |
| 22010112     | SuZhou FengShen Automobiles. Sale & Service Limited          | 208,090         | 960,075      | 81,617            | 878,458    | 680,605            | 21,703            | 73,760                         | Note               |

| Company code | Company name   | Paid-up Capital | Total assets | Total liabilities | Net Worth | Operating revenues | Operating profits | Gain or loss in current period | Earnings per share |
|--------------|--|-----------------|--------------|-------------------|-----------|--------------------|-------------------|--------------------------------|--------------------|
| 22010113     | Suzhou FengShun Automobiles Sales & Service Limited    | 108,380         | 475,761      | 169,828           | 305,933   | 979,145            | 11,892            | 36,266                         | Note               |
| 22010114     | Guangzhou YuanDou Automobile Sales & Service Limited   | 151,732         | 188,406      | 35,691            | 152,715   | 284,001            | 789               | 703                            | Note               |
| 22010116     | Zhu Hai FuTeEn Industry & Trade Limited                | 185,113         | 412,826      | 90,074            | 322,752   | 565,865            | (1,004)           | 6,044                          | Note               |
| 22010117     | TAC Global Investment (Samoa) Co., Ltd                 | 3,341,687       | 6,486,533    | 0                 | 6,486,533 | 0                  | 0                 | 889,264                        | 2.66               |
| 22010118     | CAR-PLUS China Investment (Samoa) Co.,Ltd              | 307,050         | 671,929      | 0                 | 671,929   | 0                  | 0                 | 31,050                         | 1.01               |
| 22010119     | CAR-PLUS Auto Leasing (Suzhou) Limited                 | 745,498         | 2,213,068    | 1,542,325         | 670,743   | 827,826            | 41,319            | 31,037                         | Note               |
| 22010121     | CAR-PLUS Global Investment (Samoa) Co., Ltd            | 941,992         | 686,678      | 0                 | 686,678   | 0                  | (40)              | 6,000                          | 0.06               |
| 22010122     | Changzhou Y-Teks Automotive Trim Parts Limited         | 42,987          | 164,526      | 67,414            | 97,112    | 141,538            | 11,435            | 8,230                          | Note               |
| 22010123     | NanJing HanHong Automobiles Trading Limited            | 567,911         | 440,109      | 249,799           | 190,310   | 275,123            | (47,814)          | (67,449)                       | Note               |
| 22010124     | HangZhou Yu Zhong Trading Limited                      | 43,352          | 50,355       | 42                | 50,313    | 0                  | (591)             | 144                            | Note               |
| 22010125     | HangZhou TangYu Investment Limited                     | 43,352          | 827          | 36                | 791       | 0                  | (73)              | (39,016)                       | Note               |
| 22010126     | HangZhou QienYu Investment Limited                     | 43,352          | 780          | 31                | 749       | 0                  | (64)              | (3,649)                        | Note               |
| 22010127     | Wuhan Yu Hsin Automobiles Sales & Service Limited      | 496,814         | 808,784      | 271,156           | 537,628   | 1,337,165          | 18,466            | 30,406                         | Note               |
| 22010128     | Wu Jiang Lian Cheng Automobiles Sale & Service Limited | 43,352          | 134,228      | 46,555            | 87,673    | 354,606            | 20,312            | 16,238                         | Note               |
| 22010129     | Hangzhou Xiaoyu Technology Co., Ltd.                   | 43,352          | 787          | 36                | 751       | 0                  | (121)             | (88)                           | Note               |
| 22010130     | Hong Shuo Cultural Enterprises Co., Ltd.               | 40,500          | 30,663       | 7,693             | 22,970    | 31,665             | 1,964             | 2,072                          | 0.51               |
| 22010131     | Hsiang Shou Enterprise Co., Ltd.                       | 100,000         | 430,361      | 154,969           | 275,392   | 694,680            | 107,424           | 88,358                         | 8.84               |
| 22010138     | Yulon China Investment Co., Ltd.                       | 8,344,968       | 0            | 0                 | 0         | 0                  | (218)             | 599,939                        | Note               |
| 22010143     | Luxgen Motor Co., Ltd.                                 | 927,000         | 2,511,390    | 1,703,035         | 808,355   | 2,692,804          | (101,401)         | (87,366)                       | (0.94)             |
| 22010146     | YU HSIN INT'L INVESTMENT (HK) CO., LTD.                | 311,194         | 386,128      | 297               | 385,831   | 0                  | (654)             | 43,339                         | Note               |
| 22010147     | Electrified LUXGEN Motor Co.,Ltd.                      | 185,000         | 675,373      | 597,163           | 78,210    | 1,192,129          | (44,630)          | (31,882)                       | (1.72)             |
| 22010148     | New LUXGEN North Motor Co., Ltd.                       | 105,000         | 250,930      | 134,689           | 116,241   | 634,437            | 5,665             | 7,968                          | 0.76               |
| 22010149     | New LUXGEN Central Motor Co., Ltd.                     | 106,000         | 313,818      | 171,906           | 141,912   | 673,457            | (1,685)           | 2,552                          | 0.24               |
| 22010150     | Luxgen Tainan Motor Co., Ltd.                          | 105,000         | 225,028      | 114,626           | 110,402   | 476,020            | (7,214)           | 2,309                          | 0.22               |
| 22010151     | New LUXGEN South Motor Co., Ltd.                       | 71,000          | 169,523      | 105,064           | 64,459    | 523,749            | (7,909)           | (1,220)                        | (0.17)             |
| 22010153     | CAR-PLUS Auto Leasing (Shanghai) Limited               | 786,250         | 1,091,381    | 246,131           | 845,250   | 287,438            | 46,729            | 40,090                         | Note               |
| 22010154     | Yulon TOBE Motor Co., Ltd.                             | 368,959         | 99,779       | 90                | 99,689    | 0                  | (15,493)          | (15,485)                       | (0.42)             |
| 22010157     | Suzhou YuShun Automobiles Sales & Service Limited      | 43,352          | 39,416       | 1,018             | 38,398    | 106                | (2,274)           | (2,937)                        | Note               |
| 22010163     | Hangzhou Y-teks Automotive Trim Parts Lt               | 244,105         | 100,758      | 10,786            | 89,972    | 21,387             | 38,666            | 38,653                         | Note               |
| 22010164     | YES-Energy Service Co., LTD.                           | 290,000         | 1,793,478    | 1,392,287         | 401,191   | 255,884            | 140,255           | 130,350                        | 4.49               |
| 22010165     | Hangzhou Yuwan Auto Motive Parts Limited               | 496,193         | 26,550       | 2,008             | 24,542    | 0                  | 39,509            | 37,357                         | Note               |
| 22010166     | Hong Kong Yueki Holdings Co., Ltd.                     | 330,094         | 13,597       | 0                 | 13,597    | 0                  | (2)               | 20,879                         | 0.63               |
| 22010167     | Yu Rong International Investment (SAMOA) Co., Ltd.     | 2,686,565       | 6,018,877    | 0                 | 6,018,877 | 0                  | 0                 | 885,871                        | 3.30               |
| 22010169     | Jiangsu Yu-Rong Leasing Co., Ltd.                      | 2,318,105       | 29,040,555   | 23,111,285        | 5,929,270 | 3,037,656          | 1,077,139         | 862,065                        | Note               |
| 22010170     | Sinjiang Co., Ltd                                      | 128,240         | 801,385      | 523,224           | 278,161   | 474,650            | 107,083           | 90,588                         | 7.06               |
| 22010174     | Hangzhou HuaZhi Automobile Sales & Service Limited     | 86,704          | 681          | 302,231           | -301,550  | 0                  | (622)             | (8,702)                        | Note               |
| 22010175     | Feng-hua Investment (HK) Co., Ltd.                     | 191,436         | 425,004      | 0                 | 425,004   | 0                  | 0                 | 11,822                         | Note               |
| 22010177     | Hangzhou HuaYou Automobile Sales & Service Limited     | 34,682          | 99           | 183,293           | -183,194  | 0                  | (132)             | (3,830)                        | Note               |
| 22010179     | Xiaogan Yufeng Automobile Sales Service Co., Ltd.      | 149,998         | 409,693      | 104,539           | 305,154   | 1,087,349          | 25,939            | 16,572                         | Note               |
| 22010181     | Shanghai Yumin Automobiles Sales & Service Limited     | 353,575         | 18,069       | 21,819            | -3,750    | 5,636              | (15,686)          | 6,657                          | Note               |
| 22010183     | Suzhou Chenglong Auto Sales & Service Co.              | 191,436         | 453,367      | 136,743           | 316,624   | 833,109            | 13,431            | 11,822                         | Note               |
| 22010184     | Suzhou ChengLi Automobile Sales & Service Limited      | 65,028          | 111,023      | 25,973            | 85,050    | 262,044            | 12,218            | 11,254                         | Note               |
| 22010186     | Nanjing YuShang Automobile Sales & Service Limited     | 164,738         | 6,666        | 0                 | 6,666     | 1,996              | 192               | 580                            | Note               |
| 22010188     | Yulon China Holdings Co. Ltd.                          | 21,790,472      | 5,337,784    | 80                | 5,337,704 | 0                  | (330)             | 147,685                        | 0.07               |
| 22010189     | Yulon Motor Investment (HK) Co., Ltd.                  | 21,790,472      | 5,337,784    | 80                | 5,337,704 | 0                  | (330)             | 147,685                        | Note               |
| 22010190     | Yulon Automotive (China) Investment Limited            | 8,191,562       | 5,863,587    | 1,040,677         | 4,822,910 | 11,382             | (24,091)          | 145,345                        | Note               |

| Company code | Company name  | Paid-up Capital | Total assets | Total liabilities | Net Worth | Operating revenues | Operating profits | Gain or loss in current period | Earnings per share |
|--------------|---|-----------------|--------------|-------------------|-----------|--------------------|-------------------|--------------------------------|--------------------|
| 22010192     | YES CHARGING SERVICE CO., LTD.  | 72,000          | 137,828      | 99,236            | 38,592    | 73,438             | (51,547)          | (51,462)                       | (5.05)             |
| 22010194     | Changsha Yulu Automobile Sales & Service Limited                      | 137,859         | 34,841       | 15,503            | 19,338    | 11,921             | 6,346             | 7,821                          | Note               |
| 22010198     | Hongyan Automobile Co., Ltd.  | 213,774         | 35,876       | 0                 | 35,876    | 0                  | 0                 | 6,620                          | 0.03               |
| 22010199     | YU SHIN Investment Ltd.   | 10,167          | 3,768        | 0                 | 3,768     | 0                  | 0                 | 17                             | 0.00               |
| 22010201     | Hangzhou Hua-chuang Automobile Informati                              | 858,225         | 171,765      | 175,604           | -3,839    | 483,201            | 1,124             | 2,194                          | Note               |
| 22010203     | Hua-Chuang Overseas Investment Co., Ltd.                              | 371,771         | 0            | 0                 | 0         | 0                  | 0                 | 0                              | 0.00               |
| 22010205     | Suzhou Eslite Automobiles Sales & Service Limited                     | 173,408         | 244,920      | 41,407            | 203,513   | 266,523            | 1,841             | 5,699                          | Note               |
| 22010206     | Suzhou ChengBang Automobiles Sales & Service Limited                  | 43,352          | 170,011      | 92,866            | 77,145    | 384,504            | 10,301            | 7,912                          | Note               |
| 22010207     | Nanjing HanHong Automobile Sales & Service Limited                    | 190,749         | 129,433      | 16,381            | 113,052   | 0                  | (3,956)           | (3,932)                        | Note               |
| 22010208     | Yumin Insurance Broker Co., Ltd                                       | 5,000           | 5,297        | 122               | 5,175     | 610                | 203               | 213                            | 0.04               |
| 22010210     | Yu-Kuo Finance Leasing (Hangzhou) Limited                             | 921,150         | 295,669      | 19,748            | 275,921   | 1,764              | 53,745            | 59,524                         | Note               |
| 22010212     | Zhejiang Cheng Yi Automobile Technology Service Co., Ltd              | 86,704          | 16,579       | 8,002             | 8,577     | 0                  | (33)              | (300)                          | Note               |
| 22010213     | ChiaHsing YuTa Automobiles Sales & Service Limited                    | 116,040         | 4,559        | 487               | 4,072     | 5,636              | (15,686)          | 6,657                          | Note               |
| 22010214     | Suzhou Cheng-Hung Auto Sales & Service Limited                        | 43,352          | 83,793       | 41,640            | 42,153    | 122,645            | (6,476)           | (6,175)                        | Note               |
| 22010216     | TaiTsang ChengMao Automobiles Sales & Service Limited                 | 43,352          | 207,253      | 95,765            | 111,488   | 315,120            | 11,271            | 11,332                         | Note               |
| 22010219     | Anqing Cai Tong Automobiles Sales & Service Limited                   | 118,858         | 14           | 0                 | 14        | 0                  | (18)              | 439                            | Note               |
| 22010222     | Tongling Kuo Tong Automobiles Sales & Services Limited                | 73,321          | 456          | 1,665             | -1,209    | 823                | (186)             | (941)                          | Note               |
| 22010223     | Zibo Yu An Automobiles Sales & Services Limited                       | 66,935          | 1,716        | 26                | 1,690     | 0                  | 403               | 4,403                          | Note               |
| 22010224     | UNIVATION MOTOR PHILIPPINES, INC.                                     | 605,172         | 374,104      | 180,613           | 193,491   | 108,746            | 36,840            | 25,049                         | 0.04               |
| 22010225     | Sheng Qing (Beijing) Investment Limited                               | 5,374,222       | 4,551,416    | 434,822           | 4,116,594 | 4,440              | (77,590)          | 12,959                         | Note               |
| 22010226     | Jing-Hui (Shanghai) Motor Technology Limited                          | 48,897          | 38,449       | 11,909            | 26,540    | 5,089              | 478               | 2,616                          | Note               |
| 22010228     | HANG ZHOU LIAN RUN MOTOR PARTS CO.,LTD                                | 642,679         | 310,450      | 213,115           | 97,335    | 27,740             | 60,380            | 60,613                         | Note               |
| 22010229     | Shin Shin Investment (Samoa) Co., Ltd.                                | 368,460         | 131,169      | 0                 | 131,169   | 0                  | 0                 | 23,809                         | Note               |
| 22010230     | Yulon Motor Finance (China) Limited                                   | 4,335,200       | 9,128,388    | 4,541,928         | 4,586,460 | 840,193            | 220,730           | 184,478                        | Note               |
| 22010233     | Hangzhou Cheng Yi second - hand car identification assessment Limited | 6,503           | 3,519        | 0                 | 3,519     | 684                | 565               | 606                            | Note               |
| 22010235     | Zhejiang Cheng Yi auction Ltd.  | 8,670           | 10,891       | 1,828             | 9,063     | 1,139              | 1,261             | 1,057                          | Note               |
| 22010236     | Hangzhou Yujie Real Estate Co., Ltd                                   | 2,167,600       | 2,748,809    | 546,284           | 2,202,525 | 149,273            | 13,158            | 28,350                         | Note               |
| 22010237     | Ta Teng Transportation Co., Ltd.                                      | 6,000           | 8,439        | 2,967             | 5,472     | 8,858              | 1,012             | 841                            | Note               |
| 22010239     | Luxgen (Hangzhou) Motor Sales Co., Ltd                                | 13,057,027      | 490,411      | 358,869           | 131,542   | 4,934              | (12,745)          | 43,290                         | Note               |
| 22010240     | Yufong Property Management Co., Ltd.                                  | 25,000          | 90,618       | 28,221            | 62,397    | 115,270            | 8,964             | 8,626                          | 3.45               |
| 22010241     | Yulon Finance Overseas Investment (Samoa) Co., Ltd.                   | 460,575         | 160,651      | 0                 | 160,651   | 0                  | 0                 | 4,611                          | 0.10               |
| 22010242     | Yulon Finance Philippines Investment (Samoa) Co., Ltd.                | 437,490         | 160,651      | 0                 | 160,651   | 0                  | 0                 | 4,611                          | 0.10               |
| 22010243     | KUEN YOU TRADING CO., LTD.  | 15,000          | 48,715       | 31,083            | 17,632    | 131,977            | (4,516)           | 1,535                          | 0.10               |
| 22010246     | Yulon Finance Philippines Co., Ltd                                    | 437,490         | 818,679      | 658,028           | 160,651   | 111,437            | 5,793             | 4,611                          | 0.11               |
| 22010247     | Chuang Jie New Energy Vehicle (HZ) Limited                            | 3,424,808       | 2,378,223    | 120,460           | 2,257,763 | 535,784            | (4,786)           | 102,111                        | Note               |
| 22010248     | CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd                         | 138,726         | 621          | 0                 | 621       | 0                  | 0                 | (14,823)                       | (1.07)             |
| 22010249     | CAR-PLUS GO Co., Ltd.   | 982,560         | 33,451       | 14,395            | 19,056    | 0                  | (662)             | (14,823)                       | Note               |
| 22010252     | Dachuan Transportation Co., Ltd.                                      | 3,000           | 2,318        | 334               | 1,984     | 732                | 707               | 573                            | Note               |
| 22010253     | Damu Transportation Co., Ltd.   | 6,000           | 1,596        | 284               | 1,312     | 209                | 200               | 166                            | Note               |
| 22010254     | Dajun Transportation Co., Ltd.  | 3,000           | 1,687        | 266               | 1,421     | 330                | 261               | 215                            | Note               |
| 22010261     | Yongxiang Transportation Co., Ltd.                                    | 3,000           | 1,984        | 579               | 1,405     | 1,408              | 690               | 598                            | Note               |
| 22010262     | Guoma Transportation Co., Ltd.  | 4,000           | 644          | 70                | 574       | 317                | 190               | 155                            | Note               |
| 22010263     | Jinyu Transportation Enterprise Co., Ltd                              | 3,000           | 882          | 211               | 671       | 364                | 144               | 118                            | Note               |
| 22010264     | Zhongxing Automobile Co., Ltd.  | 3,500           | 1,158        | 271               | 887       | 593                | 412               | 373                            | Note               |
| 22010265     | Liyang Automobile Co., Ltd.   | 9,000           | 9,128        | 1,229             | 7,899     | 3,264              | 1,009             | 825                            | Note               |
| 22010266     | Heyang Transportation Co., Ltd.                                       | 6,000           | 1,469        | 393               | 1,076     | 1,344              | 577               | 482                            | Note               |
| 22010267     | Jiayu Transportation Enterprise Co., Ltd                              | 3,000           | 628          | 218               | 410       | 241                | 147               | 120                            | Note               |

| Company code | Company name                      | Paid-up Capital | Total assets | Total liabilities | Net Worth | Operating revenues | Operating profits | Gain or loss in current period | Earnings per share |
|--------------|-----------------------------------|-----------------|--------------|-------------------|-----------|--------------------|-------------------|--------------------------------|--------------------|
| 22010268     | Tianyang Transportation Co., Ltd. | 6,000           | 2,093        | 280               | 1,813     | 1,537              | 950               | 767                            | Note               |
| 22010269     | MINXIANG LEASING CO., LTD         | 30,000          | 85,904       | 54,537            | 31,367    | 42,718             | 671               | 403                            | Note               |
| 22010270     | Advance Power Machinery Co., Ltd. | 205,000         | 234,717      | 37,798            | 196,919   | 24,519             | 1,405             | (11,373)                       | (0.06)             |
| 22010271     | Yu Ke Co., Ltd.                   | 15,000          | 1,739        | 0                 | 1,739     | 0                  | (13,298)          | (13,267)                       | (8.84)             |
| 22010272     | YUH YAU CO.,LTD                   | 15,000          | 1,738        | 0                 | 1,738     | 0                  | (13,298)          | (13,262)                       | (8.84)             |
| 22010273     | Shinshin Credit Corporation       | 1,000           | 953          | 150               | 803       | 0                  | (202)             | (197)                          | (1.97)             |
| 22010274     | Zysun Power Company Limited       | 10,100          | 110,593      | 102,269           | 8,324     | 0                  | (589)             | (1,639)                        | Note               |
| 22010275     | Wysun Power Company Limited       | 770,600         | 764,004      | 361               | 763,643   | 0                  | (6,865)           | (6,769)                        | Note               |
| 22010276     | Taichuang Energy Corporation      | 1,000,000       | 1,291,419    | 321,725           | 969,694   | 0                  | (8,562)           | (10,035)                       | (0.10)             |
| 22010277     | Line Go Co., Ltd.                 | 189,893         | 996,109      | 103,383           | 892,726   | 32,922             | (65,356)          | (63,044)                       | (3.32)             |
| 22010278     | Line Go Taxi Team Co., Ltd.       | 10,000          | 50,671       | 34,727            | 15,944    | 68,143             | (1,455)           | (2,772)                        | (2.77)             |
| 22010279     | Yulon Capital SDN. BHD.           | 316,014         | 298,800      | 0                 | 298,800   | 0                  | 4                 | (4)                            | 0.00               |

Note 1: Not applicable because it is a limited company.

Note 2: For those that are not mandatorily required to adopt IFRSs, the disclosures are still based on financial information prepared in accordance with GAAP.

## (II) Consolidated Financial Statements of Affiliates

### Statement of Consolidated Financial Statements of Affiliates

The companies to be included by the Bank in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of affiliates in accordance with the “Rules Governing the Preparation of Affiliated Company’s Consolidated Business Report, Affiliated Company’s Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Relationship Report” in 2023 (from January 1 to December 31, 2023) are identical to those to be included in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the Parent Company and subsidiaries in accordance with the International Financial Reporting Standards No. 10. Also, the information to be disclosed in the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the affiliated companies has been disclosed in said Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the Parent Company and subsidiaries. Therefore, the Bank will not separately prepare the Sale or Contribution of Assets between an Investor and its Associate or Joint Venture of the affiliated companies.

Hereby declare

Company name: YULON MOTOR CO., LTD

Responsible Person: Yen Chen Li Lien



March 7, 2024

## (III) Relations Report: Not applicable

**II. From 2023 up to the publication date of the annual report, private placement of marketable securities: No such matter.**

**III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent year (2023) or during the current year up to the date of publication of the annual report:**

Unit: Thousands of NTD; shares; %  
As of 2024.4.1

| Subsidiary name | Paid-up Capital | Source of capital  | The Company's shareholding percentage | Date of acquisition or disposal | Number of shares acquired | Acquisition amount | Number of shares disposed | Disposal amount | Investment gains and losses | Number of shares as of the publication date of the annual report | Amount as of the publication date of the annual report | Assets pledged (note) | Amount of endorsement and guarantee by the Company for its subsidiaries | Amount funds lending by the Company to subsidiaries |
|-----------------|-----------------|--------------------|---------------------------------------|---------------------------------|---------------------------|--------------------|---------------------------|-----------------|-----------------------------|--|--|-----------------------|---|---|
| Yu Ching        | 711,000         | Operating Revenues | 60%                                   | 1997-2020 (Note 1)              | -                         | -                  | -                         | -               | -                           | 7,526,431  | 376,301  | -                     | 130,000   | -   |

Note 1: Yu Ching Business Co., Ltd. purchased a total of 8,009,770 shares from the public market between 1997 and 1999; From 1999 to 2008, there were 3,828,691 shares from earnings converted into capital increase;

In 2020, 4,312,030 shares were reduced due to the Company's capital reduction in exchange for new shares.

Note 2: Impact on the Company's financial performance and financial position: None.

**IV. Other supplementary information: None.**

**V. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during 2023 or during the current year up to the date of publication of the annual report: No such matter.**

