



Stock Code: 2201

# Annual Report 2022

Printed on April 7, 2023  
SEC: [mops.twse.com.tw](http://mops.twse.com.tw)  
official Website: [www.yulon-motor.com.tw](http://www.yulon-motor.com.tw)



Environmental  
Social  
Governance



YES!LIFE  
裕隆城

I. Name, title, and phone of the spokesperson:

Name: Wen-Yi Lo

Title: Assistant Vice President

Tel.: 886-37-871801 Ext. 2901

E-mail: wy.lo@yulon-motor.com.tw

Deputy Spokesperson: Hsun-Kuei Hsieh

Title: Manager

Tel.: 886-37-871801 Ext. 2901

E-mail: Justin.Hsieh@yulon-motor.com.tw

II. Headquarters and plant address:

No. 39-1, Bogongkeng, Xihu Village, Sanyi Township, Miaoli County, Taiwan

Tel.: 886-37-871801

Official Website: <https://www.yulon-motor.com.tw/>

III. Name, address, and phone of the stock transfer agency:

Name: Yulon Motor Co., Ltd. Stock Affairs Office

Address: 7F, No. 150, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 10489, Taiwan (Hualian Building)

Tel.: 886-2-25156421~5

Official Website: <https://www.yulon-motor.com.tw/>

IV. Name, Firm, address, and phone of the acting independent auditors:

Auditors: Hsin-Wei Tai and Yu-Wei Fan

CPA Firm: Deloitte & Touche

Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City 11073, Taiwan

Tel.: 886-2-25459988

Website: <https://www2.deloitte.com/tw/tc.html>

V. Overseas securities exchange corporation listing: None

VI. Corporate Website: <https://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.*

# CONTENTS

I. Letter to Shareholders.....	1
II. Company Introduction	
2.1 Company Profile .....	2
2.1.1 Date of incorporation .....	2
2.1.2 Company history.....	2
2.1.3 2022 operating results .....	2
2.1.4 Other matters.....	2
III. Corporate Governance Report	
3.1 Organizational system.....	3
3.1.1 Organizational chart.....	3
3.1.2 Businesses of Major Departments.....	3
3.2 Profiles of Directors, Supervisors, President and Vice Presidents, Associate Vice Presidents, Heads of the Departments and Branches.....	4
3.2.1 Information on directors .....	4
3.2.2 Major shareholders of institutional shareholders .....	8
3.2.3 Major shareholder of major institutional shareholders .....	8
3.2.4 Disclosure of qualification and independence of directors and independent directors .....	10
3.2.5 Board diversity and independence .....	11
3.2.6 Background information of the President, Vice President, Assistant Vice Presidents and heads of various departments and branches .....	13
3.2.7 Remuneration of Directors, President, and Vice President in 2022. ....	15
3.2.8 Analysis of the total remuneration paid to directors, president, vice president and assistant vice president as a percentage of net profits and explanation and the correlation to operating performances and future risks.....	19
3.3 Operation of Corporate Governance .....	21
3.3.1 The function of the Board of Directors .....	21
3.3.2 The operation of the Audit Committee .....	23
3.3.3 The operation of corporate governance and its differing from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and the reasons .....	29
3.3.4 If the Company has a compensation committee, it should disclose its composition, duties and operations.....	37
3.3.5 Implementation of sustainable development, and discrepancies from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the causes.....	39
3.3.6 If the Company has a Sustainable Development Committee, it should disclose its composition, duties and operations. ....	41
3.3.7 The Company's conduct of business in good faith and measures .....	55
3.3.8 The Company has established the corporate governance best practice principles and related rules for inquiries.....	58
3.3.9 Other important information that is helpful to understand the implementation of ethical corporate management .....	59

3.3.10	The implementation of internal control system .....	59
1.	Internal control statement.....	59
2.	Independent Auditor’s Internal Control System Report.....	59
3.3.11	Where the Company and its insiders receive penalties for violations, or the Company’s punishment on its internal personnel for violating internal control system in 2022 and the current year up to the publication of the annual report, the mistake and improvement .....	59
3.3.12	Important resolutions of the shareholders’ and board meetings in the most recent year to the day this Annual Report was published .....	60
3.3.13	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 2022 through the publication date of the annual report.....	62
3.3.14	For 2022 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.....	62
3.3.15	Other matters to be disclosed.....	62
3.4	Information on CPA Fees .....	63
3.4.1	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.....	63
3.4.2	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 .....	63
3.5	Information on change of CPA .....	64
3.6	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.....	64
3.7	Transfer and change of shareholding of directors, managerial officers and shareholders holding more than 10% of the shares from 2022 through the date of publication of the annual report .....	65
3.7.1	Changes in shareholdings of directors, managerial officers and major shareholders .....	65
3.7.2	Information on the related party of the equity transfer .....	65
3.7.3	Information on the related party of the equity pledge.....	65
3.8	Information on the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship .....	66
3.9	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 .....	67

#### IV. Status of Capital Planning

4.1	Capital and Shares.....	68
4.1.1	Formation of capital.....	68
4.1.2	Shareholder structure .....	69
4.1.3	Diversity of Ownership.....	69
4.1.4	List of Major Shareholders .....	70

4.1.5	Information Relating to Market Price, Net Worth, Earnings, and Dividends per Share for the Last Two Years .....	70
4.1.6	The Company's dividends policy and execution .....	71
4.1.7	Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting .....	71
4.1.8	Profit sharing remuneration for employees and directors. ....	71
4.1.9	Repurchase of treasury shares.....	71
4.2	Issuance of corporate bonds .....	72
4.3	Preferred stock .....	72
4.4	Disclosure relating to depository receipts .....	72
4.5	Status of employee stock certificates .....	72
4.6	The new shares from restricted employee stock option .....	72
4.7	Disclosure on new shares issued in exchange of other company shares .....	72
4.8	Progress on the use of funds .....	72

## V. Operation overview

5.1	Description of business .....	73
5.1.1	Scope of business.....	73
5.1.2	Industrial Overview .....	73
5.1.3	Technological research and development .....	75
5.1.4	Long and Short-term Business Development Plans.....	75
5.2	Market, production and sales overview.....	77
5.2.1	Market Analysis.....	77
5.2.2	Key applications and production processes of major products .....	79
5.2.3	The supply of main raw materials.....	80
5.2.4	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.....	80
5.2.5	The production volume and value of the last two years.....	81
5.2.6	Sales volume and value in the last two years.....	81
5.3	Employees.....	81
5.4	Information on environmental protection expenditures .....	82
5.4.1	Losses due to environmental pollution in 2022 and as of the report date .....	82
5.4.2	Future countermeasures and possible expenditures .....	82
5.4.3	The impact of the improvement .....	82
5.4.4	Whether the Company has a policy of energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste.....	82
5.5	Labor relations .....	83
5.5.1	Current significant labor-management agreements, employee benefits and their implementation .....	83
5.5.2	Losses suffered from labor disputes from 2022 up to the date of publication and the annual report .....	86
5.5.3	Employee communication channels.....	87
5.5.4	Working environment and employee safety protection measures.....	88
5.6	Information security management.....	89

5.7 Major contracts .....	89
---------------------------	----

## VI. Financial Status

6.1 Condensed financial statements for the most recent 5 years .....	90
6.1.1 Condensed balance sheet and comprehensive income statement - IFRS .....	90
6.1.2 Names and audit opinions of the attesting CPAs for the last five years.....	93
6.2 Analysis of important financial ratios for the last five years.....	94
6.3 Audit Committee's review report.....	97
6.4 Recent annual financial statements .....	98
6.5 The audited consolidated financial statements of the parent company and subsidiaries in recent year.....	192
6.6 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 .....	325

## VII. The review and analysis of financial position and financial performance, and the risk matters

7.1 Financial Conditions .....	326
7.2 Analysis of Financial Performance .....	327
7.3 Cash Flow Analysis .....	329
7.3.1 Liquidity analysis for the most recent 2 years .....	329
7.3.2 Cash liquidity analysis for the coming year.....	329
7.4 Material capital expenditures in the latest year and impacts on business performance .....	330
7.4.1 Status of major capital expenditures and sources of funds for the most recent year .....	330
7.4.2 Expected benefits from major capital expenditures in the most recent year.....	330
7.5 Investment policy for 2022, the main reasons for profit or loss, improvement plan and investment plan for the coming year.....	331
7.6 Risk management and assessment .....	331
7.6.1 Organizational structure of risk management .....	331
7.6.2 The impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss from 2022 up to the publication date of the annual report, and future countermeasures.....	332
7.6.3 Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions from 2022 up to the publication date of the annual report, main reasons for gain or loss, and future countermeasures.....	332
7.6.4 Future R&D plans and estimated expenses.....	332
7.6.5 The impact of important domestic and foreign policy and legal changes on the Company's finance and business from 2022 up to the publication date of the annual report and countermeasures.....	333
7.6.6 The technological changes (including information security risks) as well as the impact of industrial changes on the corporate financing and corresponding measure in 2022 and as of the report date.....	333
7.6.7 The impact of change in corporate image on corporate crisis management from 2022 up to the publication date of the annual report and countermeasures .....	333
7.6.8 Expected benefits, possible risks and corresponding measures on mergers and acquisitions in 2022 and as of the report date .....	333

7.6.9	Expected benefits, possible risks and corresponding measures of the plant expansion in 2022 and as of the report date .....	333
7.6.10	Risks and corresponding measures related to concentrated purchases or sales in 2022 and as of the report date .....	333
7.6.11	From 2022 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.....	334
7.6.12	Impact and risks from change of operating rights, and corresponding measures.....	334
7.6.13	Litigious and non-litigious matters from 2022 up to the publication date of the annual report .....	334
7.6.14	Other major risks and corresponding measures .....	334
7.7	Other Important matters .....	334

## VIII. Special Notes

8.1	Information on Affiliates .....	335
8.1.1	Consolidated business report of affiliates .....	335
8.1.2	Consolidated Financial Statements of Affiliates .....	375
8.1.3	Relations Report .....	375
8.2	From 2022 up to the publication date of the annual report, private placement of marketable securities.....	375
8.3	Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent year (2022) or during the current year up to the date of publication of the annual report .....	376
8.4	Other supplementary information .....	376
8.5	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 2022 or during the current year up to the date of publication of the annual report.....	376

# 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.

## ➤2022 Business Results

Total sales volume of Taiwan's automobile market was only 430 thousand vehicles last year (2022) due to the epidemic and chip shortage, dropped by 4.4%. Meanwhile, we had a total of 27,687 Nissan and Luxgen brands vehicles delivered in 2022, resulting in operating revenue of NT\$22.41 billion of the parent company. The parent company's net operating profit is NT\$ 753 million, the loss after tax is NT\$ 4,697 million, and the loss after tax per share is NT\$ 4.8. The main reason for the loss is the settlement of claims on the COVID insurance policies of the investee Tokio Marine Nawa Insurance Co., Ltd. Since the loss is a nonrecurring event and the provision from settlement of claims was fully recognized last year, the operating performance, with stable profit from core business in automobile, will return to the regular level this year.

The market is becoming more competitive. We continue to work with Nissan Motor Co., Ltd. to increase product value. A redesign model of domestic-made NISSAN KICKS was launched in October last year (2022). The new 1.6 L engine and numerous active and passive safety assistance systems are provided; hence the appearance, power and safety are upgraded evidently. A facelift of LUXGEN URX NEO was launched in November 2022, offering a diverse compartment option, satisfying the needs for multi-passenger vehicle and aging society comprehensively.

Besides continuing to enhance operational performance, the Company proactively promotes ESG sustainable development. Our Sustainable Development Committee was established last year (2022), and the Company has been ranked among the top 5% of listed companies in TWSE's corporate governance evaluation nine years in a row. In addition, the Company has introduced ISO 14064 organization GHG inventory way back in 2005. In the data of self-inventory in 2021, carbon dioxide equivalent is 63.7% less than in 2005, approximately reduced by 3.75% per year. The Company aims to reduce carbon emission by 4.2% per year and expects that carbon emission in 2030 will be 50% less than 2021 and reaches net zero emission by 2050.

## ➤Business plans for 2023 and beyond

The Company responds to the energy transformation and renewable energy policies of the government, and will proactively continue to promote businesses in energy saving, energy creation and energy storage, and new business. To implement these policies in model development and production, this year (2023) the Company will actively invests in NISSAN X-Trail, an e-Power hybrid setup model, and LUXGEN n7, an electric car, preparing for the era of new energy car. As for development of green energy saving business, the Company continues to enhance the manufacturing technique of energy storage containers and build energy storage systems, steadily increasing the company's business performance.

As for development of Yulon City in Xindian, Yulon City will open in Q3 this year (2023). Combining business, technology, life and humanity, Yulon City offers the service capacity including leisure and entertainment, gourmet shopping, cultural and creative, 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 shopping experience to clients.

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 hope everything goes well, wishing you and your family good health and 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 NT\$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 Sanyi 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.

November 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.

April 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.

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

#### (III) 2022 operating results

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

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

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

October 2022: About 25,000 LUXGEN electric vehicles N7 were ordered in advance.

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

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

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

#### (IV) Other matters:

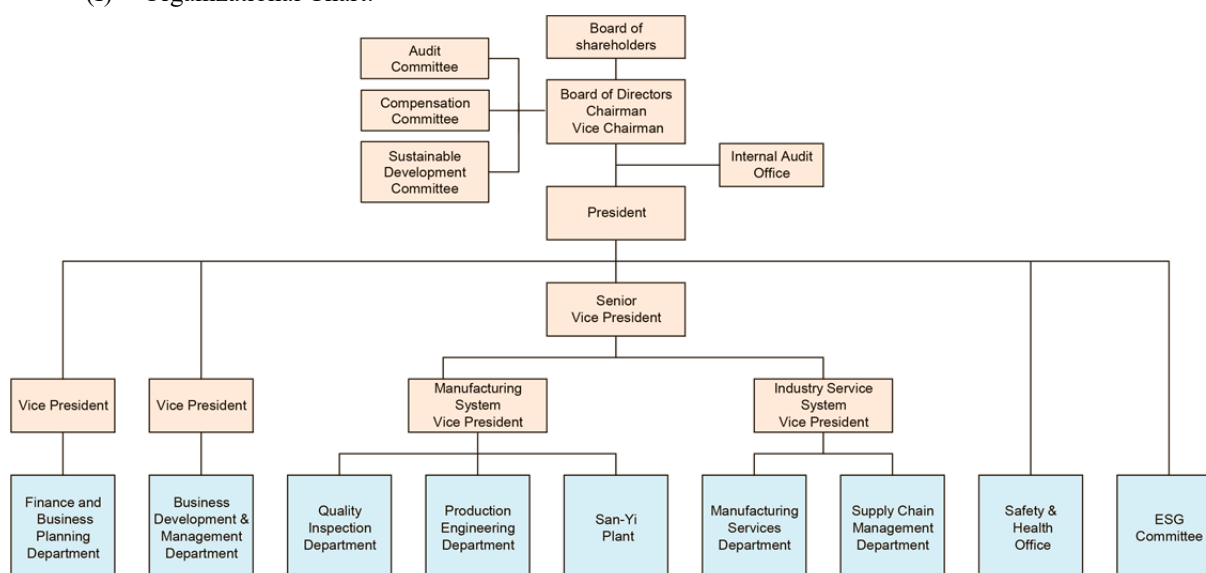
1. In order to improve the financial structure and operational development of its subsidiaries, the Company increased investments in Hua-Chuang Automobile Information Technical Center Co., Ltd., Luxgen Motor Co., Ltd. and Taiwan Acceptance Corporation respectively by NTD 700 million yuan; NTD 427 million and NTD 1.32 billion.

2. 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 Newa Insurance Co., Ltd. by NTD 3.553 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 & 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	Planning and execution of company-wide production facilities, development and implementation of production technology improvement plans, and management of new product production development and trial runs.
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.
Production management and coordination department	Integrated production planning coordination, planning and control; parts material demand planning 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 (Note 1)	Nationality/ Country of Origin	Name	Gender Age (Note 2)	Date Elected	Term of office	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding	
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio
Chairman	R.O.C.	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	Female 51-60 years old	2022.07.01	3 years	1992.07.01	181,128,973 *34,174,253	18.11 3.42	181,128,973 *34,174,253	18.11 3.42	0 *67,867,970	0 6.79
Vice Chairman	R.O.C.	Tai Yuen Textile Co., Ltd. Representative: Tso, Chi-Sen	Male 61-70 years old	2022.07.01	3 years	2021.02.26	181,128,973 *0	18.11 0	181,128,973 *0	18.11 0	0 *2,014	0 0.0002
Director	R.O.C.	China Motor Corporation Representative: Shin-I Lin	Male 71-80 years old	2022.07.01	3 years	2007.07.13	166,714,441 *0	16.67 0	166,714,441 *0	16.67 0	0 *0	0 0
Director	R.O.C.	China Motor Corporation Representative: Liang Zhang	Male 71-80 years old	2022.07.01	3 years	2008.08.27	166,714,441 *0	16.67 0	166,714,441 *0	16.67 0	0 *1,907	0 0.0002
Director	R.O.C.	Yen Ching-Ling's Foundation Representative: Jack, J.T. Huang	Male 71-80 years old	2022.07.01	3 years	1992.07.05	10,990,936 *0	1.10 0	10,990,936 *0	1.10 0	0 *0	0 0

April 2, 2023

Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Current position at the Company and other company(ies) (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 Yulon Nissan Motor Co., Ltd. Chairman of China Motor Corporation Chairman of Taiwan Acceptance Corporation Chairman of Tai Yuen Textile Co., Ltd. Chairman of Carnival Industrial Corporation Chairman of Yulon Construction Co., Ltd. Chairperson and president of Yulon-Administered Enterprises Company Limited  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 Vice president of Hua-Chuang Automobile Information Technical Center Co., Ltd. President of Dongnan (Fujian) Automobile Industry Co. Special assistant of China Motor Corporation	Director of Taiwan Acceptance Corporation Chairman and President of Luxgen Motor Co., Ltd. Vice Chairman of Foxtron Vehicle Technologies Co., Ltd. Chairman of Luxgen Taipei Motor Co., Ltd. Chairman of Luxgen Taoyuan Motor Co., Ltd. Chairman of Luxgen Taichung Motor Co., Ltd. Chairman of Luxgen Tainan Motor Co., Ltd. Chairman of Luxgen Kaohsiung Motor Co., Ltd.	None	None	None
0	0	Department of Mechanical Engineering, National Cheng Kung University Chairman of Industrial Technology Research Institute Vice Chairman and President of China Motor Corporation President of Taiwan Transportation Vehicle Manufacturers Association Vice Premier of the Executive Yuan and Chairman of the Council for Economic Planning and Development Minister of Economy	Director of China Motor Corporation 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. Chairman of Jardine Matheson Group Taiwan Vice Chairman of Global Financial Consulting Co., Ltd. Independent Director of HSBC Bank (Taiwan) Limited	Director of Taiwan Acceptance Corporation Supervisor of Yulon-Administered Enterprises Company Limited Independent director of My Humble House Hospitality Management Consulting Independent director of Ho-Ping Power Company Independent Director of International CSRC Investment Holdings Co., Ltd.	None	None	None
0	0	Doctor of Laws, Harvard University, USA Principal Attorney of Jones Day International Law Firm Chairman of Taiwan M&A and Private Equity Council	Director of Tai Yuen Textile Co., Ltd. Director of Yulon Construction Co., Ltd. Director of Yulon-Administered Enterprises Company Limited Independent director of WPG Holdings Independent director of CTCI Corporation Independent director of Delta Electronics, Inc.	None	None	None

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

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.

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

April 2, 2023

Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Current position at the Company and other company(ies) (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 Vice President of YULON MOTOR CO.,LTD	Director of Yulon Nissan Motor Co., Ltd. Director of Taiwan Acceptance Corporation Director of China Motor Corporation Director of Foxtron Vehicle Technologies Co., Ltd. Director of Yulon-Administered Enterprises Company Limited Vice Chairman of Yulon Construction Co., Ltd. Chairman of Yulon Automotive (China) Investment Limited Director of Luxgen Motor Co., Ltd. Director of Luxgen Taipei Motor Co., Ltd. Director of Luxgen Taoyuan Motor Co., Ltd. Director of Luxgen Tainan Motor Co., Ltd.  For the rest, please refer to "Information on Affiliates"	None	None	None
0	0	Master of Science in Mathematics, Colorado State University, USA Senior Consultant, Chairman's Office, Chunghwa Telecom Co. President of Taiwan Star Telecom	Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Independent director of Taiwan Acceptance Corporation Remuneration Committee Member of Taiwan Acceptance Corporation Independent director of Standard Foods Corporation Remuneration Committee Member of Standard Foods Corporation Independent director of Fubon Life Insurance Co., Ltd.	None	None	None
0	0	Ph.D. in Accounting from the University of California, Los Angeles Dean, Department of Accounting, and Director, Institute of Accounting, National Taiwan University Chairman of Taiwan Financial Reporting Standards Committee, Accounting Research and Development Foundation of the Republic of China Chief Executive of Taiwan Financial Accounting Standards Committee, Accounting Research and Development Foundation of the Republic of China External Member of Taiwan Stock Exchange Listing Review Committee	Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Independent Director of Genesys Logic, Inc. Remuneration Committee Member of Genesys Logic, Inc. Independent Director of Cowealth Medical Holding Co., Ltd. Independent Director of Chinatrust Commercial Bank Consultant of Taiwan Financial Reporting Standards Committee, Accounting Research and Development Foundation of the Republic of China Convener of the project team of the Insurance Business Development Center to promote the adoption of IFRS No. 17 'Insurance Contracts' (IFRS17) in China Member of the Evaluation Team of the Financial Reconstruction Foundation of the Central Deposit Insurance Corporation, etc	None	None	None
0	0	Ph.D. of Laws, University of Tübingen, Germany Professor of Law, National Chengchi University Member of the Law Revision Committee of the Ministry of Justice	Remuneration Committee Member of YULON MOTOR CO.,LTD Member of the Sustainable Development Committee of YULON MOTOR CO.,LTD Independent director of Universal Vision Biotechnology Co., Ltd. Independent Director of Yulon Nissan Motor Co., Ltd.	None	None	None

(II) Major shareholders of the institutional shareholders

April 2, 2023

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%) 2. Yen Ching-Ling's Foundation (14.24%) 3. Hoffman Brothers Investment Company of the British Virgin Islands (9.80%) 4. British Virgin Islands Merchant Evans Limited (9.71%) 5. British Cayman Islands Commercial Western Bridge Investment Company (9.13%) 6. Liyuan Investment Corporation (7.17%) 7. Yongshun Investment Co., Ltd. (6.82%) 8. Diamond Hosiery & Thread Co., Ltd. (5.89%) 9. Lippen Investment Co., Ltd. (5.61%) 10. Yuanwei Investment Co., Ltd. (3.10%)
2. China Motor Corporation	1. Tai Yuen Textile Co., Ltd. (25.19%) 2. Mitsubishi Motors Taiwan (14.00%) 3. YULON MOTOR CO., LTD (8.05%) 4. Diamond Hosiery & Thread Co., Ltd. (6.76%) 5. New labor pension fund (1.88%) 6. Taiwan Life Insurance Co., Ltd. (1.18%) 7. Citi Commercial Bank's investment account with the Central Bank of Norway (1.01%) 8. Fande Investment Co., Ltd. (0.90%) 9. Yonghan Investment Co., Ltd. (0.72%) 10. First Commercial Bank, Trust Department entrusted with custody of the special account for unified dark horse fund (0.68%)
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

April 2, 2023

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%) 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%) 2. Diamond Hosiery & Thread Co., Ltd. (0.869%) 3. Fande Investment Co., Ltd. (0.001%) 4. Weitai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 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%) 2. Diamond Hosiery & Thread Co., Ltd. (0.912%) 3. Fande Investment Co., Ltd. (0.001%) 4. Weitai Investment Co., Ltd. (0.001%) 5. Le Wen Investment Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Co., Ltd. (0.001%)

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholders (Note 2)
7. Diamond Hosiery & Thread Co., Ltd.	<ol style="list-style-type: none"> <li>1. British Virgin Islands Wanda Company (72.51%)</li> <li>2. Tai Yuen Textile Co., Ltd. (21.97%)</li> <li>3. Xiang Wei Investment Co., Ltd. (5.09%)</li> <li>4. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (0.1684%)</li> <li>5. Le Wen Investment Co., Ltd. (0.13%)</li> <li>6. Wavin Investment Co., Ltd. (0.13%)</li> <li>7. Yen Chen Li-Lien (0.0002%)</li> <li>8. Daughter of Yen Chen Li-Lien (0.0002%)</li> <li>9. Son of Yen Chen Li-Lien (0.0002%)</li> </ol>
8. Lippen Investment Co., Ltd.	<ol style="list-style-type: none"> <li>1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (98.993%)</li> <li>2. Diamond Hosiery &amp; Thread Co., Ltd. (1.002%)</li> <li>3. Fande Investment Co., Ltd. (0.001%)</li> <li>4. Weitai Investment Co., Ltd. (0.001%)</li> <li>5. Le Wen Investment Co., Ltd. (0.001%)</li> <li>6. Vincent Investment Co., Ltd. (0.001%)</li> <li>7. Wavin Investment Co., Ltd. (0.001%)</li> </ol>
9. Yuanwei Investment Co., Ltd.	<ol style="list-style-type: none"> <li>1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (91.513%)</li> <li>2. Diamond Hosiery &amp; Thread Co., Ltd. (8.477%)</li> <li>3. Fande Investment Co., Ltd. (0.002%)</li> <li>4. Weitai Investment Co., Ltd. (0.002%)</li> <li>5. Le Wen Investment Co., Ltd. (0.002%)</li> <li>6. Vincent Investment Co., Ltd. (0.002%)</li> <li>7. Wavin Investment Co., Ltd. (0.002%)</li> </ol>
10. Mitsubishi Motors Taiwan	<ol style="list-style-type: none"> <li>1. Nissan Motor Co., Ltd. (34.01%)</li> <li>2. Mitsubishi Corporation (20%)</li> <li>3. Japan Mastatrasro Trust Bank Co., Ltd. (Trust Port) (7.12%)</li> <li>4. MSCO CUSTOMER SECURITIES (1.49%)</li> <li>5. Mitsubishi Heavy Industries (1.44%)</li> <li>6. Japan Kastodaka Bank (Trust Port) (1.17%)</li> <li>7. MUFG Bank Ltd. (0.99%)</li> <li>8. JP JPMSE LUX RE NOMURA INT PLC 1 EQ CO (0.61%)</li> <li>9. CGMI PB CUSTOMER ACCOUNT (0.58%)</li> <li>10. JP MORGAN CHASE BANK 385781 (0.56%)</li> </ol>
11. YULON MOTOR CO., LTD	<ol style="list-style-type: none"> <li>1. Tai Yuen Textile Co., Ltd. (18.11%)</li> <li>2. China Motor Corporation (16.67%)</li> <li>3. Yen Chen Li-Lien (3.42%)</li> <li>4. Daughter of Yen Chen Li-Lien (3.39%)</li> <li>5. Son of Yen Chen Li-Lien (3.39%)</li> <li>6. Fande Investment Co., Ltd. (1.66%)</li> <li>7. Shih-Chung Lin (1.30%)</li> <li>8. Yen Ching-Ling's Foundation (1.10%)</li> <li>9. New labor pension fund (1.09%)</li> <li>10. J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account (0.76%)</li> </ol>
12. New labor pension fund	Not applicable.
13. Taiwan Life Insurance Co., Ltd.	CTBC Financial Holdings Co., Ltd (100%)
14. Citi Commercial Bank's investment account with the Central Bank of Norway	Unavailable due to constraint of local practices
15. Fande Investment Co., Ltd.	<ol style="list-style-type: none"> <li>1. Weitai Investment Co., Ltd. (33.36%)</li> <li>2. Wavin Investment Co., Ltd. (33.34%)</li> <li>3. Le Wen Investment Co., Ltd. (33.30%)</li> </ol>
16. Yung Hang Investment Co., Ltd.	YULON MOTOR CO., LTD (100%)
17. First Commercial Bank, Trust Department entrusted with custody of the special account for unified dark horse fund	Not applicable.

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 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:

April 2, 2023

Criteria 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. 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. 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. 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. 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. 2. A licensed attorney. 3. Does not fall into any circumstance stated in Article 30 of The Company Act.	Not applicable	3
Zhen-Xiang Yao	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 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. 2. Professional skills: economic financing, operational judgment, business administration, industrial knowledge and global views.	Conformable to all (See note on page 12)	3
Yen-Chin, Tsai	1. Holding a lecturer or higher teaching position in public and private colleges on financial regulations. 2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills. 3. Professional skills: economic financing, operational judgment, industrial knowledge and global views.	Conformable to all (See note on page 12)	3
Yun-Hua Yang	1. Holding a lecturer or higher teaching position in public and private colleges on laws. 2. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills. 3. A licensed attorney. 4. Professional skills: legal compliance, operational judgment, industrial knowledge and global views.	Conformable to all (See note on page 12)	2

Note 1: For the professional experience of Directors, please refer to "Information on Directors" on pages 4-7 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 strengthening the board functions to achieve the corporate governance objectives, Article 20 of the Company's "Code of Corporate Governance" explicitly stipulates that the board of directors should have the following capabilities as a whole: (1) business judgment ability, (2) accounting and financial analysis ability, (3) operational management ability, (4) crisis handling ability, (5) industry knowledge, (6) global views, (7) leadership, and (8) decision-making ability.

The current status of board diversity is as follows:

Criteria 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	Electronic Engineering	Business administration	Financial accounting	Legal consulting	Automobile industry operations
Yen Chen Li-Lien Chairman	R.O.C.	Female	51-60 years old	-	-	V	V	V	-	-	V	-	-	V
Tso, Chi-Sen Vice Chairman	R.O.C.	Male	61-70 years old	-	-	V	V	-	-	-	V	-	-	V
Shin-I Lin Director	R.O.C.	Male	71-80 years old	-	-	V	-	-	V	-	V	-	-	V
Liang Zhang Director	R.O.C.	Male	71-80 years old	-	-	-	V	-	-	-	V	V	-	-
Jack, J.T .Huang Director	R.O.C.	Male	71-80 years old	-	-	V	-	-	-	V	V	-	V	-
Zhen-Xiang Yao Director	R.O.C.	Male	61-70 years old	-	-	V	V	-	-	-	V	-	-	V
Yen-Chin, Tsai Independent Director	R.O.C.	Male	61-70 years old	-	V	-	-	-	-	V	-	V	-	-
Zhongqi Zhou Independent Director	R.O.C.	Male	61-70 years old	-	V	-	-	-	-	V	V	V	-	-
Yun-Hua Yang Independent Director	R.O.C.	Male	51-60 years old	V	-	V	-	-	-	-	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 the board members are ROC nationals, with the 3 independent directors accounting for 33% of the total board seats. Three directors are aged over 70, four aged 60-69, and two 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) Not a Director, Supervisor, manager, or shareholders holding more than 5% of the shares designated company or institution with business or financial transactions with the Company. (However, this restriction does not apply to independent directors elected in accordance with the Securities and Exchange Act or the laws and regulations of the local country, who concurrently serve as such at the Company and its parent or subsidiary or a subsidiary of the same parent and when the specific company or institution holds more than 20% of the Company's total issued shares but not more than 50%.)
- (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 NT\$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) Does not meet any descriptions stated 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 (Note 1)	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio
President	R.O.C.	Zhen-Xiang Yao	Male	2013.08.08	0	0	0	0	0	0
Vice President	R.O.C.	Jian-Hui Li	Male	2020.08.10	38	0	0	0	0	0
Assistant Vice President	R.O.C.	Binglin Chen	Male	2020.11.10	0	0	0	0	0	0
Assistant Vice President	R.O.C.	Qiu Minhui	Male	2021.01.28	3,997	0.0004	0	0	0	0
Assistant Vice President	R.O.C.	Hong-Zheng Chen	Male	2021.01.28	18	0	0	0	0	0
Assistant Vice President	R.O.C.	Wen-Yi Lo	Male	2019.10.17	722	0	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.

April 2, 2023

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 Vice President of YULON MOTOR CO.,LTD	Director of Yulon Nissan Motor Co., Ltd. Director of Taiwan Acceptance Corporation Director of China Motor Corporation Director of Foxtron Vehicle Technologies Co., Ltd.  For the rest, please refer to “Information on Affiliates”	None	None	None
Curtin University MIB Assistant VP, Product Service System, YULON MOTOR CO.,LTD	Chairman of Yu Ching Business Co., Ltd. Chairman of Yu Chia Motor Co., Ltd. Director of China Engine Corporation Director of Sin Chi Co., Ltd. Director of Yushin Motor Co., Ltd. Director of Director of R O C SPICER LTD. Director of Yue Sheng Industrial Co., Ltd., etc.  For the rest, please refer to “Information on Affiliates”	None	None	None
Curtin University MIB Head of Dong Yu Motor Headquarters Assistant Vice President of Yulon Motor Systems	Chairman of Chuang Jie New Energy Vehicle (HZ) Limited Chairman of Yulon It Solutions Inc.	None	None	None
Bachelor of Mechanical Engineering, National Taiwan University Assistant Vice President of Yulon Group Administration Office Director of Commercial and Enterprise Systems, Yulon Group Administration Office	Director of China Engine Corporation Director of Hua-Chuang Automobile Information Technical Center Co., Ltd. Director of Uni-Calsonic Corp.	None	None	None
Curtin University MIB Manager, Manufacturing service department, YULON MOTOR CO.,LTD	Chairman of China Engine Corporation Chairman of Advance Power Machinery Co., Ltd. Director of Yulon It Solutions Inc.	None	None	None
University of Southampton MS Accounting and Finance Manager, Finance and Business Planning department, YULON MOTOR CO.,LTD	Director of Hua-Chuang Automobile Information Technical Center Co., Ltd. Director of Yulon Construction Co., Ltd. Supervisor of China Cast Iron Pipe Co., Ltd.  For the rest, please refer to “Information on Affiliates”	None	None	None

(VII) Remuneration of Directors, President, and Vice President in 2022

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

Unit: NTD

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 3)	The company	Companies in the consolidated financial statements (Note 4)	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 6)	The company	Companies in the consolidated financial statements (Note 6)	The company	Companies in the consolidated financial statements (Note 7)			
Chairman	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	13,000,400	29,776,122	0	0	0	0	960,000	1,104,000	13,960,400 (0.2972%)	30,880,122 (0.6575%)	0	0	0	0	0	0	0	0	13,960,400 (0.2972%)	30,880,122 (0.6575%)	26,613,888
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Tso, Chi-Sen	0	2,511,329	0	0	0	0	120,000	420,600	120,000 (0.0026%)	2,931,929 (0.0624%)	8,261,008	8,261,008	108,000	108,000	0	0	0	0	8,489,008 (0.1807%)	11,300,937 (0.2406%)	0
Director	China Motor Corporation Representative: Shin-I Lin	0	0	0	0	0	0	120,000	120,000	120,000 (0.0026%)	120,000 (0.0026%)	0	0	0	0	0	0	0	0	120,000 (0.0026%)	120,000 (0.0026%)	2,520,000
Director	China Motor Corporation Representative: Liang Zhang	0	0	0	0	0	0	120,000	216,000	120,000 (0.0026%)	216,000 (0.0046%)	0	0	0	0	0	0	0	0	120,000 (0.0026%)	216,000 (0.0046%)	0
Director	Yen Ching-Ling's Foundation Representative: Jack, J.T. Huang	0	0	0	0	0	0	1,342,860	1,342,860	1,342,860 (0.0286%)	1,342,860 (0.0286%)	0	0	0	0	0	0	0	0	1,342,860 (0.0286%)	1,342,860 (0.0286%)	0
Director	Yen Ching-Ling's Foundation Representative: Zhen-Xiang Yao	0	2,435,630	0	0	0	0	120,000	335,000	120,000 (0.0026%)	2,770,630 (0.0590%)	8,162,236	8,162,236	355,238	355,238	0	0	0	0	8,637,474 (0.1839%)	11,288,104 (0.2403%)	1,394,800
Independent Director	Yi-Hong Hsieh (Note 11)	0	0	0	0	0	0	540,000	2,190,000	540,000 (0.0115%)	2,190,000 (0.0466%)	0	0	0	0	0	0	0	0	540,000 (0.0115%)	2,190,000 (0.0466%)	720,000
Independent Director	Yen-Chin, Tsai	0	0	0	0	0	0	810,000	810,000	810,000 (0.0172%)	810,000 (0.0172%)	0	0	0	0	0	0	0	0	810,000 (0.0172%)	810,000 (0.0172%)	0
Independent Director	Zhongqi Zhou	0	0	0	0	0	0	1,310,000	2,970,000	1,310,000 (0.0279%)	2,970,000 (0.0632%)	0	0	0	0	0	0	0	0	1,310,000 (0.0279%)	2,970,000 (0.0632%)	0
Independent Director	Yun-Hua Yang	0	0	0	0	0	0	520,100	520,100	520,100 (0.0111%)	520,100 (0.0111%)	0	0	0	0	0	0	0	0	520,100 (0.0111%)	520,100 (0.0111%)	1,200,000

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 2022 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., and approved by the Board of Directors. The Company pays the independent directors from NT\$78,150 to NT\$120,000 per month, and NT\$10,000 each time depending on the actual attendance of the independent directors at the functional committee meetings.
- Note 11: Yi-Hong Hsieh independent director has been relieved of his office at the end of his term on June 30, 2022.  
\* 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 President and Vice President (disclosure of individual names and remuneration methods)

Unit: NTD

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and allowances (C) (Note 3)		Remuneration to the employees (D) (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	3,531,978	5,967,608	355,238	355,238	4,750,258	4,965,258	0	0	0	0	8,637,474 (0.1839%)	11,288,104 (0.2403%)	1,394,800
Vice President	Jian-Hui Li	1,841,460	2,196,931	230,737	230,737	2,415,609	2,586,609	0	0	0	0	4,487,806 (0.0956%)	5,014,277 (0.1068%)	260,000

\* Disregarding position titles. All such job positions including general manager, vice general managers (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 General Manager 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 acquisition, 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, 2022

Unit: NTD

	Title	Name	Stock	Cash	Total	Total/after-tax profit
Manager	Vice Chairman	Tso, Chi-Sen	0	0	0	0%
	President	Zhen-Xiang Yao				
	Vice President	Jian-Hui Li				
	Assistant Vice President	Qiu Minhui				
	Assistant Vice President	Wen-Yi Lo				
	Assistant Vice President	Binglin Chen				
	Assistant Vice President	Hong-Zheng Chen				

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) (Note 2)		Severance Pay (B)		Bonuses and allowances (C) (Note 3)		Remuneration to the employees (D) (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	
								Cash	Stock	Cash	Stock			
Vice Chairman	Tso, Chi-Sen	3,585,780	6,097,109	108,000	108,000	4,795,228	5,095,828	0	0	0	0	8,489,008 (0.1807%)	11,300,937 (0.2406%)	0
President	Zhen-Xiang Yao	3,531,978	5,967,608	355,238	355,238	4,750,258	4,965,258	0	0	0	0	8,637,474 (0.1839%)	11,288,104 (0.2403%)	1,394,800
Vice President	Jian-Hui Li	1,841,460	2,196,931	230,737	230,737	2,415,609	2,586,609	0	0	0	0	4,487,806 (0.0956%)	5,014,277 (0.1068%)	260,000
Assistant Vice President	Qiu Minhui	1,852,560	2,428,560	237,684	237,684	2,008,917	2,331,917	0	0	0	0	4,099,161 (0.0873%)	4,998,161 (0.1064%)	24,000
Assistant Vice President	Wen-Yi Lo	1,539,060	2,130,820	195,919	195,919	2,040,793	2,146,793	0	0	3,424	0	3,775,772 (0.0804%)	4,476,956 (0.0953%)	180,000

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 be 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

	2022			2021		
	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	35,849,842	(4,696,692,432)	(0.7633%)	67,678,564	4,715,516,436	1.4353%
President and Vice President	13,125,280	(4,696,692,432)	(0.2795%)	15,830,325	4,715,516,436	0.3357%

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

	2022			2021		
	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	61,638,123	(4,696,692,432)	(1.3124%)	88,067,919	4,715,516,436	1.8677%
President and Vice President	16,302,381	(4,696,692,432)	(0.3471%)	19,238,915	4,715,516,436	0.4080%

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

According to Article 27-2 of the Corporate Charter, remunerations appropriated for employees shall not be more than 0.1% of the annual business profit, if any. Remunerations for executives include the salary and bonus. The salary is determined by reference to the industrial standards as well as the individual’s job title, rank, academic background, work experience, professionalism and responsibilities, while the bonus is based on the “Performance Evaluation Guideline” applicable to executives and general 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.

### III. The operation of corporate governance

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

For the most recent year, the Board of Directors held 8 meetings, and the attendance of directors and independent directors was 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. Representative: Yen Chen Li-Lien	8	0	100%	
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Tso, Chi-Sen	7	1	87.5%	
Director	China Motor Corporation Representative: Shin-I Lin	8	0	100%	
Director	China Motor Corporation Representative: Liang Zhang	6	2	75%	
Director	Yen Ching-Ling's Foundation Representative: Jack, J.T. Huang	8	0	100%	
Director	Yen Ching-Ling's Foundation Representative: Zhen-Xiang Yao	8	0	100%	
Independent Director	Yi-Hong Hsieh	4	0	100%	Relieved of office on June 30, 2022
Independent Director	Zhongqi Zhou	7	1	87.5%	
Independent Director	Yen-Chin, Tsai	8	0	100%	
Independent Director	Yun-Hua Yang	4	0	100%	Newly elected on July 1, 2022

#### 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" on November 11, 2022; and "Audit Committee Charter" on March 6, 2020, 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 2022, for which the evaluation results ranged from 96.67–100 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 (1) Professional skills (2) Decision making efficacy (3) Internal control (4) Corporate Social Responsibility
Once a year	January 1, 2022 to December 31, 2022	1. Performance of the Board of Directors 2. Board member 3. Audit Committee 4. Remuneration Committee 5. Sustainable Development Committee	Self-evaluation	1. Evaluation of the operation of the Board of Directors (1) Participation in the operation of the Company (2) Quality of the Board of Directors' decision making (3) Composition and structure of the Board of Directors (4) Election and continuing education of the directors (5) Internal control 2. Self-evaluation of directors (1) Participation in the operation of the Company (2) Election and continuing education of the directors (3) Internal control (4) Understanding of the Company and perception of responsibilities 3. Operation of the Audit, Remuneration and Sustainable Development Committee (1) Participation in the operation of the Company (2) Improvement in the quality of the committee's decision-making. (3) Composition and structure of the committee (4) Appointment of the committee member

## (II) The operation 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.

## Information on the operation of the Audit Committee

The Audit Committee met seven 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	Yi-Hong Hsieh	4	0	100%	Relieved of office on June 30, 2022, with legal expertise
Independent Director	Zhongqi Zhou	7	0	100%	with management and financial expertise
Independent Director	Yen-Chin, Tsai	7	0	100%	with financial expertise
Independent Director	Yun-Hua Yang	3	0	100%	Newly elected on July 1, 2022, 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.

Audit Committee Date	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
2022/01/18	7th interim meeting of the 2nd Audit Committee	The Company's 2022 business objectives	Approved as submitted.	Executed as resolved
2022/01/18	7th interim meeting of the 2nd Audit Committee	Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles".	Approved as submitted.	Executed as resolved
2022/01/18	7th interim meeting of the 2nd Audit Committee	Amendment to certain provisions of the Company's "Ethical Corporate Management Best Practice Principles".	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	Preparations for the 2022 shareholders' meeting	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	The Company's 2021 final operating reports	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	The proposal for the distribution of earnings of the Company in 2021;	Approved as submitted.	Executed as resolved

Audit Committee Date	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
2022/03/09	13th interim meeting of the 2nd Audit Committee	The distribution of profit sharing remuneration to employees and directors for 2021	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	Amendment to certain provisions of the Company's "Articles of Incorporation."	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets" and "Internals Rules on Procedures for Acquisition or Disposal of Assets"	Adopted as submitted	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	The Company's endorsement and guarantee facility for 2022	Adopted as submitted	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	The Company's bank facility application for 2022	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	The Company's issuance of Letter of Operating Support (LOS) in 2022.	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd Audit Committee	Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2022	Approved as submitted.	Executed as resolved
2022/03/09	13th interim meeting of the 2nd 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
2022/03/09	13th interim meeting of the 2nd Audit Committee	The Company's Statement of Internal Control System for 2021	Approved as submitted.	Executed as resolved
2022/03/24	8th interim meeting of the 2nd Audit Committee	Proposal to adjust the 2021 earnings distribution	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	Financial statements of the Company for 2022, Q1	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd.	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	Bankruptcy reorganization of DengfengYulon Motor Co. Ltd	Approved as submitted.	Executed as resolved

Audit Committee Date	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
2022/05/11	14th interim meeting of the 2nd Audit Committee	Increase in the Company's bank limit	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	The Company signed a lease for Yulon Town Mall in Yulon City Business District with eslite	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	The Company signed a lease for studios in Yulon City Business District with Weixiu Cinemas Co., Ltd	Approved as submitted.	Executed as resolved
2022/05/11	14th interim meeting of the 2nd Audit Committee	The Company signed a lease for Yulon Town Mall in Yulon City Business District with Weixiu Cinemas Co., Ltd	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	Financial statements of the Company for 2022, Q2	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	Cancel registration of the Company's Xindian Branch	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	The Company increases capital to Tokio Marine Newa Insurance Co., Ltd.	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	The Company proposes to lend funds of NT\$524 million to Tokio Marine Newa Insurance Co., Ltd.	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	Cash capital increase by the Company to Luxgen Motor Co., Ltd.	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	Cash capital increase by the Company to Taiwan Acceptance Corporation	Approved as submitted.	Executed as resolved
2022/08/04	1st interim meeting of the 3rd Audit Committee	The Company's amendments to certain provisions of the Operating Procedures for the Prevention of Insider Trading	Approved as submitted.	Executed as resolved
2022/11/09	2nd interim meeting of the 3rd Audit Committee	Amendments to the "Internal Control System" and "Implementation Rules for Internal Audit" of the Company's stock affairs.	Approved as submitted.	Executed as resolved
2022/11/09	2nd interim meeting of the 3rd Audit Committee	Financial statements of the Company for 2022, Q1-Q3	Approved as submitted.	Executed as resolved



Audit Committee Date	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
2022/11/09	2nd 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
2022/11/09	2nd interim meeting of the 3rd Audit Committee	The Company's changes to endorsements/guarantees	Approved as submitted.	Executed as resolved
2022/11/09	2nd interim meeting of the 3rd Audit Committee	The Company proposes to appoint the Information Security Officer	Approved as submitted.	Executed as resolved
2022/11/09	2nd interim meeting of the 3rd Audit Committee	Amendment to certain provisions of the Company's "Procedure for Board of Directors Meetings".	Approved as submitted.	Executed as resolved
2022/11/09	2nd 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
2022/11/09	2nd interim meeting of the 3rd Audit Committee	Formulation of the operating procedures for processing internal major information	Approved as submitted.	Executed as resolved
2022/12/21	3rd interim meeting of the 3rd Audit Committee	The Company increases capital to Tokio Marine Nawa Insurance Co., Ltd.	<p>After full discussion between the Chairman and all members present at the meeting, the case was adopted as a proposed, taking the two summaries of the speeches made by the Audit Committee members as conditions.</p> <p>In 2022, due to the miscalculation of the development of the epidemic and the change of government policies by Tokio Marine Nawa Insurance, errors were made in epidemic prevention insurance policies, resulting in materially huge losses, expected to exceed NTD 44 billion, imposing financial pressure on shareholders to increase capital, in view of the fact that property insurance is not the core business of Yulon Motor, the coverage for loss for epidemic prevention insurance and the</p>	<p>The opinions of the Audit Committee will be communicated to the corporate directors appointed by the Company for them to supervise the fulfillment of these two necessary conditions for the capital increase by Tokio Marine Nawa Insurance.</p>

Audit Committee Date	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
			<p>subsequent expected RBC procedures will result in poor return on capital increase, in order to comply with government policies and fulfill corporate social responsibility, if increase in capital is proposed, the Committee strongly urges the two major shareholders of Tokio Marine Nawa Insurance to supervise the Board of Directors to fulfill the following two conditions as necessary conditions for this and subsequent capital increase.</p> <ol style="list-style-type: none"> <li>1. Tokio Marine Nawa Insurance must be required to sell and realize the fixed assets (including investment real estate and self-use assets) in its possession with reference to cases of other property and casualty insurance companies to make up for the funding gap, based on a time-limited schedule as planned without further delay.</li> <li>2. In order to effectively implement corporate governance, the two major shareholders should jointly require the senior management of the existing management team to take substantive responsibility, and subsequently ask the operating shareholders to select and recommend professional managers as soon as possible to accelerate the operation on the right track.</li> </ol>	
2022/12/21	3rd interim meeting of the 3rd Audit Committee	The Company's 2023 business objectives	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	Highlights of the communication
2022/3/9	1. Implementation of the regularly reported matters in 2022 (November–February) 2. Rectification and inspection report for Yulon Motor Finance 3. Report on the results of routine audits 4. Report on the Board of Directors Meeting
2022/5/11	1. Implementation of the regularly reported matters in 2022 (March–April) 2. Audit Report for Yulon Motor Finance 3. IT proposals of Yulon Motor Finance 4. Changes to subsidiary audits in May 2022 5. Report on the results of routine audits
2022/8/4	1. Implementation of the regularly reported matters in 2022 (May–July) 2. Audit reports on subsidies for parts of distributors 3. Tracking reports on continuous improvements made by Yulon Motor Finance 4. Report on the results of routine audits 5. Proposals at the Board of Directors Meeting
2022/11/9	1. Implementation of the regularly reported matters in 2022 (August–October) 2. Subsequent reports on subsidies for parts of distributors and reports on missing claim process for the vehicles of loss of property 3. Tracking reports on continuous improvements made by Yulon Motor Finance 4. Report on the results of routine audits 5. Proposals at the Board of Directors Meeting 6. Discussion and communication between audit officers and independent directors
2022/12/21	1. Implementation of the regularly reported matters in 2022 (November–December) 2. Summary of the statement on the audit reports made at previous Board of Directors Meeting 3. Report on the results of routine audits

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

Date	Highlights of the communication
2022/3/9	1. Group audit strategy and audit results of individual members 2. Significant accounting policies, estimates, events or transactions 3. Significant risks and key audit items 4. Audit results of individual and consolidated financial statements for 2021 5. CPA advice and communication matters
2022/5/11	1. Results of the review of the consolidated financial statements for the first quarter of 2022 2. Corporate governance 3. CPA advice and communication matters
2022/8/4	1. Exchanges on the expected key audit (KAM) for 2022 2. Introduction to the global minimum tax burdens and the latest developments 3. CPA advice and communication matters
2022/11/9	1. Results of the review of the consolidated financial statements for the third quarter of 2022 2. Corporate governance 3. Planning of annual audit of financial statements 4. Identification of significant risks and key audit items 5. Handling guidelines for internal control systems established by the listed companies 6. Strategies for digital transformation and cyber security 7. Updates on laws

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	
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.
II. The shareholdings structure and shareholders' equity of the Company	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.
(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).
(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.
(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.
III. Composition and responsibility of the Board of Directors	V		
(I) Has the board devised diversified guidelines and implemented them based on member makeup?			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, The

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		
(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>"Corporate Governance Best Practice 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 three directors aged over 70, four between 60–69, and two under 60.</p> <p>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>	In compliance with the "Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies".

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		
(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.</p> <p>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 2021 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 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 96.67–100 points. Based on the results of the Board of Directors' performance evaluation for 2022, the overall operation of the Board of Directors is good.</p>	<p>The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”, and the reasons for the variation</p> <p>In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.</p>

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		
(IV) Will the Company have the independence of the public accountant evaluated regularly?	V		(IV) We have developed an evaluation form for the independence and competence of CPAs with reference to the Code of Professional Ethics for Certified Public Accountants, No. 10, “Integrity, Impartiality, Objectivity and Independence, and 13 Audit Quality Indicators (AQI) which includes the size of the CPA firm, the number of years of continuous audit services provided, and the nature of non-audit services provided. The Board of Directors annually evaluates the independence and competence of CPAs by obtaining a statement of independence from the CPA firm and AQI Reports on the nature and extent of non-audit services provided, the audit fee, whether there is no violation of the Certified Public Accountant Act, the quality of audit services, whether the statutory statements are completed on time, and whether there is communication with management, internal audit officer and directors. The evaluation of the independence and competence 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 2022:</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</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>the board of directors meetings and shareholders' meetings</p> <p>3. Managed 2022 annual directors' liability insurance.</p> <p>4. In order to implement corporate governance, a performance evaluation of the Board of Directors and Directors for 2022 was conducted and presented to the Board of Directors in March 2023.</p> <p>5. In 2022, the Company held four corporate briefings to disclose the necessary information to market investors, so that the shareholders' rights and interests were well protected.</p> <p>6. The regular shareholders' meeting was held in June 2022, and the date of the shareholders' meeting was registered, and the notice of the meeting, the meeting handbook and the minutes of the meeting were prepared within the legal period.</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>Continuing education in 2022:</p> <p>1. How the Board of Directors monitors ESG risks and Builds Sustainable Competitiveness for Enterprises (3 hours) → sponsored by the Corporate Governance Association in Taiwan</p> <p>2. Legal Risks and Responses of Corporate Directors - Discussion on Investment and Financing by Enterprises (3 hours) → sponsored by the Corporate Governance Association in Taiwan</p> <p>3. [Financial Report Review] Analysis of Common Missing Information and Practice Analysis of Important Internal Control Regulations (6 hours) → Sponsored by the Accounting Research and Development Foundation</p>
V. Does the Company establish a communication channel for the stakeholders (including but not limited to shareholders, employees, customers and suppliers) and set up a stakeholder section on the Company's website with proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		Stakeholders (customers, employees, shareholders, suppliers, distributors, community .....) can communicate with the Company through the Financial and Business Planning departments or spokesperson, and we have 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.
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



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		
			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.	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 management policy and risk assessment in action, the pursuit of customer policy, and the protection of the Directors and Supervisors with professional liability insurance)?	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. 2. Investor relations 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 shareholders and institutional investors. 3. Supplier relations 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	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies“.

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		
			<p>environmental protection, safety and health issues, and jointly strive to enhance corporate social responsibility.</p> <p>4. Rights of Stakeholders. 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 (2022.1.1 - 2022.12.31)

Title	Name	Course organizer	Course name	Training hours	Remarks
Chairman	Yen Chen Li-Lien	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	
Vice Chairman	Tso, Chi-Sen	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	
Director	Shin-I Lin	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	
Director	Liang Zhang	Securities and Futures Institute; Accounting Research and Development Foundation; Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises; the latest practical development of insider trading in Taiwan and the way to cope with and prevent insider trading	9	
Director	Jack, J.T. Huang	Taiwan Institute of Directors; Taiwan Corporate Governance Association	Measures for response to U.S.-China trade and geopolitical conflicts; latest developments and trends in international and domestic taxes	6	
Director	Zhen-Xiang Yao	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	

Title	Name	Course organizer	Course name	Training hours	Remarks
Independent Director	Zhongqi Zhou	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	
Independent Director	Yen-Chin, Tsai	Securities and Futures Institute; Accounting Research and Development Foundation; Corporate Governance Association in Taiwan	How the Board of Directors monitors ESG risks and builds sustainable competitiveness for enterprises; functions of directors and the Board operations; international trends in preventing money laundering and combating terrorism; the principles of fair hospitality	10	
Independent Director	Yun-Hua Yang	Corporate Governance Association in Taiwan	How the Board of Directors can monitor ESG risks and build sustainable competitiveness; Legal risks and responses of corporate directors - starting from the investment and financing by enterprises	6	

6. Implementation of risk management policies and risk measurement standards.  
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.  
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.  
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, 2022 to July 1, 2023.

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)  
In the 9th Corporate Governance Evaluation, improvement for the indicators with no points achieved in the 8th Session was proposed as follows:

Indicators with no points achieved in the 8th Session 2021	Countermeasures in the 9th Session 2022
Is the shareholders’ meeting held before the end of May?	Taking into account the epidemic factors and the timing of cash dividend payment, the shareholders' meeting was held in June in 2022, and it is expected to hold another shareholders' meeting at the end of May in 2023.
Does the number of independent directors of the Company reach more than one-half of the number of directors?	The re-election of the 17th term of directors in 2022 was taken into account, and the number of independent directors accounted for at least one-third of the total seats.
Is there a non-statutorily required functional committee established with less than three members and more than half of the seats are for independent directors, and more than one member has the required professional competence, and whether the composition, responsibilities and operations of the committee are disclosed?	Sustainable Development Committee has been set up in November 2022, and it is expected that the ninth governance evaluation indices will be scored in 2022.

Indicators with no points achieved in the 8th Session 2021	Countermeasures in the 9th Session 2022
Is the annual financial report announced within two months after the end of fiscal year?	It is planned to announce the 2022 financial report within 75 days after the end of fiscal year so as to enhance the transparency of disclosure.
Is the report of Q4 financial forecast voluntarily announced with neither rectification from competency authorities, nor faults remarked by TWSE or TPEX?	In consideration of the large number of reinvested companies which may affect the forecast accuracy, voluntary announcement of the Q4 financial forecast was deemed as not appropriate.
Is the financial report sent to the Board as a proposal or for approval within 7 days of the announcement deadline, and published one day after the approval or proposal is made?	The Company will plan to make a financial announcement within 75 days after the end of 2022 and publish the financial statements on the day of approval by the Board of Directors.

Note 1: 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 4th session)	Yi-Hong Hsieh	Relieved of office on June 30, 2022		
Independent Director (Convenor of the 5th session)	Zhongqi Zhou	Please refer to disclosure of qualification and independence of directors and independent directors on page 12 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 members: The term of office of the Fourth Session of the Remuneration Committee shall start from July 1, 2019 to June 30, 2022, and the term of office of the Fifth Session of the Remuneration Committee shall start from July 1, 2022 to June 30, 2025. As of April 7, 2023, the Second Remuneration Committee met ten times (A), and the qualifications and attendance of the members were as follows

Title	Name	Number of actual attendees(B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1)	Remarks (Note 2)
Convenor of the 4th session	Yi-Hong Hsieh	9	0	100%	Relieved of office on June 30, 2022
Convenor of the 5th session	Zhongqi Zhou	10	0	100%	Reelected on July 1, 2022
Committee member	Yen-Chin, Tsai	10	0	100%	Reelected on July 1, 2022
Committee member	Yun-Hua Yang	1	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 2022, 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 Remuneration Committee meeting	Session of the Remuneration Committee meeting	Summary of the motion	Remuneration Committee's opinion	The Company's handling of the Remuneration Committee's opinion
2022/3/9	6th meeting of the 4th Remuneration Committee	The distribution of profit sharing remuneration to employees and directors for 2021	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
2022/5/11	1st interim meeting of the 4th session of the Remuneration Committee	Amendments to the remuneration for independent directors of the Company	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
2022/11/9	1st meeting of the 5th Remuneration Committee	Proposal for 2022 executive salary adjustment	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.

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

## 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 10 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. As of April 7, 2023, the First Sustainable Development Committee met one time (A), and the qualifications and attendance of the members were as follows

Title	Name	Number of actual attendees(B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Convener	Yun-Hua Yang	1	0	100%	with legal expertise
Committee member	Zhongqi Zhou	1	0	100%	with management and financial expertise
Committee member	Yen-Chin, Tsai	1	0	100%	with financial expertise

## Other notes:

1. The date and period of the Sustainable Development Committee meeting in 2022, 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
2022/12/21	1st interim meeting of the 1st Sustainable Development Committee	Material issue: Yulon City and capital increase in Tokio Marine Newa Insurance	No objection
		KPI achievement of the company	No objection
		Operating condition of re-investment company	No objection
		Corporate governance report of medium term strategy in 2023	No objection
		No discussion during this session	

## 2. Sustainable development promotion in 2022

- (1) With regards to the 2022 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 2022 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 2022
- a. Top 5% in the corporate governance among all listed companies evaluated by Financial Supervisory Commission (Top 5% for eight sessions in a row)
  - b. The Company was selected as a constituent of TWSE's Taiwan Sustainability Index. (FTSE4Good TIP

<p>Taiwan ESG Index)</p> <p>c. Global Views Monthly CSR and ESG Social Innovation Award under the Corporate Social Responsibility Award</p> <p>d. Commonwealth Magazine Large Enterprise Award under the Sustainable Citizen Award</p> <p>e. Taiwan Sustainability Action Awards (TSAA) Silver Award</p> <p>f. National Sustainable Development Awards</p> <p>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 operation value.</p> <p>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.</p> <p>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.</p> <p>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 nine years in a row.</p> <p>3. The sustainable development issue was presented to the Board of Directors five times in 2022. Supervision by the Board of Directors is described below:</p> <p>Management strategy</p> <p>1. Greenhouse gas inventory Goal: Acquire the third-party certification of greenhouse gas inventory of the parent company by December 2022 (year of inventory: 2021) Performance: Acquire the greenhouse gas verification statement issued by AFNOR Asia Ltd., an external professional certification company, by November 2022.</p> <p>2. Establish the Sustainable Development Committee Goal: Establish the Sustainable Development Committee by December 2022. Performance: Established the Sustainable Development Committee in November 2022. The first meeting was held in December 2022.</p> <p>3. Maintain our ranking for corporate governance evaluation. Goal: Top 5% among listed companies Performance: Ranked the top 5% in the 8th corporate governance evaluation for listed companies in April 2022.</p> <p>4. Strive for the national awards Goal: One national award Performance: Won the National Sustainable Development Awards in November 2022</p> <p>5. Increase solar power generated Goal: The generated solar power is equivalent to the annual power consumption by 2022. Performance: 11MW of solar power equipment has been deployed. The amount of generated solar power is equivalent to the total power consumption of the plant.</p>
--

Note: In the event that the Sustainable Development 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 Sustainable Development Committee meetings held during service and the frequency number of attendance (being seated) in the meetings.

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

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the "Corporate Sustainable Development Best Practice Principles for TWSE or 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 general manager, is equipped with a secretariat to assist with ESG tasks and preparation of sustainability reports. Under which, six 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 five times in 2022), 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. For the direction of ESG development and the supervision of the Board, please refer to Note 3.</p>	In compliance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM 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 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-act cycle 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> </ol>	In compliance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies".



Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>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.</p> <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) Group 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</li> </ol>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>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 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 been gradually 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 2022 [1.4 Risk Management])</p>	
III. Environmental issue				
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(I) The automobile industry is a technology-intensive and capital-intensive industry with a huge industrial supply 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 CO <sub>2</sub> , waste and other emission targets.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.
(II) Is the company dedicated to improving energy efficiency and using recycled materials with low impact on the environment?	V		(II) In order to improve the efficiency of resource utilization and to use recycled materials with a low impact on the environment, we have established material flow cost accounting to conduct material flow cost analysis in order to provide more complete green management information as the basis for overall planning and promotion of environmental protection issues, and to achieve the assessment tools of whether the use is effective, whether the environmental impact problem is serious and how to improve.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or 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 concerned about the impact of climate change on its operations in a long-term of view, 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 Group 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 4 for the Company's identification of opportunities and measures to address climate risk issues.</p>	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM 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. 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) In 2022, 69 improvement projects were completed, reducing carbon emissions by 360.36 metric tons per year (55 projects for electricity, reducing carbon emissions by 343.1 metric tons per year;</li> </ol> </li> </ol>	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>14 projects for gas, reducing carbon emissions by 276.4 metric tons per year)</p> <p>(3) Total CO2 emissions in Sanyi plant: 12,601 metric tons in 2022 [Lever I: 6,926 metric tons, Level II: 5,675 metric tons]; 16,456 metric tons in 2021 [Lever I: 9,775 metric tons, Level II: 6,681 metric tons].</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 in Sanyi plant: 285,799 metric tons in 2022; 305,653 metric tons in 2021.</p> <p>3. Waste reduction and management :</p> <p>(1) After the process waste solvent is collected by the recycling system, the distillation machine is used to recover the clean solvent for reuse, reducing the purchase of solvent by about 37 metric tons/year.</p> <p>(2) 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 the earth resources.</p> <p>(3) Total waste in Sanyi plant: 2,549 metric tons in 2022 [hazardous waste: 18 metric tons, non-hazardous waste: 2,531 metric tons]; 2,937 metric tons in 2021 [hazardous waste: 12 metric tons, non-hazardous waste: 2,925 metric tons].</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. We recognize and follow the United Nations “Universal Declaration of Human Rights”, the “UN Guiding Principles on Business and</p>	<p>In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.</p>

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>Human Rights”, the “UN Global Compact”, the “International Labor Organization Convention”, and other international human rights conventions, as well as the labor laws and regulations of the place where the Company is located, and will not violate or infringe on human rights and treat all colleagues, customers and stakeholders with dignity. Execution Policy:</p> <ol style="list-style-type: none"> <li>1. Provide a safe and healthy working environment</li> <li>2. Prohibit 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 mental health and work-life balance</li> <li>6. Support employees to form and join labor unions to exercise their labor rights in accordance with the law</li> </ol> <p>Specific measures for human rights policy:</p> <p>(1.) Provide a safe and healthy workplace: 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</p>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>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 recruiting and selecting qualified job applicants, and no 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 the 1st day of each month and no meeting day on the 2nd day of the 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>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
(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.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.
(III) Does the Company provide employees with a safe and healthy working environment, and provide safety and health education to employees regularly?			(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 “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM 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 “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM 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. 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-	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>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.</p> <p>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 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.</p>	
(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		<p>(VI) We regularly perform internal audit and evaluate suppliers, requesting 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.</p>	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM 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		<p>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 report was verified by an external rating agency and received an A+ grade for 2011.</p>	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies“.
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				



Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>implementation practices and the deviation from the Principles established: 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 “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies”.</p> <p>The Company has prepared the "Ethical Corporate Management Best Practice Principles", which was submitted to the 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.</p>	
			<p>VII. Other material information helpful to understand the sustainability practice:</p> <p>(I) Implementation of sustainable development of environmental protection</p> <ol style="list-style-type: none"> <li>1. 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>2. 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>3. 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. Electric vehicles are our most concrete contribution to global climate change and to the realization of a low-carbon economic society.</li> <li>4. 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>5. 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>(II) 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. In addition, in order to pass on the declining art of wood carving in Taiwan, we encourage young students to participate in the competition, so that the art of wood carving in Taiwan can be brought to life by more new blood.</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 Tourism Bureau of Miaoli County Government to hold the Taiwan International Wood Carving Competition every year (\$2 million per year from 2014 to 2022) 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 2022), in order to encourage woodcarving artists to engage in creation, preserve the art of wood carving in Sanyi and promote the local culture.</p> <p>In addition, to pass the woodcraft on and root the cultural art, the annual "Yulong Woodcarving Camp" has been held since 2020, providing free participation for the local high school students interested in woodcarving from the</p>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies", and the reasons for the variation	
	Yes	No			
			<p>Miaoli and Sanyi Township. Teachers with woodcraft are hired to demonstrate woodcarving techniques in small classes, allowing the students to do hands-on woodcarving and make the works of their personal styles.</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 NT\$1 million from 1998 to 2003, and was changed to a joint contribution of NT\$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.</p> <p>Besides, the Company has made annual donations to the cleaning squad of the Sanyi Township for the "Employer's Liability Insurance" since 2014, as a contribution to where the Company is located, providing the folks with livelihood protection.</p> <p>➤ <b>Give back to the local community</b></p> <p><b>[Yulon Sanyi Scholarship]</b></p> <p>As a feedback to the local community, the [Yulong Sanyi Scholarship] has long been provided to the local primary and high schools. Between 2015 and 2019, additional scholarship was provided to college students of the Sanyi community residents, with more than 420 students receiving the benefits. In 2022, a total of \$435,000 was awarded to 388 students for the Yulon Sanyi Scholarship, benefitting a wide range of students.</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. There were 8 students receiving the scholarship in 2022, with each awarded NT\$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. The summer camp, however, was suspended in 2020-2022 due to the Covid-19 pandemic, to prevent cluster infection.</p> <p><b>[Yulon Motor Design Experience Camp]</b></p> <p>To help the schoolchildren in Sanyi Township understand the process of automobile design and development, the [Yulong Automobile Design Camp] held between 2016 and 2019 received 45 Sanyi Elementary School 5th and 6th graders every year for the camp activities free of charge, allowing them to observe the automobile design and development process and get basic understanding of the automobile industry. Moreover, interesting courses to stimulate the schoolchildren's thinking and creativity are also given to broaden their views to the world.</p> <p><b>[Other contribution to the community activities]</b></p> <ol style="list-style-type: none"> <li>In order to bridge the gap between urban and rural areas and expose the children of Sanyi to more diverse artistic aesthetics, our company sponsored the "Paper Windmill Theater" to perform in Sanyi Township in 2016, treating the villagers of Sanyi to a free show, bringing a feast of art to the local community and letting the villagers feel the Company's dedication to giving back to the local community.</li> <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> <li>Since 2005, we have donated for maintenance of 100 street lamps to Sanyi Township every year.</li> </ol> <p>(3) The Company's corporate social responsibility operations in social contribution and social services <b>[Yen Ching-Ling's Foundation]</b></p>		

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies“, and the reasons for the variation
	Yes	No		
			<p>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> 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> 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.</p> <p><b>[Wu Shun-Wen’s Industrial Development and Investment Promotion Committee]</b> 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> In 1964, the Company established the first Group A basketball team formed by a private enterprise in Taiwan to promote basketball, and in 1992, the Company officially established the “Yulon Professional Basketball Team“, which has been funded by a large amount of corporate resources every year without interruption, allowing the Yulon basketball team to compete in the domestic arena with full force and repeatedly achieve success. In 2022, the annual sponsorship was \$21.6 million, in line with long-term practice.</p> <p><b>[Yulon Volunteer Club]</b> In 2015, the “Yulon Motor and Yulon Nissan Volunteer Club” was established with the motto of “local care, thematic service” to provide care to the community and local disadvantaged groups, so that our colleagues can realize the true meaning of “it is more blessed to give than to receive“ in the process of devoting themselves to loving service. Since its establishment, the “Yulon Motor and Yulon Nissan Volunteer Club” has been organizing many activities each year, such as cleaning the beach in Houlong, Miaoli, giving white rice to the elderly living alone in Sanyi Township, inviting children from the Family Support Center to watch a professional basketball game, collecting charitable supplies, giving Christmas gifts to children in orphanages, helping low- and middle-income families in Sanyi Township to clean their homes, and arranging weekend recreational activities for children in orphanages etc. The Yulong Volunteer Association organized the following events in 2022:</p> <ol style="list-style-type: none"> <li>1. In April - Yulon Volunteer Club went into the community to provide manpower support for the adult health examination organized by the Sanyi Township Health Center, helping people scan QR codes for name-based inquiries, disinfect hands, distribute number plates, and measure height, weight, waist circumference, blood pressure and other items, so that the health examination activities could be successfully done. A total of 66 people participated in the general health examination, and a total of 81 people were screened for four types of cancers.</li> <li>2. In June-In order to alleviate the blood shortage, Yulon Volunteer Club specially launched blood donation in the Yulon Motor factory complex on 6/15, encouraging colleagues to donate blood and show love, and a total of 98 bags of blood were collected on the same day, with a total blood collection volume of 24,500cc.</li> <li>3. In July - Yulon Volunteer Club collected 630 invoices from colleagues which were donated to Xihan'er Foundation; Invoices stand for hope, encouraging colleagues to show love and respond to public welfare.</li> <li>4. In October - The epidemic has not completely eased, in order to alleviate the blood shortage, Yulon Volunteer Club launched blood donation again in the Company on 10/17, calling on colleagues to donate blood and show love. Colleagues responded enthusiastically, with a total of 89 bags of blood collected that day, and a total blood collection volume of 22,250cc.</li> <li>5. In October - In order to clean up marine debris, Yulon Volunteer Club from time to time called on volunteers to clean up beach together, and held beach clean-up activities in Houlong, Miaoli on October 22, encouraging colleagues to bring their children to participate in the activity together to make these little citizens of the earth aware of the pollution and harm caused by the inadvertent garbage in daily life to the environment and marine ecology, and then consciously develop the good habit of reducing disposable products from an early age; A total of about 350 kg of marine debris was picked up that day.</li> <li>6. In December - Yulon Volunteer Club launched the Year-end Heart-Warming Donation, a charity fundraising activity within the Company, during which a total of NTD 972,359 yuan was raised from love donations, and donated to seven social welfare units, including Guangai House of Correction, Youan House of Correction,</li> </ol>	

Projects engaged	Implementation Status (Note 1)		Summarized explanation (Note 2)	The variation with the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies", and the reasons for the variation
	Yes	No		
			<p>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 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> <li>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.</li> <li>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>.</li> </ol>	

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 Corporate Governance Best Practice Principles for TWSE or 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	Policy and regulations	Policy trend: EV sales in the market reaching 100% by 2040	As fuel-powered vehicles are the Company's main products, it will be unfavorable for our long-term business operations if we don't develop electric vehicles.	We have collaborated with Hon Hai Group to develop EVs.
		Climate Change Response Act – Promotion of the policy of net-zero emissions by 2050 in Taiwan (Carbon fee mechanism established)	Since we are not a company with great carbon emissions, the carbon fee mechanism will not have a huge impact on our financial aspect.	<ol style="list-style-type: none"> <li>1. The Company will keep on improving the processes, saving energy and reducing emissions.</li> <li>2. The renewable energy will be deployed and the energy storage business will be developed.</li> <li>3. We will promote electric and zero-carbon vehicles.</li> <li>4. We aim to implement zero-waste resource cycling.</li> </ol>
		Mandatory regulations (e.g. vehicle regulations based on EURO 6)	The costs of vehicle manufacturing processes will be higher.	The Company pays close attention to the changes in laws and regulations, introduces models with low fuel consumption and emissions through the brands, and continuously improves the performance of fuel consumption.
	Technology risks	Investment in and R&D of electric vehicles	The R&D expenditures are high while the payback period is long.	We have collaborated with Hon Hai Group to develop EVs.
		Transformation to low-carbon technologies (e.g. deploying renewable energy and developing energy storage equipment)	The capital expenditures will be higher.	Yulon Motor will carry on the installation of solar power equipment and incorporate energy storage system to increase the in-plant use of green power.
	Market risks	Changes in the customer preference, increasing environmental awareness, and falling demand for fuel-powered vehicles in the future	The sales of fuel-powered vehicles will decrease and affect the Company's revenue.	We will continue to launch models that meet the requirements of environmental and energy saving labels, actively engaging in the introduction and R&D of EVs.
		Incessantly rising international energy prices	The costs of the Company's operation and production will escalate.	We implement the EMS system to systematically monitor the energy efficiency and take improvement measures for the processes with high energy consumption.
	Reputational Risks	Negative news about the Company worsening climate change	The customer willingness to buy will be impacted, making the revenues drop.	We will conform to the government policies and take active environmental protection actions corresponding to the ESG.
	Physical risks	Acute	Supply chain disruption due to floods and water resource shortage caused by extreme weather events (e.g. typhoon and rainstorm), which affects the production capacity and operation of plant or damages the equipment	The Company develops a variety of emergency response management measures and disaster prevention mechanism.
		Chronic	Continuously rising temperature	The power consumption and carbon emissions will keep on rising, and the yield rate will be reduced since it is hard for heat to dissipate from the equipment. These will increase the operating costs.

## (VII) The Company's conduct of business in good faith and measures

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
I. Establishment of ethical corporate management policies and plans	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.
(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		(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. 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.
(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		(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.
(III) 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		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	
<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>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>
	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 regulations are coordinated by the Company’s corporate governance officer, assistant VP of Finance and Business Planning department and the corporate governance group of 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 2022, 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) How the Board of Directors monitors ESG risks and Builds Sustainable Competitiveness for Enterprises (3 hours) → sponsored by the Corporate Governance Association in Taiwan</li> <li>(2) Legal Risks and Responses of Corporate Directors - Discussion on Investment and Financing by Enterprises (3 hours) → sponsored by the Corporate Governance Association in Taiwan.</li> </ol> </li> </ol>

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	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(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	(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.  (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 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.	
(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. Related courses held in 2022: 1. Recognition of intellectual property rights: 22 participants, 2 hours. 2. Technology licensing required to expand emerging business ABC: 23 participants, a total of 2 hours. 3. Understanding the patent specification and writing the patent proposal disclosure document: 10 participants, a total of 2 hours. 4. Patent type and application strategy: 7 participants, a total of 2 hours. 5. Ethical Corporate Management Best Practice Principles - "Prevent Insider Trading and Maintain Fair Transactions": 10 advocates, a total of 2 hours 6. Tip to insider trading (digital course): 91 participants, 2 hours session.	
III. Implementation of the whistle-blowing system (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?	V		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		
(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?	V		(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.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(III) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	V		(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.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
IV. Enhancement of information disclosure (I) Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	V		(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.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
<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:</p> <p>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)</p> <p>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 9th 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 9, 2023

With respect to the results of self-evaluation of company's internal control system in 2022, it is hereby stated as below:

1. 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.
2. 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.
3. 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.
4. 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.
5. Based on the foregoing evaluation results, the company considers that its internal control system on December 31, 2022 (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.
6. 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.
7. This statement was approved by the Board of Directors on March 9, 2023. 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) Where the Company and its insiders receive penalties for violations, or the Company's punishment on its internal personnel for violating internal control system in 2022 and the current year up to the publication of the annual report, the mistake and improvement:

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.

1. Important resolutions of the shareholder and board meetings:

Date	Meeting type	Important motions
2022/01/20	7th interim meeting of the 16th Board of Directors	<ol style="list-style-type: none"> <li>The Company's 2022 business objectives</li> <li>Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles".</li> <li>Amendment to certain provisions of the Company's "Ethical Corporate Management Best Practice Principles".</li> </ol>
2022/03/10	13th interim meeting of the 16th Board of Directors	<ol style="list-style-type: none"> <li>Preparations for the 2022 shareholders' meeting</li> <li>The Company's 2021 final operating reports</li> <li>The proposal for the distribution of earnings of the Company in 2021;</li> <li>The distribution of profit sharing remuneration to employees and directors for 2021</li> <li>Proposal for reelection of the 17th Board of Directors</li> <li>Proposal to lift the Directors of Session XVII from prohibition of business strife.</li> <li>Candidates for the seats of the 17th Board of Directors nominated by the Board and qualification reviews.</li> <li>Amendment to certain provisions of the Company's "Articles of Incorporation."</li> <li>Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets" and "Internals Rules on Procedures for Acquisition or Disposal of Assets"</li> <li>The Company's endorsement and guarantee facility for 2022</li> <li>The Company's bank facility application for 2022</li> <li>The Company's issuance of Letter of Operating Support (LOS) in 2022.</li> <li>Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2022</li> <li>A lease agreement between the Company and a related party for real estate right-of-use assets</li> <li>3rd meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd.</li> <li>The Company's Statement of Internal Control System for 2021</li> </ol>
2022/03/25	8th interim meeting of the 16th Board of Directors	Proposal to adjust the 2021 earnings distribution
2022/05/12	14th interim meeting of the 16th Board of Directors	<ol style="list-style-type: none"> <li>Financial statements of the Company for 2022, Q1</li> <li>The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd.</li> <li>Bankruptcy reorganization of Dengfeng Yulon Motor Co. Ltd</li> <li>Increase in the Company's bank limit</li> <li>The Company signed a lease for Yulon Town Mall in Yulon City Business District with eslite</li> <li>The Company signed a lease for studios in Yulon City Business District with Weixiu Cinemas Co., Ltd</li> <li>The Company signed a lease for Yulon Town Mall in Yulon City Business District with Weixiu Cinemas Co., Ltd</li> </ol>
2022/06/17	General Meeting of shareholders	<ol style="list-style-type: none"> <li>Adoption of the 2021 Financial Statements.</li> <li>Adoption of the Proposal for Distribution of 2021 Profits.</li> <li>Amendment to certain provisions of the Company's "Articles of Incorporation."</li> <li>Amendment to certain provisions of the Company's "Procedures for the Acquisition or Disposal of Assets"</li> <li>For the election of the Directors of Session XVII</li> <li>Proposal to lift the Directors of Session XVII from prohibition of business strife.</li> </ol>
2022/06/17	1st interim meeting of the 17th Board of Directors	Election of the Chairman and Vice Chairman of Session XVII of the Board of Directors
2022/08/05	1st interim meeting of the 17th Board of Directors	<ol style="list-style-type: none"> <li>Financial statements of the Company for 2022, Q2</li> <li>Cancel registration of the Company's Xindian Branch</li> <li>The Company increases capital to Tokio Marine Nawa Insurance Co., Ltd.</li> <li>The Company proposes to lend funds of NT\$524 million to Tokio Marine Nawa Insurance Co., Ltd.</li> <li>Cash capital increase by the Company to Luxgen Motor Co., Ltd.</li> <li>Cash capital increase by the Company to Taiwan Acceptance Corporation</li> <li>Appointment of the members of the fifth session of the Remuneration Committee</li> </ol>

Date	Meeting type	Important motions
		8. The Company's amendments to certain provisions of the Operating Procedures for the Prevention of Insider Trading
2022/11/11	2nd interim meeting of the 17th Board of Directors	1. Financial statements of the Company for 2022, Q1-Q3 2. The Company's donation to the Wu Shun-Wen's News Scholarship Foundation 3. The Company's changes to endorsements/guarantees 4. Proposal for the Company to set up a Sustainable Development Committee 5. The Company proposes to appoint the Information Security Officer 6. The appointment of the Company's managerial officer 7. Amendment to certain provisions of the Company's "Procedure for Board of Directors Meetings". 8. Amendments to certain provisions of the internal control systems for stock operations of the Company 9. Formulation of the operating procedures for processing internal major information 10. The Company's 2023 audit plan
2022/12/22	3rd interim meeting of the 17th Board of Directors	1. The Company increases capital to Tokio Marine Nawa Insurance Co., Ltd. 2. The Company's 2023 business objectives 3. Proposal for 2022 executive salary adjustment
2023/03/09	4th interim meeting of the 17th Board of Directors	1. Preparations for the 2023 shareholders' meeting 2. The Company's 2022 final operating reports 3. The proposal for the distribution of earnings of the Company in 2022; 4. The distribution of profit sharing remuneration to employees and directors for 2022 5. The Company's endorsement and guarantee facility for 2023 6. Amendment to certain provisions of the Company's "Articles of Incorporation." 7. Amendment to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings." 8. The Company participated in the capital increase in Tokio Marine Nawa Insurance 9. The Company's sale of the Class A preferred shares in Yurong 10. The Company sold the 12th, 14th and 16th floors of the Dunnam Building 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 12. The Company's bank facility application for 2023 13. The Company's issuance of Letter of Operating Support (LOS) in 2023. 14. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2023 15. A lease agreement between the Company and a related party for real estate right-of-use assets 16. 7th meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd. 17. The Company's Statement of Internal Control System for 2022 18. Amendments to the "General Rules for Internal Control Systems" and "Implementation Rules for Internal Audit" of the Company. 19. Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles". 20. Amendment to certain provisions of the Company's "Corporate Sustainable Development Best Practice Principles" 21. Amendment to certain provisions of the Company's Accounting Professional Judgment Procedures, Accounting Policies and Management Measures for Estimation Change Process

2. Review of the implementation of the resolutions of the 2022 regular shareholder meeting

Resolutions	Review of the implementation																						
Adoption of the 2021 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 Proposal for Distribution of 2021 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. It was proposed to distribute the 2021 cash dividends at NT\$1.5 per share, and set August 31, 2022 as the base date for the distribution, to be finished by September 30, 2022.																						
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 "Procedures for the Acquisition or Disposal of Assets"	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.																						
For the election of the Directors of Session XVII	<p>The Company's directors (including independent directors) for the 16<sup>th</sup> term of office will expire on June 30, 2022. According to the Company's Articles of Incorporation, nine (9) directors (including three independent directors) are to be elected for the 17<sup>th</sup> term of office for three years from July 1, 2022 to June 30, 2025. List of the Elected Members of the Session XVII of the Board of Directors</p> <table border="1"> <thead> <tr> <th>Type of candidates</th> <th>Shareholder A/C name/name</th> <th>Representative</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Director</td> <td rowspan="2">Tai Yuen Textile Co., Ltd.</td> <td>Yen Chen Li-Lien</td> </tr> <tr> <td>Tso, Chi-Sen</td> </tr> <tr> <td rowspan="2">China Motor Corporation</td> <td>Shin-I Lin</td> </tr> <tr> <td>Liang Zhang</td> </tr> <tr> <td rowspan="3">Independent Director</td> <td rowspan="3">Yen Ching-Ling's Foundation</td> <td>Jack, J.T. Huang</td> </tr> <tr> <td>Zhen-Xiang Yao</td> </tr> <tr> <td>—</td> </tr> <tr> <td rowspan="3">Independent Director</td> <td>Zhongqi Zhou</td> <td>—</td> </tr> <tr> <td>Yen-Chin, Tsai</td> <td>—</td> </tr> <tr> <td>Yun-Hua Yang</td> <td>—</td> </tr> </tbody> </table>	Type of candidates	Shareholder A/C name/name	Representative	Director	Tai Yuen Textile Co., Ltd.	Yen Chen Li-Lien	Tso, Chi-Sen	China Motor Corporation	Shin-I Lin	Liang Zhang	Independent Director	Yen Ching-Ling's Foundation	Jack, J.T. Huang	Zhen-Xiang Yao	—	Independent Director	Zhongqi Zhou	—	Yen-Chin, Tsai	—	Yun-Hua Yang	—
Type of candidates	Shareholder A/C name/name	Representative																					
Director	Tai Yuen Textile Co., Ltd.	Yen Chen Li-Lien																					
		Tso, Chi-Sen																					
	China Motor Corporation	Shin-I Lin																					
		Liang Zhang																					
Independent Director	Yen Ching-Ling's Foundation	Jack, J.T. Huang																					
		Zhen-Xiang Yao																					
		—																					
Independent Director	Zhongqi Zhou	—																					
	Yen-Chin, Tsai	—																					
	Yun-Hua Yang	—																					
Proposal to lift the Directors of Session XVII from prohibition of business strife.	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.																						

(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 2022 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 2022 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: NT\$1,000

CPA firm	CPA name	CPA auditing period	Audit fee	Non-audit fee	Total	Remarks
Deloitte & Touche	Guo Li-Wen	January 1, 2022 to December 31, 2022	19,606	2,054	21,660	Others expenses included NT\$20 thousand for the application to the Ministry of Economic Affairs Investment Board, NT\$254 thousand for advance fees, NT\$1,780 thousand for tax certification.
	Fan You-Wei	January 1, 2022 to December 31, 2022				

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 remarks 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

(III) 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 2022 through the date of publication of the annual report

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

Title	Name	2022		2023 up to April 7	
		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.	-	-	-	(24,158,917)
Institutional Director	China Motor Corporation	-	-	-	-
Institutional Director	Yen Ching-Ling's Foundation	-	-	-	-
Chairman	Yen Chen Li-Lien	-	-	-	-
Vice Chairman	Tso, Chi-Sen	-	-	-	-
Director	Shin-I Lin	-	-	-	-
Director	Liang Zhang	-	-	-	-
Director	Jack, J.T .Huang	-	-	-	-
Director	Zhen-Xiang Yao	(203,738)	-	-	-
Independent Director	Yi-Hong Hsieh (Note 1)	-	-	-	-
Independent Director	Zhongqi Zhou	-	-	-	-
Independent Director	Yen-Chin, Tsai	-	-	-	-
Independent Director	Yun-Hua Yang (Note 2)	-	-	-	-
President	Zhen-Xiang Yao	(203,738)	-	-	-
Vice President	Jian-Hui Li	-	-	-	-
Assistant President	Vice Wen-Yi Lo	-	-	-	-
Assistant President	Vice Binglin Chen	-	-	-	-
Assistant President	Vice Qiu Minhui	-	-	-	-
Assistant President	Vice Hong-Zheng Chen	-	-	-	-
Manager	Shi-Ting Chen	-	-	(2,000)	-
Manager	Li-Hua Wu	-	-	-	-
Manager	Wen-Yuan Li	-	-	-	-
Manager	Hong-Zheng Chen	-	-	-	-
Manager	Chong-Yuan Chen	-	-	-	-
Manager	Shen-Guo Wang	-	-	-	-
Manager	Meng-Yue Jie	-	-	-	-
Manager	Shih-Lin Wu	-	-	-	-
Manager	Hsun-Kuei Hsieh	-	-	-	-
Manager	King-Wai Wong	-	-	-	-
Manager	Yu-Hsun Lin	-	-	-	-
Manager	Pai-Chun Peng	-	-	-	-
Manager	Che-Yu Cho (Note 3)	-	-	-	-
Manager	Tsung-Lin Wu (Note 4)	-	-	-	-
Major Shareholders	Tai Yuen Textile Co., Ltd.	-	-	-	(24,158,917)
Major Shareholders	China Motor Corporation	-	-	-	-
Major Shareholders	Yen Chen Li-Lien	-	-	-	-

Note 1: Relieved of office on June 30, 2022

Note 2: Newly elected on July 1, 2022.

Note 3: Newly elected on November 16, 2022.

Note 4: Newly elected on January 01, 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:**

April 2, 2023

Name (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. Representative: Yen Chen Li-Lien	181,128,973	18.11	-	-	-	-	China Motor Corporation	Same chairperson	-
	34,174,253	3.42	67,867,970	6.79	-	-	Yen Ching-Ling's Foundation	Same chairperson	-
China Motor Corporation Representative: Yen Chen Li-Lien	166,714,441	16.67	-	-	-	-	Tai Yuen Textile Co., Ltd.	Same chairperson	-
	34,174,253	3.42	67,867,970	6.79	-	-	Yen Ching-Ling's Foundation	Same chairperson	-
Yen Chen Li-Lien	34,174,253	3.42	67,867,970	6.79	-	-	Yen Chen Li-Lien's daughter	Mother and daughter	-
							Yen Chen Li-Lien's son	Mother and son	-
Yen Chen Li-Lien's daughter	33,933,985	3.39	-	-	-	-	Yen Chen Li-Lien	Mother and daughter	-
Yen Chen Li-Lien's son	33,933,985	3.39	-	-	-	-	Yen Chen Li-Lien	Mother and son	-
Fande Investment Co., Ltd. Representative: Mao Xiao-Ling	16,623,669 0	1.66 0	-	-	-	-	Tai Yuen Textile Co., Ltd.	The chairman of Pan German Universal Motors is a board director of Tai Yuen Textile	-
Shih-Chung Lin	13,000,000	1.30	-	-	-	-	None	None	-
Yen Ching-Ling's Foundation Representative: Yen Chen Li-Lien	10,990,936	1.10	-	-	-	-	China Motor Corporation	Same chairperson	-
	34,174,253	3.42	67,867,970	6.79	-	-	Tai Yuen Textile Co., Ltd.	Same chairperson	-
New labor pension fund	10,912,000	1.09	-	-	-	-	None	None	-
J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account	7,627,444	0.76	-	-	-	-	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, 2022

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	213,375,801	42.92%	8,445,864	1.70%	221,821,665	44.62%
Taiwan Acceptance Corporation - preferred stock A	36,583,992	36.58%	17,256,608	17.26%	53,840,600	53.84%
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.	90,500,000	100.00%	0	0.00%	90,500,000	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.	28,470,422	100.00%	0	0.00%	28,470,422	100.00%
Yung Hang Investment Co., Ltd.	77,622,000	100.00%	0	0.00%	77,622,000	100.00%
Yushin Motor Co., Ltd.	19,999,000	99.99%	1,000	0.01%	20,000,000	100.00%
China Engine Corporation	64,454,000	38.16%	88,000,000	52.10%	152,454,000	90.26%
Chenglong Automobile Service Limited	12,668,501	27.00%	1,559	0.00%	12,670,060	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%
Carplus Auto Leasing Corporation	0	0.00%	94,463,512	88.78%	94,463,512	88.78%
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.	1,082,405,974	100.00%	0	0.00%	1,082,405,974	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.	94,141,844	17.77%	131,198,334	24.76%	225,340,178	42.53%
Hua-Chuang Automobile Information Technical Center Co., Ltd.	1,413,600,107	100.00%	0	0.00%	1,413,600,107	100.00%
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-Administered Enterprises Company Limited	0	0%	10,000,000	100.00%	10,000,000	100.00%
Yulon Construction Co., Ltd.	122,100,000	100.00%	0	0.00%	122,100,000	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.	500,000	100.00%	0	0.00%	500,000	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 7, 2023

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.

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	1,000,000,000	1,000,000,000	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

April 2, 2023

Shareholder structure	Government agency	Financial institution	Other corporations	Individual	Foreign institutions and foreigners	Total
No. of People	8	21	264	110,505	253	111,051
Number of shares held	20,689,048	4,183,190	454,351,859	445,622,887	75,153,016	1,000,000,000
Shareholdings (%)	2.07	0.42	45.43	44.56	7.52	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

April 2, 2023  
(Denomination of \$10 per share)

Range of Shares	No. of Shareholders	Number of shares held	Shareholdings (%)
1 to 999	64,439	13,524,029	1.35
1,000 to 5,000	37,225	73,252,849	7.34
5,001 to 10,000	4,849	36,604,424	3.66
10,001 to 15,000	1,438	18,332,248	1.83
15,001 to 20,000	832	15,247,179	1.52
20,001 to 30,000	739	18,838,227	1.88
30,001 to 40,000	344	12,125,122	1.21
40,001 to 50,000	226	10,429,710	1.04
50,001 to 100,000	447	32,086,982	3.21
100,001 to 200,000	233	32,705,331	3.27
200,001 to 400,000	145	41,623,391	4.16
400,001 to 600,000	39	18,817,565	1.88
600,001 to 800,000	23	16,015,509	1.60
800,001 to 1,000,000	8	7,167,903	0.72
Over 1,000,001	64	653,229,531	65.33
Total	111,051	1,000,000,000	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)

April 2, 2023

Names of Major Shareholders	Shares	Number of shares held	Shareholding percentage
Tai Yuen Textile Co., Ltd.		181,128,973	18.11%
China Motor Corporation		166,714,441	16.67%
Yen Chen Li-Lien		34,174,253	3.42%
Daughter of Yen Chen Li-Lien		33,933,985	3.39%
Son of Yen Chen Li-Lien		33,933,985	3.39%
Fande Investment Co., Ltd.		16,623,669	1.66%
Shih-Chung Lin		13,000,000	1.30%
Yen Ching-Ling's Foundation		10,990,936	1.10%
New labor pension fund		10,912,000	1.09%
J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account		7,627,444	0.76%

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

Items	Year		2021	2022	The current year up to April 7, 2023 (Note 8)
Market price per share (Note 1)	Highest		53.10	71.00	84.90
	Lowest		35.70	38.00	61.70
	Average		41.68	45.29	76.08
Net value per share (Note 2)	Before Distribution		52.65	48.13	-
	After Distribution		51.15	-	-
Earnings per share	Weighted average number of shares		977,705 thousand shares	977,705 thousand shares	-
	Earnings per share (Note 3)		4.82	(4.80)	-
Dividends per share	Cash dividends		1.50	1.00	-
	Stock dividends distribution	Allotment of earnings	-	-	-
		Allotment of shares from capital surplus	-	-	-
	Cumulative undistributed dividends (Note 4)		-	-	-
Analysis of ROI	P/E ratio (Note 5)		8.65	(9.44)	-
	P/D ratio (Note 6)		27.79	45.29	-
	Cash dividends yield (Note 7)		3.60%	2.21%	-

\* 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 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 NT\$1 per share at the 2023 regular shareholder meeting and set August 31, 2023 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 growth of 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) The Company has no profit after taxes for the year of 2022, and does not appropriate the remuneration for employees and directors in accordance with the Articles of Incorporation.
- (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 Company has no profit after tax for the year of 2022, as approved by the Board of Directors, it is not required to appropriate the remuneration for employees and directors in accordance with the Articles of Incorporation.
- (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.

In 2021, NTD 36.64 million of employees' remuneration and NTD 24.39 million of directors' remuneration were paid on July 4, 2022 and November 15, 2022, respectively, and the actual amount paid was the same as the amount resolved at the shareholders' meeting.

(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
Issue Date	2017.12.12	2018.12.25
Face value	NT\$ 1,000,000	NT\$ 1,000,000
Place of Issue and Trading	Domestic	Domestic
Issuing price	Issued at 100% of face value	Issued at 100% of face value
Total amount	NT\$ 10,000,000,000	NT\$ 5,300,000,000
Interest rate	Bond A 5-year interest rate of 1.04% per annum Bond B 7-year interest rate of 1.17% per annum	Bond A 5-year interest rate of 1.18% per annum Bond B 10-year interest rate of 1.80% per annum
Maturity	Bond A 5-year \$7.0 billion due on 2022.12.12. Bond B 7-year \$3.0 billion due on 2024.12.12.	Bond A 5-year \$3.6 billion due on 2023.12.25. Bond B 10-year \$1.7 billion due on 2028.12.25.
Guarantee Institution	None	None
Trustee	Mega International Commercial Bank Co., Ltd.	Mega International Commercial Bank Co., Ltd.
Consignee	KGI Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Certified Lawyer	Yisheng United Law Firm Guo Hui-Ji, lawyer	Zhongda International Law Firm Wang Huai-Yu, lawyer
Attesting CPA	Deloitte & Touche Tai Shun-Wai, Fan You-Wei, CPAs	Deloitte & Touche Tai Shun-Wai, 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
Outstanding amount to be repaid	NT\$ 3,000,000,000	NT\$ 5,300,000,000
Clause on redemption or earlier redemption	None	None
Restrictive clause	None	None
Name of the credit rating agency, rating date, and rating results	Taiwan Ratings Co., Ltd. September 9, 2022 · twBBB+	Taiwan Ratings Co., Ltd. September 9, 2022 · twBBB+
Other equity attached	Amount of common stock, foreign depository receipts or other marketable securities converted (exchanged or subscribed)	Not applicable
	Rules for issuing and conversion (either by exchange or purchase)	Not applicable
Possible dilution of shareholdings and impact on existing shareholders' equity	Not applicable	Not applicable
Custody Agency Name for the Exchange Target	None	None

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. Main 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 92.39% of business.

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

- (1) NISSAN:
  - TIIDA series: New 5th-generation X-CVT sedan.
  - SENTRA models: New 5th-generation X-CVT sedan.
  - X-TRAIL series: 4th-generation X-CVT RV.
  - X-TRAIL e-POWER series: VC-TURBO 1.5L engine power RV.
  - KICKS models: New 5th-generation X-CVT SUV.
  - 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: twin-scroll turbocharged engine utility vehicle.
  - U6 GT models: AISIN intelligent six-speed automated manual transmission sports SUV.

#### (II) Industrial Overview

##### 1. Analysis of the macro economic environment:

###### (1) International Situation.

Demand in Europe and the United States is more resilient than expected, as China's epidemic prevention and lockdown have eased the pressure on supply chain bottlenecks dissipated, however, international inflation, pressure from increase in interest rates, the Russia-Ukraine war, and the US-China technology conflict continuing to heat up, global economic uncertainty is still high, and this year's economic growth momentum will slow down sharply compared with 2022. IHS Markit (S&P Global) estimates that global economic growth will be about 1.9% in 2023, the IMF will be 2.9%, which is estimated to be only 1.7% by The World Bank.

In addition, for major economies such as the United States, due to the 9.2% of annual increase in



exports last year, including among other things, increase in exports of minerals, machinery and automobiles, industrial production increased by 2.2% per year, of which the manufacturing industry decreased by 0.2% per year, ending 21 consecutive months of positive growth. In the Eurozone, exports increased by 17.2% denominated in euro last year, marking 21 consecutive months of positive growth, mainly due to increased exports of machinery and vehicles, chemicals and energy. Industrial production increased by 2.0%, mainly due to higher production of capital and non-durable consumer goods. In China, the external demand continuously has remained sluggish, the rapid spread of the epidemic after the adjustments to epidemic prevention measures suppressed exports and production momentum, exports fell by 9.9% year-on-year last year, the largest decline in recent years, while the annual growth rate of industrial production was 1.3%.

The estimated global economic growth rate for 2023 is shown in the following table:

	IHS Markit(S&P Global)	IMF	The World Bank
Global Economic Growth Rate	1.90% ('2023/01)	2.90% ('2023/01)	1.70% ('2022/12)

Note: ( ) for the forecast date.

(2) Domestic Economy.

The Directorate General of Budget, Accounting and Statistics, Executive Yuan predicts that the economic growth rate in 2023 will be 2.75%, and according to the data released by the National Development Council in February, Taiwan's economy signals flashed yellow-blue light, the momentum of global economic growth has weakened, terminal demand has been sluggish, and the industrial chain has continued to de-inventory, resulting in weak trade, production, finance and confidence, however, domestic consumption remains stable, and the turnover of retail and catering industries continues to expand.

The estimated growth rates of Taiwan's 2023 economy by major research institutions are shown in the following table.

	Directorate-General of Budget, Accounting and Statistics	IHS Global Insight	IMF
Taiwan's economic growth rate	2.75% ('2023/01)	2.80% ('2023/01)	1.60% ('2023/01)

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, the Company has been able to secure the OEM business of overseas brands such as MUSE, a French electric commercial vehicle, and ADIVA, an Italian three-wheeled heavy motorcycle

brand, to 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 Group. 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 2022 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 (%)
2022	261,336	77,079,263	0.33%

#### 2. Work results in the last three years

- (1) Jul. 2020: Luxgen URX 5+1 seater LOHAS model was launched.
- (2) Sep. 2020: Yulon Nissan NISSAN X-TRAIL Yue Dong special model was launched in limited quantity.
- (3) Sep. 2020: Yulon Nissan NISSAN KICKS Sao Dong special model was launched in limited quantity..
- (4) Oct. 2020: NISSAN ALL NEW SENTRA was launched.
- (5) Nov. 2020: Yulon Nissan NISSAN NEW JUKE was launched.
- (6) Feb. 2021: Nissan TIIDA 2021 Model was officially launched.
- (7) Mar. 2021: Luxgen U6 AR Limited Edition was launched.
- (8) Jul. 2021: Nissan TIIDA J was officially launched.
- (9) Aug. 2021: Luxgen URX ADAS Cruise Model was launched.
- (10) Sep. 2021: Nissan KICKS New Limited Edition was launched.
- (11) Oct. 2021: Nissan X-TRAIL New Acoustic Gentleman Model Limited Edition was launched.
- (12) Nov. 2021: Nissan ALL NEW SENTRA "Black Belt Charm Edition" Limited Edition was launched.
- (13) Dec. 2021: Luxgen URX ADAS New Gentleman Model was launched.
- (14) Feb. 2022: Yulon NISSAN KICKS NIGHT EDITION was launched in limited quantities.
- (15) Feb. 2022: Yulon NISSAN X-TRAIL NIGHT EDITION was launched in limited quantity.
- (16) Mar. 2022: Luxgen URX new model of Panorama LOHAS Edition was launched.
- (17) Mar. 2022: NISSAN ALL NEW SENTRA Black Jazz Edition was launched in limited quantity.
- (18) Mar. 2022: NISSAN TIIDA J Black Jazz Edition was launched in limited quantity.
- (19) Apr. 2022: Luxgen U6 GT AERO was launched.
- (20) Jun. 2022: Luxgen URX WILDFUN Edition was launched.
- (21) October 2022: A new facelift of NISSAN KICKS was launched.
- (22) Nov. 2022: Luxgen NEO 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 \$280 million for 2023 capital expenditures and expenses for the above R&D programs, including approximately \$111 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 NISSAN and INFINITI brands that have been produced and sold by OEM at present, the Company has successively launched its own brand LUXGEN M7/U7/S5/U6/S3/V7/U5/URX and other models since 2009, continuing to deeply cultivate the Taiwan market with the original intention of "people-oriented" to, committed to creating an all-age-friendly product line, and deploying ahead of the aging society, launching URX NEO 5, 5+1 and 7-seater in 2022. With multiple cabin space options, U6 GT AERO, URX WILDFUN version, panoramic LOHAS version and other models were launched, Yulon will continue to develop and introduce high-quality products to meet the needs of all generations of ethnic groups.

## 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.

For the development of Xindian Yulong City, the construction of the commercial area base started smoothly in October 2017, and the design will be changed in October 2019 to eliminate the residential part and retain only the shopping mall space, the change to the mall's license was made in October 2022 which has been handed over to the main tenants, and it is expected to officially open in the second half of 2023.

## 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 Group, 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, production 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 mainly Taiwan. In 2022, the Company's total sales volume in Taiwan reached 27,468 units (including Nissan & Luxgen), down 16.50% from 2021, with a total market share of 6.3%.

The overall sales situation of the automobile market in Taiwan in 2022 is shown in the following table.

Sales year	2021	2022
Total sales volume	449,859	429,928
Domestic cars	248,589	240,787
Imported cars	201,270	189,141

#### 2. Market supply and demand situation

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

The total market sales for 2022 were approximately 430,000 units, a 4.4% decrease over 2021. In 2022, pm domestic car market, about 241,000 homemade cars and 189,000 imported cars were sold, both the sale of domestic and imported cars declined from the previous year, mainly due to the impact of the Covid-19 pandemic, shortage of automotive chips, container congestion at ports, inflation and war leading to limited supply. Domestic and imported vehicles accounted for 56% and 44% of the total market sales.

Looking forward to 2023, with the easing of the pandemic, the steady economic recovery and the supply of homemade cars more stable than of imported cars, as well as the optimistic view of the overall domestic economy, the local car market is estimated to have a scale of 425,000 cars sold for the whole year, meanwhile the Mainland China market already had 26.86 million cars sold last year and is expected to reach about 27.6 million cars sold this year. This year, the Company will actively strengthen its business structure, continue to innovate its operation model, 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 and 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 Group, 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 Mainland 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 2023 car market was as expected.

Unfavorable factors:

(1) Uncertainty in the international situation

In 2022, the economies of various countries have gradually recovered with the easing of the epidemic, and the operations of industries have become stable, however, there is great uncertainty in the evolution of the global epidemic, other factors such as port congestion, lack of containers, Shanghai lockdown, Russian-Ukrainian war and other frequent black swan events and the impact of the US CHIPS Act have increased the complexity and uncertainty of supply chain logistics management, and the supply chain problems derived from them will have an impact on the automotive industry, therefore, we must continue to pay attention to international situation in the future.

(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 reformed, 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>Strengths:</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>Weaknesses:</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:

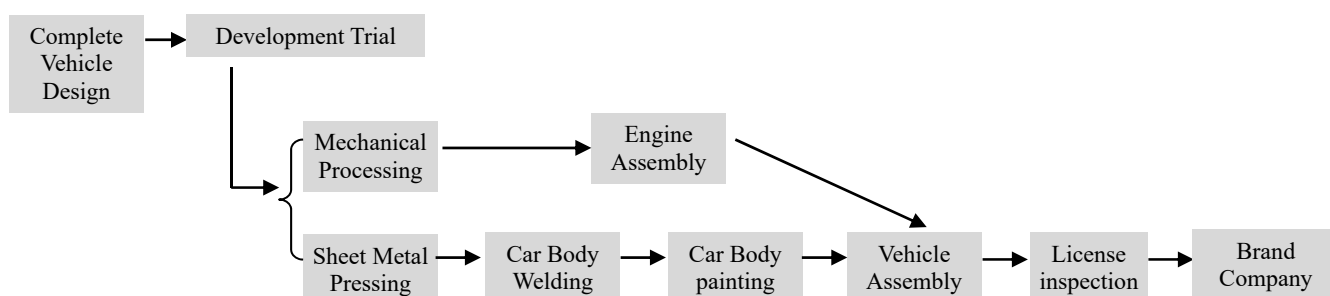
- (1) Set up smart production lines/intelligent warehouses and other related indicators in line with the Internet trend.
- (2) Shorten the test assembly time through design review verification and digital simulation.
- (3) Establish a mechanism to strengthen supplier counseling and rounds to ensure the 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	2021				2022			
	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer Relation	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer Relation
1	Yulon Nissan Motor	12,828,344	18.1	Invested company measured using the equity method	Yulon Nissan Motor	12,218,882	16.5	Invested company measured using the equity method
2	Nissan Motor Co., Ltd.	7,449,497	10.5	Investment companies that use the equity method to value affiliates	Nissan Motor Co., Ltd.	7,765,831	10.5	Investment companies that use the equity method to value affiliates
3	Other	50,715,600	71.4		Other	54,009,345	73.0	
	Net purchase amount	70,993,441	100		Net purchase amount	73,994,058	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	2021				2022			
	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer Relation	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer Relation
1	Yulon Nissan Motor	9,792,921	21.0	Invested company measured using the equity method	Yulon Nissan Motor	9,646,518	23.6	Invested company measured using the equity method
2	Other	36,765,779	79.0		Other	31,251,767	76.4	
	Net sales	46,558,700	100		Net sales	40,898,285	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  
Vlaue: Thousands of NTD

Year Production volume & value Major products (or segment)	2021			2022		
	Production capacity	Yield	Output value	Production capacity	Yield	Output value
Vehicle	80,000	30,460	13,858,100	80,000	24,962	11,883,242
Total	80,000	30,460	13,858,100	80,000	24,962	11,883,242

Note: The above figures are compiled from unconsolidated viewpoint.

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

Unit: Car, Unit  
Vlaue: Thousands of NTD

Year Sales volume and value Major products (or segment)	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Vehicle	31,928	19,418,125	0	0	27,687	17,466,802	0	0
Parts	0	3,219,360	0	0	0	3,237,822	0	1,045
Total	31,928	22,637,485	0	0	27,687	20,704,624	0	1,045

Note: The above figures are compiled from unconsolidated viewpoint.

## III. Employees

April 7, 2023

Year		2021	2022	2023 up to April 7
Number of employees	Staff	319 people	323 people	319 people
	Technician	911 people	814 people	802 people
	Administrative Assistant	18 people	18 people	19 people
	Total	1,248 people	1,155 people	1,140 people
Average age		40.04 years old	41.54 years old	41.77 years old
Average years of service		13.70 years	14.77 years	14.90 years
Education distribution	Doctor	0.08%	0.17%	0.18%
	Master	16.75%	17.92%	17.72%
	University and College	38.62%	36.10%	36.23%
	Senior high school	42.47%	43.55%	43.68%
	Below senior high school	2.08%	2.25%	2.19%

Note: The data for 2022 and 2021 is cut off at December 31 of the year.

Year	2021	2022	2023 up to March 31
Number of employees of the Company and its subsidiaries	10,073 people	9,938 people	9,959 people

Note: The data for 2022 and 2021 is cut off at December 31 of the year.



#### IV. Information on environmental protection expenditures

(I) Losses due to environmental pollution in 2022 and as of the report date: None

(II) Future countermeasures and possible expenditures

Item/Year	2023	2024	2025
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 Estimated amount (NTD thousand)	Investment in energy saving and pollution control equipment 35,000	Investment in energy saving and pollution control equipment 35,000	Investment in energy saving and pollution control equipment 35,000
Expenditure Estimated amount (NTD thousand)	Environmental fee 14,000	Environmental fee 14,000	Environmental fee 14,000
Expenditure Estimated amount (NTD thousand)	Management fee 13,500	Management fee 13,500	Management fee 13,500
Total estimated amount (NTD thousand)	62,500	62,500	62,500

(III) The impact of the improvement.

Items \ Year	2023	2024	2025
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?

- Greenhouse gas reduction: Since the establishment of the “Energy Saving and Carbon Reduction Promotion Project” in 2007, with the goal of reducing carbon emissions by 2% each year and raising the rate to 4.2% in 2023. Annual Scope 1 and 2 emissions were 16,456 metric tons-CO<sub>2</sub> in 2021 and 12,601 metric tons-CO<sub>2</sub> in 2022, reducing the rate of global warming.
- Reduced water consumption: The water consumption in 2022 was reduced by 64,854 metric tons from 350,653 metric tons in 2021 down to 285,799 metric tons, which was a year-by-year effort to reduce the earth's water depletion, in the meantime all the process wastewater is treated (COD 21.5 mg/L in 2022) and discharged through the wastewater treatment plant, which is better than the regulated standard (below 100 mg/L) so as to reduce the environmental burden.
- Waste reduction: Reduce the general waste output by 13.2% in 2022 compared to 2021 (2,937→2,549 metric tons), reducing the output by 1% each year as our target, and recycle and reuse over 90% of the resource waste.
- 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, and continue to be audited by the external company, bsi, twice a year to obtain certification.
- Yulon Motor's ongoing environmental objectives
  - Greenhouse gas emissions per unit: more than 2% reduction per year (more than 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

- (5) General waste: Reduce the total amount of waste by more than 1% per year
  - (6) 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) Reach a consensus after collective bargaining and sign a group agreement to protect the labor work conditions and benefits to promote the cooperative relationship between employees and management.
- (6) Assist employees to resolve work difficulties and protect their rights and interests through the employee complaint handling system.
- (7) 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.

#### 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 b 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, with additional 60 minutes added to the regular breaks of the office 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, newborn baby gifts from corporate executives, and "Yulong Little Soldiers" family activities.
- (20) Encourage single colleagues to make friends and cooperate with the Ministry of Internal Affairs to promote single friendship activities, the company subsidizes the full cost of activities and sponsors meal coupons for two people.
- (21) 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.
- (22) In the event of a wedding celebration, employees may apply to the Company for a company car to be used as a limousine.
- (23) 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 2022 were about \$4,200 thousand, the average training costs per employee were about \$3,452, the total training hours were 26,618, and the average training hours per employee were 21.8 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, and 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 2022 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. Diversity

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 2020/11/28-2023/11/27) & 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
More than 2% reduction per year	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 Celcius for air conditioning temperature control. Reduce fresh air intake, shorten oven warm-up time and earlier shutdown for natural gas-fired incineration (RTO) systems. 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. 2. Traditional lamps, mercury lamps changed to low-power LED, additional point extinguisher, etc. 3. Regenerative Thermal Oxidizer (RTO) to introduce a lower proportion of fresh air. 4. Shorten the daily warm-up time and early shutdown for ovens, RTOs and boilers.	16.9% 2021:0.6769 ↓ 2022:0.5623 (CO2e in Scope 1 and 2)
Domestic waste reduced 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.	13.7% (25.8 ton/year → 22.24 ton/year)
4 Injury cases at the plant (cases/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.	1 (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 COD < 100 mg/L Total Chrome < 1.5 mg/L Copper < 1.5mg/L Zinc < 3.5mg/L Cadmium < 0.02mg/L Nickel < 0.7mg/L	Analyze discharge water COD (1-2 times/day). 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 21.5 mg/L Total Chromium ND Copper ND Zinc 0.035 mg/L Cadmium ND Nickel 0.1 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 (27 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 manage information security risk, we respond to and prevent the occurrence of risk events from three aspects: (1) before the occurrence: regular independent inventory inspection, from the process and technical aspects, proactive prevention of information security incidents; (2) when the event occurs: damage control emergency response, establishing effective response of damage, ceasing loss immediately with disaster drills, resuming operation at such short notice; (3) after the occurrence: tracking and prevention, accessing system logs to track the cause of problem, setting countermeasure as new prevention policies, introducing teams for weakness examination to reduce internal audit blind spots and increase the reliability of internal controls.

### (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 report on the current status and future planning of information security management shall be annually presented to the Board of Directors by the Internal Audit Office for carrying out information security risk management.

### (III) In 2022 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 Investor page under the corporate governance at [https://www.yulon-motor.com.tw/investors\\_regulations.aspx](https://www.yulon-motor.com.tw/investors_regulations.aspx).

## VII. Major contracts

Nature	Party involved	Effective period	Major contents	Restrictive clause
Vehicle OEM contract	Nissan Motor 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, 2022, it is the third year of automatic extension.	Assembly OEM for Nissan brand vehicles and components	1. Non disclosure of confidential information 2. Restrictions on the Transfer of Rights and Obligations
Vehicle OEM contract	Luxgen Motor 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, 2022, it is the third year of automatic extension.	Assembly OEM for Luxgen brand vehicles and components	1. Non disclosure of confidential information 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)					Financial information for the current year up to March 31, 2022 (Note 3)
		2022	2021	2020	2019	2018 (After restatement)	
Current assets		270,783,114	235,281,902	215,186,668	231,944,241	221,698,791	
Property, plant and equipment (Note 2)		38,905,387	35,566,354	35,542,275	36,381,174	37,984,471	
Intangible assets		703,673	672,483	804,348	6,770,533	11,577,481	
Other assets (Note 2)		50,039,440	52,342,040	49,789,455	38,795,595	48,599,816	
Total assets		360,431,614	323,862,779	301,322,746	313,891,543	319,860,559	
Current liabilities	Before Distribution	253,571,875	226,995,138	201,009,483	230,603,249	207,661,949	
	After distribution (Note 4)	-	228,495,138	202,009,483	230,603,249	208,715,805	
Non-current liabilities		34,347,887	26,168,118	35,437,943	26,207,143	27,774,636	
Total liabilities	Before Distribution	287,919,762	253,163,256	236,447,426	256,810,392	235,436,585	
	After distribution (Note 4)	-	254,663,256	237,447,426	256,810,392	236,490,441	
Equity attributable to shareholders of the parent company		48,130,933	52,651,863	48,738,468	45,836,408	71,737,128	
Capital stock		10,000,000	10,000,000	10,000,000	15,729,199	15,729,199	
Capital surplus		7,923,262	6,578,018	6,563,888	6,566,495	6,597,972	
Retained earnings	Before Distribution	29,851,250	36,025,088	32,147,077	23,775,185	49,238,886	
	After distribution (Note 4)	-	34,525,088	31,147,077	23,775,185	48,185,030	
Other equity		732,722	425,061	403,807	141,833	547,375	
Treasury stock		(376,301)	(376,304)	(376,304)	(376,304)	(376,304)	
Predecessor interests under joint controls (Note 6)		-	-	-	-	564,712	
Non-controlling interests		24,380,919	18,047,660	16,136,852	11,244,743	12,122,134	
Total equity	Before Distribution	72,511,852	70,699,523	64,875,320	57,081,151	84,423,974	
	After distribution (Note 4)	-	69,199,523	63,875,320	57,081,151	83,370,118	

\* 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.

## Standalone condensed balance sheet

Unit: Thousands of NTD

Items	Year	Financial information from the past five years (Note 1)				
		2022	2021	2020	2019	2018 (After restatement)
Current assets		11,109,773	12,048,474	13,430,414	27,778,211	21,588,727
Property, plant and equipment (Note 2)		7,449,773	7,633,561	7,424,065	6,711,446	6,461,658
Intangible assets		54,643	50,849	57,361	1,263,090	1,275,678
Other assets (Note 2)		62,122,494	58,865,453	58,281,188	44,166,602	68,285,190
Total assets		80,736,683	78,598,337	79,193,028	79,919,349	97,611,253
Current liabilities	Before Distribution	11,869,938	12,880,622	9,951,525	6,082,477	4,665,156
	After distribution (Note 3)	-	14,380,622	10,951,525	6,082,477	5,719,012
Non-current liabilities		20,735,812	13,065,852	20,503,035	28,000,464	20,644,257
Total liabilities	Before Distribution	32,605,750	25,946,474	30,454,560	34,082,941	25,309,413
	After distribution (Note 3)	-	27,446,474	31,454,560	34,082,941	26,363,269
Equity attributable to shareholders of the parent company		48,130,933	52,651,863	48,738,468	45,836,408	72,301,840
Capital stock		10,000,000	10,000,000	10,000,000	15,729,199	15,729,199
Capital surplus		7,923,262	6,578,018	6,563,888	6,566,495	6,597,972
Retained earnings	Before Distribution	29,851,250	36,025,088	32,147,077	23,775,185	49,238,886
	After distribution (Note 3)	-	34,525,088	31,147,077	23,775,185	48,185,030
Other equity		732,722	425,061	403,807	141,833	547,375
Treasury stock		(376,301)	(376,304)	(376,304)	(376,304)	(376,304)
Predecessor interests under joint controls (Note 5)		-	-	-	-	564,712
Total equity	Before Distribution	48,130,933	52,651,863	48,738,468	45,836,408	72,301,840
	After distribution (Note 3)	-	51,151,863	47,738,468	45,836,408	71,247,984

\*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.

Note 5: 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 standalone balance sheet and the standalone 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.

## Consolidated condensed comprehensive income statement

Unit: Thousands of NTD

Items	Year	Financial information from the past five years (Note 1)				
		2022	2021	2020	2019	2018
Operating revenues (Note 5)		77,079,263	78,047,772	82,597,514	85,578,910	88,115,701
Gross profits (Note 5)		27,456,297	23,423,534	18,629,605	5,725,273	18,965,226
Operating profits and losses (Note 5)		10,106,173	7,135,785	(1,218,462)	(30,747,539)	2,018,343
Non-operating income and expenses (Note 5)		(8,725,901)	2,562,023	6,942,010	7,310,391	3,366,719
Profit before income tax		1,380,272	9,697,808	5,723,548	(23,437,148)	5,385,062
Profit before income tax from continuing operations		(1,188,037)	7,742,315	4,839,562	(24,533,477)	3,847,036
Losses from discontinued operations (Note 3)		-	-	-	-	-
Net profits (losses) for the period		(1,188,037)	7,742,315	4,839,562	(24,533,477)	3,847,036
Other comprehensive gains and losses (after-tax net value)		719,534	149,839	240,989	(304,732)	(687,796)
Total comprehensive income for the period		(468,503)	7,892,154	5,080,551	(24,838,209)	3,159,240
Net income attributable to shareholders of the parent company		(4,696,692)	4,715,516	2,739,210	(24,465,408)	2,037,032
Predecessor Equity under joint controls		-	-	-	(564,712)	-
Net profit attributable to non-controlling interests		3,508,655	3,026,799	2,100,352	496,643	1,810,004
Comprehensive income attributable to Shareholders of the parent company		(4,099,224)	4,899,266	2,949,501	(24,603,974)	1,490,742
Predecessor Equity under joint controls		-	-	-	(564,712)	-
Total consolidated profits and losses attributable to non-controlling interests		3,630,721	2,992,888	2,131,050	330,477	1,668,498
(Loss)Earnings per share		(4.80)	4.82	2.80	(26.13)	1.39

\* 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.

## Standalone condensed comprehensive income statement

Unit: Thousands of NTD

Items	Year	Financial information from the past five years (Note 1)				
		2022	2021	2020	2019	2018
Operating revenues		22,410,271	24,310,315	28,271,894	30,261,929	31,808,738
Gross profits		2,026,949	2,323,993	2,326,374	2,637,334	2,846,516
Operating profit and loss		752,581	1,043,326	1,013,256	1,047,888	1,672,619
Non-operating income and expenses		(5,317,514)	3,774,088	1,625,139	(26,084,898)	489,167
Profit before income tax		(4,564,933)	4,817,414	2,638,395	(25,037,010)	2,161,786
Profit before income tax from continuing operations		(4,696,692)	4,715,516	2,739,210	(25,030,120)	2,037,032
Losses from discontinued operations (Note 2)		-	-	-	-	-
Net profits (losses) for the period		(4,696,692)	4,715,516	2,739,210	(25,030,120)	2,037,032
Other comprehensive gains and losses (after-tax net value)		597,468	183,750	210,291	(138,566)	(546,290)
Total comprehensive income for the period		(4,099,224)	4,899,266	2,949,501	(25,168,686)	1,490,742
(Loss)Earnings per share		(4.80)	4.82	2.80	(26.13)	1.39

\* 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	2022	2021	2020	2019	2018
Attesting CPA	Guo Li-Wen Fan You-Wei	Guo Li-Wen Fan You-Wei	Guo Li-Wen Fan You-Wei	Tai Shun-Wai Fan You-Wei	Tai Shun-Wai Fan You-Wei
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified 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					The current year up to March 31, 2022 (Note 2)
		2022	2021	2020	2019	2018 (After restatement)	
Capital Structure (%)	Debts to assets ratio (%)	79.88	78.17	78.47	81.82	72.83	
	Long-term capital to property, plant and equipment ratio	274.67	272.36	282.22	164.54	230.65	
Solvency (%)	Current ratio	106.79	103.46	107.05	100.58	106.79	
	Quick ratio	102.36	97.65	99.43	91.97	96.32	
	Interest coverage multiplier	3.90	21.29	7.97	(19.88)	11.49	
Operating performance	Accounts receivable turnover rate (times)	0.33	0.40	0.48	0.56	0.73	
	Average collection days	1,093.47	907.90	765.64	648.36	501.73	
	Inventory turnover rate (times)	4.75	4.64	4.29	4.57	4.52	
	Accounts payable turnover rate (times)	9.83	9.45	6.37	5.74	4.78	
	Average sales days	76.82	78.60	84.99	79.93	80.81	
	Property, plant and equipment turnover rate (times)	2.07	2.20	2.30	2.32	2.40	
	Total asset turnover rate (times)	0.23	0.25	0.27	0.28	0.31	
Profitability	Return on assets (%)	(0.24)	2.60	1.79	(7.63)	1.51	
	Return on equity (%)	(1.66)	11.42	7.94	(35.01)	4.74	
	Ratio of net profit before tax to paid-in capital (%)	13.80	96.98	57.24	(149)	34.24	
	Net profit margin (%)	(1.54)	9.92	5.86	(28.67)	4.37	
	Earnings per share (NT\$)	(4.80)	4.82	2.80	(26.13)	1.39	
Cash flow	Cash flow ratio (%)	(11.82)	(8.90)	2.07	(10.80)	(20.75)	
	Cash flow adequacy ratio (%)	(289.26)	(263.89)	(236.87)	(221.79)	(164.56)	
	Cash reinvestment ratio (%)	(26.34)	(19.52)	2.40	(25.13)	(33.36)	
Leverage	Operating leverage	2.09	2.44	(7.83)	0.67	5.42	
	Financial leverage	1.05	1.07	0.60	0.96	1.34	

Analysis of financial ratio differences for the last two years.

1. The decrease in the interest coverage multiplier was mainly due to the decrease in profits before tax in 2022 compared to 2021.
2. The decrease turnover rate of accounts receivable was mainly due to the increase in average accounts receivable in 2022 compared to 2021.
3. The increase in average collection days was mainly due to the increase in average accounts receivable in 2022 compared to 2021.
4. The decrease in return on assets was mainly due to the decrease in net profits in 2022 compared to 2021.
5. The decrease in return on equity was mainly due to the decrease in net profits in 2022 compared to 2021.
6. The decrease ratio of net profit before tax to paid-in capital was mainly due to the net profit in 2022 lower than that in 2021.
7. The decrease ratio of net profit margin was mainly due to the net profit in 2022 lower than that in 2021.
8. The decrease ratio of earnings per share was mainly due to the net profit in 2022 lower than that in 2021.
9. The decrease in cash flow ratio was mainly due to the decrease in net cash flow from operating activities in 2022 compared to 2021.
10. The decrease in cash re-investment ratio was mainly due to the decrease in net cash flow from operating activities in 2022 compared to 2021.

## Standalone financial ratio analysis - IFRS

Analysis items (Note 3)		Financial Analysis of the Past Five Years				
		2022	2021	2020	2019	2018 (After restatement)
Capital Structure (%)	Debts to assets ratio (%)	40.39	33.01	38.46	42.65	25.93
	Long-term capital to property, plant and equipment ratio	924.41	860.91	932.66	682.96	1,141.84
Solvency (%)	Current ratio	93.60	93.54	134.96	456.69	462.77
	Quick ratio	60.26	61.87	90.54	383.62	363.88
	Interest coverage multiplier	(19.88)	25.48	13.25	(114.41)	15.57
Operating performance	Accounts receivable turnover rate (times)	38.60	41.21	47.35	32.67	34.85
	Average collection days	9.46	8.86	7.71	11.17	10.47
	Inventory turnover rate (times)	5.07	5.18	5.86	6.10	6.52
	Accounts payable turnover rate (times)	9.03	8.28	8.92	9.35	9.05
	Average sales days	71.97	70.51	62.26	59.84	55.97
	Property, plant and equipment turnover rate (times)	2.97	3.23	4.00	4.59	5.01
	Total asset turnover rate (times)	0.28	0.31	0.36	0.34	0.36
Profitability	Return on assets (%)	(5.68)	6.18	3.66	(28.09)	2.27
	Return on equity (%)	(9.32)	9.30	5.79	(42.58)	2.85
	Ratio of net profit before tax to paid-in capital (%)	(45.65)	48.17	26.38	(159.18)	13.74
	Net profit margin (%)	(20.96)	19.40	9.69	(82.71)	6.40
	Earnings per share (NT\$)	(4.80)	4.82	2.80	(26.13)	1.39
Cash flow	Cash flow ratio (%)	(1.37)	5.44	31.52	(2.04)	(61.50)
	Cash flow adequacy ratio (%)	1.07	5.02	4.01	16.18	19.35
	Cash reinvestment ratio (%)	(2.84)	(0.54)	5.15	(1.73)	(4.44)
Leverage	Operating leverage	1.59	1.41	1.39	1.40	1.24
	Financial leverage	1.41	1.23	1.27	1.26	1.10

Analysis of financial ratio differences for the last two years.

- Increase in debts to assets ratio was mainly due to bank loans increment.
- The decrease in the interest coverage multiplier was mainly due to the loss in 2022.
- The decrease in return on assets and return on equity was mainly due to the loss in 2022.
- The decrease in net profits before tax to paid-in capital ratio, net profit margin and earnings per share was mainly due to the loss in 2022.
- The decrease in cash flow ratio and cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities in 2022.
- The decrease in cash flow adequacy ratio was mainly due to decrease in net cash flow from the accumulated operating activities for the most recent five years

\* If the Company prepares standalone financial statements, it should prepare a separate analysis of the Company's standalone 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:

- Financial structure
  - Liabilities to total asset = total liabilities/total assets.
  - Long-term fund to property, plant and equipment = (total equity + non-current liabilities)/net value of property, plant and equipment.
- Solvency ratio
  - Current ratio = current assets/current liabilities.
  - Quick ratio = (current assets – inventories – prepaid expense) / current liabilities
  - Interest protection multiples = Pre-income tax and interest profits/interest expenditure of the term
- Operating performance
  - 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)
  - Average collection days = 365/receivables turnover
  - Inventory turnover = cost of goods sold/ average inventory
  - 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)
  - Average days in sales = 365/ inventory turnover.
  - 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 NT\$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 2022 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 Fan Yu-Wei 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

2023 Regular Shareholders' Meeting

YULON MOTOR CO., LTD

Convener of the Auditing Committee: Yen-Chin, Tsai



March 15, 2023



## **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, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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, 2022. 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, 2022 are stated as follows:

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

The provision for impairment of trade receivables from Yulon Finance Co, Ltd. is based on assumptions about 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. Where 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, impairment assessment 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 re-performance of related internal controls.
2. We involved our internal IT specialists in testing 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 calculated the expected credit loss 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, 2022 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 Yu-Wei Fan.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2023

#### 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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 2,585,364	3	\$ 2,095,830	3
Financial assets at fair value through profit or loss (Note 7)	332,610	1	863,864	1
Financial assets at amortized cost (Note 9)	582,698	1	1,091,077	1
Note and trade receivable (Note 10)	8,740	-	25,410	-
Notes and trade receivable from related parties (Notes 10 and 29)	452,546	1	315,583	1
Other receivables (Notes 11 and 29)	210,990	-	172,815	-
Inventories (Note 12)	6,633,430	8	7,279,017	9
Non-current assets held for sale (Note 13)	121,488	-	-	-
Other current assets (Note 29)	181,907	-	204,878	-
Total current assets	<u>11,109,773</u>	<u>14</u>	<u>12,048,474</u>	<u>15</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Note 7)	71,985	-	41,985	-
Financial assets at fair value through other comprehensive income (Note 8)	2,314,357	3	2,327,421	3
Investments accounted for using equity method (Note 14)	44,302,969	55	41,944,083	53
Property, plant and equipment (Note 15)	7,449,773	9	7,633,561	10
Right-of-use assets (Note 16)	5,829	-	7,019	-
Investment properties (Note 17)	14,151,099	18	13,681,852	18
Intangible assets	54,643	-	50,849	-
Deferred tax assets (Note 25)	411,873	-	566,600	1
Other non-current assets	864,382	1	296,493	-
Total non-current assets	<u>69,626,910</u>	<u>86</u>	<u>66,549,863</u>	<u>85</u>
<b>TOTAL</b>	<u>\$ 80,736,683</u>	<u>100</u>	<u>\$ 78,598,337</u>	<u>100</u>

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 2,800,000	4	\$ -	-
Short-term bills payable (Note 18)	1,394,836	2	998,798	1
Trade payables	1,445,942	2	1,373,783	2
Trade payables to related parties (Note 29)	760,799	1	932,568	1
Other payables (Notes 20 and 29)	1,513,112	2	2,263,371	3
Current tax liabilities (Notes 4 and 25)	-	-	17,154	-
Lease liabilities (Note 16)	1,293	-	1,263	-
Current portion of bonds payable (Note 19)	3,600,000	4	7,000,000	9
Other current liabilities	<u>353,956</u>	-	<u>293,685</u>	-
Total current liabilities	<u>11,869,938</u>	<u>15</u>	<u>12,880,622</u>	<u>16</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 19)	4,700,000	6	8,300,000	11
Long-term borrowings (Note 18)	8,500,000	10	-	-
Long-term bills payable (Note 18)	999,650	1	-	-
Deferred tax liabilities (Note 25)	2,493,450	3	2,503,619	3
Lease liabilities (Note 16)	4,615	-	5,818	-
Net defined benefit liabilities (Note 21)	24,702	-	210,840	-
Deposits received	888,158	1	1,035,316	2
Credit balance on the carrying value of investments accounted for using the equity method (Note 14)	3,120,841	4	1,004,424	1
Other non-current liabilities	<u>4,396</u>	-	<u>5,835</u>	-
Total non-current liabilities	<u>20,735,812</u>	<u>25</u>	<u>13,065,852</u>	<u>17</u>
Total liabilities	<u>32,605,750</u>	<u>40</u>	<u>25,946,474</u>	<u>33</u>
<b>EQUITY (Note 22)</b>				
Share capital				
Ordinary shares	<u>10,000,000</u>	<u>12</u>	<u>10,000,000</u>	<u>13</u>
Capital surplus	<u>7,923,262</u>	<u>10</u>	<u>6,578,018</u>	<u>8</u>
Retained earnings				
Legal reserve	8,769,623	11	8,281,822	11
Special reserve	22,228,565	27	22,228,565	28
(Accumulated deficit) unappropriated earnings	<u>(1,146,938)</u>	<u>(1)</u>	<u>5,514,701</u>	<u>7</u>
Total retained earnings	<u>29,851,250</u>	<u>37</u>	<u>36,025,088</u>	<u>46</u>
Other equity				
Exchange differences on translation of foreign operations	(776,164)	(1)	(1,287,377)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	1,508,886	2	1,712,376	2
Gain on hedging instrument	-	-	62	-
	<u>732,722</u>	<u>1</u>	<u>425,061</u>	<u>1</u>
Treasury shares	<u>(376,301)</u>	-	<u>(376,304)</u>	<u>(1)</u>
Total equity	<u>48,130,933</u>	<u>60</u>	<u>52,651,863</u>	<u>67</u>
TOTAL	<u>\$ 80,736,683</u>	<u>100</u>	<u>\$ 78,598,337</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, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)				
Sales	\$ 20,839,755	93	\$ 22,555,140	93
Other operating revenue	<u>1,570,516</u>	<u>7</u>	<u>1,755,175</u>	<u>7</u>
Total operating revenue	<u>22,410,271</u>	<u>100</u>	<u>24,310,315</u>	<u>100</u>
OPERATING COSTS (Notes 12, 21, 24 and 29)				
Cost of goods sold	20,321,994	91	21,865,881	90
Other operating cost	<u>56,217</u>	<u>-</u>	<u>132,190</u>	<u>1</u>
Total operating costs	<u>20,378,211</u>	<u>91</u>	<u>21,998,071</u>	<u>91</u>
GROSS PROFIT	2,032,060	9	2,312,244	9
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	<u>(5,111)</u>	<u>-</u>	<u>11,749</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,026,949</u>	<u>9</u>	<u>2,323,993</u>	<u>9</u>
OPERATING EXPENSES (Notes 10, 24 and 29)				
Selling and marketing expenses	96,117	-	100,903	-
General and administrative expenses	1,014,022	4	1,062,113	4
Research and development expenses	164,229	1	145,674	1
Expected credit gain	<u>-</u>	<u>-</u>	<u>(28,023)</u>	<u>-</u>
Total operating expenses	<u>1,274,368</u>	<u>5</u>	<u>1,280,667</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>752,581</u>	<u>4</u>	<u>1,043,326</u>	<u>4</u>
NON-OPERATING INCOME				
Share of (loss) profit of subsidiaries, associates and joint ventures (Note 14)	(4,391,389)	(19)	3,787,304	16
Other income (Note 24)	58,216	-	43,633	-
Interest income	49,221	-	36,401	-
Finance costs	(218,591)	(1)	(196,763)	(1)
Other gains and losses (Note 24)	<u>(814,971)</u>	<u>(4)</u>	<u>103,513</u>	<u>1</u>
Total non-operating income	<u>(5,317,514)</u>	<u>(24)</u>	<u>3,774,088</u>	<u>16</u>

(Continued)

**YULON MOTOR COMPANY LTD.**
**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
(LOSS) PROFIT BEFORE INCOME TAX	\$ (4,564,933)	(20)	\$ 4,817,414	20
INCOME TAX EXPENSE (Note 25)	<u>131,759</u>	<u>1</u>	<u>101,898</u>	<u>1</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(4,696,692)</u>	<u>(21)</u>	<u>4,715,516</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	116,606	1	125,347	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	16,620	-	1,486	-
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(46,971)</u>	<u>-</u>	<u>225,480</u>	<u>1</u>
	<u>86,255</u>	<u>1</u>	<u>352,313</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	<u>511,213</u>	<u>2</u>	<u>(168,563)</u>	<u>(1)</u>
Other comprehensive income for the year, net of income tax	<u>597,468</u>	<u>3</u>	<u>183,750</u>	<u>1</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (4,099,224)</u>	<u>(18)</u>	<u>\$ 4,899,266</u>	<u>20</u>
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ (4.80)</u>		<u>\$ 4.82</u>	
Diluted	<u>\$ (4.80)</u>		<u>\$ 4.82</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, 2022 AND 2021  
(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, 2021	\$ 10,000,000	\$ 6,563,888	\$ 8,281,822	\$ 24,228,565	\$ (363,310)	\$ (1,118,814)	\$ 1,522,597	\$ 24	\$ (376,304)	\$ 48,738,468
Appropriation of 2020 earnings										
Special reserve	-	-	-	(2,000,000)	2,000,000	-	-	-	-	-
Cash dividends distributed by the Company (NT\$1 per share)	-	-	-	-	(1,000,000)	-	-	-	-	(1,000,000)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	153	-	-	-	-	-	-	-	153
Adjustment of capital surplus due to dividends paid to subsidiaries	-	7,527	-	-	-	-	-	-	-	7,527
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	6,450	-	-	(1)	-	-	-	-	6,449
Net profit for the year ended December 31, 2021	-	-	-	-	4,715,516	-	-	-	-	4,715,516
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	133,642	(168,563)	218,633	38	-	183,750
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,849,158	(168,563)	218,633	38	-	4,899,266
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(10,231)	-	10,231	-	-	-
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	39,085	-	(39,085)	-	-	-
BALANCE, DECEMBER 31, 2021	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
Adjustment of capital surplus due to dividends paid to subsidiaries	-	11,290	-	-	-	-	-	-	-	11,290
Difference 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)
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(4,200)	-	4,200	-	-	-
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	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

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, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) profit before income tax	\$ (4,564,933)	\$ 4,817,414
Adjustments for:		
Depreciation expense	410,911	415,109
Amortization expense	24,565	24,853
Expected credit gain	-	(28,023)
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	43,563	(17,041)
Finance costs	218,591	196,763
Interest income	(49,221)	(36,401)
Dividend income	(109,578)	(98,880)
Share of loss (profit) of subsidiaries, associates and joint ventures	4,391,389	(3,787,304)
Gain on disposal of property, plant and equipment	-	(629)
Gain on disposal of investments accounted for using the equity method	-	(31,749)
Impairment loss (reversal of Impairment loss) recognized on non-financial assets	642,930	(52,225)
Realized loss (gain) on the transactions with subsidiaries, associates and joint ventures	4,230	(12,631)
Unrealized gain on foreign currency exchange	(27,054)	(47,369)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	499,449	1,220,490
Notes and trade receivable	(95,155)	(229,430)
Other receivables	(33,972)	5,895
Inventories	122,383	340,367
Other current assets	11,763	62,635
Other operating assets	(589,516)	(262,019)
Trade payables	(110,269)	(659,459)
Other payables	(746,270)	(1,148,626)
Other current liabilities	60,271	260,454
Net defined benefit liabilities	(69,532)	(40,225)
Other operating liabilities	(1,439)	(1,294)
Cash generated from operations	33,106	890,675
Interest received	33,261	25,318
Interest paid	(222,517)	(197,036)
Income tax paid	(6,562)	(18,115)
Net cash (used in) generated from operating activities	<u>(162,712)</u>	<u>700,842</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(15,000)	(80,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	4,416	33,047
		(Continued)

**YULON MOTOR COMPANY LTD.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
Purchase of financial assets at amortized cost	\$ (577,113)	\$ (1,093,004)
Proceeds from disposal of financial assets at amortized cost	1,091,077	1,678,807
Purchase of financial assets at fair value through profit or loss - non-current	(30,000)	(41,985)
Acquisition of subsidiaries	(2,710,320)	-
Acquisition of investments accounted for using equity method	(3,553,015)	(1,287,272)
Proceeds from disposal of investments accounted for using equity method	128,697	146,415
Proceeds from the capital reduction of investments accounted for using the equity method	130,261	319,559
Acquisition of property, plant and equipment	(223,722)	(249,535)
Proceeds from disposal of property, plant and equipment	-	8,689
Payments for intangible assets	(14,945)	(14,645)
Payments for investment properties	(691,042)	(2,179,806)
Dividends received	<u>3,058,671</u>	<u>5,769,768</u>
Net cash (used in) generated from investing activities	<u>(3,402,035)</u>	<u>3,010,038</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds (repayment) from short-term borrowings	2,800,000	(1,500,000)
Proceeds (repayment) from short-term bills payable	396,038	(998,991)
Proceeds from long-term bills payable	999,650	-
Proceeds from long-term borrowings	8,500,000	-
Repayment of bonds payable	(7,000,000)	-
(Decrease) increase in guarantee deposits received	(147,158)	267,060
Payments for lease	(1,240)	(2,465)
Dividends paid	<u>(1,500,000)</u>	<u>(1,000,000)</u>
Net cash generated from (used in) financing activities	<u>4,047,290</u>	<u>(3,234,396)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>6,991</u>	<u>16,859</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	489,534	493,343
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	<u>2,095,830</u>	<u>1,602,487</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,585,364</u>	<u>\$ 2,095,830</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, 2022 AND 2021 (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 9, 2023.

#### 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 “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs 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.

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 that are measured at fair value and net defined benefit liabilities which are measured

at the present value of the defined benefit obligation less the fair value of 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

### **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 12 months 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 one operating cycle 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. 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 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.

The 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 an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs 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.

## 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 28.

##### 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 receivable, 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 as weight 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 as either 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.

The 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

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

- Financial liability at amortized cost

The Company'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 Company does not lose the right of controlling financial assets, and nor derecognize them.

#### 2) Derecognition of financial liabilities

The Company 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.

### **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 plus any initial direct costs incurred. 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 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 remeasurement) 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. Remeasurement, 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. Remeasurement 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.

## 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, estimates and assumptions about 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.

The Company considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates. The estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The provision for impairment of trade receivables of Yulon Finance Co, Ltd. is based on assumptions about 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. For details of the key assumptions and inputs used, see Note 9 and 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

**6. CASH AND CASH EQUIVALENTS**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 336	\$ 320
Checking accounts and demand deposits	2,170,443	2,095,510
Cash equivalents (time deposits with original maturities within 3 months)	<u>414,585</u>	<u>-</u>
	<u>\$ 2,585,364</u>	<u>\$ 2,095,830</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank balance	0.001%-1.05%	0.001%-0.24%
Cash equivalents	3.4%-4.87%	-

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ -	\$ 452,737
Hybrid financial assets		
Structured deposits	<u>332,610</u>	<u>411,127</u>
	<u>\$ 332,610</u>	<u>\$ 863,864</u>
<u>Financial assets at FVTPL - noncurrent</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Limited partnership investment	<u>\$ 71,985</u>	<u>\$ 41,985</u>

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

	<u>December 31</u>	
	2022	2021
<u>Non-current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 1,936,200	\$ 1,960,146
Unlisted shares	<u>378,157</u>	<u>367,275</u>
	<u>\$ 2,314,357</u>	<u>\$ 2,327,421</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>	
	2022	2021
<u>Current</u>		
Time deposits with original maturity of more than 3 months	\$ 153,550	\$ 512,080
Restricted deposit	<u>429,148</u>	<u>578,997</u>
	<u>\$ 582,698</u>	<u>\$ 1,091,077</u>

## 10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	2022	2021
<u>Notes receivable</u>		
Notes receivable	\$ 6,114	\$ 27,697
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 6,114</u>	<u>\$ 27,697</u>
<u>Trade receivables</u>		
Trade receivables	\$ 455,172	\$ 672,215
Less: Allowance for impairment loss	<u>-</u>	<u>(358,919)</u>
	<u>\$ 455,172</u>	<u>\$ 313,296</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.

2022

	<b>Not Past Due</b>	<b>1 to 180 Days</b>	<b>More Than 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>

2021

	<b>Not Past Due</b>	<b>1 to 180 Days</b>	<b>More Than 181 Days</b>	<b>Total</b>
Gross carrying amount	\$ 335,067	\$ 5,926	\$ 358,919	\$ 699,912
Loss allowance (Lifetime ECL)	_____ -	_____ -	<u>(358,919)</u>	<u>(358,919)</u>
Amortized cost	<u>\$ 335,067</u>	<u>\$ 5,926</u>	<u>\$ -</u>	<u>\$ 340,993</u>

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

	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 358,919	\$ 386,942
Less: Impairment losses reversed on receivables	-	(28,023)
Less: Amounts written off (Note)	<u>(358,919)</u>	_____ -
Balance at December 31	<u>\$ -</u>	<u>\$ 358,919</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>2022</b>	<b>2021</b>
<u>Other receivables</u>		
Subsidy receivables	\$ 25,000	\$ 14,840
Receivables for steel plates	13,984	16,245
Others	<u>172,006</u>	<u>141,730</u>
	<u>\$ 210,990</u>	<u>\$ 172,815</u>

## 12. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 1,322,539	\$ 1,501,797
Work in progress	261,477	215,859
Raw materials	<u>2,313,322</u>	<u>2,114,067</u>
	3,897,338	3,831,723
Property under construction		
Yulon Property Developments	<u>2,736,092</u>	<u>3,447,294</u>
	<u>\$ 6,633,430</u>	<u>\$ 7,279,017</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$20,321,994 thousand and \$21,865,881 thousand, respectively.

The cost of goods sold for the years ended December 31, 2022 and 2021 included reversal of inventory write-downs of \$187,999 thousand and \$63,718 thousand, respectively. The reversal of previous write-downs resulted from the disposal of partial inventories with longer aging.

As Yulon City Shopping Mall changed the use of part of the land, the Company transferred part of the carrying amount to investment property, please refer to Note 17.

## 13. NON-CURRENT ASSETS HELD FOR SALE

	<b>December 31, 2022</b>
Freehold land and buildings held for sale	<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 expected disposal profits are approximately \$677,860 thousand, and the actual disposal profits can only be confirmed after the relevant taxes and fees have been paid.

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Investments in subsidiaries	\$ 29,655,451	\$ 24,684,323
Investments in associates and joint venture	<u>14,647,518</u>	<u>17,259,760</u>
	<u>\$ 44,302,969</u>	<u>\$ 41,944,083</u>
Credit balance of long-term investments at equity		
Investments in subsidiaries and associates	<u>\$ 3,120,841</u>	<u>\$ 1,004,424</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.

b. Investments in associates

In view of the high economic growth in mainland China, the Company indirectly invested in a horizontal car service and customer service businesses through YOIC. The Company also invested in Hongzhou Xiaoshan Luxgen Automobile Parts Co., Ltd. ("Luxgen Automobile Parts") in November 2008 to make use of business opportunities in the Chinese market for car parts and to have a business partner in the Chinese motor market. Luxgen Automobile Parts is primarily responsible for researching, developing, assembling, producing, and selling automobile parts, and it is 100% owned by Yulon China (Hong Kong) Investment Co., Ltd.

For the Company to have a self-owned brand in China, Dong Feng Yulon Motors Co., Ltd. ("Dong Feng Yulon Motors"), a joint venture of the Company (50%) and Dong Feng Motors Co., Ltd. (50%) was established in Xiaoshan, Hongzhou in December 2010. The partial source of funds of the Company is the investment of Luxgen Automobile Parts.



The investments in China Motor Company and Tokio Marine Nawa Insurance Co., Ltd. were accounted for by 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.

The loss after tax of Tokio Marine Nawa Insurance 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 September 2022, Tokio Marine Nawa Insurance Co., Ltd. implemented a capital reduction to offset their loss, and the percentage of ownership remained unchanged after the capital reduction. 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, for Tokio Marine Nawa Insurance Co., Ltd. As of December 31, 2022, the Company's percentage of ownership of Tokio Marine Nawa Insurance Co., Ltd. was 17.77%.

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"), whose 25% investment in this entity and 25% of the total number of directors were made through and composed of Yulon China Motor Investment, Dong Feng Yulon Sales Company and Singgual Travel. Dong Yu Tech. Company's main business is car furnishing, installation and sale of car parts. As of December 31, 2021, 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. As of December 31, 2022, the carrying amount of the investment was zero.

## 15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property under Construction	Total
<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>

(Continued)

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property under Construction	Total
<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>
<u>Cost</u>							
Balance at January 1, 2021	\$ 4,615,494	\$ 3,576,928	\$ 3,689,991	\$ 70,523	\$ 1,054,623	\$ 112,428	\$ 13,119,987
Additions	-	93,013	63,216	288	27,190	65,828	249,535
Disposals	-	-	(23,881)	(2,150)	(8,314)	-	(34,345)
Reclassification	(5,804)	222,234	171,133	776	14,695	(10,745)	392,289
Balance at December 31, 2021	<u>\$ 4,609,690</u>	<u>\$ 3,892,175</u>	<u>\$ 3,900,459</u>	<u>\$ 69,437</u>	<u>\$ 1,088,194</u>	<u>\$ 167,511</u>	<u>\$ 13,727,466</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2021	\$ -	\$ (2,158,499)	\$ (2,570,490)	\$ (67,440)	\$ (846,912)	\$ (52,581)	\$ (5,695,922)
Disposals	-	-	16,157	2,150	7,978	-	26,285
Asset-based investment	-	(10,984)	-	-	-	-	(10,984)
Reclassification	-	(28,167)	-	-	-	-	(28,167)
Depreciation expense	-	(107,049)	(211,747)	(1,292)	(65,029)	-	(385,117)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (2,304,699)</u>	<u>\$ (2,766,080)</u>	<u>\$ (66,582)</u>	<u>\$ (903,963)</u>	<u>\$ (52,581)</u>	<u>\$ (6,093,905)</u>
Carrying amount at December 31, 2021	<u>\$ 4,609,690</u>	<u>\$ 1,587,476</u>	<u>\$ 1,134,379</u>	<u>\$ 2,855</u>	<u>\$ 184,231</u>	<u>\$ 114,930</u>	<u>\$ 7,633,561</u>

(Concluded)

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>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Vehicles	\$ 805	\$ 1,098
Land	<u>5,024</u>	<u>5,921</u>
	<u>\$ 5,829</u>	<u>\$ 7,019</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Addition of right-of-use assets		
Land	<u>\$ 108</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Vehicles	\$ 293	\$ 1,455
Land	<u>901</u>	<u>987</u>
	<u>\$ 1,194</u>	<u>\$ 2,442</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Current	<u>\$ 1,293</u>	<u>\$ 1,263</u>
Non-current	<u>\$ 4,615</u>	<u>\$ 5,818</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</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, 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>
<u>Cost</u>			
Balance at January 1, 2021	\$ 5,336,619	\$ 7,855,803	\$ 13,192,422
Additions	-	2,179,806	2,179,806
Reclassification	<u>5,804</u>	<u>(191,120)</u>	<u>(185,316)</u>
Balance at December 31, 2021	<u>\$ 5,342,423</u>	<u>\$ 9,844,489</u>	<u>\$ 15,186,912</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ -	\$ (1,505,677)	\$ (1,505,677)
Reclassification	-	28,167	28,167
Depreciation expense	<u>-</u>	<u>(27,550)</u>	<u>(27,550)</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (1,505,060)</u>	<u>\$ (1,505,060)</u>
Carrying amount at December 31, 2021	<u>\$ 5,342,423</u>	<u>\$ 8,339,429</u>	<u>\$ 13,681,852</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, 2022 and 2021, the fair values of the Company's investment property were \$27,602,863 thousand and \$26,042,730 thousand, respectively. Both fair values were appraised by an independent qualified professional appraiser.

## 18. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Line of credit borrowings	<u>\$ 2,800,000</u>	<u>\$ -</u>
Interest rate	1.525%-2.2%	-

### b. Short-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Commercial paper	\$ 1,400,000	\$ 1,000,000
Less: Unamortized discount on bills payable	<u>(5,164)</u>	<u>(1,202)</u>
	<u>\$ 1,394,836</u>	<u>\$ 998,798</u>
Interest rate	1.65%-2.05%	0.50%

### c. Long-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Commercial paper	\$ 1,000,000	\$ -
Less: Unamortized discount on bills payable	<u>(350)</u>	<u>-</u>
	<u>\$ 999,650</u>	<u>\$ -</u>
Interest rate	2.12%	-

### d. Long-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Line of credit borrowings	\$ 1,500,000	\$ -
Secured borrowings	<u>7,000,000</u>	<u>-</u>
	<u>\$ 8,500,000</u>	<u>\$ -</u>
Interest rate	1.69%-1.77%	-

**19. BONDS PAYABLE**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unsecured domestic bonds	\$ 8,300,000	\$ 15,300,000
Less: Current portion	<u>(3,600,000)</u>	<u>(7,000,000)</u>
	<u>\$ 4,700,000</u>	<u>\$ 8,300,000</u>

The Company issued unsecured corporate bonds on December 12, 2017, with each issuance amounting to \$7 billion and \$3 billion, respectively, and the bonds have five-year maturities and seven-year maturities and simple interest at rates of 1.04% and 1.07%, respectively, 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 \$3.6 billion and \$1.7 billion, respectively, and the bonds have five-year maturities and ten-year maturities and simple interest at rates of 1.18% and 1.80%, respectively, payable annually. The principal amounts of both bonds would be repaid on the maturity date

**20. OTHER LIABILITIES**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Other payables		
Payables for other taxes	\$ 587,686	\$ 1,060,825
Payables for employees bonus	389,508	452,756
Payables for dividends	109,408	106,009
Payables for purchases of equipment	94,647	268,639
Payables for vendor expenses	57,983	78,392
Payables for annual leave	28,440	23,825
Others	<u>245,440</u>	<u>272,925</u>
	<u>\$ 1,513,112</u>	<u>\$ 2,263,371</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>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 940,427	\$ 1,036,740
Fair value of plan assets	<u>(913,934)</u>	<u>(824,116)</u>
Net defined benefit liability	<u>\$ 26,493</u>	<u>\$ 212,624</u>

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

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Balance at January 1, 2022	<u>\$ 1,036,740</u>	<u>\$ (824,116)</u>	<u>\$ 212,624</u>
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)
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	-	(62,919)	(62,919)
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>
Balance at January 1, 2021	<u>\$ 1,271,587</u>	<u>\$ (892,970)</u>	<u>\$ 378,617</u>
Service cost			
Current service cost	18,750	-	18,750
Net interest expense (income)	<u>6,261</u>	<u>(4,500)</u>	<u>1,761</u>
Recognized in profit or loss	<u>25,011</u>	<u>(4,500)</u>	<u>20,511</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(11,317)	(11,317)
Actuarial loss - changes in demographic assumptions	32,784	-	32,784
Actuarial gain - changes in financial assumptions	(13,689)	-	(13,689)
Actuarial gain - experience adjustments	<u>(133,125)</u>	<u>-</u>	<u>(133,125)</u>
Recognized in other comprehensive income	<u>(114,030)</u>	<u>(11,317)</u>	<u>(125,347)</u>
Contributions from the employer	-	(49,895)	(49,895)
Benefits paid	<u>(145,828)</u>	<u>134,566</u>	<u>(11,262)</u>
Balance at December 31, 2021	<u>\$ 1,036,740</u>	<u>\$ (824,116)</u>	<u>\$ 212,624</u> (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>2022</b>	<b>2021</b>
Discount rate(s)	1.375%	0.625%
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>2022</b>	<b>2021</b>
Discount rate(s)		
0.25% increase	\$ (23,018)	\$ (27,409)
0.25% decrease	23,839	28,452
Expected rate(s) of salary increase		
0.25% increase	23,307	27,630
0.25% decrease	(22,617)	(26,757)

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>2022</b>	<b>2021</b>
Expected contributions to the plan for the next year	<u>\$ 20,717</u>	<u>\$ 64,473</u>
Average duration of the defined benefit obligation	10.1 years	10.9 years

## 22. EQUITY

### a. Share capital

#### Common shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</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>1,000,000</u>	<u>1,000,000</u>
Amount of issued and fully paid shares	\$ 10,000,000	\$ 10,000,000
Capital surplus	<u>4,508,131</u>	<u>4,508,131</u>
	<u>\$ 14,508,131</u>	<u>\$ 14,508,131</u>

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

## b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Arising from issuance of common shares	\$ 4,508,131	\$ 4,508,131
Arising from treasury share transactions	2,037,021	2,025,731
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	5,658	6,450
<u>Used to offset a deficit only</u>		
Recognizes changes in percentage of ownership interests in subsidiaries	1,333,643	-
Arising from share of changes in capital surplus of associates or joint ventures	<u>38,809</u>	<u>37,706</u>
	<u>\$ 7,923,262</u>	<u>\$ 6,578,018</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 a 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 supervisors 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 appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 17, 2022 and July 15, 2021, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share (NT\$)</u>	
	2021	2020	2021	2020
Legal reserve	\$ 487,801	\$ -		
Reversal of special reserve	-	2,000,000		
Cash dividends	1,500,000	1,000,000	\$1.5	\$1

The appropriation of earnings for 2022, which was proposed by the Company's board of directors on March 9, 2023, was as follows:

	<u>Appropriation of Earnings</u>	<u>Dividend Per Share (NT\$)</u>
	2022	2022
Reversal of special reserve	\$ 2,150,000	
Cash dividends	1,000,000	\$1

The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on May 31, 2023.

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2022	2021
Balance at January 1	\$ 22,228,565	\$ 24,228,565
Offset deficit	<u>-</u>	<u>(2,000,000)</u>
Balance at December 31	<u>\$ 22,228,565</u>	<u>\$ 22,228,565</u>

On the first-time adoption of IFRSs, the Company appropriated to 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 IFRSs relates to property, plant and equipment and investment property other than land, the special reserve may be reversed continuously over the period of use of the asset. The special reserve relating to land may be reversed on the disposal or reclassification of the related asset. 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 IFRSs. 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>2022</b>	<b>2021</b>
Balance at January 1	\$ (1,287,377)	\$ (1,118,814)
Share of exchange difference of subsidiaries, associates and joint ventures accounted for using the equity method	<u>511,213</u>	<u>(168,563)</u>
Balance at December 31	<u>\$ (776,164)</u>	<u>\$ (1,287,377)</u>

## 2) Unrealized gain/(loss) on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 1,712,376	\$ 1,522,597
Unrealized gain/(loss) - equity instruments	16,620	1,486
Share from associates/joint ventures accounted for using the equity method	(148,979)	217,147
Disposal of associates accounted for using the equity method	4,200	10,231
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	<u>(75,331)</u>	<u>(39,085)</u>
Balance at December 31	<u>\$ 1,508,886</u>	<u>\$ 1,712,376</u>

## 3) Gain (loss) on hedging instruments

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 62	\$ 24
Share from associates/joint ventures accounted for using the equity method	<u>(62)</u>	<u>38</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 62</u>

f. Treasury shares

Reasons for Redemption	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
For the year ended <u>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>
For the year ended <u>December 31, 2021</u>				
Long-term investment of subsidiary transferred to treasury stock	<u>7,527</u>	<u>-</u>	<u>-</u>	<u>7,527</u>

The Company's shares held by subsidiaries as of December 31, 2022 and 2021 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
<u>December 31, 2022</u>			
Yu Ching Business Co., Ltd.	7,526	<u>\$ 376,301</u>	<u>\$ 466,639</u>
<u>December 31, 2021</u>			
Yu Ching Business Co., Ltd.	7,526	\$ 376,301	\$ 315,357
Yu Pong Business Co., Ltd.	1	<u>3</u>	<u>3</u>
		<u>\$ 376,304</u>	<u>\$ 315,360</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 (loss) profit contained the following components:

a. Other operating revenue

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue from sale of scrap	\$ 19,488	\$ 19,258
Revenue from providing guarantees	2,833	1,657
Revenue from remuneration of directors	26,322	17,549
Others	<u>9,573</u>	<u>5,169</u>
	<u>\$ 58,216</u>	<u>\$ 43,633</u>

b. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gain on disposal of property, plant and equipment	\$ -	\$ 629
Gains on disposal of related parties	-	31,749
Net foreign exchange gains (losses)	6,099	(15,985)
Fair value changes of financial assets mandatorily classified as at FVTPL	(43,563)	17,041
Impairment loss (Note 17)	(830,929)	(11,493)
Others	<u>53,422</u>	<u>81,572</u>
	<u>\$ (814,971)</u>	<u>\$ 103,513</u>

c. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function		
Operating costs	\$ 317,237	\$ 312,087
Operating expenses	<u>93,674</u>	<u>103,022</u>
	<u>\$ 410,911</u>	<u>\$ 415,109</u>
An analysis of amortization by function		
Operating costs	\$ 7,462	\$ 9,931
Operating expenses	<u>17,103</u>	<u>14,922</u>
	<u>\$ 24,565</u>	<u>\$ 24,853</u>

d. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term benefits	\$ 1,278,672	\$ 1,434,069
Post-employment benefits		
Defined contribution plans	26,058	29,033
Defined benefit plans (Note 21)	<u>12,348</u>	<u>20,511</u>
Total employee benefits expense	<u>\$ 1,317,078</u>	<u>\$ 1,483,613</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 827,900	\$ 944,918
Operating expenses	<u>489,178</u>	<u>538,695</u>
	<u>\$ 1,317,078</u>	<u>\$ 1,483,613</u>

	<b>For the Year Ended December 31</b>					
	<b>2022</b>			<b>2021</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	\$ 688,842	\$ 413,518	\$ 1,102,360	\$ 759,309	\$ 410,618	\$ 1,169,927
Labor insurance	64,370	26,864	91,234	69,768	23,908	93,676
Pension	28,150	10,256	38,406	37,197	12,347	49,544
Remuneration of directors	-	16,568	16,568	-	44,651	44,651
Other employment benefits	<u>46,538</u>	<u>21,972</u>	<u>68,510</u>	<u>78,644</u>	<u>47,171</u>	<u>125,815</u>
Total employment benefits	<u>\$ 827,900</u>	<u>\$ 489,178</u>	<u>\$ 1,317,078</u>	<u>\$ 944,918</u>	<u>\$ 538,695</u>	<u>\$ 1,483,613</u>

As of December 31, 2022 and 2021, the numbers of the Company's employees were 1,159 and 1,254, 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, 2022 and 2021, the employee benefits expense was \$1,126 thousand and \$1,151 thousand, respectively, the average salary expense was \$954 thousand and \$936 thousand, respectively, and the average employee salary adjustment was a increment of 1.9%.

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 2022 and 2021

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, 2021, which were approved by the Company's board of directors on March 10, 2022, were as follows:

	<b>For the Year Ended December 31, 2021</b>	
	<b>Cash</b>	<b>Share</b>
Compensation of employees	\$ 36,640	\$ -
Remuneration of directors	24,391	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021.

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 (reversal of impairment loss)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Inventories (included in operating cost, Note 12)	\$ 187,999	\$ 63,718
Other current asset (included in other gains and losses)	-	(509)
Property, plant and equipment (included in other gains and losses, Note 15)	-	(10,984)
Investment properties (included in other gains and losses, Note 17)	<u>(830,929)</u>	<u>-</u>
	<u>\$ (642,930)</u>	<u>\$ 52,225</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>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 4,355	\$ 36,819
Adjustments for prior year	<u>(17,154)</u>	<u>(5,816)</u>
	<u>(12,799)</u>	<u>31,003</u>
Deferred tax		
In respect of the current year	<u>144,558</u>	<u>70,895</u>
Income tax expense recognized in profit or loss	<u>\$ 131,759</u>	<u>\$ 101,898</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
(Loss) profit before tax from continuing operations	<u>\$ (4,564,933)</u>	<u>\$ 4,817,414</u>
Income tax expense calculated at the statutory rate	\$ (912,987)	\$ 963,482
Nondeductible expenses in determining taxable income	-	10,519
Tax-exempt income	(36,189)	(872,068)
Unrecognized deductible temporary differences	1,093,734	17,052
Foreign tax credit	4,355	-
Investment credits	-	(11,271)
Adjustments for prior years' tax	<u>(17,154)</u>	<u>(5,816)</u>
Income tax expense recognized in profit or loss	<u>\$ 131,759</u>	<u>\$ 101,898</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, 2022

	<b>Balance at the Beginning of the Year</b>	<b>Recognized in Profit or Loss</b>	<b>Balance at the End of the Year</b>
<u>Deferred tax assets</u>			
Temporary differences			
Share of income of subsidiaries, 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>

For the year ended December 31, 2021

	<b>Balance at the Beginning of the Year</b>	<b>Recognized in Profit or Loss</b>	<b>Balance at the End of the Year</b>
<u>Deferred tax assets</u>			
Temporary differences			
Share of income of subsidiaries, associates and joint ventures	\$ 172,640	\$ -	\$ 172,640
Property, plant and equipment	27,698	(22,583)	5,115
Defined benefit obligation	222,904	(8,567)	214,337
Others	<u>187,526</u>	<u>(13,018)</u>	<u>174,508</u>
	<u>\$ 610,768</u>	<u>\$ 44,168</u>	<u>\$ 566,600</u>

(Continued)

	<b>Balance at the Beginning of the Year</b>	<b>Recognized in Profit or Loss</b>	<b>Balance at the End of the Year</b>
<u>Deferred tax liabilities</u>			
Temporary differences			
Land value increment tax	\$ 2,285,572	\$ -	\$ 2,285,572
Property, plant and equipment	190,201	26,650	216,851
Others	<u>1,119</u>	<u>77</u>	<u>1,196</u>
	<u>\$ 2,476,892</u>	<u>\$ 26,727</u>	<u>\$ 2,503,619</u> (Concluded)

c. Income tax assessed

The tax returns through 2020 have been assessed by the tax authorities.

**26. (LOSS) EARNINGS PER SHARE**

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Basic (loss) earnings per share	<u>\$ (4.80)</u>	<u>\$ 4.82</u>
Diluted (loss) earnings per share	<u>\$ (4.80)</u>	<u>\$ 4.82</u>

The (loss) earnings and the weighted average number of shares outstanding used for the (loss) earnings per share computation were as follows:

**Net (Loss) Profit for the Year**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Earnings used in the computation of basic (loss) earnings per share	<u>\$ (4,696,692)</u>	<u>\$ 4,715,516</u>
Earnings used in the computation of diluted (loss) earnings per share	<u>\$ (4,696,692)</u>	<u>\$ 4,715,516</u>

**Shares**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	977,705	977,705
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>-</u>	<u>874</u>
Weighted average number of common shares used in the computation of diluted (loss) earnings per share	<u>977,705</u>	<u>978,579</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. 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.

## 28. FINANCIAL INSTRUMENTS

a. Fair value of 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, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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>

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Mutual funds	\$ 452,737	\$ -	\$ -	\$ 452,737
Limited partnerships investment	-	-	41,985	41,985
Other	<u>-</u>	<u>-</u>	<u>411,127</u>	<u>411,127</u>
	<u>\$ 452,737</u>	<u>\$ -</u>	<u>\$ 453,112</u>	<u>\$ 905,849</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic quoted shares	\$ 1,960,146	\$ -	\$ -	\$ 1,960,146
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>367,275</u>	<u>367,275</u>
	<u>\$ 1,960,146</u>	<u>\$ -</u>	<u>\$ 367,275</u>	<u>\$ 2,327,421</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, 2022

Financial Assets	Financial Assets at FVTPL	<u>Financial Assets at FVTOCI</u> Equity 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 comprehensive income			
Included in unrealized gain/(loss) on 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>

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL	<u>Financial Assets at FVTOCI</u> Equity Instruments	Total
Balance at January 1, 2021	\$ 271,820	\$ 366,234	\$ 638,054
Recognized in profit or loss			
Other gains and losses	407	-	407
Interest income	10,416	-	10,416
Recognized in other comprehensive income			
Included in unrealized gain/(loss) on financial assets at FVTOCI	-	1,041	1,041
Purchases	286,985	-	286,985
Sales/settlements	<u>(116,516)</u>	<u>-</u>	<u>(116,516)</u>
Balance at December 31, 2021	<u>\$ 453,112</u>	<u>\$ 367,275</u>	<u>\$ 820,387</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, 2022, 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.

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 404,595	\$ 905,849
Fair value through other comprehensive income (FVTOCI)	2,314,357	2,327,421
Financial assets at amortized cost (Note 1)	3,846,196	3,748,548
<u>Financial liabilities</u>		
Amortized cost (Note 2)	26,602,497	21,903,836

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, and 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 current risks by assessing the direct and indirect potential risks affecting the Company's financial status. By minimizing the "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.

	<b>USD Impact</b>		<b>JPY Impact</b>	
	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>	<b>For the Year Ended December 31</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Profit or loss	\$ (2,091)	\$ (3,554)	\$ 1,207	\$ (524)

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>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 997,283	\$ 1,091,077
Financial liabilities	10,694,486	16,298,798
Cash flow interest rate risk		
Financial assets	2,155,499	2,080,171
Financial liabilities	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 (loss) profit would have increased by \$91,445 thousand in 2022 and \$20,802 thousand in 2021.

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, 2022, financial assets at FVTPL and FVTOCI would have decreased by \$4,046 thousand and \$23,144 thousand, respectively. If equity prices had been 1% lower, as of December 31, 2021, financial assets at FVTPL and FVTOCI would have decreased by \$9,058 thousand and \$23,274 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.

## 29. 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
Yu Chia Motor Co., Ltd.	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

(Continued)

<u>Related Party</u>	<u>Relationship with the Company</u>
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
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
Luxgen Motor Taipei Co., Ltd.	Subsidiary
Luxgen Motor Taoyuan Co., Ltd.	Subsidiary
Luxgen Motor Taichung Co., Ltd.	Subsidiary
Luxgen Motor Tainan Co., Ltd.	Subsidiary
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
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>
China Ogihara Company	Associates
China Engine Company	Associates
Hui-Lian Motor 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>2022</u>	<u>2021</u>
<u>Sales of goods</u>		
Subsidiaries		
Luxgen	\$ 2,056,372	\$ 3,020,180
Others	<u>75,119</u>	<u>32,511</u>
	2,131,491	3,052,691
Associates		
Yulon Nissan	18,698,332	19,498,384
Others	<u>(58)</u>	<u>-</u>
	<u>\$ 20,829,765</u>	<u>\$ 22,551,075</u>
<u>Purchases of goods</u>		
Subsidiaries	\$ 1,448,126	\$ 1,812,395
Associates	510,672	637,846
Other related parties		
Nissan Motor Co., Ltd.	7,765,831	7,449,497
Others	<u>172,245</u>	<u>196,857</u>
	7,938,076	7,646,354
Joint venture	<u>-</u>	<u>1,531</u>
	<u>\$ 9,896,874</u>	<u>\$ 10,098,126</u>
<u>Operating expense</u>		
Subsidiaries	\$ 115,822	\$ 106,519
Associates	24,979	36,542
Other related parties	<u>1,142</u>	<u>1,841</u>
	<u>\$ 141,943</u>	<u>\$ 144,902</u>

(Continued)

<b>Related Party Categories</b>	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Other operating revenue</u>		
Subsidiaries		
Luxgen	\$ 181,340	\$ 281,643
Others	<u>199,700</u>	<u>258,499</u>
	381,040	540,142
Associates		
Yulon Nissan	870,376	899,938
Others	<u>90,675</u>	<u>24,206</u>
	961,051	924,144
Other related parties	<u>32,426</u>	<u>28,250</u>
	<u>\$ 1,374,517</u>	<u>\$ 1,492,536</u>
<u>Acquisition of property, plant and equipment</u>		
Subsidiaries		
Yue-Ki	\$ 43,090	\$ 34,578
Union & NKH	20,455	22,182
Others	<u>13,253</u>	<u>7,555</u>
	76,798	64,315
Associates	<u>12,584</u>	<u>3,069</u>
	<u>\$ 89,382</u>	<u>\$ 67,384</u>
<u>Disposal of property, plant and equipment</u>		
Subsidiaries	<u>\$ -</u>	<u>\$ 8,607</u> (Concluded)

On the balance sheet dates, the amounts receivable from related parties were as follows:

<b>Related Party Categories</b>	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Notes and trade receivable</u>		
Subsidiaries		
Luxgen	\$ 132,224	\$ 137,809
Others	<u>13,066</u>	<u>5,721</u>
	145,290	143,530
Associates		
Yulon Nissan	306,042	166,431
Others	<u>913</u>	<u>1,409</u>
	306,955	167,840
Other related parties	<u>301</u>	<u>4,213</u>
	<u>\$ 452,546</u>	<u>\$ 315,583</u>

(Continued)

<b>Related Party Categories</b>	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Other receivables</u>		
Subsidiaries		
Luxgen	\$ 37,395	\$ 51,021
Others	<u>16,899</u>	<u>9,793</u>
	54,294	60,814
Associates		
Yulon Nissan	70,659	68,632
Foxtron Vehicle Technologies Co., Ltd.	29,729	-
Others	<u>15,779</u>	<u>16,903</u>
	116,167	85,535
Other related parties	<u>286</u>	<u>836</u>
	<u>\$ 170,747</u>	<u>\$ 147,185</u>
		(Concluded)

On the balance sheet dates, the amounts payable for related parties were as follows:

<b>Related Party Categories</b>	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Trade payables</u>		
Subsidiaries	\$ 294,084	\$ 209,262
Associates	53,988	79,000
Other related parties		
Nissan Motor Co., Ltd.	365,761	612,382
Others	<u>46,966</u>	<u>31,924</u>
	<u>412,727</u>	<u>644,306</u>
	<u>\$ 760,799</u>	<u>\$ 932,568</u>
<u>Other trade payables</u>		
Subsidiaries	\$ 22,131	\$ 81,620
Associates	894	4,220
Other related parties	<u>168</u>	<u>1,640</u>
	<u>\$ 23,193</u>	<u>\$ 87,480</u>

c. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 85,641	\$ 93,805
Post-employment benefits	<u>3,105</u>	<u>3,046</u>
	<u>\$ 88,746</u>	<u>\$ 96,851</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.

### 30. 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, 2022, it's the 3rd 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, 2022, it's the 3rd 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 Yulon Town commercial district was obtained user license on February 24, 2022. The Company and lessee has started renovation works one after another, and it is expected to start operation in the second half of 2023.

- d. See Table 2 for the information on endorsements/guarantees provided to subsidiaries or associates.

### 31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to repay debts and improve the financial structure, the board of directors of the Company resolved on March 9, 2023, to implement a cash capital increase and issue the third domestic unsecured conversion corporate bonds. A total of 70,000 thousand new ordinary shares with a par value of \$10 is expected to be issued in the cash capital increase amounting to \$700,000 thousand. The issue price will be determined by the board of directors or the authorized chairman. The Company will also issue a total of 70,000 third domestic unsecured convertible corporate bonds with a principal amount of \$100 thousand per bond amounting to \$7,000,000 thousand.

### 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, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<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>

December 31, 2021

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,080	27.68 (USD:NTD)	\$ 860,294
JPY	701,116	0.241 (JPY:NTD)	<u>168,968</u>
			<u>\$ 1,029,262</u>
Nonmonetary items			
USD	255,287	27.68 (USD:NTD)	\$ 7,066,353
RMB	543,925	4.344 (RMB:NTD)	<u>2,362,810</u>
			<u>\$ 9,429,163</u>
<u>Financial liabilities</u>			
Monetary items			
USD	18,242	27.68 (USD:NTD)	\$ 504,939
JPY	483,647	0.241 (JPY:NTD)	<u>116,559</u>
			<u>\$ 621,498</u>

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$6,099 thousand and \$(15,985) 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.

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	\$ 793,575	\$ -	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 767,700	\$ 767,700	Note 1
2	Yulon China	Sheng Qing	Other receivables	Y	2,222,010	-	-	-	b	-	Operating capital	-	-	-	3,684,960	3,684,960	Note 1
3	Singgual	Ching-Tong	Other receivables	Y	10,000	-	-	1.04%	b	-	Operating capital	-	-	-	81,454	81,454	Note 1
4	Yulon China Motor Investment	Hang Zhou Haitec	Accounts receivable - related parties	Y	244,918	-	-	-	b	-	Operating capital	-	-	-	4,859,059	14,577,177	Note 1
		Hang Zhou Hua You	Accounts receivable - related parties	Y	83,476	81,724	81,724	4.00%	b	-	Operating capital	-	-	-	1,969,011	1,969,011	Note 1
5	Sheng Qing	Xiao Gan Yu Feng	Accounts receivable - related parties	Y	53,907	-	-	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Nanjing Hanhong	Accounts receivable - related parties	Y	85,732	39,758	39,758	5.60%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	75,805	57,428	35,340	0-5.60%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	45,122	23,179	23,179	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Hang Zhou Haitec	Accounts receivable - related parties	Y	103,773	-	-	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	58,199	56,977	49,488	3.00%	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
		Hang Zhou Hua You	Accounts receivable - related parties	Y	10,871	10,232	8,173	3.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Yulon China Motor Investment	Accounts receivable - related parties	Y	920,006	900,697	900,697	0-3%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Guang Zhou Yuan Du	Accounts receivable - related parties	Y	27,073	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
		Zi Bo Yu An	Accounts receivable - related parties	Y	474	464	289	3.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Xiamen Young Chang	Accounts receivable - related parties	Y	172,366	168,749	168,749	0.60%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Yu-Jie	Accounts receivable - related parties	Y	180,488	176,700	176,700	1.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Ka Shing Yu Da	Accounts receivable - related parties	Y	16,244	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
		Fu Zhou Yu Xin	Accounts receivable - related parties	Y	18,049	11,044	-	6.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
Hang Zhou hsiao Yu	Accounts receivable - related parties	Y	54,146	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1		
6	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	67,683	44,175	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Long	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Wu Jiang Lian Cheng	Accounts receivable - related parties	Y	36,098	35,340	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	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				
7	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	\$ 22,561	\$ 22,088	\$ -	4.10%	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 35,417	\$ 35,417	Note 1	
8	Hang Zhou Yu Zhong	Yulon China Motor Investment	Other receivables	Y	30,232	11,927	11,927	-	b	-	Operating capital	-	-	-	508,327	762,491	Note 1	
		Hang Zhou Hsiao Yu	Other receivables	Y	18,049	13,694	-	-	b	-	Operating capital	-	-	-	20,333	20,333	Note 1	
9	Shinshin	K1	Other receivables	N	52,319	-	-	1.50%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
		K1	Other receivables	N	89,788	69,051	69,051	1.50%-16%	a	220,000	-	Operating capital	1,381	Property	95,660	1,878,839	9,394,196	Note 1
		A32	Other receivables	N	286,558	-	-	1.50%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
		A32	Other receivables	N	304,000	303,998	303,998	1.50%-16%	a	481,000	-	Operating capital	3,040	Land	886,000	1,878,839	9,394,196	Note 1
		L48	Other receivables	N	136,000	-	-	1.50%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
		L60	Other receivables	N	136,000	123,315	123,315	1.50%-16%	b	-	Operating capital	1,233	Land	211,300	1,878,839	9,394,196	Note 1	
		A17	Other receivables	N	177,606	82,494	82,494	1.50%-16%	b	-	Operating capital	825	Land	11,000	1,878,839	9,394,196	Note 1	
		L88	Other receivables	N	120,000	118,848	118,848	1.50%-16%	b	-	Operating capital	1,188	Property	320,000	1,878,839	9,394,196	Note 1	
		L55	Other receivables	N	126,954	126,909	126,909	1.50%-16%	b	-	Operating capital	1,269	Land	179,796	1,878,839	9,394,196	Note 1	
		M21	Other receivables	N	125,000	124,999	124,999	1.50%-16%	b	-	Operating capital	1,250	Land	174,376	1,878,839	9,394,196	Note 1	
		M25	Other receivables	N	496,000	472,043	423,043	1.50%-16%	b	-	Operating capital	4,230	Land/property	618,658	1,878,839	9,394,196	Note 1	
		Others	Other receivables	N	152,795	100,230	100,230	1.50%-16%	a	227,500	-	Operating capital	1,169	Land/property/ performance bond	187,836	1,878,839	9,394,196	Note 1
Others	Other receivables	N	3,242,658	1,884,505	1,613,005	1.50%-16%	b	-	Operating capital	27,206	Land/property/ performance bond/stock/ inventory	2,312,290	1,878,839	9,394,196	Note 1			
10	Su Zhou Feng Shun	Su Chou Cheng Pin	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	113,148	113,148	Note 1	
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	113,148	113,148	Note 1	
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,561	22,088	-	4.10%	b	-	Operating capital	-	-	-	113,148	113,148	Note 1	
11	Suzhou Yueshun	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	6,768	6,626	6,626	4.10%	b	-	Operating capital	-	-	-	14,945	14,945	Note 1	
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,768	6,626	-	-	b	-	Operating capital	-	-	-	14,945	14,945	Note 1	
12	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	135,366	119,811	119,811	-	b	-	Operating capital	-	-	-	177,179	354,358	Note 1	
13	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	161,050	92,124	30,708	2.70%	b	-	Operating capital	-	-	-	293,426	440,139	Note 1	
14	Su Zhou Cheng Long	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	54,146	-	-	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	22,561	22,088	10,160	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	67,128	66,263	37,549	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	49,634	48,593	-	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
15	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	13,537	13,253	-	-	b	-	Operating capital	-	-	-	36,078	36,078	Note 1	
16	Hang Zhou Tang Yu	Yulon China Motor Investment	Other receivables	Y	39,707	38,874	38,874	-	b	-	Operating capital	-	-	-	508,327	762,491	Note 1	
17	Hang Zhou Chien Yu	Yulon China Motor Investment	Other receivables	Y	3,610	3,534	3,534	-	b	-	Operating capital	-	-	-	441,750	662,625	Note 1	
18	Ke Yu	Sheng Qing	Other receivables	Y	220,195	215,574	215,574	0.50%	b	-	Operating capital	-	-	-	667,769	1,335,537	Note 1	
		Yi Ding	Other receivables	Y	22,561	22,088	22,088	0.50%	b	-	Operating capital	-	-	-	667,769	1,335,537	Note 1	
19	Mei De	Shi Cheng	Other receivables	Y	135,366	132,525	132,525	0.50%	b	-	Operating capital	-	-	-	491,164	982,328	Note 1	
		Xiamen Young Chang	Other receivables	Y	135,366	132,525	88,350	0.50%	b	-	Operating capital	-	-	-	491,164	982,328	Note 1	
20	Qing Tai	Shi Cheng	Other receivables	Y	18,049	17,670	17,670	0.50%	b	-	Operating capital	-	-	-	551,708	1,103,416	Note 1	
		Dong Tai	Other receivables	Y	112,805	110,438	110,438	0.50%	b	-	Operating capital	-	-	-	551,708	1,103,416	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			
21	Jin Ce	Yi Ding	Other receivables	Y	\$ 31,585	\$ 17,670	\$ 17,670	0.50%	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,678,054	\$ 5,517,081	Note 1
22	Tai Feng	Yi Ding	Other receivables	Y	13,537	13,253	13,253	0.50%	b	-	Operating capital	-	-	-	478,020	956,040	Note 1
		Dong Tai	Other receivables	Y	22,561	22,088	22,088	0.50%	b	-	Operating capital	-	-	-	478,020	956,040	Note 1
23	Dong Tai	An Ching Tsai Tung	Other receivables	Y	7,125	6,975	-	-	b	-	Operating capital	-	-	-	441,750	662,625	Note 1
24	Su Zhou Cheng Li	Su Chou Cheng Pin	Accounts receivable - related parties	Y	9,024	8,835	-	4.10%	b	-	Operating capital	-	-	-	26,504	26,504	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	13,426	13,253	-	-	b	-	Operating capital	-	-	-	26,504	26,504	Note 1
25	Tai Chang Cheng Mau	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	9,024	8,835	-	-	b	-	Operating capital	-	-	-	36,078	36,078	Note 1
26	Yu-Hsin Intl HK	Hangzhou Y-Teks	Other receivables	Y	128,840	122,832	-	2.70%	b	-	Operating capital	-	-	-	153,086	153,086	Note 1
27	Chuang Jie	LUXGEN (Hangzhou) Motor Sales	Other receivables	Y	157,927	110,438	-	2.00%	b	-	Operating capital	-	-	-	344,102	1,032,307	Note 1
28	Yu Ching	UMPI	Other receivables	N	128,840	122,832	122,832	2.50%	b	-	Operating capital	-	-	-	363,362	363,362	Note 1
29	Yulon Finance Corporation	Shinshin	Other receivables	Y	3,000,000	3,000,000	-	1.50%-3.00%	b	-	Operating capital	-	-	-	3,318,720	33,187,197	Note 1
		Yu Rich	Other receivables	Y	3,000,000	3,000,000	-	1.50%-3.00%	b	-	Operating capital	-	-	-	3,318,720	33,187,197	Note 1
30	Hsiang Shou	Singual	Other receivables	Y	60,000	60,000	-	-	b	-	Operating capital	-	-	-	102,318	102,318	Note 1

- Note 1:
1. Yulon China (HK) Holding: 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 \$25 million and aggregate financing limits was \$25 million.
  2. Yulon China: 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 \$120 million and aggregate financing limits was \$120 million.
  3. Singual: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  4. 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.
  5. 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.
  6. Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  7. Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  8. 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 1,500% of the lender's net equity.
  9. 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.
  10. Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  11. Suzhou Yueshun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  12. 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.
  13. 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.
  14. Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  15. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  16. 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 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.

(Continued)

17. Hang Zhou Chien 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.
18. 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.
19. 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.
20. 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.
21. 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 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.
22. 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.
23. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
24. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
25. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
26. 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.
27. 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.
28. Yu Ching: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
29. Yulon Finance Corporation: Credit financing limit for each borrower were not exceeding 10% of the lender's net equity and aggregate financing limits were not exceeding 100% of the lender's net equity.
30. Hsiang Shou: 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.

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 15,795,559	\$ 510,000	\$ 460,000	\$ 50,000	\$ -	0.87	\$ 39,488,898	Y	N	N	Note 1
		Luxgen	b	15,795,559	3,400,000	2,500,000	320,000	-	4.75	39,488,898	Y	N	N	Note 1
		UMPI	b	15,795,559	450,940	429,912	116,851	-	0.82	39,488,898	Y	N	N	Note 1
		Yu Ching	b	15,795,559	1,000,000	500,000	130,000	-	0.95	39,488,898	Y	N	N	Note 1
		Sin Chi	b	15,795,559	500,000	500,000	-	-	0.95	39,488,898	Y	N	N	Note 1
		Luxgen Taipei	b	15,795,559	150,000	150,000	100,000	-	0.28	39,488,898	Y	N	N	Note 1
		Luxgen Taoyuan	b	15,795,559	50,000	50,000	-	-	0.09	39,488,898	Y	N	N	Note 1
		Luxgen Taichung	b	15,795,559	50,000	50,000	-	-	0.09	39,488,898	Y	N	N	Note 1
		Luxgen Tainan	b	15,795,559	50,000	50,000	-	-	0.09	39,488,898	Y	N	N	Note 1
		Luxgen Kaohsiung	b	15,795,559	50,000	50,000	-	-	0.09	39,488,898	Y	N	N	Note 1
1	Union & NKH	Hangzhou Liangrun	b	334,842	312,000	90,000	-	-	3.76	956,691	Y	N	Y	Note 1
2	Yulon Finance Corporation	TAC Finance Company	b	82,967,993	500,000	-	-	-	-	165,935,985	Y	N	Y	Note 1
		TAC Leasing	b	82,967,993	3,607,360	-	-	-	-	165,935,985	Y	N	Y	Note 1
		Yulon Finance Philippines Corporation	b	82,967,993	2,232,000	2,177,200	440,829	-	6.56	165,935,985	Y	N	N	Note 1
3	Sheng Qing	Guang Zhou Yuan Du	b	20,405,581	203,049	198,788	-	-	4.43	102,027,905	N	N	Y	Note 1
		Yu-Jie	b	20,405,581	902,440	883,500	-	-	20.00	102,027,905	N	N	Y	Note 1
4	Nanjing Hanhong	Zhu Hai Fu Te En	d	554,009	225,610	132,525	-	-	48.00	692,511	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	554,009	135,366	132,525	-	-	48.00	692,511	N	N	Y	Note 1
5	Zhu Hai Fu Te En	Nanjing Hanhong	d	561,406	112,805	110,438	61,113	-	39.00	842,109	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	561,406	135,366	132,525	-	-	47.00	842,109	N	N	Y	Note 1
6	Su Zhou Feng Shen	Su Zhou Feng Shun	b	770,747	78,693	77,041	-	-	11.00	2,312,242	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	770,747	45,122	44,175	-	-	6.00	2,312,242	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	770,747	252,683	247,380	47,510	-	34.92	2,312,242	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	770,747	90,244	88,350	13,412	-	12.47	2,312,242	N	N	Y	Note 1
7	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	442,717	45,122	44,175	-	-	48.56	885,433	N	N	Y	Note 1
		Su Zhou Feng Shun	c	442,717	236,620	231,654	116,665	-	254.65	885,433	N	N	Y	Note 1
8	Su Zhou Feng Shun	Wu Jiang Lian Cheng	b	1,414,354	157,927	154,613	-	-	74.46	2,828,708	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,414,354	45,122	44,175	-	-	21.27	2,828,708	N	N	Y	Note 1
		Su Zhou Cheng Li	b	1,414,354	27,073	26,505	2,647	-	12.76	2,828,708	N	N	Y	Note 1
9	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	397,575	157,927	154,613	103,291	-	248.07	795,150	N	N	Y	Note 1
10	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	397,575	157,927	154,613	103,291	-	206.12	883,500	N	N	Y	Note 1
11	Su Zhou Cheng Guo	Su Zhou Chen Long	c	397,575	157,927	154,613	100,149	-	400.02	883,500	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 Chen Long	Su Zhou Cheng Hung Su Zhou Cheng Guo	b b	\$ 1,978,946 1,978,946	\$ 81,220 243,659	\$ 79,515 238,545	\$ 24,099 -	\$ - -	19.42 58.27	\$ 3,957,893 3,957,893	N N	N N	Y Y	Note 1 Note 1
13	Xiao Gan Yu Feng	Nanjing Hanhong Zhu Hai Fu Te En	c c	1,327,247 1,327,247	112,805 135,366	110,438 132,525	61,113 -	- -	47.94 57.53	2,654,494 2,654,494	N N	N N	Y Y	Note 1 Note 1
14	Wuhan Yu Hsin	Xiao Gan Yu Feng	b	2,222,677	135,366	132,525	-	-	41.72	4,445,354	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 limits on each endorsement/guarantee given on behalf of each party were not exceeding 40% of the aggregate endorsement/guarantee amounts.

1. Union & NKH: The aggregate endorsement/guarantee limit was calculated for 40% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 35% of the aggregate endorsement/guarantee amounts.
2. Yulon Finance Corporation: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 50% of the aggregate endorsement/guarantee amounts.
3. Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2,500% of the endorser's/guarantor's net equity. The limits 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 limits 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 limits 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 limits 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 RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
8. Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
9. Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was RMB180 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
10. Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
11. Su Zhou Cheng Guo: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
12. Su Zhou Chen Long: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
13. Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits 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 limits on each endorsement/guarantee given on behalf of each party was calculated for 500% 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 security 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

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

(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, 2022				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
The Company	<u>Structured finance products</u>								
	Yuanta Securities CLN - M.J. 1st	-	Financial assets at fair value through profit or loss - current	-	\$ 1,707	-	\$ 1,707	-	
	Yuanta Securities CLN - Yeong Guan 3	-	Financial assets at fair value through profit or loss - current	-	20,046	-	20,046	-	
	Yuanta Securities CLN - Center. 5th	-	Financial assets at fair value through profit or loss - current	-	25,063	-	25,063	-	
	KGI Securities CLN - Heng Yao. 4th	-	Financial assets at fair value through profit or loss - current	-	10,006	-	10,006	-	
	KGI Securities CLN - M.J. 1st KY	-	Financial assets at fair value through profit or loss - current	-	30,072	-	30,072	-	
	KGI Securities CLN-Yeong Guan. 3rd KY	-	Financial assets at fair value through profit or loss - current	-	45,044	-	45,044	-	
	KGI Securities CLN - Center 5	-	Financial assets at fair value through profit or loss - current	-	29,216	-	29,216	-	
	KGI Securities CLN - Browave 2nd	-	Financial assets at fair value through profit or loss - current	-	31,026	-	31,026	-	
	KGI Securities CLN - Jin Hhan Dian 5	-	Financial assets at fair value through profit or loss - current	-	30,163	-	30,163	-	
	KGI Securities CLN - Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	50,138	-	50,138	-	
	KGI Securities CLN - Hua Han. 3rd	-	Financial assets at fair value through profit or loss - current	-	40,032	-	40,032	-	
	KGI Securities CLN-Lemtech 4th-KY	-	Financial assets at fair value through profit or loss - current	-	20,097	-	20,097	-	
		<u>Common stocks</u>							
	Taiwan Aerospace Company	-	Financial assets at fair value through other comprehensive income - non-current	811	-	0.60	-	-	
	Yulon Finance Corporation, Preferred Shares A	Subsidiary	Financial assets at fair value through other comprehensive income - non-current	36,584	1,840,175	36.58	1,840,175	-	
	TYC Brother Industrial Preferred Shares A	-	Financial assets at fair value through other comprehensive income - non-current	1,000	44,150	3.33	44,150	-	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at fair value through other comprehensive income - non-current	500	27,550	0.15	27,550	-	
	Formosa Electronic Industries Inc.	-	Financial assets at fair value through other comprehensive income - non-current	500	24,325	0.75	24,325	-	
Taiwan Stock Exchange	-	Financial assets at fair value through other comprehensive income - non-current	10,252	378,157	1.00	378,157	-		
	<u>Beneficiary certificates</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	-		
	<u>Bonds</u>								
Yulon Finance Corporation	Government bonds	-	Financial assets at amortized cost - non-current	-	200	-	208	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinshin	<u>Bonds</u> Government bonds	-	Financial assets at amortized cost - non-current	-	\$ 400	-	\$ 639	-
	<u>Common stocks</u> BSOS HOLDINGS	-	Financial assets at fair value through other comprehensive income - non-current	2,406	9,939	2.50	9,939	-
Diamond Leasing	<u>Beneficiary certificates</u> Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,492	20,021	-	20,021	-
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,586	20,020	-	20,020	-
H. K. Manpower Service	<u>Beneficiary certificates</u> Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	129	2,108	-	2,108	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	235	3,148	-	3,148	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,079	-	3,079	-
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	206	3,101	-	3,101	-
Da Wei	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	172	2,599	-	2,599	-
Yu Ching	<u>Common stocks</u> Yulon Motor Company	The parent company	Financial assets at fair value through other comprehensive income - non-current	7,526	376,301	0.75	466,639	-
Yu Pong	<u>Structured finance products</u> KGI Securities CLN-Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	17,057	-	17,057	-
	KGI Securities CLN-Mobiletron Electronics. 3rd	-	Financial assets at fair value through profit or loss - current	-	10,056	-	10,056	-
Yung Hong	<u>Common stocks</u> Fubon Financial Company	-	Financial assets at fair value through other comprehensive income - current	2,794	157,283	-	157,283	-
	Carnival Industrial Corporation	Related party in substance	Financial assets at fair value through profit or loss - current	141	2,016	-	2,016	-
	Kian Shen	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,610	-	4,610	-
	Yulon Finance Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	353	54,919	-	54,919	-
	<u>Beneficiary certificates</u> FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,664	25,870	-	25,870	-
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	565	9,084	-	9,084	-
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	278	4,606	-	4,606	-
Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	304	5,035	-	5,035	-	
FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	323	2,958	-	2,958	-	
PGIM US Corporate Bond Fund T	-	Financial assets at fair value through profit or loss - current	1	2,978	-	2,978	-	
Cathay US Premium Bond Fund USD A	-	Financial assets at fair value through profit or loss - current	500	4,933	-	4,933	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Common stocks</u> Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	\$ 402,464	-	\$ 402,464	-
	Orgchem Technology Company	-	Financial assets at fair value through other comprehensive income - non-current	291	1,137	-	1,137	-
	T-Car Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,275	25,728	-	25,728	-
	ADTO Company	-	Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	-
	ROCKER ZONE	-	Financial assets at amortized cost - non-current	330	6,371	-	6,371	-
	<u>Structured finance products</u> Credit-linked structured finance products-Meizhe-KY	-	Financial assets at fair value through profit or loss - current	-	28,101	-	28,101	-
	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	-	5,017	-	5,017	-
	<u>Common stocks</u> Yue Sheng Yueki	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16	100	0.80	100	-
	Yu Chang	<u>Common stocks</u> Luxgen Kaohsiung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	250	2,313	3.52	2,313
Kai Xing Insurance Agency		-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
Yushin	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
Yulon Construction	<u>Common stocks</u> Compal Electronics, INC.	-	Financial assets at fair value through profit or loss - current	14	324	-	324	-
	Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,960	-	1,960	-
Empower	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
	Luxgen Taichung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	120	1,200	1.13	1,200	-
Yue Sing	Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Luxgen	<u>Common stocks</u> Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	8,000	\$ 402,400	8.00	\$ 402,400	-
Yulon China	<u>Common stocks</u> YUNG JEN INDUSTRIAL CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	-	2,303	-	2,303	-
Su Zhou Feng Shen	<u>Common stocks</u> Guang Zhou Cheng Yi	-	Financial assets at fair value through other comprehensive income - non-current	660	4,197	2.20	4,197	-
Sheng Qing	<u>Financial products</u> China Guangfa Bank Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	61,732	-	61,732	-
	Fubon Bank (China) Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	101,416	-	101,416	-

(Concluded)

TABLE 4

## YULON MOTOR COMPANY LTD.

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, 2022  
(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)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount (Note)
The Company	Yulon Finance Corporation	Investments accounted for using equity method	Issuance of common share for cash, stock dividend	Subsidiary	174,851	\$ 6,737,137	38,525	\$ 1,320,000	-	\$ -	\$ -	\$ -	213,376	\$ 10,744,776
	Luxgen	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	605,000	409,955	42,700	427,000	-	-	-	-	92,700 (Note 3)	853,226
	Haitec	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	820,900	(1,004,424)	592,700	873,104	-	-	-	-	1,413,600	319,286
	Tokio Marine Nawa Insurance	Investments accounted for using equity method	Issuance of common share for cash	-	52,010	1,919,970	355,301	3,553,015 (Note 2)	-	-	-	-	94,142	(3,075,938)
Luxgen	Haitec	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	522,700	173,104	-	-	522,700	173,104	512,403	(339,299)	-	-
Yulon Finance Corporation	Shinshin	Investments accounted for using equity method	Issuance of common share for cash, stock dividend	Subsidiary	274,997	4,840,796	60,000	3,000,000	-	-	-	-	430,300	9,394,196
	Car-plus Corporation	Investments accounted for using equity method	Note 3	Note 3	64,570	1,447,336	21,499	752,460	-	-	-	-	94,464	2,030,452
	Tokio Marine Nawa Insurance	Investments accounted for using equity method	Issuance of common share for cash	Associates	5,807	213,004	54,138	541,381 (Note 4)	-	-	-	-	14,345	(470,714)
TAC Leasing	Car-Plus Leasing (Shanghai)	Investments accounted for using equity method	Issuance of common share for cash	Sister company	-	-	79,039	344,664	-	-	-	-	79,039	381,106

Note 1: The beginning balance and ending balance included adjustments of unrealized gains or losses on financial assets and investments accounted for using equity method.

Note 2: In August 2022, Tokio Marine Nawa Insurance implemented a capital reduction to offset their losses, reducing 999.9 shares per thousand shares. In October and December 2022, the Company increased their investment in Tokio Marine Nawa Insurance in cash of \$3,553,015 thousand. In December 2022, Tokio Marine Nawa Insurance reduced its capital to offset their losses, reducing approximately 735 shares per thousand shares.

Note 3: During September to December 2022, Yulon Finance Corporation acquired 20.21% ownership of Carplus Auto for \$752,460 thousand from the non-controlling shareholders of Yulon Motor Co., Ltd., Qunyuan Investment Company and Carplus Auto Leasing Corporation.

Note 4: In August 2022, Tokio Marine Nawa Insurance implemented a capital reduction to offset their losses, reducing 999.9 shares per thousand shares. In September and December 2022, Yulon Finance Corporation increased their investment in Tokio Marine Nawa Insurance in cash of \$541,381 thousand. In December 2022, Tokio Marine Nawa Insurance reduced its capital to offset their losses, reducing approximately 735 shares per thousand shares.

**TABLE 5**

**YULON MOTOR COMPANY LTD.**

**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, 2022**

**(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 Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
						None							



TABLE 6

**YULON MOTOR COMPANY LTD.**

**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, 2022  
(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
						None						

TABLE 7

## YULON MOTOR COMPANY LTD.

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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	
The Company	Yulon Nissan	An investee accounted for by equity method	Sales	\$ (18,698,332)	90	Within 45 days	-	3 days to 45 days	\$ 306,042	66	
	Luxgen	The Company's subsidiary	Sales	(2,056,372)	10	Within 10 days	-	3 days to 10 days	132,224	29	
Yulon Finance Corporation	Yu Chang	The same ultimate parent company	Sales	(2,909,060)	7	Receipt of payment on the day	-	-	8,067	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(2,445,227)	6	Receipt of payment on the day	-	-	8,264	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(2,480,122)	6	Receipt of payment on the day	-	-	17,579	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(565,629)	1	Receipt of payment on the day	-	-	12,712	-	
	Yu Sing	The same ultimate parent company	Sales	(2,392,173)	6	Receipt of payment on the day	-	-	12,035	-	
	Yushin	The same ultimate parent company	Sales	(1,633,937)	4	Receipt of payment on the day	-	-	9,882	-	
	Yu Tang	An investee accounted for by equity method	Sales	(1,455,423)	3	Receipt of payment on the day	-	-	9,018	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(323,151)	1	Receipt of payment on the day	-	-	7,790	-	
	Empower	The same ultimate parent company	Sales	(1,971,293)	5	Receipt of payment on the day	-	-	6,109	-	
	Cheng Long	An investee accounted for by equity method	Sales	(1,493,711)	3	Receipt of payment on the day	-	-	8,308	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(398,051)	1	Receipt of payment on the day	-	-	4,208	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(275,968)	1	Receipt of payment on the day	-	-	4,928	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(255,328)	1	Receipt of payment on the day	-	-	3,360	-	
	Ding Long	An investee accounted for by equity method	Sales	(567,973)	1	Receipt of payment on the day	-	-	567	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(413,251)	1	Receipt of payment on the day	-	-	906	-	
Yuan Zhi	An investee accounted for by equity method	Sales	(369,276)	1	Receipt of payment on the day	-	-	1,994	-		
Sin Jang	Yulon Finance Corporation	The same ultimate parent company	Sales	(21,476,944)	98	Receipt of payment on the day	-	-	-	-	
Union & NKH	The Company	The Parent company	Sales	(513,288)	38	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	137,198	43	
	China Motor	An investee accounted for by equity method	Sales	(603,494)	44	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	121,258	38	
Yueki	The Company	The Parent company	Sales	(246,239)	36	45 days	Bargaining	45 days	60,186	34	
	China Motor	An investee accounted for by equity method	Sales	(162,773)	24	45 days	Bargaining	45 days	30,366	17	
	Kian-shen	Related party in substance	Sales	(171,168)	25	45 days	Bargaining	45 days	74,346	41	
Y-Teks	The Company	The Parent company	Sales	(160,209)	72	45 days	-	-	42,841	76	
Yue Sheng	The Company	The Parent company	Sales	(112,418)	46	At sight or a month	Bargaining	At sight or a month	32,355	56	
Luxgen	Luxgen Taipei	The same ultimate parent company	Sales	(218,827)	8	At sight	-	At sight	1,333	2	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(147,919)	6	At sight	-	At sight	862	1	
	Luxgen Taichung	The same ultimate parent company	Sales	(140,465)	5	At sight	-	At sight	1,307	2	
	Yulon Finance Corporation	The same ultimate parent company	Sales	(1,831,268)	69	Within 3 days	-	Within 3 days	59,484	91	
Singgual	The Company	The Parent company	Sales	(141,775)	29	At sight or a month	Bargaining	At sight or a month	29,748	27	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(105,219)	80	At sight or a month	Bargaining	At sight or a month	9,344	91	
Hang Zhou Haitec	The Company	The Parent company	Sales	(322,284)	85	25 days	-	-	3,883	55	
Fuzhou Lianghong	Hangzhou Liangrun	The same ultimate parent company	Sales	(379,294)	20	45 days	-	-	159,545	43	

(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	\$ (373,070)	99	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	\$ -	-	
The Company	Union & NKH	The Company's subsidiary	Purchase	513,288	3	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(137,198)	6	
	Yueki	The Company's subsidiary	Purchase	246,239	1	45 days	Bargaining	45 days	(60,186)	3	
	Nissan Motor	Related party in substance	Purchase	7,765,831	47	12 days after bill of lading	-	12 days after bill of lading	(365,761)	17	
	Y-Teks	The Company's subsidiary	Purchase	160,209	1	45 days	-	-	(42,841)	2	
	Yue Sheng	The Company's subsidiary	Purchase	112,418	1	At sight or a month	Bargaining	At sight or a month	(32,355)	1	
	Singual	The Company's subsidiary	Purchase	141,775	1	At sight or a month	Bargaining	At sight or a month	(29,748)	1	
	China Ogihara	An investee accounted for by equity method	Purchase	213,958	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(33,195)	2	
	China Engine	An investee accounted for by equity method	Purchase	107,513	1	45 days after monthly closing	Bargaining	45 days after monthly closing	-	-	
	Hang Zhou Haitec	The Company's subsidiary	Purchase	322,284	2	25 days	-	-	(3,883)	-	
Yulon Finance Corporation	Yulon Nissan	An investee accounted for by equity method	Purchase	19,794,774	46	Within 3 days	-	-	(255,032)	58	
	Luxgen	The same ultimate parent company	Purchase	1,830,865	4	Within 3 days	-	-	(59,484)	13	
	Sin Jang	The same ultimate parent company	Purchase	21,476,944	50	Receipt of payment on the day	-	-	-	-	
Yu Sing	Yulon Finance Corporation	The same ultimate parent company	Purchase	2,392,173	82	Receipt of payment on the day	-	-	(12,035)	34	
	Yulon Nissan	An investee accounted for by equity method	Purchase	359,940	12	Receipt of payment on the day	-	-	(24,307)	69	
	Kuen You Trading	The same ultimate parent company	Purchase	105,219	4	60 days	-	-	(9,344)	27	
Yushin	Yulon Finance Corporation	The same ultimate parent company	Purchase	1,633,937	81	Receipt of payment on the day	-	-	(9,882)	21	
	Yulon Nissan	An investee accounted for by equity method	Purchase	276,585	14	Receipt of payment on the day	-	-	(6,785)	14	
Yu Chang	Yulon Finance Corporation	The same ultimate parent company	Purchase	2,909,060	83	Receipt of payment on the day	-	-	(8,067)	12	
	Yulon Nissan	An investee accounted for by equity method	Purchase	446,530	13	Receipt of payment on the day	-	-	(19,527)	29	
Empower	Yulon Finance Corporation	The same ultimate parent company	Purchase	1,971,293	67	Receipt of payment on the day	-	-	(6,109)	8	
	Yulon Nissan	An investee accounted for by equity method	Purchase	344,402	12	Receipt of payment on the day	-	-	(11,963)	16	
Luxgen	The Company	The Parent company	Purchase	2,056,372	85	Within 10 days	-	3 days to 10 days	(132,224)	35	
Luxgen Taipei	Yulon Finance Corporation	The same ultimate parent company	Purchase	565,629	65	Receipt of payment on the day	-	-	(12,712)	48	
	Luxgen	The same ultimate parent company	Purchase	218,827	25	At sight	-	-	(1,333)	5	
Luxgen Taoyuan	Yulon Finance Corporation	The same ultimate parent company	Purchase	323,151	61	Receipt of payment on the day	-	-	(7,790)	41	
	Luxgen	The same ultimate parent company	Purchase	147,919	28	At sight	-	-	(862)	5	
Luxgen Taichung	Yulon Finance Corporation	The same ultimate parent company	Purchase	398,051	67	Receipt of payment on the day	-	-	(4,208)	26	
	Luxgen	The same ultimate parent company	Purchase	140,465	24	At sight	-	-	(1,307)	8	
Luxgen Tainan	Yulon Finance Corporation	The same ultimate parent company	Purchase	255,328	69	Receipt of payment on the day	-	-	(3,360)	57	
Luxgen Kaohsiung	Yulon Finance Corporation	The same ultimate parent company	Purchase	275,968	69	Receipt of payment on the day	-	-	(4,928)	82	
Hangzhou Liangrun	Fuzhou Lianghong	The same ultimate parent company	Purchase	379,294	100	45 days	-	-	(159,545)	49	
Hang Zhou Haitec	Chuang Jie	The same ultimate parent company	Purchase	373,070	100	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.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	\$ 376,701 (Note 1)	61.13	\$ -	-	\$ 280,270	\$ -
			169,619 (Note 2)	11.47	-	-	99,610	-
Haitec	Foxtron Vehicle Technologies Corporation	Associates	113,507 (Note 7)	-	-	-	-	-
Union & NKH	The Company China Motor Hangzhou Liangrun	The parent company An investee accounted for by equity method The same ultimate parent company	137,198 (Note 6)	4.33	-	-	137,198	-
			122,161 (Note 3)	4.88	-	-	118,849	-
			183,132 (Note 7)	-	-	-	-	-
Hangzhou Liangrun	Dongfeng Yulon	An investee accounted for by equity method	158,267 (Note 7)	-	-	-	-	158,267
Fuzhou Lianghong	Hangzhou Liangrun	The same ultimate parent company	159,545 (Note 6)	3.39	-	-	-	-
TAC Leasing	Dongfeng Yulon	An investee accounted for by equity method	151,351 (Note 8)	-	-	Depends on status of fund	-	151,351
Yulon Motor Finance	Dong Feng Yulon Sales Company	Other related parties	137,927 (Note 6)	-	-	Depends on status of fund	-	137,927
Yu Ching	UMPI	The same ultimate parent company	129,891 (Note 7)	-	-	-	-	-
Yulon China	Wen Yang	The same ultimate parent company	646,304 (Note 7)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	110,794 (Note 7)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	132,953 (Note 7)	-	-	-	-	-
Ke Yu	Tai Feng Sheng Qing	The same ultimate parent company The same ultimate parent company	209,323 (Note 7)	-	-	-	-	-
			216,270 (Note 7)	-	-	-	-	-
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	119,592 (Note 7)	-	-	-	-	-
LUXGEN (Hangzhou) Motor Sales	Dong Feng Yulon Sales Company	Other related parties	686,987 (Note 4)	-	-	-	-	686,987

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Sheng Qing	Yu-Jie	The same ultimate parent company	\$ 177,586 (Note 5)	-	\$ -	-	\$ -	\$ -
	Xiamen Young Chang	The same ultimate parent company	169,464 (Note 7)	-	-	-	-	-
	Yulon China Motor Investment	The same ultimate parent company	902,770 (Note 7)	-	-	-	-	-
Hangzhou Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	106,931 (Note 6)	-	-	-	-	106,931
Hangzhou Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	106,206 (Note 6)	-	-	-	-	106,206

Note 1: The receivables comprised account receivables of \$306,042 thousand and other receivables of \$70,659 thousand.

Note 2: The receivables comprised account receivables of \$132,224 thousand and other receivables of \$37,395 thousand.

Note 3: The receivables comprised account receivables of \$121,258 thousand and other receivables of \$903 thousand.

Note 4: The receivables comprised account receivables of \$7,011 thousand and other receivables of \$679,976 thousand.

Note 5: The receivables comprised account receivables of \$1,058 thousand and other receivables of \$176,528 thousand.

Note 6: The receivables comprised account receivables.

Note 7: The receivables comprised other receivables.

Note 8: The receivables comprised finance lease receivables.

(Concluded)

TABLE 9

## YULON MOTOR COMPANY LTD.

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, 2022

(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, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	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	\$ 9,131,987	\$ 2,410,581	\$ 1,147,023	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	141,526	44,592	8.05	3,159,393	(7,757,796)	(648,339)	-
	Yulon Finance Corporation	Taipei, Taiwan	Sale and lease of cars and parts	1,832,150	512,150	213,376	42.92	10,744,776	5,803,991	2,512,577	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	348,264	(86,639)	(52,987)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	329,210	238,994	28,800	100.00	424,654	(22,988)	(21,832)	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	43,914	13,553	10,525	-
	Union & NKH Auto Parts	Miaoli, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,692	21,729	25.01	600,089	3,629	1,626	-
	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	145,624	27,941	10,681	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	169,927	74,911	45,077	-
	China Ogihara	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	552,457	115,627	49,368	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	100,645	14,755	1,870	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	776,907	776,907	42,660	60.00	(44,903)	(505,265)	(309,933)	-
	Yu Pong	New Taipei City, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	28,470	100.00	512,212	(202,820)	(207,335)	-
	Yung Hong	New Taipei City, Taiwan	Investments	537,311	537,311	77,622	100.00	697,638	25,025	36,377	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	186,926	19,999	99.99	256,981	3,171	4,894	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	789,878	789,878	64,454	38.16	571,161	(122,669)	(45,721)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	12,669	27.00	245,103	68,078	18,091	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	112,236	20,351	3,704	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	222,107	160,371	32,905	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	-	106,372	-	-	-	293,516	8,251	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,999	20.00	74,444	28,095	5,968	Note 1
	Chan Yun	Hsinchu, Taiwan	Wholesale and retail of information software	58,594	58,594	16,664	87.71	35,509	1,236	1,084	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	950,896	1,081,157	90,500	100.00	976,846	2,319	2,319	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	505,189	17,999	99.99	164,388	15,050	22,150	-
	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	305,781	95,884	34,234	-
	Yulon Overseas	B.V.I.	Investments	32,302,352	32,302,352	1,082,406	100.00	7,210,024	215,781	215,781	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	4,349,971	796,956	94,142	17.77	(3,075,938)	(47,075,677)	(8,197,236)	-
	Haitec	New Taipei City, Taiwan	Product design	11,169,859	10,296,755	1,413,600	99.99	319,286	322,729	272,987	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	76,661	16,875	2,774	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	29,067,000	28,640,000	92,700	100.00	853,226	62,456	66,428	-
	Yulon Construction	New Taipei City, Taiwan	Construction industry	3,034,485	3,034,485	122,100	100.00	3,618,365	402,714	377,021	-
	Hong Kong-Spicer	Hong Kong	Investments	56,475	56,475	1,585	20.50	53,815	14,196	2,910	-
Advance Power Machinery	Miaoli, Taiwan	Sales and producing of cars and related parts	10,787	10,787	500	100.00	14,130	2,598	2,598	-	
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	1,509,749	757,288	94,464	88.78	2,030,452	293,516	-	-
	Shinshin	Taipei, Taiwan	Installment financing services for cars and trucks	3,419,808	419,808	430,300	100.00	9,394,196	1,537,232	-	-
	TAC Global	Samoa	Shareholding company	3,342,688	3,342,688	108,833	100.00	5,711,711	707,153	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	143,446	58,070	14,345	2.71	(470,714)	(47,075,677)	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	8,100	27.00	107,189	28,095	-	-
	Yu Rich	New Taipei City, Taiwan	Installment loans of consumer products	1,160,662	1,160,662	247,481	100.00	4,260,503	1,340,299	-	-
	Yulon Finance Overseas	Samoa	Shareholding company	437,490	437,490	15,000	100.00	153,068	1,072	-	-
	Sin Gan	Taipei, Taiwan	Sales of automobile - related products	315,157	315,157	21,004	73.26	437,237	211,655	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Shinshin	Shinshin Samoa YES Energy Service	Samoa New Taipei City, Taiwan	Shareholding company Energy Technical Services	\$ 389,077	\$ 389,077	12,000	100.00	\$ 109,331	\$ 84,418	\$ -	-
				246,407	246,407	29,000	100.00	270,841	40,042	-	-
Car-plus Auto	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	133,005	13,715	-	-
	Car-Plus Samoa	Samoa	Shareholding company	941,992	941,992	31,200	100.00	675,200	(15,901)	-	-
	Da-Wei	Taipei, Taiwan	Brokerage of electric vehicles	40,000	40,000	4,000	100.00	48,497	4,700	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	11,881	11,881	4,050	100.00	20,898	4,910	-	-
	YES Charging Service	New Taipei City, Taiwan	Wholesale and retail sale of batteries	70,005	-	7,200	100.00	60,055	(11,815)	-	-
	Bing Yu	New Taipei City, Taiwan	Vehicle Subscription Service Platform	8,685	-	724	20.00	8,685	3,830	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	5,865	393	-	-
	Da-Chuan	Taipei, Taiwan	Taxi service	1,125	1,125	300	100.00	2,536	252	-	-
	Da-Mu	Taipei, Taiwan	Taxi service	1,575	1,575	600	100.00	2,721	363	-	-
	Da-Chung	Taipei, Taiwan	Taxi service	900	900	300	100.00	2,107	245	-	-
	Yong-Xiang	Taipei, Taiwan	Taxi service	3,810	3,810	300	100.00	4,617	375	-	-
	Guo-Ma	Taipei, Taiwan	Taxi service	2,286	2,286	400	100.00	2,705	290	-	-
	Jin-Yu	Taipei, Taiwan	Taxi service	3,048	3,048	300	100.00	3,600	232	-	-
	Zhong-Xing	Taipei, Taiwan	Taxi service	3,810	3,810	350	100.00	4,324	248	-	-
	Li-Yang	Taipei, Taiwan	Taxi service	5,381	5,381	900	100.00	7,456	1,024	-	-
	He-Yang	Taipei, Taiwan	Taxi service	2,032	2,032	600	100.00	2,626	456	-	-
	Jia-Yu	Taipei, Taiwan	Taxi service	1,778	1,778	300	100.00	2,068	186	-	-
	Tian-Yang	Taipei, Taiwan	Taxi service	2,159	2,159	600	100.00	3,205	634	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	21,119	4,759	-	-
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	25,262	501	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	391,480	202	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	263,196	15,061	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	563,805	563,805	19,200	60.00	20,494	(41,641)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	260,987	202	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	175,464	15,061	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	375,906	375,906	12,800	40.00	13,663	(41,641)	-	-
	Yu Rong International	Samoa	Shareholding company	2,698,460	2,698,460	87,496	100.00	5,257,692	717,560	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	10,149	501	-	-
Yulon Finance Overseas	Yulon Finance Philippines	Samoa	Shareholding company	437,490	437,490	15,000	100.00	153,068	1,072	-	-
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	153,068	1,072	-	-
Sin Gan	Hsiang Shou	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	255,796	76,402	-	-
	Singgual	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	203,634	28,856	-	-
	Sin Jang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	218,754	218,754	12,824	100.00	267,630	87,158	-	-
	Ching-Tong	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	75,578	6,746	100.00	46,562	10,866	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	35,269	454	0.08	23,384	(7,757,796)	-	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	472,511	472,511	28,440	40.00	252,016	(505,265)	-	-
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	107,777	95,884	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	193,869	3,998	0.72	33,328	(7,757,796)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	\$ 55,467	\$ 55,467	17,209	1.17	\$ (143,903)	\$(47,075,677)	\$ -	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	218,169	2,410,581	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,403	32,403	3,300	33.00	38,025	22,240	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	243	11	-	565	(7,757,796)	-	-
	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	27,941	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	343,587	(85,934)	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	10,600	100.00	39,924	3,570	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	24,865	3,610	-	-
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	1,000	100.00	62,355	3,790	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	21,655	5,837	-	-
	Yu Shin Investment	Samoa	Investments	98,111	98,111	185	100.00	9,256	(23,964)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	13,656	686	-	-
	Hong Yen	Samoa	Investments	213,774	213,774	213,774	100.00	29,168	(10,410)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	5,000	5,000	500	100.00	4,962	255	-	-
	Minxiang Leasing Company	Taichung, Taiwan	Lease of cars and related services	30,000	30,000	3,000	100.00	30,965	336	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	195,499	2,410,581	-	-
	Yu Chia	New Taipei City, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	2,600	100.00	29,183	(223)	-	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	27,996	27,996	22,005	59.64	68,096	(80,981)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	28,919	707	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	16,097	382	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	883,733	133,570	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	265	11	-	582	(7,757,796)	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	13,071	100.00	410,140	56,246	-	-
Union & NKH	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,922,939	19,145	-	-
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	184,999	184,999	18,499	99.99	109,426	(24,034)	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	64,737	5,837	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	103,599	10,359	97.73	136,192	6,053	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	98,897	9,889	94.18	101,803	(3,139)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	65,998	6,599	92.94	61,044	2,325	-	-
	Sin Gan	New Taipei City, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	118,029	211,655	-	-
	Haitec	New Taipei City, Taiwan	Product design	-	5,227,000	-	-	-	322,729	-	-
Yulon Construction	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	65,029	8,330	-	-
Haitec	Hua-Chung Overseas Investment Co., Ltd.	B.V.I.	Investments	490,393	490,393	15,965	100.00	-	396	-	-
	Foxtron Vehicle Technologies Corporation	New Taipei City, Taiwan	Product design	7,632,000	7,632,000	763,200	49.00	6,471,302	(1,357,085)	-	-
Hua-Chung Overseas	Haitec China Investment	Hong Kong	Investments	461,709	461,709	15,014	100.00	-	396	-	-
Yulon Overseas	Yulon Philippine	Cayman Islands	Investments	1,097,415	989,138	35,741	100.00	116,464	30,623	-	-
	Yulon China	B.V.I.	Investments	32,584,659	29,353,088		100.00	7,233,805	185,468	-	-
						1,057,380					

(Continued)



Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Yulon Philippine	UMPI & SCIC NPI	Philippines Philippines	Manufacturing of cars and factory lease Sale, maintenance and repair of cars and parts	\$ 896,548	\$ 808,090	10,914	100.00	\$ 115,604	\$ 31,444	\$ -	-
				72,235	65,108	12	24.50	-	155,920	-	-
Yulon China	Qing Yi Wen Yang	Samoa Samoa	Investments Investments	430,676	424,168	-	100.00	51,631	(2,202)	-	-
				910,552	820,712	31,450	100.00	728,107	7,123	-	-
	Yulon China (Hong Kong) Investment Limited. Yulon China Holding Feng Hua	Hong Kong Cayman Islands Hong Kong	Investments Investments	8,348,041	7,536,318	-	100.00	1,945	(1,071)	-	-
				22,039,956	19,865,385	702,043	100.00	5,527,629	174,140	-	-
				85,988	77,504	-	40.00	168,200	25,577	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	22,039,956	19,865,385	-	100.00	5,527,623	174,140	-	-

Note: The Company sold 3.46% interest of Car-plus to Yulon Finance Corporation in August 2022.

(Concluded)

TABLE 10

## YULON MOTOR COMPANY LTD.

INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	\$ 68,229	b.	\$ 55,763	\$ -	\$ -	\$ 55,763	\$ 14,941	100.00	\$ 14,941	\$ 508,467	\$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	793,828	b.	723,154	-	-	723,154	4,071	100.00	4,071	670,562	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	503,614	b.	445,203	-	-	445,203	1,679	100.00	1,679	332,688	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	530,297	b.	460,193	-	-	460,193	1,531	100.00	1,531	370,972	-	2, b.
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,624,966	b.	7,969,003	-	-	7,969,003	(2,318,138)	50.00	-	-	-	2, c.
Su Zhou Cheng Long	Sale, maintenance and repair of cars and parts	194,713	b.	83,944	-	-	83,944	25,578	40.00	10,231	354,354	-	2, b.
Yulon China Motor Investment	Investment, shareholding and related business	8,331,766	b.	1,745,943	-	-	1,745,943	205,102	100.00	205,102	4,760,401	-	2, b.
Luxgen (Hangzhou) Motor Sales	Sales of cars and car parts	13,280,507	b.	12,928,809	-	-	12,928,809	(52,930)	100.00	(52,930)	90,646	-	2, a.
Yulon Motor Finance (China)	Car purchases and loans to car dealers for car purchases	4,409,400	a.	2,479,875	-	-	2,479,875	279,421	72.03	203,941	4,480,732	-	2, b.
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	175,991	b.	2,249	-	-	2,249	(1,798)	2.59	-	2,303	-	-
Hang Zhou Haitec Company	Product design	872,914	b.	-	-	-	-	13,370	99.94	13,362	(6,091)	-	2, a.
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	903,072	a.	228,152	-	-	228,152	293,985	20.50	60,267	276,329	33,610	2, c.
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	378,885	a.	55,124	-	-	55,124	24,528	14.30	3,507	260,208	-	2, c.
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	661,410	b.	-	-	-	-	(257,279)	22.30	(57,373)	327,980	-	2, c.
Hangzhou Yue Wan	Manufacturing of car parts	609,901	b.	267,362	-	-	267,362	6,387	80.75	5,158	98,368	-	2, c.
Hangzhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	320,920	b.	44,327	-	-	44,327	34,008	29.07	9,886	126,715	-	2, c.
Changzhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	42,994	b.	-	-	-	-	15,329	15.64	2,412	75,066	-	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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	\$ 153,550	b.	\$ -	\$ -	\$ -	\$ -	\$ 64,329	6.13	\$ 3,905	\$ 157,323	\$ -	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	356,236	b.	-	-	-	-	456,258	6.96	31,448	834,370	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	458,419	b.	-	-	-	-	23,423	16.67	3,905	536,380	-	2, c.
Hangzhou Liangrun	Manufacturing of car seats	653,679	b.	142,431	-	-	142,431	8,606	40.38	3,475	34,696	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	821,493	b.	-	-	-	-	(10,096)	10.00	(1,010)	1,240,650	-	2, c.
Yu-Jie	Construction industry	2,204,700	a.	-	-	-	-	321,650	100.00	321,650	2,269,289	-	2, b.
Car-Plus (Suzhou)	Lease of cars and related services	745,619	b.	-	-	-	-	199	40.03	(141)	651,293	-	2, b.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	792,187	b.	-	-	-	-	25,387	41.37	10,615	819,767	-	2, b.
Car-Plus Go Co., Ltd.	Lease of cars and related services	982,720	b.	-	-	-	-	(41,641)	40.03	(16,261)	34,157	-	2, b.
TAC Leasing (Su Zhou)	Equipment and cars leasing business	2,318,482	b.	-	-	-	-	633,141	42.92	279,867	5,189,946	-	2, a.
TAC Finance Company	Equipment and cars leasing business	921,300	b.	-	-	-	-	211,046	54.34	116,580	177,052	-	2, b.
Zhe Jiang Cheng Yi Company	Equipment and cars leasing business	88,188	b.	-	-	-	-	3,487	54.34	1,895	10,534	-	2, c.
Zhe Jiang Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	6,614	b.	-	-	-	-	729	54.34	403	2,975	-	2, c.
Zhe Jiang Cheng-Yi Auction	Secondhand vehicle authentication and evaluation service	8,819	b.	-	-	-	-	3,522	54.34	1,948	10,272	-	2, c.
Master Good Car (Wuhan)	Sales of cars	8,819	b.	-	-	-	-	(139)	54.34	(79)	(17,598)	-	2, c.
Genwise	Sales of car parts	49,734	b.	-	-	-	-	(1,480)	51.22	(771)	24,388	-	2, c.
Dong Yu Tech. Company	Sales of car parts	66,141	b.	-	-	-	-	-	17.68	-	-	-	2, c.
Shanghai Yuming	Sales of cars	359,626	b.	-	-	-	-	(10,449)	32.62	(3,408)	(10,418)	-	2, b.
Ka Shing Yu Da	Sales of cars	118,026	b.	-	-	-	-	(8,205)	32.62	(2,676)	(8,158)	-	2, b.
Sheng Qing	Investments	5,466,205	b.	3,080,606	-	-	3,080,606	101,080	100.00	101,080	4,174,137	-	2, b.
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,483,426	b.	3,432,301	-	-	3,432,301	73,717	100.00	73,717	2,194,633	-	2, a.
Mei De	Computer software maintenance and computer system integration	350,547	b.	-	-	-	-	736	100.00	736	327,574	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	316,727	b.	-	-	-	-	905	100.00	905	153,325	-	2, b.
Jin Ce	Computer software maintenance and computer system integration	86,733	b.	-	-	-	-	245	100.00	245	67,837	-	2, b.

(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Yi Ding	Computer software maintenance and computer system integration	\$ 243,399	b.	\$ -	\$ -	\$ -	\$ -	\$ 365	100.00	\$ 365	\$ 153,437	\$ -	2, b.
Dong Tai	Investments	322,768	b.	-	-	-	-	(126)	100.00	(126)	153,851	-	2, b.
Gao Te	Investments	255,745	b.	-	-	-	-	183	100.00	183	173,823	-	2, b.
Su Zhou Feng Shen	Sales of cars	211,651	b.	-	-	-	-	121,889	40.00	48,756	338,573	-	2, b.
Guang Zhou Yuan Du	Sales of cars	154,329	b.	-	-	-	-	433	51.00	221	78,861	-	2, b.
Zhu Hai Fu Te En	Sales of cars	155,211	b.	-	-	-	-	9,045	100.00	9,045	289,182	-	2, b.
Nanjing Hanhong	Sales of cars	577,631	b.	-	-	-	-	(15,793)	100.00	(15,793)	260,794	-	2, b.
Wuhan Yu Hsin	Sales of cars	440,940	b.	-	-	-	-	8,475	100.00	8,475	452,147	-	2, b.
HangZhou Yu Zhong	Trading	44,094	b.	-	-	-	-	292	100.00	292	51,030	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	88,188	b.	-	-	-	-	69,311	60.00	41,587	(178,823)	-	2, b.
Chang Sha Yu Lu	Sales of cars	140,219	b.	-	-	-	-	4,436	100.00	4,436	11,874	-	2, b.
Hang Zhou Tang Yu	Investments	44,094	b.	-	-	-	-	(44)	100.00	(44)	39,688	-	2, b.
Hang Zhou Chien Yu	Investments	44,094	b.	-	-	-	-	(52)	100.00	(52)	4,353	-	2, b.
Xiao Gan Yu Feng	Sales of cars	141,101	b.	-	-	-	-	17,532	100.00	17,532	282,395	-	2, b.
Su Zhou Feng Shun	Sales of cars	110,235	b.	-	-	-	-	52,285	40.00	20,914	290,245	-	2, b.
Suzhou Yueshun	Sales of cars	44,094	b.	-	-	-	-	4,778	40.00	1,911	42,044	-	2, b.
Su Chou Cheng Pin	Sales of cars	176,376	b.	-	-	-	-	13,557	40.00	5,423	201,316	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	44,094	b.	-	-	-	-	19,998	40.00	7,999	86,218	-	2, b.
Su Zhou Cheng Li	Sales of cars	66,141	b.	-	-	-	-	9,202	40.00	3,681	75,289	-	2, b.
Hang Zhou hsiao Yu	Investments	44,094	b.	-	-	-	-	(22)	99.00	(22)	844	-	2, b.
Nan Jing Yu Shang	Sales of cars	167,557	b.	-	-	-	-	1,280	100.00	1,280	6,202	-	2, b.
Hang Zhou Hua You	Sales of cars	35,275	b.	-	-	-	-	43,418	60.00	26,051	(182,511)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	44,094	b.	-	-	-	-	15,114	40.00	6,046	70,580	-	2, b.
Nan Jing Yu Hua	Sales of cars	194,014	b.	-	-	-	-	1,008	100.00	1,008	118,905	-	2, b.
Su Zhou Cheng Guo	Sales of cars	88,188	b.	-	-	-	-	(457)	40.00	(183)	33,983	-	2, b.
Su Zhou Cheng Hung	Sales of cars	44,094	b.	-	-	-	-	1,955	40.00	782	49,029	-	2, b.
Tai Chang Cheng Mau	Sales of cars	44,094	b.	-	-	-	-	12,142	40.00	4,857	102,102	-	2, b.

(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
An Ching Tsai Tung	Sales of cars	\$ 120,893	b.	\$ -	\$ -	\$ -	\$ -	\$ (542)	100.00	\$ (542)	\$ (423)	\$ -	2, b.
Tung Ling Kuo Tung	Sales of cars	74,576	b.	-	-	-	-	(5,939)	100.00	(5,939)	28,475	-	2, b.
Zi Bo Yu An	Sales of cars	68,081	b.	-	-	-	-	(314)	100.00	(314)	(2,669)	-	2, b.
Fu Zhou Yu Xin	Sales of cars	52,913	b.	-	-	-	-	(24,023)	100.00	(24,023)	5,866	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2022	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	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	\$36,041,491	\$43,507,111

Note 1: Types of investment:

- 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.

(Concluded)

**TABLE 11****YULON MOTOR COMPANY LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tai-Yuen Textiles	181,128,973	18.11
China Motor	166,714,441	16.67

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

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, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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, 2022. 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, 2022 are stated as follows:

#### Estimated Impairment of Trade Receivable

As described in Note 5, the determination of 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 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, this 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 involved our internal IT specialists in testing 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 year 2022 and 2021, 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.

The Group and 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, 2022 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 Yu-Wei Fan.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2023

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 17,301,334	5	\$ 15,292,207	5
Financial assets at fair value through profit or loss (Note 7)	681,467	-	1,404,337	-
Financial assets at fair value through other comprehensive income (Note 8)	157,283	-	203,006	-
Derivative financial assets for hedging (Note 11)	-	-	484	-
Financial assets at amortized cost (Notes 9, 10 and 36)	4,248,871	1	5,919,832	2
Notes and trade receivable (Notes 12 and 36)	201,632,117	56	166,813,066	52
Notes and trade receivable from related parties (Notes 12, 35 and 36)	741,275	-	642,896	-
Finance lease receivables (Note 13)	24,063,789	7	23,048,596	7
Other receivables (Notes 14 and 35)	4,489,997	1	2,884,919	1
Inventories (Notes 15, 29 and 36)	9,882,920	3	10,462,267	3
Other current assets	3,511,275	1	5,419,044	2
Incremental costs of obtaining a contract (Note 35)	<u>4,072,786</u>	<u>1</u>	<u>3,191,248</u>	<u>1</u>
Total current assets	<u>270,783,114</u>	<u>75</u>	<u>235,281,902</u>	<u>73</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Note 7)	74,288	-	44,061	-
Financial assets at fair value through other comprehensive income (Note 8)	522,944	-	486,472	-
Financial assets at amortized cost (Notes 9, 10 and 36)	1,553,210	-	1,126,362	-
Investments accounted for using the equity method (Notes 17 and 36)	24,243,626	7	28,028,713	9
Property, plant and equipment (Notes 18, 29, 35 and 36)	38,905,387	11	35,566,354	11
Right-of-use assets (Notes 20 and 35)	2,170,996	1	2,648,561	1
Investment properties (Notes 19, 29 and 36)	15,440,918	4	14,953,989	5
Goodwill	882	-	882	-
Vehicle model development cost (Notes 21 and 29)	276,776	-	254,104	-
Other intangible assets (Notes 21 and 29)	426,015	-	417,497	-
Deferred tax assets (Note 30)	2,325,075	1	2,567,126	1
Long-term finance lease receivables (Note 13)	1,436,322	-	1,240,184	-
Refundable deposits (Note 35)	436,013	-	378,217	-
Other non-current assets	<u>1,836,048</u>	<u>1</u>	<u>868,355</u>	<u>-</u>
Total non-current assets	<u>89,648,500</u>	<u>25</u>	<u>88,580,877</u>	<u>27</u>
<b>TOTAL</b>	<u>\$ 360,431,614</u>	<u>100</u>	<u>\$ 323,862,779</u>	<u>100</u>

LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 22)	\$ 66,016,213	18	\$ 41,623,922	13
Short-term bills payable (Note 22)	137,833,828	38	130,764,899	40
Financial liabilities for hedging (Note 11)	-	-	349	-
Notes and trade payables	3,977,733	1	3,828,338	1
Notes and trade payable to related parties (Note 35)	1,020,564	-	1,265,765	1
Other payables (Notes 24 and 35)	7,223,189	2	9,085,622	3
Current tax liabilities (Note 30)	1,009,907	-	1,100,726	-
Provisions (Note 25)	87,825	-	91,040	-
Lease liabilities (Note 20)	589,471	-	578,022	-
Current portion of bonds payable (Note 23)	19,428,749	6	22,796,697	7
Current portion of long-term borrowings (Note 22)	2,117,056	1	1,771,703	1
Other current liabilities (Note 24)	<u>14,267,340</u>	<u>4</u>	<u>14,088,055</u>	<u>4</u>
Total current liabilities	<u>253,571,875</u>	<u>70</u>	<u>226,995,138</u>	<u>70</u>
<b>NON-CURRENT LIABILITIES</b>				
Bonds payable (Note 23)	4,700,000	2	8,300,000	3
Long-term borrowings (Note 22)	19,073,721	5	10,466,506	3
Provisions (Note 25)	395,037	-	397,396	-
Deferred tax liabilities (Note 30)	4,392,028	1	4,145,767	1
Lease liabilities (Note 20)	1,322,659	1	1,623,965	1
Net defined benefit liabilities (Note 26)	180,555	-	513,030	-
Investments accounted for using the equity method in credit (Note 17)	3,690,555	1	-	-
Other non-current liabilities (Note 24)	<u>593,332</u>	<u>-</u>	<u>721,454</u>	<u>-</u>
Total non-current liabilities	<u>34,347,887</u>	<u>10</u>	<u>26,168,118</u>	<u>8</u>
Total liabilities	<u>287,919,762</u>	<u>80</u>	<u>253,163,256</u>	<u>78</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)</b>				
Share capital				
Ordinary shares	<u>10,000,000</u>	<u>3</u>	<u>10,000,000</u>	<u>3</u>
Capital surplus	<u>7,923,262</u>	<u>2</u>	<u>6,578,018</u>	<u>2</u>
Retained earnings				
Legal reserve	8,769,623	2	8,281,822	2
Special reserve	22,228,565	6	22,228,565	7
(Accumulated deficits) unappropriated earnings	<u>(1,146,938)</u>	<u>-</u>	<u>5,514,701</u>	<u>2</u>
Total retained earnings	<u>29,851,250</u>	<u>8</u>	<u>36,025,088</u>	<u>11</u>
Other equity				
Exchange differences on translation of foreign operations	(776,164)	-	(1,287,377)	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,508,886	-	1,712,376	-
Gain on hedging instrument	-	-	62	-
Total other equity	<u>732,722</u>	<u>-</u>	<u>425,061</u>	<u>-</u>
Treasury shares	<u>(376,301)</u>	<u>-</u>	<u>(376,304)</u>	<u>-</u>
Total equity attributable to owners of the Company	48,130,933	13	52,651,863	16
NON-CONTROLLING INTERESTS (Notes 27 and 32)	<u>24,380,919</u>	<u>7</u>	<u>18,047,660</u>	<u>6</u>
Total equity	<u>72,511,852</u>	<u>20</u>	<u>70,699,523</u>	<u>22</u>
TOTAL	<u>\$ 360,431,614</u>	<u>100</u>	<u>\$ 323,862,779</u>	<u>100</u>

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, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 28 and 35)				
Sales	\$ 40,898,285	53	\$ 46,558,700	60
Rental revenue	9,298,307	12	8,384,902	11
Service revenue	3,145,890	4	3,111,070	4
Other operating revenue	<u>23,736,781</u>	<u>31</u>	<u>19,993,100</u>	<u>25</u>
Total operating revenue	<u>77,079,263</u>	<u>100</u>	<u>78,047,772</u>	<u>100</u>
OPERATING COSTS (Notes 15, 18, 21, 26, 29 and 35)				
Cost of goods sold	36,055,975	47	42,271,840	54
Rental cost	7,400,732	10	6,774,246	9
Service cost	1,877,143	2	1,842,231	2
Other operating cost	<u>4,289,127</u>	<u>5</u>	<u>3,738,497</u>	<u>5</u>
Total operating costs	<u>49,622,977</u>	<u>64</u>	<u>54,626,814</u>	<u>70</u>
GROSS PROFIT	27,456,286	36	23,420,958	30
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES				
	<u>11</u>	<u>-</u>	<u>2,576</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>27,456,297</u>	<u>36</u>	<u>23,423,534</u>	<u>30</u>
OPERATING EXPENSES (Notes 26, 29 and 35)				
Selling and marketing expenses	7,267,728	10	7,933,813	10
General and administrative expenses	6,790,302	9	5,355,693	7
Research and development expenses	261,336	-	360,377	1
Expected credit loss	<u>3,030,758</u>	<u>4</u>	<u>2,637,866</u>	<u>3</u>
Total operating expenses	<u>17,350,124</u>	<u>23</u>	<u>16,287,749</u>	<u>21</u>
PROFIT FROM OPERATIONS	<u>10,106,173</u>	<u>13</u>	<u>7,135,785</u>	<u>9</u>
NON-OPERATING INCOME				
Other income (Note 29)	1,027,300	1	906,538	1
Other gains and losses (Note 29)	52,996	-	(157,222)	-
Finance costs (Note 29)	(476,439)	(1)	(478,043)	(1)
Share of (loss) profit of associates and joint ventures accounted for by the equity method (Note 17)	(9,626,565)	(12)	2,032,007	3
Interest income (Note 29)	<u>296,807</u>	<u>1</u>	<u>258,743</u>	<u>-</u>
Total non-operating income	<u>(8,725,901)</u>	<u>(11)</u>	<u>2,562,023</u>	<u>3</u>

(Continued)

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2022		2021	
NET PROFIT BEFORE INCOME TAX	\$ 1,380,272	2	\$ 9,697,808	12
INCOME TAX EXPENSE (Note 30)	<u>2,568,309</u>	<u>4</u>	<u>1,955,493</u>	<u>2</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(1,188,037)</u>	<u>(2)</u>	<u>7,742,315</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 26)	162,920	-	148,721	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(31,973)	-	88,795	-
Share of the other comprehensive (loss) income of associates and joint ventures accounted for by the equity method	<u>(35,681)</u>	<u>-</u>	<u>126,140</u>	<u>-</u>
	<u>95,266</u>	<u>-</u>	<u>363,656</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	318,329	1	(120,315)	-
(Loss) gain on hedging instruments not subject to basis adjustment	(128)	-	111	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for by the equity method	<u>306,067</u>	<u>-</u>	<u>(93,613)</u>	<u>-</u>
	<u>624,268</u>	<u>1</u>	<u>(213,817)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>719,534</u>	<u>1</u>	<u>149,839</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (468,503)</u>	<u>(1)</u>	<u>\$ 7,892,154</u>	<u>10</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (4,696,692)	(6)	\$ 4,715,516	6
Non-controlling interests	<u>3,508,655</u>	<u>4</u>	<u>3,026,799</u>	<u>4</u>
	<u>\$ (1,188,037)</u>	<u>(2)</u>	<u>\$ 7,742,315</u>	<u>10</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (4,099,224)	(6)	\$ 4,899,266	6
Non-controlling interests	<u>3,630,721</u>	<u>5</u>	<u>2,992,888</u>	<u>4</u>
	<u>\$ (468,503)</u>	<u>(1)</u>	<u>\$ 7,892,154</u>	<u>10</u>
(LOSS) EARNINGS PER SHARE (Note 31)				
Basic	<u>\$(4.80)</u>		<u>\$4.82</u>	
Diluted	<u>\$(4.80)</u>		<u>\$4.82</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, 2022 AND 2021  
(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, 2021	\$ 10,000,000	\$ 6,563,888	\$ 8,281,822	\$ 24,228,565	\$ (363,310)	\$ (1,118,814)	\$ 1,522,597	\$ 24	\$ (376,304)	\$ 48,738,468	\$ 16,136,852	\$ 64,875,320
Appropriation of the 2020 earnings	-	-	-	(2,000,000)	2,000,000	-	-	-	-	-	-	-
Special reserve	-	-	-	(2,000,000)	2,000,000	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT\$1 per share)	-	-	-	-	(1,000,000)	-	-	-	-	(1,000,000)	-	(1,000,000)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,285,875)	(1,285,875)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	153	-	-	-	-	-	-	-	153	-	153
Adjustment of capital surplus due to dividends paid to subsidiaries	-	7,527	-	-	-	-	-	-	-	7,527	-	7,527
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	-	6,450	-	-	(1)	-	-	-	-	6,449	(6,449)	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	210,244	210,244
Net profit for the year ended December 31, 2021	-	-	-	-	4,715,516	-	-	-	-	4,715,516	3,026,799	7,742,315
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	133,642	(168,563)	218,633	38	-	183,750	(33,911)	149,839
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	4,849,158	(168,563)	218,633	38	-	4,899,266	2,992,888	7,892,154
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	39,085	-	(39,085)	-	-	-	-	-
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(10,231)	-	10,231	-	-	-	-	-
BALANCE, DECEMBER 31, 2021	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	-	-	487,801	-	(487,801)	-	-	-	-	-	-	-
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
Adjustments of capital surplus for company's cash dividends received by 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

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, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,380,272	\$ 9,697,808
Profit and loss		
Depreciation expense	7,638,336	7,305,341
Amortization expense	3,369,023	2,957,547
Net loss (gain) on fair value change of financial assets and liabilities designated as at fair value through profit or loss	70,703	(29,804)
Finance costs	3,686,207	3,012,335
Interest income	(22,009,439)	(17,774,485)
Dividend income	(98,406)	(85,539)
Compensation cost of employee share options of subsidiaries	58,155	-
Share of loss (profit) of subsidiaries, associates and joint ventures	9,626,565	(2,032,007)
(Gain) loss on disposal of property, plant and equipment	(25,746)	118,519
Gain on disposal of investment properties	-	(121)
Loss (gain) on disposal of intangible assets	210	(9,016)
Loss on deconsolidation of subsidiary	-	73,241
Gain on disposal of investments accounted for using the equity method	-	(31,100)
Impairment loss recognized on non-financial assets	532,114	651,748
Expected credit loss	3,030,758	2,637,866
Realized gain on the transactions with associates and joint ventures accounted for by the equity method	(11)	(1,907)
Realized gain on foreign currency exchange	(426,075)	(9,144)
Gain on modification of lease	(18,452)	(3,572)
Reversal of provisions	(768)	(165,207)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	799,393	2,907,437
Notes and trade receivable	(37,104,507)	(28,006,111)
Other receivables	(1,252,396)	(1,172,508)
Inventories	(30,264)	930,791
Other current assets	2,077,715	(184,538)
Finance lease receivables	(923,895)	(279,217)
Available-for-operating-lease assets	(7,844,454)	(6,525,542)
Incremental cost of obtaining a contract	(4,082,145)	(3,308,711)
Other operating assets	(1,546,485)	(559,787)
Notes and trade payable	(686,452)	(1,370,271)
Other payables	(1,605,493)	(2,576,102)
Provisions	(81,276)	(147,069)
Guarantee deposits received	764,869	220,859
Other current liabilities	(544,723)	843,456
Accrued pension liabilities	(169,555)	(67,164)
Other operating liabilities	2,654	(24,993)
Cash used in operations	(45,413,568)	(33,006,967)
Interest received	21,346,741	17,590,226

(Continued)



## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Interest paid	\$ (3,670,922)	\$ (3,050,186)
Income tax paid	<u>(2,240,874)</u>	<u>(1,728,122)</u>
Net cash used in operating activities	<u>(29,978,623)</u>	<u>(20,195,049)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(24,939)	(80,000)
Proceeds from financial assets at fair value through other comprehensive income	7,042	33,867
Purchase of financial assets at amortized cost	(5,083,632)	(7,308,276)
Proceeds from financial assets at amortized cost	6,270,107	5,263,314
Payments for investments accounted for using the equity method	(4,275,166)	(552,150)
Proceeds from disposal of investments accounted for using the equity method	-	116,163
Net cash outflow on disposal of subsidiary	-	(9,108)
Payments for property, plant and equipment	(1,075,671)	(1,825,619)
Proceeds from disposal of property, plant and equipment	353,442	962,291
Increase in refundable deposits	(56,863)	(521,149)
Payments for intangible assets	(201,939)	(155,054)
Proceeds from disposal of intangible assets	-	24,991
Payments for right-of-use assets	(2,344)	-
Payments for investment properties	(813,153)	(2,210,804)
Proceeds from disposal of investment properties	-	1,418
Dividends received	<u>2,169,455</u>	<u>3,652,256</u>
Net cash used in investing activities	<u>(2,733,661)</u>	<u>(2,607,860)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	211,947,914	134,704,861
Repayment of short-term borrowings	(187,897,925)	(138,199,987)
Proceeds from short-term bonds payable	520,934,266	399,812,930
Repayment of short-term bonds payable	(514,135,207)	(375,549,938)
Issuance of bonds payable	-	3,743,375
Repayment of bonds	(7,000,000)	(2,100,000)
Proceeds from long-term borrowings	41,018,229	23,950,709
Repayment on long-term borrowings	(32,066,605)	(25,531,884)
Change in guarantee deposits	(151,320)	(6,525)
Repayment of lease liabilities	(645,750)	(630,799)
Dividends paid	(2,913,032)	(2,148,097)
Proceeds from disposal of treasury shares	3	-
Change in non-controlling interests	<u>5,464,588</u>	<u>107,267</u>
Net cash generated from financing activities	<u>34,555,161</u>	<u>18,151,912</u>

(Continued)

**YULON MOTOR COMPANY LTD. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>166,250</u>	\$ <u>(93,674)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,009,127	(4,744,671)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>15,292,207</u>	<u>20,036,878</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 17,301,334</u>	<u>\$ 15,292,207</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, 2022 AND 2021 (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 9, 2023.

#### 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 “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs 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.

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 SIGNIFICANT ACCOUNTING POLICIES

##### 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 IFRSs 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

measurement 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.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within an operating cycle after the reporting period; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least an operating cycle 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 noncurrent.

Since the operating cycles of Yulon Finance Co, Ltd., Shinshin Credit Co., Ltd., TAC Leasing Co., Ltd., TAC Financial Leasing Co., Ltd., Yu Rich Financial Services Co., Ltd., Yulon Finance Philippines Corporation, Yulon Motor Finance (China) Co., Ltd., 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**

- Principles for preparing consolidated financial statements

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.

### **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 15 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**

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 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.

### **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.

### **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 34.

##### **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.

a) Financial liability at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading. Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 34.

b) 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. 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. 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.

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 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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about 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.

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications climate change and related government policies and regulations when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### 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 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. 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.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 23,786	\$ 25,797
Checking accounts and demand deposits	14,677,352	12,914,597
Cash equivalent		
Time deposits with original maturities within 3 months	2,422,919	2,351,286
Short-term notes	127,143	-
Repurchase Agreement	50,000	-
Third-party payment service deposits	<u>134</u>	<u>527</u>
	<u>\$ 17,301,334</u>	<u>\$ 15,292,207</u>

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

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic and foreign quoted shares	\$ 8,910	\$ 9,373
Mutual funds	109,540	798,544
Hybrid financial assets		
Structured deposits	399,869	481,222
Principal guaranteed financial assets	<u>163,148</u>	<u>115,198</u>
	<u>\$ 681,467</u>	<u>\$ 1,404,337</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	\$ 2,076
Limited partnership investment	<u>71,985</u>	<u>41,985</u>
	<u>\$ 74,288</u>	<u>\$ 44,061</u>

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

	<u>December 31</u>	
	2022	2021
<u>Current</u>		
Quoted stocks	<u>\$ 157,283</u>	<u>\$ 203,006</u>
<u>Non-current</u>		
Domestic investments		
Quoted stocks	\$ 96,025	\$ 78,701
Domestic unlisted shares	425,940	407,022
Others	<u>979</u>	<u>749</u>
	<u>\$ 522,944</u>	<u>\$ 486,472</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 Group's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	2022	2021
<u>Financial assets - current</u>		
Time deposits with original maturity more than 3 months	\$ 2,506,834	\$ 4,045,631
Reserve account	355,755	325,573
Restricted Bank deposit	449,125	948,703
Pledged time deposits	6,681	7,215
Bank deposit for specified purpose	27,310	22,799
Debt instruments investment	-	239,091
Beneficiary right of the real estate trust (a)	<u>912,281</u>	<u>335,858</u>
	4,257,986	5,924,870
Less: Allowance for impairment loss	<u>(9,115)</u>	<u>(5,038)</u>
	<u>\$ 4,248,871</u>	<u>\$ 5,919,832</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<b><u>Financial assets - non-current</u></b>		
Central Government Development Bonds (b)	\$ 600	\$ 7,478
Pledged time deposits	45,617	45,596
Reserve account	28,467	-
Restricted Bank deposit	563,819	632,633
Time deposits with original maturity more than one year	908,336	434,710
Debt instruments investment	<u>9,900</u>	<u>9,900</u>
	1,556,739	1,130,317
Deduct: Allowance for loss	<u>(3,529)</u>	<u>(3,955)</u>
	<u>\$ 1,553,210</u>	<u>\$ 1,126,362</u>

- a. Shinshin acquired debt instruments which is beneficiary right of the real estate trust since the second half of 2021. As of December 31, 2022 and 2021, with yearly effective interest rates of 3.50%-5.51% and 3.69%-5.01%, respectively, and with maturity date in year 2025.
- 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. As of December 31, 2022 and 2021, Yulon Finance Co, Ltd. and Shinshin pledged Central Government Development Bonds with face value of \$600 thousand and \$2,600 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 36 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>2022</b>	<b>2021</b>
Gross carrying amount	\$ 5,814,725	\$ 7,055,187
Less: Allowance for impairment loss	<u>(12,644)</u>	<u>(8,993)</u>
Amortized cost	<u>\$ 5,802,081</u>	<u>\$ 7,046,194</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. FINANCIAL INSTRUMENTS FOR HEDGING - CURRENT

	<u>December 31</u>	
	2022	2021
<u>Financial assets under hedge accounting</u>		
Cash flow hedges - interest rate swaps	\$ <u>          -</u>	\$ <u>    484</u>
<u>Financial liabilities under hedge accounting</u>		
Cash flow hedges - interest rate swaps	\$ <u>          -</u>	\$ <u>   349</u>

The Group entered into interest rate swap (IRS) contracts to mitigate the risk of adverse changes in interest rates on the cash flow exposure related to outstanding floating-rate debts. The terms of IRS contracts are identical to those for debts under hedging; thus, the Group's management considered these contracts a highly effective tool for hedging. The outstanding IRS contracts at the end of the reporting period were as follows:

December 31, 2022: None

December 31, 2021

<b>Notional Amounts (In Thousands)</b>	<b>Maturity Date</b>	<b>Interest Rates - Receipt</b>	<b>Interest Rates - Payment</b>
\$ 500,000	2022.04.29	Note	0.715%
500,000	2022.05.23	Note	0.708%

Note: Based on the three months TAIBOR - Reuters interest rate prevailing on two operating days before the IRS contract issue date.

## 12. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	2022	2021
Notes and trade receivables	\$ 250,863,512	\$ 210,965,262
Less: Allowance for impairment loss	(6,529,325)	(13,408,027)
Unrealized interest income	<u>(41,960,795)</u>	<u>(30,101,273)</u>
	<u>\$ 202,373,392</u>	<u>\$ 167,455,962</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.

	Not Past Due	1-180 Days	181-365 Days	More Than 365 Days	Total
<u>December 31, 2022</u>					
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>
<u>December 31, 2021</u>					
Gross carrying amount	\$ 171,378,967	\$ 1,413,857	\$ 75,516	\$ 7,995,649	\$180,863,989
Loss allowance (Lifetime ECL)	<u>(5,204,068)</u>	<u>(165,820)</u>	<u>(59,493)</u>	<u>(7,978,646)</u>	<u>(13,408,027)</u>
Amortized cost	<u>\$ 166,174,899</u>	<u>\$ 1,248,037</u>	<u>\$ 16,023</u>	<u>\$ 17,003</u>	<u>\$167,455,962</u>

The movements of the loss allowance of note and trade receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 13,408,027	\$ 12,790,762
Add: Net remeasurement of loss allowance	2,942,531	2,680,281
Add: Amounts recovered	548,136	471,970
Less: Amounts written off (Note 1)	(10,391,138)	(2,526,014)
Foreign exchange gains and losses	<u>21,769</u>	<u>(8,972)</u>
Balance at December 31 (Note 2)	<u>\$ 6,529,325</u>	<u>\$ 13,408,027</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, 2022, the balance included the loss allowance of receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. and Dong Feng Yulon Motor Sales Co., Ltd. was \$214,713 thousand and \$160,301 thousand.

### 13. FINANCE LEASE RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Undiscounted lease payments</u>		
Year 1	\$ 19,056,021	\$ 19,366,566
Year 2	7,486,885	7,190,101
Year 3	2,327,677	2,357,714
Year 4	1,061,926	1,038,361
Year 5	182,678	282,865
Year 5 onwards	<u>292,828</u>	<u>309,386</u>
	30,408,015	30,544,993
Less: Unearned finance income	(3,145,139)	(3,396,171)
Less: Allowance for impairment loss	<u>(1,762,765)</u>	<u>(2,860,042)</u>
Discounted unguaranteed residual value	<u>\$ 25,500,111</u>	<u>\$ 24,288,780</u>
Net investment in leases presented as finance lease receivables	<u>\$ 25,500,111</u>	<u>\$ 24,288,780</u>

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.52 years.

The Group has been subleasing parts of its land and buildings since 2021. 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 13.13 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 leases were approximately 3.43%-13.98% and 2.54%-13.98% per annum as of December 31, 2022 and 2021, 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, 2022

	<b>Not Past Due</b>	<b>1-180 Days</b>	<b>More Than 180 Days</b>	<b>Total</b>
Gross carrying amount	\$ 23,963,102	\$ 2,139,016	\$ 1,160,758	\$ 27,262,876
Loss allowance (Lifetime ECL)	<u>(329,710)</u>	<u>(272,297)</u>	<u>(1,160,758)</u>	<u>(1,762,765)</u>
Amortized cost	<u>\$ 23,633,392</u>	<u>\$ 1,866,719</u>	<u>\$ -</u>	<u>\$ 25,500,111</u>

December 31, 2021

	<b>Not Past Due</b>	<b>1-180 Days</b>	<b>More Than 180 Days</b>	<b>Total</b>
Gross carrying amount	\$ 23,635,912	\$ 1,385,199	\$ 2,127,711	\$ 27,148,822
Loss allowance (Lifetime ECL)	<u>(461,609)</u>	<u>(270,722)</u>	<u>(2,127,711)</u>	<u>(2,860,042)</u>
Amortized cost	<u>\$ 23,174,303</u>	<u>\$ 1,114,477</u>	<u>\$ -</u>	<u>\$ 24,288,780</u>

The movements of the loss allowance of finance lease receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 2,860,042	\$ 3,209,147
Add: Net remeasurement of loss allowance	76,489	(4,757)
Add: Amounts recovered	38,433	28,253
Less: Amounts written off (Note 1)	(1,255,618)	(359,421)
Foreign exchange gains and losses	<u>43,419</u>	<u>(13,180)</u>
Balance at December 31 (Note 2)	<u>\$ 1,762,765</u>	<u>\$ 2,860,042</u>

Note 1: In 2022, as Dongfeng Yulon Motor Co., Ltd. obtained approval from the court for bankruptcy and the reorganization plan, related lease receivable and the loss allowance of \$138,164 thousand were written off. Due to the disposal of finance lease receivables of TAC Financial Leasing Co., Ltd., related lease receivables and the loss allowance of \$740,308 thousand were written off.

Note 2: As of December 31, 2022, the balance included the loss allowance of receivable from related party of the Group - Dongfeng Yulon Motor Co., Ltd. of \$151,351 thousand.

#### 14. OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other receivable - at amortized cost	\$ 5,439,000	\$ 11,926,236
Less: Allowance for impairment loss	<u>(949,003)</u>	<u>(9,041,317)</u>
	<u>\$ 4,489,997</u>	<u>\$ 2,884,919</u>

The movements of the loss allowance of other receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 9,041,317	\$ 9,133,378
Add: Net remeasurement of loss allowance	8,087	(42,696)
Less: Actual write-off (Note 1)	(8,263,436)	(21,975)
Foreign exchange gains and losses	<u>163,035</u>	<u>(27,390)</u>
Balance at December 31 (Note 2)	<u>\$ 949,003</u>	<u>\$ 9,041,317</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, 2022, the balance included the loss allowance of receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. and Dong Feng Yulon Motor Sales Co., Ltd. of \$175,342 thousand and \$687,438 thousand, respectively.

## 15. INVENTORIES

The Group's inventories include finished goods, work in progress, raw materials, properties for sale and construction land.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 3,144,231	\$ 2,808,628
Work in progress	342,349	291,276
Raw materials	<u>3,029,540</u>	<u>2,750,759</u>
	<u>6,516,120</u>	<u>5,850,663</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>626,367</u>	<u>1,159,969</u>
	<u>630,708</u>	<u>1,164,310</u>
<u>Construction land</u>		
Property under construction	<u>2,736,092</u>	<u>3,447,294</u>
	<u>\$ 9,882,920</u>	<u>\$ 10,462,267</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$36,055,975 thousand and \$42,271,840 thousand, respectively.

The cost of goods sold for the years ended December 31, 2022 and 2021 included reversal of inventory write-downs of \$186,346 thousand and \$178,678 thousand, respectively. The reversal of previous write-downs resulted from the disposal of partial inventories with longer aging.

Hangzhou Yulon Motor Building was completed in December 2021 and was reclassified to properties for sale, property for own use, and investment properties by nature; refer to Notes 18 and 19. In addition, the land use right related to the Hangzhou Yulon Motor Building was also reclassified from the rights-of-use assets to properties for sale; refer to Note 20.

As Yulon City Shopping Mall changed the use of part of the land, the Company transferred part of the carrying amount to investment property, please refer to Note 19.

The amount of inventories pledged as collateral for bank borrowings was disclosed in Note 36.

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	
			2022	2021		
The Company	Yulon Finance Corporation (“Yulon Finance Corporation”)	Sale and lease of cars and parts	42.92	45.75	The Group subscribed for the shares at a percentage different from its original ownership percentage in the 3rd quarter of 2022.	
	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	80.10	The company acquired 19.9% of Yue Sheng from non-related parties in 1st quarter of 2022	
	China Cast Iron Pipe Co., Ltd. (“China Cast Iron”)	Metal casting and related business	77.66	77.66	-	
	Car-plus Auto Leasing Corporation (“Car-plus Auto”)	Car lease and trade	-	3.46	Sold to YFC in 3rd quarter of 2022.	
	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.	
	Yulon Construction Co., Ltd. (“Yulon Construction”)	Construction	100.00	100.00	-	
	Haitec Co., Ltd. (“Haitec”)	Product design of cars	99.99	61.09	Capital increase 1.92% by the Company in the 3rd quarter of 2022. The Company acquired 36.98% from Luxgen Motor Co., Ltd. in the 4th quarter of 2022. The Group owned 99.99% of Haitec in the two reporting periods.	
	Yulon Finance Corporation	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	-
		Shinshin	Installment-related financing services for car and truck purchases	100.00	100.00	-
Shinshin	Car-plus Auto	Car lease and trade	88.78	68.57	YFC acquired 3.46% and 15.05% of Car-plus Auto from the Company and non-related parties, respectively, in the 3rd quarter of 2022. YFC acquired 1.7% from non-related parties in 4st quarter of 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	73.26	The Group owned 93.04% of Sin Gan in the two reporting periods.	
	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.	
	Yu Rich Financial Services Co., Ltd. (“Yu Rich”)	Installment 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	-	
	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	-	
	YES-Energy	Wholesale and retail of batteries	-	100.00	YES-Energy disposal of 100% capital to Carplus Auto.	
	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	-
	YES-Energy	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	100.00	-	
YES Charging Service Co., Ltd. (Original: Power Engineering Co., Ltd.)		Wholesale and retail of batteries	100.00	-	Car-plus Auto acquired 100% of the capital of YES Charging Service Co., Ltd. from YES-Energy in the 3rd quarter of 2022.	
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	-	
Singgual Da-Wei	Sin Jiang Enterprises (“Sin Jang”)	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	-	
	Genwise Auto Technology Co., Ltd. (Shanghai)	Sale of car parts	100.00	100.00	-	
	Da Teng Traffic Co., Ltd.	Taxi	100.00	100.00	-	
	Dachuan Transportation Co., Ltd.	Taxi	100.00	100.00	-	
	Damu Transportation Co., Ltd.	Taxi	100.00	100.00	-	
	Dajun Transportation Co., Ltd.	Taxi	100.00	100.00	-	
Yong-Xiang Transportation Co., Ltd. (“Yong-Xiang”)	Taxi transportation	100.00	100.00	-		

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			2022	2021	
	Guo-Ma Transportation Co., Ltd. ("Guo-Ma")	Taxi transportation	100.00	100.00	-
	Jin-Yu Transportation Co., Ltd. ("Jin-Yu")	Taxi transportation	100.00	100.00	-
	Zhong-Xing Automobile Co., Ltd. ("Zhong-Xing")	Taxi transportation	100.00	100.00	-
	Li-Yang Automobile Co., Ltd. ("Li-Yang")	Taxi transportation	100.00	100.00	-
	He-Yang Transportation Co., Ltd. ("He-Yang")	Taxi transportation	100.00	100.00	-
	Jia-Yu Transportation Co., Ltd. ("Jia-Yu")	Taxi transportation	100.00	100.00	-
	Tian-Yang Transportation Co., Ltd. ("Tian-Yang")	Taxi transportation	100.00	100.00	-
Diamond Leasing	H.K. Manpower Service Co., Ltd. ("H.K. Manpower")	Temporary labor services	100.00	100.00	-
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd. ("Sinjang Samoa")	Holding company	71.34	71.34	The Group owned 100% of Sinjang (Samoa) in the two reporting periods.
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	60.00	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	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	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	-
	Sinjang International Investment (Samoa) Co., Ltd.	Holding company	28.66	28.66	The Group owned 100% of Sinjang (Samoa) in the two reporting periods.
Shinshin Samoa	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	100.00	Capital increase by TAC Leasing in 2nd quarter of 2022. The Group owned 100% of Car-Plus Leasing (Shanghai) in the two reporting periods.
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 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	46.49	-	Capital increase by TAC Leasing in 2nd quarter of 2022. The Group owned 100% of Car-Plus Leasing (Shanghai) in the two reporting periods.
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	-	100.00	Merged by Zhe Jiang Cheng Yi Company in 2nd quarter of 2022
Yulon Finance Overseas	Yulon Finance Philippines	Holding company	100.00	100.00	-
Yulon Finance Philippines	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	-
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	-
	Luxgen Motor Taoyuan Co., Ltd. ("Luxgen Taoyuan")	Sale, maintenance and repair of cars and related products	20.00	20.00	The Group owned 79.99% of Luxgen Taoyuan in the two reporting periods.
	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	100.00	-
Sin Chi Company	Yu Chia Motor Co., Ltd. ("Yu Chia")	Sale, maintenance and repair of heavy vehicles and parts	100.00	100.00	-
	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")	Render consulting services on cars, electronics, textiles and related products	100.00	100.00	-
	Luxgen (Hangzhou) Motor Sales Co., Ltd. ("LUXGEN (Hangzhou) Motor Sales")	Sale, maintenance and repair of cars and parts	-	97.75	Yulon China (HK) Holding disposal of 97.75% capital to Chuang Jie New Energy Co., Ltd. in 4th quarter of 2022.
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.

(Continued)



Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31, 2022	2021	
Chuang Jie New Energy Co., Ltd.	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale, maintenance and repair of cars and parts	100.00	2.25	The company acquired 97.75% from Yulin China (HK) Holding in 4th quarter of 2022
	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	56.26	-	Chuang Jie New Energy Co., Ltd. acquired 50.18% and 6.08% from Haitec China Investment and Hang Zhou hsiao Yu in 4th quarter of 2022
Xiamen Young Chang Feng Hua	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.
Qing Yi	Su Zhou Cheng Long Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Long")	Sale and maintenance of cars and parts	100.00	100.00	-
	Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")	Manufacturing of key car components,	44.11	44.11	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.
Wen Yang	Hangzhou Liangrun Motor Parts Co., Ltd. ("Hangzhou Liangrun")	Manufacturing of car seats and developing the related market	20.50	20.50	The Group owned 100% of Hangzhou Liangrun in the two reporting periods.
	Qing Tai (Nan Jing) Technology Co., Ltd. ("Qing Tai")	Computer software maintenance and computer system integration	100.00	100.00	-
Qing Tai	Tai Feng (Nan Jing) Software Technology Co., Ltd. ("Tai Feng")	Computer software maintenance and computer system integration	100.00	100.00	-
	Ke Yu (Nan Jing) Information Technology Co., Ltd. ("Ke Yu")	Computer software maintenance and computer system integration	100.00	100.00	-
Tai Feng	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	-
Yi Ding	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.
Sheng Qing	Dong Tai	Investments	100.00	100.00	-
	Hang Zhou Tang Yu Investment Co., Ltd. ("Hang Zhou Tang Yu")	Investments	29.56	29.56	The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.
Sheng Qing	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	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.
	Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	100.00	100.00	-
Gao Te	Zhu Hai Fu Te En Industry & Trade Co., Ltd. ("Zhu Hai Fu Te En")	Sale and maintenance of cars and parts	51.00	51.00	-
	Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. ("Guang Zhou Yuan Du")	Sale and maintenance of cars and parts	40.00	40.00	-
Gao Te	Su Zhou Feng Shen Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shen")	Sale and maintenance of cars and parts	100.00	100.00	-
	Nanjing Hanhong Motor Trading Co., Ltd. ("Nanjing Hanhong")	Sale and maintenance of cars and parts	100.00	100.00	-
Gao Te	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	-
Gao Te	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	-
Gao Te	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai 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.
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	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.
Su Zhou Cheng Long	Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	100.00	100.00	-
	Hang Zhou Qien Yu Investment Co., Ltd. ("Hang Zhou Qien Yu")	Investments	100.00	100.00	-
Su Zhou Feng Shen	Su Zhou Cheng Guo Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Guo")	Sale and maintenance of cars and parts	100.00	100.00	-
	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 Shun	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 Feng Shun	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 Cheng Pang Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Pang")	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Feng Shun	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	-
Nanjing Hanhong	Hang Zhou Hua You Auto Sales & Services Co., Ltd. ("Hang Zhou Hua You")	Sale and maintenance of cars and parts	100.00	100.00	-
	Nan Jing Yu Shang Auto Sale & Service Co., Ltd. ("Nan Jing Yu Shang")	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	9.00	9.00	The Group owned 99% of Hang Zhou Hsiao Yu in the two reporting periods.
Yulon Philippine	Hang Zhou Tang Yu	Investments	-	6.08	Sold to Chuang Jie New Energy Co., Ltd. in 4th quarter of 2022 equity.
	Hang Zhou Hsiao Yu	Product design of cars	100.00	100.00	-
Y-Teks	St. Cruz Island Corporation (SCIC)	Plant lease	100.00	100.00	-
	YuHsin Intl Investment Co., Ltd. ("YuHsin Intl")	Investments	66.67	66.67	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2022	2021	
Yu-Hsin Intl	YuHsin Intl (H.K) Investment Co., Ltd. ("YuHsin Intl HK")	Investments	100.00	100.00	-
Yu-Hsin Intl HK	Hangzhou YTek Automotive Trim Parts ("Hangzhou Y-Teks")	Manufacturing and sale of car interior furnishing and related business	100.00	100.00	-
	Changzhou YTek Automotive Trim Parts ("Changzhou Y-Teks")	Manufacturing and sale of car interior furnishing and related business	51.00	51.00	-
Union & NKH Uni Investment	Uni Investment Co., Ltd. ("Uni Investment")	Investments	100.00	100.00	-
	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	79.50	79.50	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	YTek Co., Ltd. ("YTek")	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 YTek 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	-
	Luxgen Kaohsiung Co., Ltd. ("Luxgen Kaohsiung")	Sale, maintenance and repair of cars and parts	3.50	3.50	The Group owned 96.44% of Luxgen Kaohsiung in the two reporting periods.
Empower	Chunmin Enterprise Co., Ltd. ("Chunmin")	Comprehensive retail of car parts	100.00	100.00	-
	Luxgen Motor Taichung Co., Ltd. ("Luxgen Taichung")	Sale, maintenance and repair of cars and parts	1.10	1.10	The Group owned 98.83% of Luxgen Taichung in the two reporting periods.
	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	-
Hong Yen	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	-
	Luxgen Taipei	Sale, maintenance and repair of cars and parts	99.99	99.99	-
	Luxgen Motor Taoyuan Co., Ltd. ("Luxgen Taoyuan")	Sale, maintenance and repair of cars and parts	59.99	59.99	The Group owned 79.99% of Luxgen Taoyuan in the two reporting periods.
	Luxgen Motor Taichung Co., Ltd. ("Luxgen Taichung")	Sale, maintenance and repair of cars and parts	97.73	97.73	The Group owned 98.83% of Luxgen Taichung in the two reporting periods.
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	94.18	94.18	-
	Luxgen Kaohsiung Co., Ltd. ("Luxgen Kaohsiung")	Sale, maintenance and repair of cars and parts	92.94	92.94	The Group owned 96.44% of Luxgen Kaohsiung in the two reporting periods.
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	19.78	19.78	The Group owned 93.04% of Sin Gan in the two reporting periods.
	Haitec Co., Ltd. ("Haitec")	Product design of cars	-	38.90	The Group subscribed for the shares at a percentage different from its original ownership 1.92% in the 3rd quarter of 2022. ; Sold 36.98% to the Company in 4th quarter of 2022.
Haitec	HuaChung Overseas Investment Co., Ltd. ("HuaChung Overseas")	Wholesale and retail of cars and parts	100.00	100.00	-
Hua-Chung Overseas	Haitec China Overseas Investment Co., Ltd. ("HuaChung Overseas")	Investments	100.00	100.00	-
Haitec China	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	-	50.18	Sold to Chuang Jie New Energy Co., Ltd. in 4th quarter of 2022 equity.

(Concluded)

- b. Subsidiaries excluded from the consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2022	2021
YFC	57.08%	54.25%

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 For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2022	2021	2022	2021
	YFC (excluding its subsidiaries' non-controlling interests)	\$ 3,186,241	\$ 2,782,132	\$ 19,707,737

The summarized financial information below represents amounts before intragroup eliminations.

Yulon Finance Corporation and Yulon Finance Corporation's subsidiaries:

	December 31	
	2022	2021
Current assets	\$ 244,877,487	\$ 206,489,620
Non-current assets	28,793,365	25,621,805
Current liabilities	(232,323,473)	(201,884,859)
Non-current liabilities	<u>(5,415,931)</u>	<u>(4,696,787)</u>
Equity	<u>\$ 35,931,448</u>	<u>\$ 25,529,779</u>
Equity attributable to:		
Owners of Yulon Finance Corporation	\$ 15,925,251	\$ 11,808,783
Non-controlling interests of Yulon Finance Corporation	19,707,737	13,092,936
Non-controlling interests of Yulon Finance Corporation's subsidiaries	<u>298,460</u>	<u>628,060</u>
	<u>\$ 35,931,448</u>	<u>\$ 25,529,779</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 36,556,719</u>	<u>\$ 31,962,181</u>
Net profit from continuing operations	\$ 6,128,432	\$ 5,359,643
Other comprehensive income (loss) for the year	<u>142,793</u>	<u>(56,220)</u>
Total comprehensive income for the year	<u>\$ 6,271,225</u>	<u>\$ 5,303,423</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit attributable to:		
Owners of YFC	\$ 2,854,467	\$ 2,486,033
Non-controlling interests of YFC	3,186,241	2,782,132
Non-controlling interests of YFC's subsidiaries	<u>87,724</u>	<u>91,478</u>
Total net revenue	<u>\$ 6,128,432</u>	<u>\$ 5,359,643</u>
Total comprehensive income attributable to:		
Owners of YFC	\$ 2,948,305	\$ 2,456,628
Non-controlling interests of YFC	3,235,250	2,759,508
Non-controlling interests of YFC's subsidiaries	<u>87,670</u>	<u>87,287</u>
Total comprehensive income	<u>\$ 6,271,225</u>	<u>\$ 5,303,423</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (30,411,632)	\$ (23,500,178)
Investing activities	(2,034,883)	(908,433)
Financing activities	32,766,620	23,624,921
Net foreign exchange gains/(losses)	<u>43,414</u>	<u>(25,361)</u>
Net cash inflow (outflow)	<u>\$ 363,519</u>	<u>\$ (809,051)</u>
Dividends paid to non-controlling interest:		
Non-controlling interests of YFC	\$ 1,235,019	\$ 942,075
Non-controlling interests of YFC's subsidiaries	<u>34,238</u>	<u>63,209</u>
	<u>\$ 1,269,257</u>	<u>\$ 1,005,284</u>

(Concluded)

**17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Investment in associates	\$ 24,243,626	\$ 28,028,713
Investment in joint venture	<u>-</u>	<u>-</u>
	<u>\$ 24,243,626</u>	<u>\$ 28,028,713</u>

a. Investments in associates

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Material associates		
Yulon Nissan Motor Co., Ltd.	\$ 9,545,655	\$ 9,455,834
China Motor Company	3,217,252	4,094,778
Foxtron Vehicle Technologies Co., Ltd.	<u>6,471,302</u>	<u>7,137,305</u>
	19,234,209	20,687,917
Non-material associates	<u>5,009,417</u>	<u>7,340,796</u>
	<u>\$ 24,243,626</u>	<u>\$ 28,028,713</u>

1) Material associates

<b>Name</b>	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Yulon Nissan Motor Co., Ltd.	50.02%	50.02%
China Motor Company	8.86%	8.86%
Foxtron Vehicle Technologies Co., Ltd.	49.00%	49.00%

For the information of associates' main business, operating location and registered country, please refer to Table 9.

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 Co., Ltd. ("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 held 49% of the joint venture and 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.

In accordance with the joint loan contract, Haitec pledged all of its shares in Foxtron Technologies to the joint loan financial institutions. Please refer to Note 36 for further information regarding the amount of pledged investments accounted for using the equity method.

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	
	2022	2021
Yulon Nissan Motor Co., Ltd.	\$ 28,359,450	\$ 37,362,450
China Motor Company	2,526,899	3,110,784

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 IFRSs adjusted by the Group for equity accounting purposes.

Yulon Nissan Motor Co., Ltd. and subsidiaries

	December 31	
	2022	2021
Current assets	\$ 5,543,472	\$ 5,203,802
Non-current assets	18,967,394	19,449,673
Current liabilities	(2,291,460)	(2,321,931)
Non-current liabilities	<u>(2,997,916)</u>	<u>(3,330,836)</u>
Equity	<u>\$ 19,221,490</u>	<u>\$ 19,000,708</u>
Proportion of the Group's ownership	50.02%	50.02%
Equity attributable to the Group	\$ 9,614,590	\$ 9,504,154
Unrealized gain with associates	<u>(68,935)</u>	<u>(48,320)</u>
Carrying amount	<u>\$ 9,545,655</u>	<u>\$ 9,455,834</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 23,607,191</u>	<u>\$ 24,668,384</u>
Net income	\$ 2,410,581	\$ 3,025,993
Other comprehensive income	<u>528,201</u>	<u>(140,836)</u>
Total comprehensive income	<u>\$ 2,938,782</u>	<u>\$ 2,885,157</u>
Dividends received from Yulon Nissan Motor Co., Ltd.	<u>\$ 1,359,453</u>	<u>\$ 2,780,427</u>

China Motor Company and subsidiaries

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 17,381,582	\$ 19,520,745
Non-current assets	31,108,057	35,214,369
Current liabilities	(7,521,517)	(6,765,189)
Non-current liabilities	<u>(4,921,174)</u>	<u>(1,644,897)</u>
Equity	36,046,948	46,325,028
Non-controlling interest	<u>(3,718,084)</u>	<u>(3,652,898)</u>
	<u>\$ 32,328,864</u>	<u>\$ 42,672,130</u>
Proportion of the Group's ownership	8.86%	8.86%
Equity attributable to the Group	\$ 2,864,337	\$ 3,780,751
Unrealized gain in associates	(73)	(90)
Intersect shareholding (accounted for by the treasury stock method)	<u>352,988</u>	<u>314,117</u>
Carrying amount	<u>\$ 3,217,252</u>	<u>\$ 4,094,778</u>

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 29,553,870</u>	<u>\$ 31,125,399</u>
Net (loss) income	\$ (7,604,445)	\$ 4,403,484
Other comprehensive income	<u>557,494</u>	<u>186,693</u>
Total comprehensive (loss) income	<u>\$ (7,046,951)</u>	<u>\$ 4,590,177</u>
Dividends received from China Motor Company	<u>\$ 269,864</u>	<u>\$ 343,553</u>

Foxtron Technologies

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 5,416,246	\$ 6,863,186
Non-current assets	8,763,979	8,230,562
Current liabilities	(840,325)	(452,833)
Non-current liabilities	<u>(133,161)</u>	<u>(74,986)</u>
Equity	<u>\$ 13,206,739</u>	<u>\$ 14,565,929</u>

(Continued)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Proportion of the Group's ownership	49.00%	49.00%
Equity attributable to the Group	<u>\$ 6,471,302</u>	<u>\$ 7,137,305</u>
Carrying amount	<u>\$ 6,471,302</u>	<u>\$ 7,137,305</u> (Concluded)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Revenue	<u>\$ 296,114</u>	<u>\$ 66,218</u>
Net loss	\$ (1,357,085)	\$ (784,587)
Other comprehensive income (loss)	<u>775</u>	<u>(549)</u>
Total comprehensive loss	<u>\$ (1,356,310)</u>	<u>\$ (785,136)</u>

2) Aggregate information of associates that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The Group's share of:		
(Loss) profit for the year	\$ (9,506,563)	\$ 617,107
Other comprehensive income (loss)	<u>(23,488)</u>	<u>107,079</u>
Total comprehensive (loss) income for the year	<u>\$ (9,530,051)</u>	<u>\$ 724,186</u>

The loss after tax of Tokio Marine Newa Insurance Co., Ltd. of \$47,075,677 thousand was mainly due to the recognition of pandemic insurance claim loss. 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 by the equity method.

In September 2022, Tokio Marine Newa Insurance Co., Ltd. implemented a capital reduction to offset their loss, and the percentage of ownership interest remains unchanged after the capital reduction. In August and December 2022, the Company's board of directors resolved the capital increase of \$3,025,086 thousand and \$1,241,395 thousand for Tokio Marine Newa Insurance Co., Ltd, respectively.

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the Philippine 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 Philippine.



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, 2022 and 2021 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, 2022 and 2021 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

	<u>December 31</u>	
	2022	2021
Joint ventures that are not individually material	\$ _____ -	\$ _____ -
	<u>For the Year Ended December 31</u>	
	2022	2021
The Group's share of:		
Net income for the year	\$ _____ -	\$ _____ -
Total comprehensive income (loss) for the year	\$ _____ -	\$ _____ -

The Group exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. ("Dong Yu Tech. Company"), whose 25% investment in this entity and 25% of total number of directors were made through and composed of Yulon China Motor Investment, Dong Feng Yulon Sales Company and Singgual Travel. Dong Yu Tech. Company's main business is car furnishing, installation and sale of car parts. As of December 31, 2021, 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. As of December 31, 2022, the carrying amount of the investment was zero.

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, 2022 and 2021 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.

## 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, 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>
<b>Cost</b>							
Balance at January 1, 2021	\$ 6,879,441	\$ 9,496,606	\$ 20,153,698	\$ 1,604,881	\$ 6,950,524	\$ 434,109	\$ 45,519,259
Effect of disposal of consolidated entities	-	(203,335)	(20,030)	(30,655)	(35,255)	-	(289,275)
Additions	-	116,205	540,215	620,161	169,362	380,835	1,826,778
Disposals	(26,559)	(192,000)	(1,479,714)	(1,012,096)	(1,189,564)	(186,339)	(4,086,272)
Effect of foreign currency exchange differences	(4,697)	(24,515)	(33,528)	(5,755)	(22,441)	(528)	(91,464)
Reclassifications	(140,461)	(690,815)	949,544	(186,920)	(124,016)	(60,219)	(252,887)
Balance at December 31, 2021	<u>\$ 6,707,724</u>	<u>\$ 8,502,146</u>	<u>\$ 20,110,185</u>	<u>\$ 989,616</u>	<u>\$ 5,748,610</u>	<u>\$ 567,858</u>	<u>\$ 42,626,139</u>
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2021	\$ -	\$ (4,652,847)	\$ (17,744,407)	\$ (746,046)	\$ (5,078,345)	\$ (53,019)	\$ (28,274,664)
Effect of disposal of consolidated entities	-	104,695	15,870	12,390	25,095	-	158,050
Disposals	-	87,306	1,353,362	504,067	915,243	-	2,859,978
Reclassifications	-	361,746	(156,052)	41,124	131,340	-	378,158
Impairment loss	-	(10,984)	(726,597)	(54,001)	16,134	-	(775,448)
Depreciation expense	-	(257,877)	(422,506)	(198,460)	(446,107)	-	(1,324,950)
Effect of foreign currency exchange differences	-	16,689	32,474	3,658	13,633	-	66,454
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (4,351,272)</u>	<u>\$ (17,647,856)</u>	<u>\$ (437,268)</u>	<u>\$ (4,423,007)</u>	<u>\$ (53,019)</u>	<u>\$ (26,912,422)</u>
Carrying amount at December 31, 2021	<u>\$ 6,707,724</u>	<u>\$ 4,150,874</u>	<u>\$ 2,462,329</u>	<u>\$ 552,348</u>	<u>\$ 1,325,603</u>	<u>\$ 514,839</u>	<u>\$ 15,713,717</u>

For the years ended December 31, 2022 and 2021, there were reversal of impairment losses \$(28,640) thousand and impairment losses \$775,448 thousand. 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 impairment loss is caused by the recoverable amounts (fair value less costs to sell) of equipment were lower than the carrying amounts.

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, 2022 and 2021.

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	4-5 years
Miscellaneous equipment	1-15 years

b. Assets leased under operating leases

	<b>Vehicles</b>
<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>
<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>
<u>Cost</u>	
Balance at January 1, 2021	\$ 28,587,691
Additions	10,436,658
Disposals	(8,674,226)
Reclassifications	(538,934)
Effect of foreign currency exchange differences	<u>(5,702)</u>
Balance at December 31, 2021	<u>\$ 29,805,487</u>

(Continued)

**Vehicles**Accumulated depreciation and impairment

Balance at January 1, 2021	\$ (10,290,011)
Disposals	4,906,293
Recognized reversal of impairment losses	94,040
Reclassifications	601,267
Depreciation	(5,266,640)
Effect of foreign currency exchange differences	<u>2,201</u>
Balance at December 31, 2021	<u>\$ (9,952,850)</u>
Carrying amounts at December 31, 2021	<u>\$ 19,852,637</u> (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, 2022 and 2021, the Group recognized reversal of impairment losses due to the sale of second-handed vehicles for \$88,522 thousand and \$94,040 thousand. The impairment loss had been reversed due to sale of the used cars.

Property, plant and equipment pledged as collateral for bank borrowings were disclosed in Note 36.

**19. INVESTMENT PROPERTIES**

	<b>Freehold Land</b>	<b>Buildings</b>	<b>Right-of-use</b>	<b>Total</b>
<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	<u>-</u>	<u>16,083</u>	<u>(1,496)</u>	<u>14,587</u>
Balance at December 31, 2022	<u>\$ 6,601,190</u>	<u>\$11,413,251</u>	<u>\$ 260,761</u>	<u>\$ 18,275,202</u>

(Continued)

	Freehold Land	Buildings	Right-of-use	Total
<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>
<u>Cost</u>				
Balance at January 1, 2021	\$ 5,636,388	\$ 7,554,988	\$ -	\$ 13,191,376
Reclassifications	167,549	1,231,407	-	1,398,956
Additions	-	2,210,804	-	2,210,804
Disposals	(905)	(565)	-	(1,470)
Effect of foreign currency exchange differences	(528)	(20,260)	-	(20,788)
Balance at December 31, 2021	<u>\$ 5,802,504</u>	<u>\$ 10,976,374</u>	<u>\$ -</u>	<u>\$ 16,778,878</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2021	\$ -	\$ (1,359,086)	\$ -	\$ (1,359,086)
Reclassifications	-	(417,617)	-	(417,617)
Recognized Impairment loss	-	(36)	-	(36)
Depreciation expense	-	(61,890)	-	(61,890)
Disposal	-	173	-	173
Effect of foreign currency exchange differences	-	13,567	-	13,567
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (1,824,889)</u>	<u>\$ -</u>	<u>\$ (1,824,889)</u>
Carrying amount at December 31, 2021	<u>\$ 5,802,504</u>	<u>\$ 9,151,485</u>	<u>\$ -</u>	<u>\$ 14,953,989</u> (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, 2022 and 2021 based on the valuation by an independent professional appraiser were \$38,174,869 thousand and \$29,743,032 thousand.

Investment properties pledged as collateral for bank borrowings were disclosed in Note 36.

## 20. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Land	\$ 796,981	\$ 1,061,357
Buildings	1,364,145	1,549,039
Vehicles	8,330	11,878
Others	<u>1,540</u>	<u>26,287</u>
	<u>\$ 2,170,996</u>	<u>\$ 2,648,561</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions of right-of-use assets	<u>\$ 535,557</u>	<u>\$ 644,855</u>
Depreciation charge for right-of-use assets		
Land	\$ 129,065	\$ 143,880
Buildings	466,901	475,662
Vehicles	7,261	7,010
Others	<u>25,163</u>	<u>25,309</u>
	<u>\$ 628,390</u>	<u>\$ 651,861</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amount</u>		
Current	<u>\$ 589,471</u>	<u>\$ 578,022</u>
Non-current	<u>\$ 1,322,659</u>	<u>\$ 1,623,965</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Land	0.9%-6.41%	0.9%-6.41%
Buildings	0.88%-5.35%	0.88%-7.08%
Vehicles	0.74%-5.34%	0.74%-5.34%
Others	0.9%-6.64%	0.9%-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>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 108,043</u>	<u>\$ 72,292</u>
Expenses relating to low-value asset leases	<u>\$ 7,246</u>	<u>\$ 6,367</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 18,894</u>	<u>\$ 12,826</u>
Total cash outflow for leases	<u>\$ (779,933)</u>	<u>\$ (722,284)</u>

The Group's leases of certain vehicles and office equipment 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>Motor Design and Research and Development Outputs</b>	<b>Others (Including Software)</b>	<b>Total</b>
<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	-	4,173	4,173
Balance at December 31, 2022	<u>\$ 14,150,854</u>	<u>\$ 1,894,313</u>	<u>\$ 16,045,167</u>

(Continued)

	<b>Motor Design and Research and Development Outputs</b>	<b>Others (Including Software)</b>	<b>Total</b>
<u>Accumulated amortization and impairment</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	-	5,798	5,798
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>
<u>Cost</u>			
Balance at January 1, 2021	\$ 13,855,313	\$ 1,762,587	\$ 15,617,900
Additions	99,955	55,099	155,054
Reclassifications	94,242	5,597	99,839
Disposals	-	(16,762)	(16,762)
Effect of foreign currency exchange differences	(618)	(1,586)	(2,204)
Balance at December 31, 2021	<u>\$ 14,048,892</u>	<u>\$ 1,804,935</u>	<u>\$ 15,853,827</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2021	\$ (13,526,994)	\$ (1,287,440)	\$ (14,814,434)
Amortization expense	(127,617)	(92,768)	(220,385)
Impairment loss	(140,177)	(8,805)	(148,982)
Reclassifications	-	450	450
Disposals	-	787	787
Effect of foreign currency exchange differences	-	338	338
Balance at December 31, 2021	<u>\$ (13,794,788)</u>	<u>\$ (1,387,438)</u>	<u>\$ (15,182,226)</u>
Carrying amount at December 31, 2021	<u>\$ 254,104</u>	<u>\$ 417,497</u>	<u>\$ 671,601</u> (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, GPK 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 Motor design and research and development outputs of the Group included mainly GPM model, GPK model and technical cost of electric vehicles as of December 31, 2022.

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, 2022 and 2021. The Group recognized impairment loss in 2022 and 2021 were \$0 thousand and \$140,177 thousand, respectively, due to estimated future cash flows were expected to decrease, and the recoverable amounts were lower than the carrying amounts.

The ownership of vehicle registration plates was acquired by Car-Plus (Suzhou) Auto Leasing Co., Ltd., 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. On December 31, 2022 and 2021, the Group's ownership of vehicle registration plates amount were \$234,611 thousand and \$228,447 thousand.

The decrease in the recoverable amount of vehicle registration plates led to recognition of impairment loss of \$4,728 thousand and \$8,805 thousand in 2022 and 2021, respectively. As the estimated future cash flows expected to arise from the related plates have decreased, the Group carried out a review of the recoverable amount of that related plates and determined that the carrying amount exceeded the recoverable amount; thus, impairment loss was recognized.

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	1-12 years

## 22. BORROWINGS

### a. Short-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Secured borrowings (Note 36)		
Bank loans	\$ 15,738,347	\$ 3,948,005
Unsecured borrowings		
Line of credit borrowings	<u>50,277,866</u>	<u>37,675,917</u>
	<u>\$ 66,016,213</u>	<u>\$ 41,623,922</u>
Interest rate	1.4%-7.97%	0.75%-5.70%

## b. Short-term bills payable

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Commercial paper	\$ 138,557,352	\$ 131,038,822
Less: Unamortized discount on bills payable	<u>(723,524)</u>	<u>(273,923)</u>
	<u>\$ 137,833,828</u>	<u>\$ 130,764,899</u>
Interest rate	0.76%-6.00%	0.37%-1.87%

Yulon Finance Company, Shinshin, Yu Rich, Yulon Motor Finance (China) and TAC Leasing (Suzhou) 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 36).

## c. Long-term borrowings

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Secured borrowings (Note)		
Bank loans	\$ 14,291,656	\$ 8,167,251
Unsecured borrowings		
Credit borrowings	3,435,458	395,575
Commercial paper (recurring)	3,463,663	3,675,383
Less: Current portion long-term borrowings	<u>(2,117,056)</u>	<u>(1,771,703)</u>
	<u>\$ 19,073,721</u>	<u>\$ 10,466,506</u>
Interest rates	0.74%-5.15%	0.74%-5.15%

Note: On July 7, 2020, the board of directors of Haitec Co., Ltd. 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 Co., Ltd. will automatically extend the credit period for 2 years. Haitec made an early repayment of NT\$0.1 billion and NT\$1.67 billion in 2022 and 2021, respectively.

### 23. BONDS PAYABLE

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Convertible bonds</u>		
Unsecured domestic bonds	\$ 19,850,000	\$ 26,850,000
Secured domestic bonds	4,288,000	4,288,000
Less: Discounts on bonds payable	<u>(9,251)</u>	<u>(41,303)</u>
	24,128,749	31,096,697
Less: Current portion	<u>(19,428,749)</u>	<u>(22,796,697)</u>
Bonds payable - non-current	<u>\$ 4,700,000</u>	<u>\$ 8,300,000</u>

#### Unsecured domestic bonds

The Group issued unsecured corporate bonds on December 12, 2017, with each issuance amounting to NT\$7 billion and NT\$3 billion, respectively, and the bonds have five-year maturities and seven-year maturities and simple interest at rates of 1.04% and 1.07%, respectively, payable annually. The principal amounts of both bonds would be repaid on the maturity date. The Group also issued unsecured corporate bonds on December 25, 2018, with each issuance amounting to NT\$3.6 billion and NT\$1.7 billion, respectively, and the bonds have five-year maturities and ten-year maturities and simple interest at rates of 1.18% and 1.80%, respectively, payable annually.

Yulon Finance Corporation issued three-year maturity, unsecured corporate bonds on January 8, 2018, August 20, 2020, and November 9, 2020 with issuance amounts of \$2.1 billion, \$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 the maturity date. The principal amount of the unsecured corporate bond issued on January 8, 2018, had been repaid on January 8, 2021.

Yulon Finance Corporation also issued five-year maturity unsecured corporate bonds on July 9, 2019 August 14, 2019 and June 8, 2021, with issuance amounts of \$2 billion, \$1.9 billion and \$3.75 billion and simple interest rates of 0.90%, 0.90% and 0.73% payable annually. The principal amounts 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.

Yulon Finance Corporation issued three-year maturity secured corporate bonds on January 13, 2020, with issuance amount of \$4.288 billion and simple interest rate of 0.69% payable annually. The principal amount of the bonds is repayable on the maturity date.

**24. OTHER LIABILITIES**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Other payables		
Equipment payables	\$ 849,706	\$ 1,263,403
Accrued expense payable	4,041,531	5,782,909
Dividends payable	136,016	236,260
Others	<u>2,195,936</u>	<u>1,803,050</u>
	<u>\$ 7,223,189</u>	<u>\$ 9,085,622</u>
Other liabilities		
Guarantee deposits received	\$ 11,494,969	\$ 10,694,490
Others	<u>2,772,371</u>	<u>3,393,565</u>
	<u>\$ 14,267,340</u>	<u>\$ 14,088,055</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 564,289	\$ 695,310
Others	<u>29,043</u>	<u>26,144</u>
	<u>\$ 593,332</u>	<u>\$ 721,454</u>

**25. PROVISIONS**

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Financial guarantee provisions	\$ 84,725	\$ 89,048
Warranties	<u>3,100</u>	<u>1,992</u>
	<u>\$ 87,825</u>	<u>\$ 91,040</u>
<u>Non-current</u>		
Warranties	\$ 389,961	\$ 397,396
Other provision	<u>5,076</u>	<u>-</u>
	<u>\$ 395,037</u>	<u>\$ 397,396</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 and YES-Energy recognized provision based on the estimated amount of service costs during the terms of service warranties of the products.

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>2022</b>	<b>2021</b>
Present value of the defined benefit obligation	\$ 1,568,262	\$ 1,834,600
Fair value of plan assets	<u>(1,490,034)</u>	<u>(1,396,437)</u>
Net defined benefit liability	<u>\$ 78,228</u>	<u>\$ 438,163</u>

Movements in net defined benefit liability were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability (Asset)</b>
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 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 amounts included in net interest)	-	(112,003)	(112,003)
Actuarial loss - changes in demographic assumptions	37,052	-	37,052
Actuarial gain - changes in financial assumptions	(125,918)	-	(125,918)
Actuarial loss - experience adjustments	<u>37,949</u>	<u>-</u>	<u>37,949</u>
Recognized in other comprehensive 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>
Balance at January 1, 2021	<u>\$ 2,165,878</u>	<u>\$ (1,491,385)</u>	<u>\$ 674,493</u>
Service cost			
Current service cost	22,369	-	22,369
Net interest expense (income)	<u>10,399</u>	<u>(7,257)</u>	<u>3,142</u>
Recognized in profit or loss	<u>32,768</u>	<u>(7,257)</u>	<u>25,511</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(18,807)	(18,807)
Actuarial loss - changes in demographic assumptions	51,411	-	51,411
Actuarial gain - changes in financial assumptions	(19,998)	-	(19,998)
Actuarial gain - experience adjustments	<u>(161,327)</u>	<u>-</u>	<u>(161,327)</u>
Recognized in other comprehensive income	<u>(129,914)</u>	<u>(18,807)</u>	<u>(148,721)</u>
Contributions from the employer	-	(87,531)	(87,531)
Benefits paid	<u>(234,132)</u>	<u>208,543</u>	<u>(25,589)</u>
Balance at December 31, 2021	<u>\$ 1,834,600</u>	<u>\$ (1,396,437)</u>	<u>\$ 438,163</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>2022</b>	<b>2021</b>
Discount rate(s)	1.14%-1.75%	0.5%-0.69%
Expected rate(s) of salary increase	1%-3%	1%-2.5%

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>2022</b>	<b>2021</b>
Discount rate(s)		
0.25% increase	<u>\$ 27,220</u>	<u>\$ (47,800)</u>
0.25% decrease	<u>\$ 102,408</u>	<u>\$ 54,475</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 101,560</u>	<u>\$ 52,972</u>
0.25% decrease	<u>\$ 27,847</u>	<u>\$ (46,658)</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>2022</b>	<b>2021</b>
The expected contributions to the plan for the next year	<u>\$ 36,986</u>	<u>\$ 98,943</u>
The average duration of the defined benefit obligation	4-12 years	8-13 years

**27. EQUITY**

## a. Share capital

Common shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</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 thousand)	<u>1,000,000</u>	<u>1,000,000</u>
Shares capital	\$ 10,000,000	\$ 10,000,000
Capital surplus	<u>4,508,131</u>	<u>4,508,131</u>
	<u>\$ 14,508,131</u>	<u>\$ 14,508,131</u>

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

## b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</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	\$ 4,508,131	\$ 4,508,131
Arising from treasury share transactions	2,037,021	2,025,731
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	5,658	6,450
<u>Used to offset a deficit only</u>		
Recognizes changes in the Group's ownership interests in subsidiaries	1,333,643	-
Arising from share of changes in capital surplus of associates or joint ventures	<u>38,809</u>	<u>37,706</u>
	<u>\$ 7,923,262</u>	<u>\$ 6,578,018</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 appropriations of earnings for 2021 and 2020, which was approved in the shareholders' meetings on June 17, 2022 and July 15, 2021, respectively, was as follows:

	<b>Appropriation of Earnings</b>		<b>Dividend Per Share (N.T. Dollar)</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 487,801	\$ -		
Reversal of special reserve	-	2,000,000		
Cash dividends	1,500,000	1,000,000	\$ 1.5	\$ 1

The appropriation of earnings for 2022, which was proposed by the Company's board of directors on March 9, 2023, was as follows:

	<b>Appropriation of Earnings</b>	<b>Dividend Per Share (N.T. Dollar)</b>
	<b>2022</b>	<b>2022</b>
Reversal of special reserve	\$ 2,150,000	
Cash dividends	1,000,000	\$ 1

The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on May 31, 2023.

## d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 22,228,565	\$ 24,228,565
Offset deficit	<u>-</u>	<u>(2,000,000)</u>
Balance at December 31	<u>\$ 22,228,565</u>	<u>\$ 22,228,565</u>

On first-time adoption of IFRSs, 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 IFRSs 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 IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

## e. Others equity items

## 1) Exchange differences on translating foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (1,287,377)	\$ (1,118,814)
Exchange differences arising on translating the financial statements of foreign operations	223,012	(89,391)
Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method	<u>288,201</u>	<u>(79,172)</u>
Balance at December 31	<u>\$ (776,164)</u>	<u>\$ (1,287,377)</u>

2) Unrealized gain/(loss) on financial assets at FVTOCI

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 1,712,376	\$ 1,522,597
Unrealized gain/(loss) - equity instruments	(32,001)	88,092
Share from associates accounted for using the equity method	(100,358)	130,541
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>(71,131)</u>	<u>(28,854)</u>
Balance at December 31	<u>\$ 1,508,886</u>	<u>\$ 1,712,376</u>

3) Gain (loss) on hedging instruments

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 62	\$ 24
Interest rate risk - interest rate swaps	<u>(62)</u>	<u>38</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 62</u>

f. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 18,047,660	\$ 16,136,852
Attributable to non-controlling interests:		
Share of profit for the year	3,508,655	3,026,799
Exchange difference arising on translation of foreign entities	95,317	(30,924)
Unrealized gain/(loss) on financial assets at FVTOCI	28	703
Gain/(loss) on hedging instruments	(66)	73
Remeasurement on defined benefit plans	14,277	3,808
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	12,510	(7,571)
Change in percentage of ownership interests in subsidiaries	4,833,394	210,244
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	(713,186)	(6,449)

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
The stock option about non-controlling interest held by the employees of subsidiaries	33,249	-
Changes in capital surplus from associates accounted for using the equity method	11	-
Cash dividends from subsidiaries	<u>(1,450,930)</u>	<u>(1,285,875)</u>
Balance at December 31	<u>\$ 24,380,919</u>	<u>\$ 18,047,660</u> (Concluded)

## g. Treasury shares

Reasons for Redemption	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
<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>
<u>For the year ended December 31, 2021</u>				
Long-term investment of subsidiary transferred to treasury stock	<u>7,527</u>	<u>-</u>	<u>-</u>	<u>7,527</u>

The Company's shares held by subsidiaries as of December 31, 2022 and 2021 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
<u>December 31, 2022</u>			
Yu Ching Business Co., Ltd.	7,526	<u>\$ 376,301</u>	<u>\$ 466,639</u>
<u>December 31, 2021</u>			
Yu Ching Business Co., Ltd.	7,526	\$ 376,301	\$ 315,357
Yu Pong Business Co., Ltd.	1	<u>3</u>	<u>3</u>
		<u>\$ 376,304</u>	<u>\$ 315,360</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) Revenue from the sale of goods

The Group 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 Group recognized revenue when goods are delivered and legal ownership is transferred.

Horizontal Segments property on lease includes property, plant and equipment held for rental to others that are transferred 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.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of risks and rewards of the materials' ownership.

The sale of goods that results in awarded credits for customers under the Group's award scheme is accounted for as a multiple element revenue transaction, and the fair value of the consideration received or receivable is allocated between the goods supplied and the awarded credits granted. The consideration allocated to the awarded credits is measured with reference to their fair value, i.e. the amount for which the awarded credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transactions but is deferred and recognized as revenue when the awarded credits are redeemed and the Group's obligations have been fulfilled.

#### 2) 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.

#### 3) Investment income (included in other operating revenue)

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 these Group entities transfer substantially all the risks and rewards of security ownership to another party.

4) 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.

5) Interest revenue from acquired accounts receivable (included in other operating revenue)

Interest revenues from the accounts receivable of YFC and Shinshin and Yu Rich collectively during the years ended December 31, 2022 and 2021 were \$11,418,328 thousand and \$8,588,841 thousand, respectively. As of December 31, 2022 and 2021, the uncollected accounts receivable of YFC and Shinshin and Yu Rich collectively were \$159,894,963 thousand and \$127,024,387 thousand, respectively, and recognized as accounts receivable.

6) Interest income on installment sales (included in other operating revenue)

Interest revenue on acquired receivables from installment sales of YFC, Shinshin and TAC Leasing (Suzhou) in 2022 and 2021 amounted to \$4,158,757 thousand and \$3,074,744 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.

7) Agency revenue (included in other operating revenue)

Agency revenues of YFC and Shinshin recognized for the years ended December 31, 2022 and 2021 were \$175,679 thousand and \$232,789 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, 2022 and 2021, the managerial service account balances of the loans provided by YFC and Shinshin collectively were \$2,661,674 thousand and \$2,792,050 thousand, respectively. The reimbursements from YFC and Shinshin to banks as of December 31, 2022 and 2021 were \$323,470 thousand and \$358,047 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).

b. Disaggregation of revenue

Refer to Note 41 for details of revenue information.

## 29. NET PROFIT AND OTHER COMPREHENSIVE INCOME

Net (loss) profit includes the following items:

a. Other operating revenue

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental revenue	\$ 92,131	\$ 84,028
Commission revenue	261,209	265,448
Subsidy revenue	58,845	101,989
Others	<u>615,115</u>	<u>455,073</u>
	<u>\$ 1,027,300</u>	<u>\$ 906,538</u>

b. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gains (losses) on disposal of property, plant and equipment and investment property	\$ 25,746	\$ (118,398)
Gain on disposal of associates	-	31,100
Net foreign exchange gains (losses)	31,581	(20,240)
Net (loss) gain on financial assets mandatorily as at FVTPL	(66,360)	21,764
Impairment loss	(839,340)	(14,703)
Reversal of compensation loss (Note)	993,647	30,534
Loss on deconsolidation of subsidiary	-	(73,241)
Others	<u>(92,278)</u>	<u>(14,038)</u>
	<u>\$ 52,996</u>	<u>\$ (157,222)</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 account payables.

c. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on bank overdrafts and loans	\$ 3,231,270	\$ 2,568,948
Interest on corporate bonds	334,256	341,810
Other interest expense	<u>120,681</u>	<u>101,577</u>
	3,686,207	3,012,335
Less: Interest accounted for as operating cost	<u>3,209,768</u>	<u>2,534,292</u>
	<u>\$ 476,439</u>	<u>\$ 478,043</u>

## d. Interest revenue

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest revenue from acquired accounts receivable	\$ 11,418,328	\$ 8,588,841
Interest revenue from installment sales	4,158,757	3,074,744
Interest revenue from capital leases	2,911,234	2,823,623
Others	<u>3,521,120</u>	<u>3,287,277</u>
	22,009,439	17,774,485
Less: Interest revenue accounted for as operating revenue	<u>21,712,632</u>	<u>17,515,742</u>
	<u>\$ 296,807</u>	<u>\$ 258,743</u>

## e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function		
Operating costs	\$ 6,459,979	\$ 6,080,552
Operating expenses	<u>1,178,357</u>	<u>1,224,789</u>
	<u>\$ 7,638,336</u>	<u>\$ 7,305,341</u>
An analysis of amortization by function		
Operating costs	\$ 14,368	\$ 66,117
Operating expenses	<u>3,354,655</u>	<u>2,891,430</u>
	<u>\$ 3,369,023</u>	<u>\$ 2,957,547</u>

## f. Employee benefit expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Post-employment benefits		
Defined contribution plans	\$ 232,320	\$ 221,594
Defined benefit plans	<u>12,108</u>	<u>25,511</u>
	244,428	247,105
Other employee benefits	<u>9,230,050</u>	<u>8,938,123</u>
Share-based payment equity-settled share	<u>58,155</u>	<u>-</u>
Total employee benefits expense	<u>\$ 9,532,633</u>	<u>\$ 9,185,228</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,600,343	\$ 2,681,466
Operating expenses	<u>6,932,290</u>	<u>6,503,762</u>
	<u>\$ 9,532,633</u>	<u>\$ 9,185,228</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, 2021, which was approved by the Company's board of directors on March 10, 2022, was as follows:

Amount

	<b>For the Year Ended December 31, 2021</b>	
	<b>Cash</b>	<b>Share</b>
Compensation of employees	\$ 36,640	-
Remuneration of director	24,391	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021.

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 loss)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment (included in other operating cost, Note 18)	\$ (117,162)	\$ 681,408
Inventories (included in operating cost, Note 15)	(186,346)	(178,678)
Investment properties (included in other gains and losses, Note 19)	830,894	36
Motor designs and research and development outputs (included in other operating cost, Note 21)	-	140,177
Other intangible assets (included in other operating cost, Note 21)	<u>4,728</u>	<u>8,805</u>
	<u>\$ 532,114</u>	<u>\$ 651,748</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>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 1,909,099	\$ 1,707,297
Income tax on unappropriated earnings	139,073	37,120
Adjustments for prior years	<u>(1,840)</u>	<u>101,092</u>
	2,046,332	1,845,509
Deferred tax		
In respect of the current year	<u>521,977</u>	<u>109,984</u>
Income tax expense recognized in profit or loss	<u>\$ 2,568,309</u>	<u>\$ 1,955,493</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	<u>\$ 1,380,272</u>	<u>\$ 9,697,808</u>
Income tax expense calculated at the statutory rate	\$ 1,953,296	\$ 2,878,673
Nondeductible expenses in determining taxable income	22,131	45,235
Tax-exempt income	(654,644)	(1,289,377)
Additional income tax under the Alternative Minimum Tax Act	16	-
Income tax on unappropriated earnings	139,073	37,120
Unrecognized deductible temporary differences	1,110,277	182,750
Adjustments for prior years' tax	<u>(1,840)</u>	<u>101,092</u>
Income tax expense recognized in profit or loss	<u>\$ 2,568,309</u>	<u>\$ 1,955,493</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, 2022

	<b>Balance at the Beginning of the Year</b>	<b>Net Profit (Loss) and Other Comprehensive Income (Loss)</b>	<b>Balance at the End of the Year</b>
<u>Deferred tax assets</u>			
Temporary differences			
Share of loss of subsidiaries, associates 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 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>

For the year ended December 31, 2021

	<b>Balance at the Beginning of the Year</b>	<b>Net Profit (Loss) and Other Comprehensive Income (Loss)</b>	<b>Balance at the End of the Year</b>
<u>Deferred tax assets</u>			
Temporary differences			
Share of loss of subsidiaries, associates and joint ventures	\$ 322,854	\$ (3,130)	\$ 319,724
Property, plant and equipment	165,099	(28,238)	136,861
Defined benefit obligation	269,238	(12,669)	256,569
Doubtful debts	1,267,073	164,392	1,431,465
			(Continued)

	<b>Balance at the Beginning of the Year</b>	<b>Net Profit (Loss) and Other Comprehensive Income (Loss)</b>	<b>Balance at the End of the Year</b>
Loss carryforward	109,677	16,042	125,719
Others	<u>337,332</u>	<u>(40,544)</u>	<u>296,788</u>
	<u>\$ 2,471,273</u>	<u>\$ 95,853</u>	<u>\$ 2,567,126</u>
<b><u>Deferred tax liabilities</u></b>			
Temporary differences			
Property, plant and equipment	\$ 1,105,037	\$ 129,181	\$ 1,234,218
Land value increment tax	2,397,818	-	2,397,818
Share of profit of subsidiaries, associates and joint ventures	393,681	94,790	488,471
Others	<u>45,800</u>	<u>(20,540)</u>	<u>25,260</u>
	<u>\$ 3,942,336</u>	<u>\$ 203,431</u>	<u>\$ 4,145,767</u>

c. Items for which no deferred tax assets have been recognized

As of December 31, 2022 and 2021, deductible temporary differences with unrecognized deferred tax assets were \$11,669,333 thousand and \$8,108,703 thousand, respectively.

d. Income tax assessed

The tax returns through 2020 have been assessed by the tax authorities.

### 31. (LOSS) EARNINGS PER SHARE

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Basic (loss) earnings per share	<u>\$ (4.80)</u>	<u>\$ 4.82</u>
Diluted (loss) earnings per share	<u>\$ (4.80)</u>	<u>\$ 4.82</u>

The weighted average number of shares outstanding used for the (loss) earnings per share computation was as follows:

**Net (Loss) Profit for the Year**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Earnings used in the computation of basic (loss) earnings per share	<u>\$ (4,696,692)</u>	<u>\$ 4,715,516</u>
Earnings used in the computation of diluted (loss) earnings per share	<u>\$ (4,696,692)</u>	<u>\$ 4,715,516</u>

**Shares**

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	977,705	977,705
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>          -</u>	<u>      874</u>
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	<u>  977,705</u>	<u>  978,579</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. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS - 2022**

On March 24, 2022, the Group purchased a 19.9% interest of Yue Sheng and increased its interest from 80.1% to 100%.

On August 31, 2022, the Group subscribed for new shares issued by YFC at a percentage different from its original ownership percentage and decreased its interest in YFC from 45.75% to 42.92%.

Between August and December 2022, the Group purchased 17.75% interest of Car-plus Auto and increased its interest from 72.03% to 88.78%. In addition, the Company sold Car-plus Auto to YFC in the 3rd quarter of 2022, which was classified as a reorganization under common control.

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>Yue Sheng</b>	
Consideration received (paid)	\$ (623,764)	\$ 6,178,568	\$ (90,216)	
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	<u>531,468</u>	<u>(4,904,704)</u>	<u>89,422</u>	
Differences recognized from equity transactions	<u>\$ (92,296)</u>	<u>\$ 1,273,864</u>	<u>\$ (794)</u>	
	<b>Car-plus Auto</b>	<b>YFC</b>	<b>Yue Sheng</b>	<b>Total</b>
<u>Line items adjusted for equity transactions</u>				
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' share during actual disposal or acquisition	\$ -	\$ -	\$ (794)	\$ (794)
Capital surplus - changes in percentage of ownership interests in subsidiaries	28,350	1,273,864	-	1,302,214
Unappropriated earnings	<u>(120,646)</u>	<u>-</u>	<u>-</u>	<u>(120,646)</u>
	<u>\$ (92,296)</u>	<u>\$ 1,273,864</u>	<u>\$ (794)</u>	<u>\$ 1,180,774</u>

### 33. 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, 2022, 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.

### 34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments - fair value of financial instruments not measured at fair value

1) Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

2) Fair value hierarchy

The fair value of financial instruments that are not measured at fair value is belong to Level 1.

b. Fair value financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

#### December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign quoted shares	\$ 8,910	\$ -	\$ -	\$ 8,910
Domestic and foreign unlisted shares	-	-	2,303	2,303
Mutual funds	109,540	-	71,985	181,525
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>
Financial assets at FVTOCI				
Domestic quoted shares	\$ 253,308	\$ -	\$ -	\$ 253,308
Domestic unlisted shares	-	-	425,940	425,940
Others	<u>-</u>	<u>979</u>	<u>-</u>	<u>979</u>
	<u>\$ 253,308</u>	<u>\$ 979</u>	<u>\$ 425,940</u>	<u>\$ 680,227</u>

#### December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic and foreign quoted shares	\$ 9,373	\$ -	\$ -	\$ 9,373
Domestic and foreign unlisted shares	-	-	2,076	2,076
Mutual funds	798,544	-	41,985	840,529
Others	<u>115,198</u>	<u>-</u>	<u>481,222</u>	<u>596,420</u>
	<u>\$ 923,115</u>	<u>\$ -</u>	<u>\$ 525,283</u>	<u>\$ 1,448,398</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Hedged financial assets				
Interest rate exchange contracts	\$ -	\$ 484	\$ -	\$ 484
Financial assets at FVTOCI				
Domestic and foreign quoted shares	\$ 281,707	\$ -	\$ -	\$ 281,707
Domestic and foreign unlisted shares	-	-	407,022	407,022
Others	-	749	-	749
	<u>\$ 281,707</u>	<u>\$ 749</u>	<u>\$ 407,022</u>	<u>\$ 689,478</u>
Hedged financial assets				
Interest rate exchange contracts	\$ -	\$ 349	\$ -	\$ 349
				(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior years

2) Valuation techniques and inputs to Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - interest rate swap contracts	Discounted cash flow.  Future cash flows were estimated based on observable rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.

3) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended December 31, 2022

	Financial Assets at Fair Value Through Profit or Loss	Available-for-sale Financial Assets Equity 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 at Fair Value Through Profit or Loss</b>	<b>Available-for- sale Financial Assets Equity Instruments</b>	<b>Total</b>
Recognized in other comprehensive income (included in unrealized gain/(loss) 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> (Concluded)

For the year ended December 31, 2021

	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Available-for- sale Financial Assets Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2021	\$ 304,107	\$ 406,095	\$ 710,202
Recognized in profit or loss			
Other gains and losses	550	-	550
Interest revenue	10,416	-	10,416
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	857	857
Purchases	343,985	-	343,985
Disposals/settlements	(133,715)	-	(133,715)
Effects of exchange rate changes	<u>(60)</u>	<u>70</u>	<u>10</u>
Balance at December 31, 2021	<u>\$ 525,283</u>	<u>\$ 407,022</u>	<u>\$ 932,305</u>

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, 2022, 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.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Mandatorily at FVTPL	\$ 755,755	\$ 1,448,398
Derivative instruments in designated hedge accounting relationships	-	484
Financial assets at amortized cost (Note 1)	255,902,928	217,346,279
Fair value through other comprehensive income (FVTOCI)	680,227	689,478
<u>Financial liabilities</u>		
Derivative instruments in designated hedge accounting relationships	-	349
Amortized cost (Note 2)	273,450,311	241,293,252
Financial guaranteed contracts	84,725	89,048

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, 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 micro and macro-economics: 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 39.

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>2022</b>	<b>2021</b>
Profit or loss	\$ (3,683)	\$ (3,602)

## 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>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 214,045,422	\$ 184,425,088
Financial liabilities	161,962,577	161,861,596
Cash flow interest rate risk		
Financial assets	14,570,315	12,763,588
Financial liabilities	87,206,990	53,862,131

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, 2022 and 2021 would decrease by \$726,367 thousand and \$410,985 thousand, respectively.

Hedge accounting

The Group entered into interest rate swap contracts to mitigate the risk of changes in interest rates on cash flow exposure related to its outstanding variable rate debt. Interest rate swaps is settled on a quarterly basis. The floating rate on interest rate swaps is the interbank rate.

The following tables summarize the information relating to the hedges for interest rate risk.

December 31, 2022: NoneDecember 31, 2021

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge								
Commercial paper payable - interest rate swaps	\$500 millions	2019.4.30-2022.4.29	0.715%	TAIBOR 3M	Financial assets for hedging	\$ 484	\$ -	\$ -
	\$500 millions	2019.5.24-2022.5.23	0.708%	TAIBOR 3M	Financial liabilities for hedging	-	(349)	-

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Hedge Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items That Have Ceased to Be Adjusted for Hedging Gains and Losses
	Asset	Liability	Asset	Liability		
Cash flow hedge Commercial paper payable	\$ -	\$1,000,000	\$ -	\$ -	\$ -	\$ -

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, 2022, financial assets at FVTPL and FVTOCI would have decreased by \$7,558 thousand and \$6,802 thousand, respectively.

If equity prices had been 1% lower, as of December 31, 2021, financial assets at FVTPL and FVTOCI would have decreased by \$14,484 thousand and \$6,895 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

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, 2022

	<b>Less than 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>

December 31, 2021

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 14,179,725	\$ -	\$ -
Variable interest rate liabilities	23,693,624	25,388,307	-
Fixed interest rate liabilities	113,097,982	52,162,193	1,700,000
Lease liabilities	562,066	1,259,720	583,007
Financial guarantee contracts	<u>2,792,050</u>	<u>-</u>	<u>-</u>
	<u>\$ 154,325,447</u>	<u>\$ 78,810,220</u>	<u>\$ 2,283,007</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).

### 35. 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
Dong Yu Tech. 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
China Ogihara Co., Ltd.	Associates
China Engine Co., Ltd.	Associates
HuiZhou DongFeng Yi Jing Co., Ltd.	Associates
Hui-Lian Motor Co., Ltd.	Associates
Yulon Management Co., Ltd.	Associates
Foxtron Vehicle Technologies Co., Ltd.	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
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
Southeast Motor Co., Ltd.	Other related parties
Gunze Co., Ltd.	Other related parties

(Continued)

<u>Related Party</u>	<u>Relationship with the Group</u>
Taiway Co., Ltd.	Other related parties
ROC-Keeper Co., Ltd.	Other related parties
Carnival Industrial Co., Ltd.	Other related parties
Fu Lun Motors 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
Bing Yu Co., Ltd.	Other related parties
Greentrans Corporation	Other related parties
	(Concluded)

## b. Operating revenue

## 1) Sales of goods

<u>Related Party Categories</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 9,646,518	\$ 9,792,921
Others	<u>10,412,095</u>	<u>11,098,866</u>
	20,058,613	20,891,787
Joint venture	-	7,866
Other related parties	<u>81,000</u>	<u>252,768</u>
	<u>\$ 20,139,613</u>	<u>\$ 21,152,421</u>

## 2) Rental revenue

<u>Related Party Categories</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ 148,164	\$ 104,582
Other related parties	<u>47,522</u>	<u>51,931</u>
	<u>\$ 195,686</u>	<u>\$ 156,513</u>
<u>Service revenue</u>		
Associates	\$ 308,843	\$ 246,133
Other related parties	<u>12,225</u>	<u>8,958</u>
	<u>\$ 321,068</u>	<u>\$ 255,091</u>

(Continued)

<b>Related Party Categories</b>	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Other operating income</u>		
Associates	\$ 971,077	\$ 1,049,395
Joint venture	-	429
Other related parties	<u>13,193</u>	<u>8,910</u>
	<u>\$ 984,270</u>	<u>\$ 1,058,734</u>
		(Concluded)

3) Installment sales interest subsidies revenue

<b>Related Party Categories</b>	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 102,987	\$ 124,705
Others	<u>19,024</u>	<u>11,384</u>
	<u>\$ 122,011</u>	<u>\$ 136,089</u>

c. Purchase of goods

<b>Related Party Categories</b>	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 12,218,882	\$ 12,828,344
Others	<u>899,170</u>	<u>1,091,613</u>
	13,118,052	13,919,957
Joint venture	-	5,971
Other related parties		
Nissan Motor Co., Ltd.	7,765,831	7,449,497
Others	<u>187,097</u>	<u>325,521</u>
	<u>7,952,928</u>	<u>7,775,018</u>
	<u>\$ 21,070,980</u>	<u>\$ 21,700,946</u>

d. Operating expenses

<b>Related Party Categories</b>	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	\$ 100,663	\$ 146,416
Other related parties	<u>4,249</u>	<u>4,620</u>
	<u>\$ 104,912</u>	<u>\$ 151,036</u>

## e. Acquisition of property, plant and equipment

Related Party Categories	For the Year Ended December 31	
	2022	2021
Associates	\$ 142,035	\$ 100,654
Cheng Long Co., Ltd.	<u>176,634</u>	<u>164,152</u>
Others	318,669	264,806
Other related parties		
Hui-Fong Motor Co., Ltd.	449,743	412,466
Shug Ye Motor Co., Ltd.	203,718	169,746
Others	<u>8,973</u>	<u>-</u>
	<u>662,434</u>	<u>582,212</u>
	<u>\$ 981,103</u>	<u>\$ 847,018</u>

## f. Acquisitions of right-of-use assets

Related Party Categories	For the Year Ended December 31	
	2022	2021
Associates		
China Motor Co., Ltd.	\$ 9,244	\$ -
Others	<u>76</u>	<u>496</u>
	<u>9,320</u>	<u>496</u>
Other related parties		
Yen Tjing Ling Industrial Development Foundation	9,248	2,225
Tai Yuen Textile Co., Ltd.	<u>4,706</u>	<u>-</u>
	<u>13,954</u>	<u>2,225</u>
	<u>\$ 23,274</u>	<u>\$ 2,721</u>

## g. Acquisition of receivables

Related Party Categories	For the Year Ended December 31	
	2022	2021
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 2,005,429	\$ 2,029,879
Cheng Long Co., Ltd.	394,540	478,625
Yu Tang Co., Ltd.	517,940	462,625
Hui-Lian Motor Co., Ltd.	1,037,350	1,150,160
Yuan Lon Co., Ltd.	607,620	386,762
Others	<u>362,048</u>	<u>353,669</u>
	<u>\$ 4,924,927</u>	<u>\$ 4,861,720</u>

- h. 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	
	2022	2021
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 14,917	\$ 32,481
Hui-Lian Motor Co., Ltd.	8,008	5,534
China Motor Co., Ltd.	5,900	4,929
Others	<u>9,171</u>	<u>4,542</u>
	<u>\$ 37,996</u>	<u>\$ 47,486</u>

- i. Receivable from related parties

- 1) Notes receivable and trade receivables

Related Party Categories	December 31	
	2022	2021
Associates	\$ 723,203	\$ 601,409
Joint venture (Note 1)		
Dongfeng Yulon Motor Co., Ltd.	-	-
Others related parties (Note 2)	<u>18,072</u>	<u>41,487</u>
	<u>\$ 741,275</u>	<u>\$ 642,896</u>

- 2) Other receivables

Related Party Categories	December 31	
	2022	2021
Associates	\$ 257,440	\$ 102,613
Joint venture (Note 3)		
Dongfeng Yulon Motor Co., Ltd.	813	103
Other related parties (Note 4)	<u>628</u>	<u>12,044</u>
	<u>\$ 258,881</u>	<u>\$ 114,760</u>

- 3) Guarantee deposits

Related Party Categories	December 31	
	2022	2021
Associates	\$ 2,365	\$ 1,437
Other related parties	<u>1,505</u>	<u>1,592</u>
	<u>\$ 3,870</u>	<u>\$ 3,029</u>

Note 1: As of December 31, 2022, the receivable from related parties of the Group - Dongfeng Yulon Motor 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 \$214,713 thousand is \$0.

Note 2: As of December 31, 2022, 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 \$160,301 thousand is \$0.

Note 3: As of December 31, 2022, the other receivable from related parties of the Group - Dongfeng Yulon Motor 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 \$175,342 thousand is \$813 thousand.

Note 4: As of December 31, 2022, 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 receivable which deducts allowance loss of \$687,438 thousand is \$0.

j. Payable to related parties

1) Notes payable and trade payable

Related Party Categories	December 31	
	2022	2021
Associates	\$ 523,373	\$ 455,859
Joint venture	-	3,884
Other related parties		
Nissan Motor Co., Ltd.	365,761	612,382
Others	<u>131,430</u>	<u>193,640</u>
	<u>497,191</u>	<u>806,022</u>
	<u>\$ 1,020,564</u>	<u>\$ 1,265,765</u>

2) Other payables

Related Party Categories	December 31	
	2022	2021
Associates	\$ 155,443	\$ 187,505
Other related parties	<u>5,591</u>	<u>45,830</u>
	<u>\$ 161,034</u>	<u>\$ 233,335</u>

k. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

1. Compensation of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 410,377	\$ 437,375
Post-employment benefits	15,854	3,995
Share-based payment	<u>2,924</u>	<u>-</u>
	<u>\$ 429,155</u>	<u>\$ 441,370</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.

**36. 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>2022</b>	<b>2021</b>
Notes and trade receivables	\$ 11,879,384	\$ 4,910,618
Property, plant and equipment	1,047,441	1,040,530
Investment properties	4,018,141	3,181,152
Vehicle certificates (classified as inventories)	575,990	306,196
Reserve account and pledged time deposits (classified as financial assets at amortized cost)	436,520	378,384
Investments accounted for using the equity method	6,471,302	7,137,305
Others	<u>600</u>	<u>82,423</u>
	<u>\$ 24,429,378</u>	<u>\$ 17,036,608</u>

**37. 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, 2022, it's the 3rd 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, 2022, it’s the 3rd 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 Yulon Town commercial district was obtained user license on February 24, 2022. The Company and lessee has started renovation works one after another, and it is expected to start operation in the second half of 2023.

### **38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

In order to repay debts and improve the financial structure, the board of directors of the Company resolved on March 9, 2023, to implement a cash capital increase and issue the third domestic unsecured conversion corporate bonds. A total of 70,000 thousand new ordinary shares with a par value of \$10 is expected to be issued in the cash capital increase amounting to \$700,000 thousand. The issue price will be determined by the board of directors or the authorized chairman. The Company will also issue a total of 70,000 third domestic unsecured convertible corporate bonds with a principal amount of \$100 thousand per bond amounting to \$7,000,000 thousand.

### **39. 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, 2022

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying 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 accounted for by the 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>

December 31, 2021

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,169	27.68 (USD:NTD)	\$ <u>862,765</u>
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
RMB	340,646	4.347 (RMB:NTD)	\$ 1,480,823
RMB	234,115	0.157 (RMB:USD)	<u>1,017,721</u>
			<u>\$ 2,498,544</u>
<u>Financial liabilities</u>			
Monetary items			
USD	18,270	27.68 (USD:NTD)	\$ <u>505,727</u>

For the years ended December 31, 2022 and 2021, realized and unrealized foreign exchange gains (losses) were \$31,581 thousand and \$(20,240) 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.

#### 40. 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. (Notes 11 and 34)
- 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)

#### 41. 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, 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>
For the year ended December 31, 2021								
Revenues from external customers	\$ 11,132,327	\$ 3,605,829	\$ 31,591,436	\$ 17,737,906	\$ 13,329,328	\$ 650,946	\$ -	\$ 78,047,772
Intersegment revenues	<u>17,055,505</u>	<u>1,908,418</u>	<u>833,776</u>	<u>1,180,882</u>	<u>63,524</u>	<u>1,150,764</u>	<u>(22,192,869)</u>	<u>-</u>
Segment revenues	<u>\$ 28,187,832</u>	<u>\$ 5,514,247</u>	<u>\$ 32,425,212</u>	<u>\$ 18,918,788</u>	<u>\$ 13,392,852</u>	<u>\$ 1,801,710</u>	<u>\$ (22,192,869)</u>	<u>\$ 78,047,772</u>
Segment income								<u>\$ 9,697,808</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	
	2022	2021	2022	2021
Taiwan	\$ 59,740,481	\$ 57,285,381	\$ 55,958,795	\$ 51,324,341
China	17,183,509	20,604,559	6,811,904	6,355,998
Others	<u>155,273</u>	<u>157,832</u>	<u>309,100</u>	<u>304,699</u>
	<u>\$ 77,079,263</u>	<u>\$ 78,047,772</u>	<u>\$ 63,079,799</u>	<u>\$ 57,985,038</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			
	2022		2021	
	Amount	% on Sales	Amount	% on Sales
Yulon Nissan Motor Co., Ltd.	<u>\$ 10,684,911</u>	<u>14</u>	<u>\$ 10,919,073</u>	<u>14</u>

TABLE 1

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	\$ 793,575	\$ -	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 767,700	\$ 767,700	Note 1
2	Yulon China	Sheng Qing	Other receivables	Y	2,222,010	-	-	-	b	-	Operating capital	-	-	-	3,684,960	3,684,960	Note 1
3	Singgual	Ching-Tong	Other receivables	Y	10,000	-	-	1.04%	b	-	Operating capital	-	-	-	81,454	81,454	Note 1
4	Yulon China Motor Investment	Hang Zhou Haitec	Accounts receivable - related parties	Y	244,918	-	-	-	b	-	Operating capital	-	-	-	4,859,059	14,577,177	Note 1
		Hang Zhou Hua You	Accounts receivable - related parties	Y	83,476	81,724	81,724	4.00%	b	-	Operating capital	-	-	-	1,969,011	1,969,011	Note 1
5	Sheng Qing	Xiao Gan Yu Feng	Accounts receivable - related parties	Y	53,907	-	-	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Nanjing Hanhong	Accounts receivable - related parties	Y	85,732	39,758	39,758	5.60%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	75,805	57,428	35,340	0%-5.6%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	45,122	23,179	23,179	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Hang Zhou Haitec	Accounts receivable - related parties	Y	103,773	-	-	-	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	58,199	56,977	49,488	3.00%	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
		Hang Zhou Hua You	Accounts receivable - related parties	Y	10,871	10,232	8,173	3.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Yulon China Motor Investment	Accounts receivable - related parties	Y	920,006	900,697	900,697	0%-3%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Guang Zhou Yuan Du	Accounts receivable - related parties	Y	27,073	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
		Zi Bo Yu An	Accounts receivable - related parties	Y	474	464	289	3.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Xiamen Young Chang	Accounts receivable - related parties	Y	172,366	168,749	168,749	0.60%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Yu-Jie	Accounts receivable - related parties	Y	180,488	176,700	176,700	1.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1
		Ka Shing Yu Da	Accounts receivable - related parties	Y	16,244	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1
Fu Zhou Yu Xin	Accounts receivable - related parties	Y	18,049	11,044	-	6.00%	b	-	Operating capital	-	-	-	4,081,116	12,243,349	Note 1		
Hang Zhou hsiao Yu	Accounts receivable - related parties	Y	54,146	-	-	-	b	-	Operating capital	-	-	-	1,632,446	1,632,446	Note 1		
6	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	67,683	44,175	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Long	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Wu Jiang Lian Cheng	Accounts receivable - related parties	Y	36,098	35,340	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	45,122	22,088	-	-	b	-	Operating capital	-	-	-	308,299	308,299	Note 1
7	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,561	22,088	-	4.10%	b	-	Operating capital	-	-	-	35,417	35,417	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				
8	Hang Zhou Yu Zhong	Yulon China Motor Investment Hang Zhou Hsiao Yu	Other receivables	Y	\$ 30,232	\$ 11,927	\$ 11,927	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 508,327	\$ 762,491	Note 1	
			Other receivables	Y	18,049	13,694	-	-	b	-	Operating capital	-	-	-	20,333	20,333	Note 1	
9	Shinshin	K1 K1 A32 A32 L48 L60 A17 L88 L55 M21 M25 Others Others	Other receivables	N	52,319	-	-	1.5%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
			Other receivables	N	89,788	69,051	69,051	1.5%-16%	a	220,000	-	Operating capital	1,381	Property	95,660	1,878,839	9,394,196	Note 1
			Other receivables	N	286,558	-	-	1.5%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
			Other receivables	N	304,000	303,998	303,998	1.5%-16%	a	481,000	-	Operating capital	3,040	Land	886,000	1,878,839	9,394,196	Note 1
			Other receivables	N	136,000	-	-	1.5%-16%	b	-	Operating capital	-	-	-	1,878,839	9,394,196	Note 1	
			Other receivables	N	136,000	123,315	123,315	1.5%-16%	b	-	Operating capital	1,233	Land	211,300	1,878,839	9,394,196	Note 1	
			Other receivables	N	177,606	82,494	82,494	1.5%-16%	b	-	Operating capital	825	Land	11,000	1,878,839	9,394,196	Note 1	
			Other receivables	N	120,000	118,848	118,848	1.5%-16%	b	-	Operating capital	1,188	Property	320,000	1,878,839	9,394,196	Note 1	
			Other receivables	N	126,954	126,909	126,909	1.5%-16%	b	-	Operating capital	1,269	Land	179,796	1,878,839	9,394,196	Note 1	
			Other receivables	N	125,000	124,999	124,999	1.5%-16%	b	-	Operating capital	1,250	Land	174,376	1,878,839	9,394,196	Note 1	
			Other receivables	N	496,000	472,043	423,043	1.5%-16%	b	-	Operating capital	4,230	Land/property	618,658	1,878,839	9,394,196	Note 1	
			Other receivables	N	152,795	100,230	100,230	1.5%-16%	a	227,500	-	Operating capital	1,169	Land/property/ performance bond	187,836	1,878,839	9,394,196	Note 1
			Other receivables	N	3,242,658	1,884,505	1,613,005	1.5%-16%	b	-	Operating capital	27,206	Land/property/ performance bond/ stock/inventory	2,312,290	1,878,839	9,394,196	Note 1	
			10	Su Zhou Feng Shun	Su Chou Cheng Pin Su Zhou Cheng Hung Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,561	22,088	-	-	b	-	Operating capital	-	-	-	113,148
Accounts receivable - related parties	Y	22,561				22,088	-	-	b	-	Operating capital	-	-	-	113,148	113,148	Note 1	
Accounts receivable - related parties	Y	22,561				22,088	-	4.10%	b	-	Operating capital	-	-	-	113,148	113,148	Note 1	
11	Suzhou Yueshun	Tai Chang Cheng Mau Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,768	6,626	6,626	4.10%	b	-	Operating capital	-	-	-	14,945	14,945	Note 1	
			Accounts receivable - related parties	Y	6,768	6,626	-	-	b	-	Operating capital	-	-	-	14,945	14,945	Note 1	
12	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	135,366	119,811	119,811	-	b	-	Operating capital	-	-	-	177,179	354,358	Note 1	
13	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	161,050	92,124	30,708	2.70%	b	-	Operating capital	-	-	-	293,426	440,139	Note 1	
14	Su Zhou Cheng Long	Su Zhou Cheng Guo Su Chou Cheng Pin Tai Chang Cheng Mau Su Zhou Cheng Hung	Accounts receivable - related parties	Y	54,146	-	-	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
			Accounts receivable - related parties	Y	22,561	22,088	10,160	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
			Accounts receivable - related parties	Y	67,128	66,263	37,549	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
			Accounts receivable - related parties	Y	49,634	48,593	-	-	b	-	Operating capital	-	-	-	158,316	158,316	Note 1	
15	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	13,537	13,253	-	-	b	-	Operating capital	-	-	-	36,078	36,078	Note 1	
16	Hang Zhou Tang Yu	Yulon China Motor Investment	Other receivables	Y	39,707	38,874	38,874	-	b	-	Operating capital	-	-	-	508,327	762,491	Note 1	
17	Hang Zhou Chien Yu	Yulon China Motor Investment	Other receivables	Y	3,610	3,534	3,534	-	b	-	Operating capital	-	-	-	441,750	662,625	Note 1	
18	Ke Yu	Sheng Qing Yi Ding	Other receivables	Y	220,195	215,574	215,574	0.50%	b	-	Operating capital	-	-	-	667,769	1,335,537	Note 1	
			Other receivables	Y	22,561	22,088	22,088	0.50%	b	-	Operating capital	-	-	-	667,769	1,335,537	Note 1	
19	Mei De	Shi Cheng Xiamen Young Chang	Other receivables	Y	135,366	132,525	132,525	0.50%	b	-	Operating capital	-	-	-	491,164	982,328	Note 1	
			Other receivables	Y	135,366	132,525	88,350	0.50%	b	-	Operating capital	-	-	-	491,164	982,328	Note 1	
20	Qing Tai	Shi Cheng Dong Tai	Other receivables	Y	18,049	17,670	17,670	0.50%	b	-	Operating capital	-	-	-	551,708	1,103,416	Note 1	
			Other receivables	Y	112,805	110,438	110,438	0.50%	b	-	Operating capital	-	-	-	551,708	1,103,416	Note 1	
21	Jin Ce	Yi Ding	Other receivables	Y	31,585	17,670	17,670	0.50%	b	-	Operating capital	-	-	-	3,678,054	5,517,081	Note 1	
22	Tai Feng	Yi Ding Dong Tai	Other receivables	Y	13,537	13,253	13,253	0.50%	b	-	Operating capital	-	-	-	478,020	956,040	Note 1	
			Other receivables	Y	22,561	22,088	22,088	0.50%	b	-	Operating capital	-	-	-	478,020	956,040	Note 1	
23	Dong Tai	An Ching Tsai Tung	Other receivables	Y	7,125	6,975	-	-	b	-	Operating capital	-	-	-	441,750	662,625	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			
24	Su Zhou Cheng Li	Su Chou Cheng Pin	Accounts receivable - related parties	Y	\$ 9,024	\$ 8,835	\$ -	4.10%	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 26,504	\$ 26,504	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	13,426	13,253	-	-	b	-	Operating capital	-	-	-	26,504	26,504	Note 1
25	Tai Chang Cheng Mau	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	9,024	8,835	-	-	b	-	Operating capital	-	-	-	36,078	36,078	Note 1
26	Yu-Hsin Intl HK	Hangzhou Y-Teks	Other receivables	Y	128,840	122,832	-	2.70%	b	-	Operating capital	-	-	-	153,086	153,086	Note 1
27	Chuang Jie	LUXGEN (Hangzhou) Motor Sales	Other receivables	Y	157,927	110,438	-	2.00%	b	-	Operating capital	-	-	-	344,102	1,032,307	Note 1
28	Yu Ching	UMPI	Other receivables	N	128,840	122,832	122,832	2.50%	b	-	Operating capital	-	-	-	363,362	363,362	Note 1
29	Yulon Finance Corporation	Shinshin	Other receivables	Y	3,000,000	3,000,000	-	1.50%-3.00%	b	-	Operating capital	-	-	-	3,318,720	33,187,197	Note 1
		Yu Rich	Other receivables	Y	3,000,000	3,000,000	-	1.50%-3.00%	b	-	Operating capital	-	-	-	3,318,720	33,187,197	Note 1
30	Hsiang Shou	Singgual	Other receivables	Y	60,000	60,000	-	-	b	-	Operating capital	-	-	-	102,318	102,318	Note 1

- Note 1:
- Yulon China (HK) Holding: 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 \$25 million and aggregate financing limits was \$25 million.
  - Yulon China: 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 \$120 million and aggregate financing limits was \$120 million.
  - Singgual: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - 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.
  - 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.
  - Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - 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 1,500% of the lender's net equity.
  - 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.
  - Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - Suzhou Yueshun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - 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.
  - 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.
  - 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 Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
  - 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 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.
  - Hang Zhou Chien 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.
  - 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.

(Continued)

19. 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.
20. 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.
21. 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 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.
22. 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.
23. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
24. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
25. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
26. 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.
27. 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.
28. Yu Ching: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
29. Yulon Finance Corporation: Credit financing limit for each borrower were not exceeding 10% of the lender's net equity and aggregate financing limits were not exceeding 100% of the lender's net equity.
30. Hsiang Shou: 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, 2022  
(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	\$ 14,439,280	\$ 510,000	\$ 460,000	\$ 50,000	\$ -	0.96	\$ 36,098,200	Y	N	N	Note 1
		Luxgen	b	14,439,280	3,400,000	2,500,000	320,000	-	5.19	36,098,200	Y	N	N	Note 1
		UMPI	b	14,439,280	450,940	429,912	116,851	-	0.89	36,098,200	Y	N	N	Note 1
		Yu Ching	b	14,439,280	1,000,000	500,000	130,000	-	1.04	36,098,200	Y	N	N	Note 1
		Sin Chi	b	14,439,280	500,000	500,000	-	-	1.04	36,098,200	Y	N	N	Note 1
		Luxgen Taipei	b	14,439,280	150,000	150,000	100,000	-	0.31	36,098,200	Y	N	N	Note 1
		Luxgen Taoyuan	b	14,439,280	50,000	50,000	-	-	0.10	36,098,200	Y	N	N	Note 1
		Luxgen Taichung	b	14,439,280	50,000	50,000	-	-	0.10	36,098,200	Y	N	N	Note 1
		Luxgen Tainan	b	14,439,280	50,000	50,000	-	-	0.10	36,098,200	Y	N	N	Note 1
		Luxgen Kaohsiung	b	14,439,280	50,000	50,000	-	-	0.10	36,098,200	Y	N	N	Note 1
1	Union & NKH	Hangzhou Liangrun	b	335,903	312,000	312,000	-	-	3.23	965,072	Y	N	Y	Note 1
2	Yulon Finance Corporation	TAC Finance Company	b	82,967,993	500,000	-	-	-	-	165,935,985	Y	N	Y	Note 1
		TAC Leasing Yulon Finance Philippines Corporation	b b	82,967,993 82,967,993	3,607,360 2,232,000	- 2,177,200	- 440,829	- -	- 6.56	165,935,985 165,935,985	Y Y	N N	Y N	Note 1 Note 1
3	Sheng Qing	Guang Zhou Yuan Du	b	20,405,581	203,049	198,788	-	-	4.43	102,027,905	N	N	Y	Note 1
		Yu-Jie	b	20,405,581	902,440	883,500	-	-	19.68	102,027,905	N	N	Y	Note 1
4	Nanjing Hanhong	Zhu Hai Fu Te En	d	554,009	225,610	132,525	-	-	47.84	692,511	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	554,009	135,366	132,525	-	-	47.84	692,511	N	N	Y	Note 1
5	Zhu Hai Fu Te En	Nanjing Hanhong	d	561,406	112,805	110,438	61,113	-	39.34	842,109	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	561,406	135,366	132,525	-	-	47.21	842,109	N	N	Y	Note 1
6	Su Zhou Feng Shen	Su Zhou Feng Shun	b	770,747	78,693	77,041	-	-	10.87	2,312,242	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	770,747	45,122	44,175	-	-	6.23	2,312,242	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	770,747	252,683	247,380	47,510	-	34.92	2,312,242	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	770,747	90,244	88,350	13,412	-	12.47	2,312,242	N	N	Y	Note 1
7	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	442,717	45,122	44,175	-	-	48.56	885,433	N	N	Y	Note 1
		Su Zhou Feng Shun	c	442,717	236,620	231,654	116,665	-	254.65	885,433	N	N	Y	Note 1
8	Su Zhou Feng Shun	Wu Jiang Lian Cheng	b	1,414,354	157,927	154,613	-	-	74.46	2,828,708	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,414,354	45,122	44,175	-	-	21.27	2,828,708	N	N	Y	Note 1
		Su Zhou Cheng Li	b	1,414,354	27,073	26,505	2,647	-	12.76	2,828,708	N	N	Y	Note 1
9	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	397,575	157,927	154,613	103,291	-	248.07	795,150	N	N	Y	Note 1
10	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	397,575	157,927	154,613	103,291	-	206.12	883,500	N	N	Y	Note 1
11	Su Zhou Cheng Guo	Su Zhou Chen Long	c	397,575	157,927	154,613	100,149	-	400.02	883,500	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 Chen Long	Su Zhou Cheng Hung	b	\$ 1,978,946	\$ 81,220	\$ 79,515	\$ 24,099	\$ -	19.42	\$ 3,957,893	N	N	Y	Note 1
		Su Zhou Cheng Guo	b	1,978,946	243,659	238,545	-	-	58.27	3,957,893	N	N	Y	Note 1
13	Xiao Gan Yu Feng	Nanjing Hanhong	c	1,327,247	112,805	110,438	61,113	-	47.94	2,654,494	N	N	Y	Note 1
		Zhu Hai Fu Te En	c	1,327,247	135,366	132,525	-	-	57.53	2,654,494	N	N	Y	Note 1
14	Wuhan Yu Hsin	Xiao Gan Yu Feng	b	2,222,677	135,366	132,525	-	-	41.72	4,445,354	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 limits on each endorsement/guarantee given on behalf of each party were not exceeding 40% of the aggregate endorsement/guarantee amounts.
1. Union & NKH: The aggregate endorsement/guarantee limit was calculated for 40% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 35% of the aggregate endorsement/guarantee amounts.
  2. Yulon Finance Corporation: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 50% of the aggregate endorsement/guarantee amounts.
  3. Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2,500% of the endorser's/guarantor's net equity. The limits 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 limits 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 limits 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 limits 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 RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
  8. Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
  9. Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was RMB180 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
  10. Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
  11. Su Zhou Cheng Guo: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
  12. Su Zhou Chen Long: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
  13. Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits 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 limits on each endorsement/guarantee given on behalf of each party was calculated for 500% 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 security 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, 2022

(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, 2022				Note	
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value		
The Company	<u>Structured finance products</u>								
	Yuanta Securities CLN - M.J. 1st	-	Financial assets at fair value through profit or loss - current	-	\$ 1,707	-	\$ 1,707	-	
	Yuanta Securities CLN - Yeong Guan 3	-	Financial assets at fair value through profit or loss - current	-	20,046	-	20,046	-	
	Yuanta Securities CLN - Center. 5th	-	Financial assets at fair value through profit or loss - current	-	25,063	-	25,063	-	
	KGI Securities CLN - Heng Yao. 4th	-	Financial assets at fair value through profit or loss - current	-	10,006	-	10,006	-	
	KGI Securities CLN - M.J. 1st KY	-	Financial assets at fair value through profit or loss - current	-	30,072	-	30,072	-	
	KGI Securities CLN - Yeong Guan. 3rd KY	-	Financial assets at fair value through profit or loss - current	-	45,044	-	45,044	-	
	KGI Securities CLN - Center 5	-	Financial assets at fair value through profit or loss - current	-	29,216	-	29,216	-	
	KGI Securities CLN - Browave 2nd	-	Financial assets at fair value through profit or loss - current	-	31,026	-	31,026	-	
	KGI Securities CLN - Jin Hhan Dian 5	-	Financial assets at fair value through profit or loss - current	-	30,163	-	30,163	-	
	KGI Securities CLN - Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	50,138	-	50,138	-	
	KGI Securities CLN - Hua Han. 3rd	-	Financial assets at fair value through profit or loss - current	-	40,032	-	40,032	-	
	KGI Securities CLN - Lemtech 4th-KY	-	Financial assets at fair value through profit or loss - current	-	20,097	-	20,097	-	
	<u>Common stocks</u>								
	Taiwan Aerospace Company	-	Financial assets at fair value through other comprehensive income - non-current	811	-	0.60	-	-	
	Yulon Finance Corporation, Preferred Shares A	Subsidiary	Financial assets at fair value through other comprehensive income - non-current	36,584	1,840,175	36.58	1,840,175	-	
	TYC Brother Industrial Preferred Shares A	-	Financial assets at fair value through other comprehensive income - non-current	1,000	44,150	3.33	44,150	-	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at fair value through other comprehensive income - non-current	500	27,550	0.15	27,550	-	
	Formosa Electronic Industries Inc.	-	Financial assets at fair value through other comprehensive income - non-current	500	24,325	0.75	24,325	-	
	Taiwan Stock Exchange	-	Financial assets at fair value through other comprehensive income - non-current	10,252	378,157	1.00	378,157	-	
<u>Beneficiary certificates</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	-		
<u>Bonds</u>									
Yulon Finance Corporation	Government bonds	-	Financial assets at amortized cost - non-current	-	200	-	208	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shinshin	<u>Bonds</u> Government bonds	-	Financial assets at amortized cost - non-current	-	\$ 400	-	\$ 639	-
	<u>Common stocks</u> BSOS HOLDINGS.	-	Financial assets at fair value through other comprehensive income - non-current	2,406	9,939	2.50	9,939	-
Diamond Leasing	<u>Beneficiary certificates</u> Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,492	20,021	-	20,021	-
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,586	20,020	-	20,020	-
H. K. Manpower Service	<u>Beneficiary certificates</u> Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	129	2,108	-	2,108	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	235	3,148	-	3,148	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,079	-	3,079	-
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	206	3,101	-	3,101	-
Da Wei	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	172	2,599	-	2,599	-
Yu Ching	<u>Common stocks</u> Yulon Motor Company	The parent company	Financial assets at fair value through other comprehensive income - non-current	7,526	376,301	0.75	466,639	-
Yu Pong	<u>Structured finance products</u> KGI Securities CLN - Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	17,057	-	17,057	-
	KGI Securities CLN - Mobiletron Electronics. 3rd	-	Financial assets at fair value through profit or loss - current	-	10,056	-	10,056	-
Yung Hong	<u>Common stocks</u> Fubon Financial Company	-	Financial assets at fair value through other comprehensive income - current	2,794	157,283	-	157,283	-
	Carnival Industrial Corporation	Related party in substance	Financial assets at fair value through profit or loss - current	141	2,016	-	2,016	-
	Kian Shen	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,610	-	4,610	-
	Yulon Finance Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	353	54,919	-	54,919	-
	<u>Beneficiary certificates</u> FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,664	25,870	-	25,870	-
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	565	9,084	-	9,084	-
	Nomura Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	278	4,606	-	4,606	-
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	304	5,035	-	5,035	-
	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	323	2,958	-	2,958	-
	PGIM US Corporate Bond Fund T	-	Financial assets at fair value through profit or loss - current	1	2,978	-	2,978	-
Cathay US Premium Bond Fund USD A	-	Financial assets at fair value through profit or loss - current	500	4,933	-	4,933	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Common stocks</u> Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	\$ 402,464	-	\$ 402,464	-
	Orgchem Technology Company	-	Financial assets at fair value through other comprehensive income - non-current	291	1,137	-	1,137	-
	T-Car Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,275	25,728	-	25,728	-
	ADTO Company	-	Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	-
	ROCKER ZONE	-	Financial assets at amortized cost - non-current	330	6,371	-	6,371	-
	<u>Structured finance products</u> Credit-linked structured finance products - Meizhe-KY	-	Financial assets at fair value through profit or loss - current	-	28,101	-	28,101	-
	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	-	5,017	-	5,017	-
	<u>Common stocks</u> Yue Sheng Yueki	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16	100	0.80	100	-
	Yu Chang	<u>Common stocks</u> Luxgen Kaohsiung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	250	2,313	3.52	2,313
Kai Xing Insurance Agency		-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
Yushin	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
Yulon Construction	<u>Common stocks</u> Compal Electronics, INC.	-	Financial assets at fair value through profit or loss - current	14	324	-	324	-
	Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,960	-	1,960	-
Empower	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-
	Luxgen Taichung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	120	1,200	1.13	1,200	-
Yu Sing	Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,693	6.96	1,693	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Luxgen	<u>Common stocks</u> Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	8,000	\$ 402,400	8.00	\$ 402,400	-
Yulon China	<u>Common stocks</u> YUNG JEN INDUSTRIAL CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	-	2,303	-	2,303	-
Su Zhou Feng Shen	<u>Common stocks</u> Guang Zhou Cheng Yi	-	Financial assets at fair value through other comprehensive income - non-current	660	4,197	2.20	4,197	-
Sheng Qing	<u>Financial Products</u> China Guangfa Bank Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	61,732	-	61,732	-
	Fubon Bank (China) Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	101,416	-	101,416	-

(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, 2022  
(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)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount (Note)
The Company	Yulon Finance Corporation	Investments accounted for using equity method	Issuance of common share for cash, stock dividend	Subsidiary	174,851	\$ 6,737,137	38,525	\$ 1,320,000	-	\$ -	\$ -	\$ -	213,376	\$ 10,744,776
	Luxgen	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	605,000	409,955	42,700	427,000	-	-	-	-	92,700 (Note 3)	853,226
	Haitec	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	820,900	(1,004,424)	592,700	873,104	-	-	-	-	1,413,600	319,286
	Tokio Marine Nawa Insurance	Investments accounted for using equity method	Issuance of common share for cash	-	52,010	1,919,970	355,301	3,553,015 (Note 2)	-	-	-	-	94,142	(3,075,938)
Luxgen	Haitec	Investments accounted for using equity method	Issuance of common share for cash	Subsidiary	522,700	173,104	-	-	522,700	173,104	512,403	(339,299)	-	-
Yulon Finance Corporation	Shinshin	Investments accounted for using equity method	Issuance of common share for cash, stock dividend	Subsidiary	274,997	4,840,796	60,000	3,000,000	-	-	-	-	430,300	9,394,196
	Car-plus Corporation	Investments accounted for using equity method	Note 3	Note 3	64,570	1,447,336	21,499	752,460	-	-	-	-	94,464	2,030,452
	Tokio Marine Nawa Insurance	Investments accounted for using equity method	Issuance of common share for cash	Associates	5,807	213,004	54,138	541,381 (Note 4)	-	-	-	-	14,345	(470,714)
TAC Leasing	Car-Plus Leasing (Shanghai)	Investments accounted for using equity method	Issuance of common share for cash	Sister company	-	-	79,039	344,664	-	-	-	-	79,039	381,106

Note 1: The beginning balance and ending balance included adjustments of unrealized gains or losses on financial assets and investments accounted for using equity method.

Note 2: In August 2022, Tokio Marine Nawa Insurance implemented a capital reduction to offset their losses, reducing 999.9 shares per thousand shares. In October and December 2022, the Company increased their investment in Tokio Marine Nawa Insurance in cash of \$3,553,015 thousand. In December 2022, Tokio Marine Nawa Insurance reduced its capital to offset their losses, reducing approximately 735 shares per thousand shares.

Note 3: During September to December 2022, Yulon Finance Corporation acquired 20.21% ownership of Carplus Auto for \$752,460 thousand from the non-controlling shareholders of Yulon Motor Co., Ltd., Qunyuan Investment Company and Carplus Auto Leasing Corporation.

Note 4: In August 2022, Tokio Marine Nawa Insurance implemented a capital reduction to offset their losses, reducing 999.9 shares per thousand shares. In September and December 2022, Yulon Finance Corporation increased their investment in Tokio Marine Nawa Insurance in cash of \$541,381 thousand. In December 2022, Tokio Marine Nawa Insurance reduced its capital to offset their losses, reducing approximately 735 shares per thousand shares.

**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, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition
							Owner	Relationships	Transfer Date	Amount		
						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, 2022  
(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
						None						

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, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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	
The Company	Yulon Nissan Luxgen	An investee accounted for by equity method The Company's subsidiary	Sales	\$(18,698,332)	90	Within 45 days	-	3 days to 45 days	\$ 306,042	66	
			Sales	(2,056,372)	10	Within 10 days	-	3 days to 10 days	132,224	29	
Yulon Finance Corporation	Yu Chang	The same ultimate parent company	Sales	(2,909,060)	7	Receipt of payment on the day	-	-	8,067	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(2,445,227)	6	Receipt of payment on the day	-	-	8,264	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(2,480,122)	6	Receipt of payment on the day	-	-	17,579	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(565,629)	1	Receipt of payment on the day	-	-	12,712	-	
	Yu Sing	The same ultimate parent company	Sales	(2,392,173)	6	Receipt of payment on the day	-	-	12,035	-	
	Yushin	The same ultimate parent company	Sales	(1,633,937)	4	Receipt of payment on the day	-	-	9,882	-	
	Yu Tang	An investee accounted for by equity method	Sales	(1,455,423)	3	Receipt of payment on the day	-	-	9,018	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(323,151)	1	Receipt of payment on the day	-	-	7,790	-	
	Empower	The same ultimate parent company	Sales	(1,971,293)	5	Receipt of payment on the day	-	-	6,109	-	
	Cheng Long	An investee accounted for by equity method	Sales	(1,493,711)	3	Receipt of payment on the day	-	-	8,308	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(398,051)	1	Receipt of payment on the day	-	-	4,208	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(275,968)	1	Receipt of payment on the day	-	-	4,928	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(255,328)	1	Receipt of payment on the day	-	-	3,360	-	
	Ding Long	An investee accounted for by equity method	Sales	(567,973)	1	Receipt of payment on the day	-	-	567	-	
Lian Cheng	An investee accounted for by equity method	Sales	(413,251)	1	Receipt of payment on the day	-	-	906	-		
Yuan Zhi	An investee accounted for by equity method	Sales	(369,276)	1	Receipt of payment on the day	-	-	1,994	-		
Sin Jang	Yulon Finance Corporation	The same ultimate parent company	Sales	(21,476,944)	98	Receipt of payment on the day	-	-	-	-	
Union & NKH	The Company	The Parent company	Sales	(513,288)	38	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	137,198	43	
	China Motor	An investee accounted for by equity method	Sales	(603,494)	44	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	121,258	38	
Yueki	The Company	The Parent company	Sales	(246,239)	36	45 days	Bargaining	45 days	60,186	34	
	China Motor	An investee accounted for by equity method	Sales	(162,773)	24	45 days	Bargaining	45 days	30,366	17	
	Kian-shen	Related party in substance	Sales	(171,168)	25	45 days	Bargaining	45 days	74,346	41	
Y-Teks	The Company	The Parent company	Sales	(160,209)	72	45 days	-	-	42,841	76	
Yue Sheng	The Company	The Parent company	Sales	(112,418)	46	At sight or a month	Bargaining	At sight or a month	32,355	56	
Luxgen	Luxgen Taipei	The same ultimate parent company	Sales	(218,827)	8	At sight	-	At sight	1,333	2	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(147,919)	6	At sight	-	At sight	862	1	
	Luxgen Taichung	The same ultimate parent company	Sales	(140,465)	5	At sight	-	At sight	1,307	2	
	Yulon Finance Corporation	The same ultimate parent company	Sales	(1,831,268)	69	Within 3 days	-	Within 3 days	59,484	91	
Singual	The Company	The Parent company	Sales	(141,775)	29	At sight or a month	Bargaining	At sight or a month	29,748	27	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(105,219)	80	At sight or a month	Bargaining	At sight or a month	9,344	91	
Hang Zhou Haitec	The Company	The Parent company	Sales	(322,284)	85	25 days	-	-	3,883	55	
Fuzhou Lianghong	Hangzhou Liangrun	The same ultimate parent company	Sales	(379,294)	20	45 days	-	-	159,545	43	

(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	\$ (373,070)	99	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	\$ -	-	
The Company	Union & NKH	The Company's subsidiary	Purchase	513,288	3	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(137,198)	6	
	Yueki	The Company's subsidiary	Purchase	246,239	1	45 days	Bargaining	45 days	(60,186)	3	
	Nissan Motor	Related party in substance	Purchase	7,765,831	47	12 days after bill of lading	-	12 days after bill of lading	(365,761)	17	
	Y-Teks	The Company's subsidiary	Purchase	160,209	1	45 days	-	-	(42,841)	2	
	Yue Sheng	The Company's subsidiary	Purchase	112,418	1	At sight or a month	Bargaining	At sight or a month	(32,355)	1	
	Singgual	The Company's subsidiary	Purchase	141,775	1	At sight or a month	Bargaining	At sight or a month	(29,748)	1	
	China Ogihara	An investee accounted for by equity method	Purchase	213,958	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(33,195)	2	
	China Engine	An investee accounted for by equity method	Purchase	107,513	1	45 days after monthly closing	Bargaining	45 days after monthly closing	-	-	
	Hang Zhou Haitec	The Company's subsidiary	Purchase	322,284	2	25 days	-	-	(3,883)	-	
Yulon Finance Corporation	Yulon Nissan	An investee accounted for by equity method	Purchase	19,794,774	46	Within 3 days	-	-	(255,032)	58	
	Luxgen	The same ultimate parent company	Purchase	1,830,865	4	Within 3 days	-	-	(59,484)	13	
	Sin Jang	The same ultimate parent company	Purchase	21,476,944	50	Receipt of payment on the day	-	-	-	-	
Yu Sing	Yulon Finance Corporation	The same ultimate parent company	Purchase	2,392,173	82	Receipt of payment on the day	-	-	(12,035)	34	
	Yulon Nissan	An investee accounted for by equity method	Purchase	359,940	12	Receipt of payment on the day	-	-	(24,307)	69	
	Kuen You Trading	The same ultimate parent company	Purchase	105,219	4	60 days	-	-	(9,344)	27	
Yushin	Yulon Finance Corporation	The same ultimate parent company	Purchase	1,633,937	81	Receipt of payment on the day	-	-	(9,882)	21	
	Yulon Nissan	An investee accounted for by equity method	Purchase	276,585	14	Receipt of payment on the day	-	-	(6,785)	14	
Yu Chang	Yulon Finance Corporation	The same ultimate parent company	Purchase	2,909,060	83	Receipt of payment on the day	-	-	(8,067)	12	
	Yulon Nissan	An investee accounted for by equity method	Purchase	446,530	13	Receipt of payment on the day	-	-	(19,527)	29	
Empower	Yulon Finance Corporation	The same ultimate parent company	Purchase	1,971,293	67	Receipt of payment on the day	-	-	(6,109)	8	
	Yulon Nissan	An investee accounted for by equity method	Purchase	344,402	12	Receipt of payment on the day	-	-	(11,963)	16	
Luxgen	The Company	The Parent company	Purchase	2,056,372	85	Within 10 days	-	3 days to 10 days	(132,224)	35	
Luxgen Taipei	Yulon Finance Corporation	The same ultimate parent company	Purchase	565,629	65	Receipt of payment on the day	-	-	(12,712)	48	
	Luxgen	The same ultimate parent company	Purchase	218,827	25	At sight	-	-	(1,333)	5	
Luxgen Taoyuan	Yulon Finance Corporation	The same ultimate parent company	Purchase	323,151	61	Receipt of payment on the day	-	-	(7,790)	41	
	Luxgen	The same ultimate parent company	Purchase	147,919	28	At sight	-	-	(862)	5	
Luxgen Taichung	Yulon Finance Corporation	The same ultimate parent company	Purchase	398,051	67	Receipt of payment on the day	-	-	(4,208)	26	
	Luxgen	The same ultimate parent company	Purchase	140,465	24	At sight	-	-	(1,307)	8	
Luxgen Tainan	Yulon Finance Corporation	The same ultimate parent company	Purchase	255,328	69	Receipt of payment on the day	-	-	(3,360)	57	
Luxgen Kaohsiung	Yulon Finance Corporation	The same ultimate parent company	Purchase	275,968	69	Receipt of payment on the day	-	-	(4,928)	82	
Hangzhou Liangrun	Fuzhou Lianghong	The same ultimate parent company	Purchase	379,294	100	45 days	-	-	(159,545)	49	
Hang Zhou Haitec	Chuang Jie	The same ultimate parent company	Purchase	373,070	100	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, 2022  
(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	\$ 376,701 (Note 1)	61.13	\$ -	-	\$ 280,270	\$ -
			169,619 (Note 2)	11.47	-	-	99,610	-
Haitec	Foxtron Vehicle Technologies Corporation	Associates	113,507 (Note 7)	-	-	-	-	-
Union & NKH	The Company China Motor Hangzhou Liangrun	The parent company An investee accounted for by equity method The same ultimate parent company	137,198 (Note 6)	4.33	-	-	137,198	-
			122,161 (Note 3)	4.88	-	-	118,849	-
			183,132 (Note 7)	-	-	-	-	-
Hangzhou Liangrun	Dongfeng Yulon	An investee accounted for by equity method	158,267 (Note 7)	-	-	-	-	158,267
Fuzhou Lianghong	Hangzhou Liangrun	The same ultimate parent company	159,545 (Note 6)	3.39	-	-	-	-
TAC Leasing	Dongfeng Yulon	An investee accounted for by equity method	151,351 (Note 8)	-	-	Depends on status of fund	-	151,351
Yulon Motor Finance	Dong Feng Yulon Sales Company	Other related parties	137,927 (Note 6)	-	-	Depends on status of fund	-	137,927
Yu Ching	UMPI	The same ultimate parent company	129,891 (Note 7)	-	-	-	-	-
Yulon China	Wen Yang	The same ultimate parent company	646,304 (Note 7)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	110,794 (Note 7)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	132,953 (Note 7)	-	-	-	-	-
Ke Yu	Tai Feng Sheng Qing	The same ultimate parent company The same ultimate parent company	209,323 (Note 7)	-	-	-	-	-
			216,270 (Note 7)	-	-	-	-	-
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	119,592 (Note 7)	-	-	-	-	-
LUXGEN (Hangzhou) Motor Sales	Dong Feng Yulon Sales Company	Other related parties	686,987 (Note 4)	-	-	-	-	686,987

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Sheng Qing	Yu-Jie	The same ultimate parent company	\$ 177,586 (Note 5)	-	\$ -	-	\$ -	\$ -
	Xiamen Young Chang	The same ultimate parent company	169,464 (Note 7)	-	-	-	-	-
	Yulon China Motor Investment	The same ultimate parent company	902,770 (Note 7)	-	-	-	-	-
Hangzhou Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	106,931 (Note 6)	-	-	-	-	106,931
Hangzhou Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	106,206 (Note 6)	-	-	-	-	106,206

Note 1: The receivables comprised account receivables of \$306,042 thousand and other receivables of \$70,659 thousand.

Note 2: The receivables comprised account receivables of \$132,224 thousand and other receivables of \$37,395 thousand.

Note 3: The receivables comprised account receivables of \$121,258 thousand and other receivables of \$903 thousand.

Note 4: The receivables comprised account receivables of \$7,011 thousand and other receivables of \$679,976 thousand.

Note 5: The receivables comprised account receivables of \$1,058 thousand and other receivables of \$176,528 thousand.

Note 6: The receivables comprised account receivables.

Note 7: The receivables comprised other receivables.

Note 8: The receivables comprised finance lease 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, 2022  
(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, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	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	\$ 9,131,987	\$ 2,410,581	\$ 1,147,023	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	141,526	44,592	8.05	3,159,393	(7,757,796)	(648,339)	-
	Yulon Finance Corporation	Taipei, Taiwan	Sale and lease of cars and parts	1,832,150	512,150	213,376	42.92	10,744,776	5,803,991	2,512,577	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	348,264	(86,639)	(52,987)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	329,210	238,994	28,800	100.00	424,654	(22,988)	(21,832)	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	43,914	13,553	10,525	-
	Union & NKH Auto Parts	Miaoli, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,692	21,729	25.01	600,089	3,629	1,626	-
	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	145,624	27,941	10,681	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	169,927	74,911	45,077	-
	China Ogihara	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	552,457	115,627	49,368	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	100,645	14,755	1,870	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	776,907	776,907	42,660	60.00	(44,903)	(505,265)	(309,933)	-
	Yu Pong	New Taipei City, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	28,470	100.00	512,212	(202,820)	(207,335)	-
	Yung Hong	New Taipei City, Taiwan	Investments	537,311	537,311	77,622	100.00	697,638	25,025	36,377	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	186,926	19,999	99.99	256,981	3,171	4,894	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	789,878	789,878	64,454	38.16	571,161	(122,669)	(45,721)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	12,669	27.00	245,103	68,078	18,091	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	112,236	20,351	3,704	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	222,107	160,371	32,905	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	-	106,372	-	-	-	293,516	8,251	Note 1
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,999	20.00	74,444	28,095	5,968	-
	Chan Yun	Hsinchu, Taiwan	Wholesale and retail of information software	58,594	58,594	16,664	87.71	35,509	1,236	1,084	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	950,896	1,081,157	90,500	100.00	976,846	2,319	2,319	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	505,189	17,999	99.99	164,388	15,050	22,150	-
	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	305,781	95,884	34,234	-
	Yulon Overseas	B.V.I.	Investments	32,302,352	32,302,352	1,082,406	100.00	7,210,024	215,781	215,781	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	4,349,971	796,956	94,142	17.77	(3,075,938)	(47,075,677)	(8,197,236)	-
	Haitec	New Taipei City, Taiwan	Product design	11,169,859	10,296,755	1,413,600	99.99	319,286	322,729	272,987	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	76,661	16,875	2,774	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	29,067,000	28,640,000	92,700	100.00	853,226	62,456	66,428	-
	Yulon Construction	New Taipei City, Taiwan	Construction industry	3,034,485	3,034,485	122,100	100.00	3,618,365	402,714	377,021	-
	Hong Kong-Spicer	Hong Kong	Investments	56,475	56,475	1,585	20.50	53,815	14,196	2,910	-
Advance Power Machinery	Miaoli, Taiwan	Sales and producing of cars and related parts	10,787	10,787	500	100.00	14,130	2,598	2,598	-	
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	1,509,749	757,288	94,464	88.78	2,030,452	293,516	-	-
	Shinshin	Taipei, Taiwan	Installment financing services for cars and trucks	3,419,808	419,808	430,300	100.00	9,394,196	1,537,232	-	-
	TAC Global	Samoa	Shareholding company	3,342,688	3,342,688	108,833	100.00	5,711,711	707,153	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	143,446	58,070	14,345	2.71	(470,714)	(47,075,677)	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	8,100	27.00	107,189	28,095	-	-
	Yu Rich	New Taipei City, Taiwan	Installment loans of consumer products	1,160,662	1,160,662	247,481	100.00	4,260,503	1,340,299	-	-
	Yulon Finance Overseas	Samoa	Shareholding company	437,490	437,490	15,000	100.00	153,068	1,072	-	-
	Sin Gan	Taipei, Taiwan	Sales of automobile - related products	315,157	315,157	21,004	73.26	437,237	211,655	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Shinshin	Shinshin Samoa YES-Energy	Samoa New Taipei City, Taiwan	Shareholding company Energy Technical Services	\$ 389,077	\$ 389,077	12,000	100.00	\$ 109,331	\$ 84,418	\$ -	-
				246,407	246,407	29,000	100.00	270,841	40,042	-	-
Car-plus Auto	Diamond Leasing Car-Plus Samoa Da-Wei Hong Shou Culture YES Charging Service Bing Yu	Taipei, Taiwan Samoa Taipei, Taiwan Taipei, Taiwan New Taipei City, Taiwan New Taipei City, Taiwan	Car lease and trade Shareholding company Brokerage of electric vehicles Publication Wholesale and retail sale of batteries Vehicle Subscription Service Platform	85,000	85,000	8,500	100.00	133,005	13,715	-	-
				941,992	941,992	31,200	100.00	675,200	(15,901)	-	-
				40,000	40,000	4,000	100.00	48,497	4,700	-	-
				11,881	11,881	4,050	100.00	20,898	4,910	-	-
				70,005	-	7,200	100.00	60,055	(11,815)	-	-
Da-Wei	Da Teng Da-Chuan Da-Mu Da-Chung Yong-Xiang Guo-Ma Jin-Yu Zhong-Xing Li-Yang He-Yang Jia-Yu Tian-Yang	Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan Taipei, Taiwan	Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service Taxi service	7,028	7,028	600	100.00	5,865	393	-	-
				1,125	1,125	300	100.00	2,536	252	-	-
				1,575	1,575	600	100.00	2,721	363	-	-
				900	900	300	100.00	2,107	245	-	-
				3,810	3,810	300	100.00	4,617	375	-	-
				2,286	2,286	400	100.00	2,705	290	-	-
				3,048	3,048	300	100.00	3,600	232	-	-
				3,810	3,810	350	100.00	4,324	248	-	-
				5,381	5,381	900	100.00	7,456	1,024	-	-
				2,032	2,032	600	100.00	2,626	456	-	-
				1,778	1,778	300	100.00	2,068	186	-	-
				2,159	2,159	600	100.00	3,205	634	-	-
				Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	25,262	501	-	-
Car-Plus Samoa	Car-Plus China Car-Plus Shanghai Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa Samoa Samoa	Shareholding company Shareholding company Shareholding company	193,004	193,004	6,000	60.00	391,480	202	-	-
				185,183	185,183	6,000	60.00	263,196	15,061	-	-
				563,805	563,805	19,200	60.00	20,494	(41,641)	-	-
TAC Global	Car-Plus China Car-Plus Shanghai Car-Plus Hangzhou Investment (Samoa) Co., Ltd. Yu Rong International Sinjang International Investment (Samoa) Co., Ltd.	Samoa Samoa Samoa Samoa Samoa	Shareholding company Shareholding company Shareholding company Shareholding company Shareholding company	128,647	128,647	4,000	40.00	260,987	202	-	-
				123,455	123,455	4,000	40.00	175,464	15,061	-	-
				375,906	375,906	12,800	40.00	13,663	(41,641)	-	-
				2,698,460	2,698,460	87,496	100.00	5,257,692	717,560	-	-
				16,220	16,220	537	28.66	10,149	501	-	-
Yulon Finance Overseas	Yulon Finance Philippines	Samoa	Shareholding company	437,490	437,490	15,000	100.00	153,068	1,072	-	-
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	153,068	1,072	-	-
Sin Gan	Hsiang Shou Singual Sin Jang Ching-Tong	New Taipei City, Taiwan New Taipei City, Taiwan Taipei, Taiwan Tainan, Taiwan	Towing Sale of cars and parts Sale and brokerage of secondhand vehicles Sales maintenance and repair of cars and parts	128,400	128,400	10,000	100.00	255,796	76,402	-	-
				130,591	130,591	13,000	100.00	203,634	28,856	-	-
				218,754	218,754	12,824	100.00	267,630	87,158	-	-
				75,578	75,578	6,746	100.00	46,562	10,866	-	-
Yu Pong	China Motor Yu Ching	Taoyuan, Taiwan New Taipei City, Taiwan	Manufacturing and sales of cars Import and export and sale of cars and parts	35,269	35,269	454	0.08	23,384	(7,757,796)	-	-
				472,511	472,511	28,440	40.00	252,016	(505,265)	-	-
Yue Sheng	Y-Teks China Motor	Taoyuan, Taiwan Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts Manufacturing and sales of cars	25,510	25,510	212	11.99	107,777	95,884	-	-
				193,869	193,869	3,998	0.72	33,328	(7,757,796)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Yu Ching	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	\$ 55,467	\$ 55,467	17,209	1.17	\$ (143,903)	\$(47,075,677)	\$ -	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	218,169	2,410,581	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,403	32,403	3,300	33.00	38,025	22,240	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	243	11	-	565	(7,757,796)	-	-
	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	27,941	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	343,587	(85,934)	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	10,600	100.00	39,924	3,570	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	24,865	3,610	-	-
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	1,000	100.00	62,355	3,790	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	21,655	5,837	-	-
	Yu Shin Investment	Samoa	Investments	98,111	98,111	185	100.00	9,256	(23,964)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	13,656	686	-	-
	Hong Yen	Samoa	Investments	213,774	213,774	213,774	100.00	29,168	(10,410)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	5,000	5,000	500	100.00	4,962	255	-	-
	Minxiang Leasing Company	Taichung, Taiwan	Lease of cars and related services	30,000	30,000	3,000	100.00	30,965	336	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	195,499	2,410,581	-	-
	Yu Chia	New Taipei City, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	2,600	100.00	29,183	(223)	-	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	27,996	27,996	22,005	59.64	68,096	(80,981)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	28,919	707	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	16,097	382	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	883,733	133,570	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	265	11	-	582	(7,757,796)	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	13,071	100.00	410,140	56,246	-	-
Union & NKH	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,922,939	19,145	-	-
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	184,999	184,999	18,499	99.99	109,426	(24,034)	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	64,737	5,837	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	103,599	10,359	97.73	136,192	6,053	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	98,897	9,889	94.18	101,803	(3,139)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	65,998	6,599	92.94	61,044	2,325	-	-
	Sin Gan	New Taipei City, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	118,029	211,655	-	-
	Haitec	New Taipei City, Taiwan	Product design	-	5,227,000	-	-	-	322,729	-	-
Yulon Construction	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	65,029	8,330	-	-
Haitec	Hua-Chung Overseas Investment Co., Ltd.	B.V.I.	Investments	490,393	490,393	15,965	100.00	-	396	-	-
	Foxtron Vehicle Technologies Corporation	New Taipei City, Taiwan	Product design	7,632,000	7,632,000	763,200	49.00	6,471,302	(1,357,085)	-	-
Hua-Chung Overseas	Haitec China Investment	Hong Kong	Investments	461,709	461,709	15,014	100.00	-	396	-	-
Yulon Overseas	Yulon Philippine	Cayman Islands	Investments	1,097,415	989,138	35,741	100.00	116,464	30,623	-	-
	Yulon China	B.V.I.	Investments	32,584,659	29,353,088	1,057,380	100.00	7,233,805	185,468	-	-

(Continued)



Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Yulon Philippine	UMPI & SCIC NPI	Philippines Philippines	Manufacturing of cars and factory lease Sale, maintenance and repair of cars and parts	\$ 896,548	\$ 808,090	10,914	100.00	\$ 115,604	\$ 31,444	\$ -	-
				72,235	65,108	12	24.50	-	155,920	-	-
Yulon China	Qing Yi	Samoa	Investments	430,676	424,168	-	100.00	51,631	(2,202)	-	-
	Wen Yang	Samoa	Investments	910,552	820,712	31,450	100.00	728,107	7,123	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	8,348,041	7,536,318	-	100.00	1,945	(1,071)	-	-
	Yulon China Holding Feng Hua	Cayman Islands Hong Kong	Investments Investments	22,039,956 85,988	19,865,385 77,504	702,043 -	100.00 40.00	5,527,629 168,200	174,140 25,577	- -	- -
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	22,039,956	19,865,385	-	100.00	5,527,623	174,140	-	-

Note: The Company sold 3.46% interest of Car-plus to Yulon Finance Corporation in August 2022.

(Concluded)

TABLE 10

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	\$ 68,229	b.	\$ 55,763	\$ -	\$ -	\$ 55,763	\$ 14,941	100.00	\$ 14,941	\$ 508,467	\$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	793,828	b.	723,154	-	-	723,154	4,071	100.00	4,071	670,562	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	503,614	b.	445,203	-	-	445,203	1,679	100.00	1,679	332,688	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	530,297	b.	460,193	-	-	460,193	1,531	100.00	1,531	370,972	-	2, b.
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,624,966	b.	7,969,003	-	-	7,969,003	(2,318,138)	50.00	-	-	-	2, c.
Su Zhou Cheng Long	Sale, maintenance and repair of cars and parts	194,713	b.	83,944	-	-	83,944	25,578	40.00	10,231	354,354	-	2, b.
Yulon China Motor Investment	Investment, shareholding and related business	8,331,766	b.	1,745,943	-	-	1,745,943	205,102	100.00	205,102	4,760,401	-	2, b.
Luxgen (Hangzhou) Motor Sales	Sales of cars and car parts	13,280,507	b.	12,928,809	-	-	12,928,809	(52,930)	100.00	(52,930)	90,646	-	2, a.
Yulon Motor Finance (China)	Car purchases and loans to car dealers for car purchases	4,409,400	a.	2,479,875	-	-	2,479,875	279,421	72.03	203,941	4,480,732	-	2, b.
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	175,991	b.	2,249	-	-	2,249	(1,798)	2.59	-	2,303	-	-
Hang Zhou Haitec Company	Product design	872,914	b.	-	-	-	-	13,370	99.94	13,362	(6,091)	-	2, a.
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	903,072	a.	228,152	-	-	228,152	293,985	20.50	60,267	276,329	33,610	2, c.
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	378,885	a.	55,124	-	-	55,124	24,528	14.30	3,507	260,208	-	2, c.
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	661,410	b.	-	-	-	-	(257,279)	22.30	(57,373)	327,980	-	2, c.
Hangzhou Yue Wan	Manufacturing of car parts	609,901	b.	267,362	-	-	267,362	6,387	80.75	5,158	98,368	-	2, c.
Hangzhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	320,920	b.	44,327	-	-	44,327	34,008	29.07	9,886	126,715	-	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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Changzhou Y-Teks	Manufacturing and sales of car interior furnishing and related business	\$ 42,994	b.	\$ -	\$ -	\$ -	\$ -	\$ 15,329	15.64	\$ 2,412	\$ 75,066	\$ -	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	153,550	b.	-	-	-	-	64,329	6.13	3,905	157,323	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	356,236	b.	-	-	-	-	456,258	6.96	31,448	834,370	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	458,419	b.	-	-	-	-	23,423	16.67	3,905	536,380	-	2, c.
Hangzhou Liangrun	Manufacturing of car seats	653,679	b.	142,431	-	-	142,431	8,606	40.38	3,475	34,696	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	821,493	b.	-	-	-	-	(10,096)	10.00	(1,010)	1,240,650	-	2, c.
Yu-Jie	Construction industry	2,204,700	a.	-	-	-	-	321,650	100.00	321,650	2,269,289	-	2, b.
Car-Plus (Suzhou)	Lease of cars and related services	745,619	b.	-	-	-	-	199	40.03	(141)	651,293	-	2, b.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	792,187	b.	-	-	-	-	25,387	41.37	10,615	819,767	-	2, b.
Car-Plus Go Co., Ltd.	Lease of cars and related services	982,720	b.	-	-	-	-	(41,641)	40.03	(16,261)	34,157	-	2, b.
TAC Leasing (Su Zhou)	Equipment and cars leasing business	2,318,482	a.	-	-	-	-	633,141	42.92	279,867	5,189,946	-	2, a.
TAC Finance Company	Equipment and cars leasing business	921,300	b.	-	-	-	-	211,046	54.34	116,580	177,052	-	2, b.
Zhe Jiang Cheng Yi Company	Equipment and cars leasing business	88,188	b.	-	-	-	-	3,487	54.34	1,895	10,534	-	2, c.
Zhe Jiang Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	6,614	b.	-	-	-	-	729	54.34	403	2,975	-	2, c.
Zhe Jiang Cheng-Yi Auction	Secondhand vehicle authentication and evaluation service	8,819	b.	-	-	-	-	3,522	54.34	1,948	10,272	-	2, c.
Master Good Car (Wuhan)	Sales of cars	8,819	b.	-	-	-	-	(139)	54.34	(79)	(17,598)	-	2, c.
Genwise	Sales of car parts	49,734	b.	-	-	-	-	(1,480)	51.22	(771)	24,388	-	2, c.
Dong Yu Tech. Company	Sales of car parts	66,141	b.	-	-	-	-	-	17.68	-	-	-	2, c.
Shanghai Yuming	Sales of cars	359,626	b.	-	-	-	-	(10,449)	32.62	(3,408)	(10,418)	-	2, b.
Ka Shing Yu Da	Sales of cars	118,026	b.	-	-	-	-	(8,205)	32.62	(2,676)	(8,158)	-	2, b.
Sheng Qing	Investments	5,466,205	b.	3,080,606	-	-	3,080,606	101,080	100.00	101,080	4,174,137	-	2, b.
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,483,426	b.	3,432,301	-	-	3,432,301	73,717	100.00	73,717	2,194,633	-	2, a.
Mei De	Computer software maintenance and computer system integration	350,547	b.	-	-	-	-	736	100.00	736	327,574	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	316,727	b.	-	-	-	-	905	100.00	905	153,325	-	2, b.

(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Jin Ce	Computer software maintenance and computer system integration	\$ 86,733	b.	\$ -	\$ -	\$ -	\$ -	\$ 245	100.00	\$ 245	\$ 67,837	\$ -	2, b.
Yi Ding	Computer software maintenance and computer system integration	243,399	b.	-	-	-	-	365	100.00	365	153,437	-	2, b.
Dong Tai	Investments	322,768	b.	-	-	-	-	(126)	100.00	(126)	153,851	-	2, b.
Gao Te	Investments	255,745	b.	-	-	-	-	183	100.00	183	173,823	-	2, b.
Su Zhou Feng Shen	Sales of cars	211,651	b.	-	-	-	-	121,889	40.00	48,756	338,573	-	2, a.
Guang Zhou Yuan Du	Sales of cars	154,329	b.	-	-	-	-	433	51.00	221	78,861	-	2, b.
Zhu Hai Fu Te En	Sales of cars	155,211	b.	-	-	-	-	9,045	100.00	9,045	289,182	-	2, b.
Nanjing Hanhong	Sales of cars	577,631	b.	-	-	-	-	(15,793)	100.00	(15,793)	260,794	-	2, b.
Wuhan Yu Hsin	Sales of cars	440,940	b.	-	-	-	-	8,475	100.00	8,475	452,147	-	2, b.
HangZhou Yu Zhong	Trading	44,094	b.	-	-	-	-	292	100.00	292	51,030	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	88,188	b.	-	-	-	-	69,311	60.00	41,587	(178,823)	-	2, b.
Chang Sha Yu Lu	Sales of cars	140,219	b.	-	-	-	-	4,436	100.00	4,436	11,874	-	2, b.
Hang Zhou Tang Yu	Investments	44,094	b.	-	-	-	-	(44)	100.00	(44)	39,688	-	2, b.
Hang Zhou Chien Yu	Investments	44,094	b.	-	-	-	-	(52)	100.00	(52)	4,353	-	2, b.
Xiao Gan Yu Feng	Sales of cars	141,101	b.	-	-	-	-	17,532	100.00	17,532	282,395	-	2, b.
Su Zhou Feng Shun	Sales of cars	110,235	b.	-	-	-	-	52,285	40.00	20,914	290,245	-	2, b.
Suzhou Yueshun	Sales of cars	44,094	b.	-	-	-	-	4,778	40.00	1,911	42,044	-	2, b.
Su Chou Cheng Pin	Sales of cars	176,376	b.	-	-	-	-	13,557	40.00	5,423	201,316	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	44,094	b.	-	-	-	-	19,998	40.00	7,999	86,218	-	2, b.
Su Zhou Cheng Li	Sales of cars	66,141	b.	-	-	-	-	9,202	40.00	3,681	75,289	-	2, b.
Hang Zhou hsiao Yu	Investments	44,094	b.	-	-	-	-	(22)	99.00	(22)	844	-	2, b.
Nan Jing Yu Shang	Sales of cars	167,557	b.	-	-	-	-	1,280	100.00	1,280	6,202	-	2, b.
Hang Zhou Hua You	Sales of cars	35,275	b.	-	-	-	-	43,418	60.00	26,051	(182,511)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	44,094	b.	-	-	-	-	15,114	40.00	6,046	70,580	-	2, b.
Nan Jing Yu Hua	Sales of cars	194,014	b.	-	-	-	-	1,008	100.00	1,008	118,905	-	2, b.
Su Zhou Cheng Guo	Sales of cars	88,188	b.	-	-	-	-	(457)	40.00	(183)	33,983	-	2, b.

(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outward	Inward							
Su Zhou Cheng Hung	Sales of cars	\$ 44,094	b.	\$ -	\$ -	\$ -	\$ -	\$ 1,955	40.00	\$ 782	\$ 49,029	\$ -	2, b.
Tai Chang Cheng Mau	Sales of cars	44,094	b.	-	-	-	-	12,142	40.00	4,857	102,102	-	2, b.
An Ching Tsai Tung	Sales of cars	120,893	b.	-	-	-	-	(542)	100.00	(542)	(423)	-	2, b.
Tung Ling Kuo Tung	Sales of cars	74,576	b.	-	-	-	-	(5,939)	100.00	(5,939)	28,475	-	2, b.
Zi Bo Yu An	Sales of cars	68,081	b.	-	-	-	-	(314)	100.00	(314)	(2,669)	-	2, b.
Fu Zhou Yu Xin	Sales of cars	52,913	b.	-	-	-	-	(24,023)	100.00	(24,023)	5,866	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2022	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	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	\$36,041,491	\$43,507,111

Note 1: Types of investment:

- 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.

(Concluded)

TABLE 11

## YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Company	Luxgen	1	Notes and trade receivables, net	\$ 132,224	Based on regular terms	-
		Luxgen	1	Other receivables	37,395	Based on regular terms	-
		Hang Zhou Haitec	1	Other current assets	43,947	Based on regular terms	-
		Yulon Finance Corporation	1	Operating revenue, net	16,381	Based on regular terms	-
		Yu Ching	1	Operating revenue, net	26,918	Based on regular terms	-
		Yulon Construction	1	Operating revenue, net	68,841	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	16,688	Based on regular terms	-
		Haitec	1	Operating revenue, net	11,478	Based on regular terms	-
		Luxgen	1	Operating revenue, net	2,237,712	Based on regular terms	3
		Luxgen Taipei	1	Operating revenue, net	15,309	Based on regular terms	-
		Yufong Property Management	1	Operating revenue, net	10,089	Based on regular terms	-
		Advance Power Machinery	1	Operating revenue, net	50,640	Based on regular terms	-
		Yushin	1	Operating revenue, net	1,439,091	Based on regular terms	2
		Yu Sing	1	Operating revenue, net	2,118,015	Based on regular terms	3
		Yu Chang	1	Operating revenue, net	2,545,181	Based on regular terms	3
		Empower	1	Operating revenue, net	1,724,321	Based on regular terms	2
		Yushin.	1	Operating revenue, net	14,691	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	40,734	Based on regular terms	-
		Empower	1	Operating revenue, net	29,637	Based on regular terms	-
		Yulon Finance Corporation	1	Operating revenue, net	45,731	Based on regular terms	-
		Yushin	1	Operating revenue, net	223,178	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	286,913	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	332,657	Based on regular terms	-
		Empower	1	Operating revenue, net	245,780	Based on regular terms	-
		Yushin	1	Operating revenue, net	19,197	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	25,851	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	36,750	Based on regular terms	-
Empower	1	Operating revenue, net	20,394	Based on regular terms	-		
The Company	1	Long term investment	14,920	Based on regular terms	-		
The Company	1	Unrealized gain on transactions with associates	14,920	Based on regular terms	-		
The Company	1	Unrealized gain on transactions with associates	10,487	Based on regular terms	-		
1	Yulon Finance Corporation	Yu Sing	3	Notes and trade receivables, net	12,035	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	12,712	Based on regular terms	-
		Shinshin	3	Other receivables	37,964	Based on regular terms	-
		Yu Rich	3	Other receivables	27,143	Based on regular terms	-
2	Yue Sheng	The Company	2	Notes and trade receivables, net	32,355	Based on regular terms	-
		The Company	2	Operating revenue, net	112,418	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
3	Yueki	The Company	2	Notes and trade receivables, net	\$ 60,186	Based on regular terms	-
		The Company	2	Operating revenue, net	278,724	Based on regular terms	-
		Luxgen	3	Operating revenue, net	35,612	Based on regular terms	-
4	Yu Chang	Tian Wang	3	Notes and trade receivables, net	13,045	Based on regular terms	-
		Tian Wang	3	Operating revenue, net	74,523	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	55,707	Based on regular terms	-
5	Singgual	The Company	2	Notes and trade receivables, net	29,748	Based on regular terms	-
		The Company	2	Operating revenue, net	141,775	Based on regular terms	-
		Ching-Tong	3	Operating revenue, net	16,081	Based on regular terms	-
6	Yu Pool	Yushin	3	Operating revenue, net	67,709	Based on regular terms	-
7	Yu Sing	Yulon Finance Corporation	3	Notes and trade receivables, net	14,550	Based on regular terms	-
		Kuen You Trading	3	Notes and trade receivables, net	13,238	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	188,027	Based on regular terms	-
		Kuen You Trading	3	Operating revenue, net	21,572	Based on regular terms	-
		Luxgen Taipei	3	Nonoperating revenue and expense	12,463	Based on regular terms	-
		Kuen You Trading	3	Nonoperating revenue and expense	28,103	Based on regular terms	-
8	Y-Teks	The Company	2	Notes and trade receivables, net	42,841	Based on regular terms	-
		The Company	2	Operating revenue, net	160,209	Based on regular terms	-
9	Union & NKH	The Company	2	Notes and trade receivables, net	137,198	Based on regular terms	-
		The Company	2	Operating revenue, net	513,288	Based on regular terms	1
		Uni Investment	3	Other receivables	26,984	Based on regular terms	-
		Fuzhou Lianghong	3	Other receivables	13,803	Based on regular terms	-
		Luxgen	3	Other receivables	20,098	Based on regular terms	-
		Hangzhou Liangrun	3	Other receivables	183,132	Based on regular terms	-
10	Car-plus	Yulon Finance Corporation	3	Other receivables	14,955	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	10,642	Based on regular terms	-
		Yulon Finance Corporation	3	Nonoperating revenue and expense	14,237	Based on regular terms	-
11	Luxgen	The Company	2	Guarantee deposits	428,730	Based on regular terms	-
		Yulon Finance Corporation	3	Notes and trade receivables, net	59,484	Based on regular terms	-
		Haitec	3	Other receivables	32,998	Based on regular terms	-
		Yulon Finance Corporation	3	Operating revenue, net	1,831,268	Based on regular terms	2
		Car-plus Auto	3	Operating revenue, net	95,430	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	220,189	Based on regular terms	-
		Luxgen Taoyuan	3	Operating revenue, net	147,919	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	140,465	Based on regular terms	-
		Luxgen Tainan	3	Operating revenue, net	97,521	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	98,179	Based on regular terms	-
		Yulon Finance Corporation	3	Nonoperating revenue and expense	16,000	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
12	Luxgen Taipei	Luxgen	3	Notes and trade receivables, net	\$ 10,137	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	40,138	Based on regular terms	-
		Luxgen	3	Operating revenue, net	17,199	Based on regular terms	-
		Luxgen	3	Nonoperating revenue and expense	16,114	Based on regular terms	-
13	Luxgen Taoyuan	Yulon Finance Corporation	3	Other current assets	12,425	Based on regular terms	-
		Car-plus Auto	3	Operating revenue, net	10,263	Based on regular terms	-
		Luxgen	3	Operating revenue, net	31,246	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	22,129	Based on regular terms	-
14	Yulon Motor Investment	Yu-Jie	3	Operating revenue, net	24,851	Based on regular terms	-
15	Kuen You Trading	Yu Sing	3	Operating revenue, net	105,219	Based on regular terms	-
16	Chuang Jie	The Company	2	Operating revenue, net	30,558	Based on regular terms	-
		Hang Zhou Haitec	3	Operating revenue, net	374,029	Based on regular terms	-
18	Yulon China	Wen Yang	3	Other receivables	646,304	Based on regular terms	-
19	Yue Ki Samoa	Yue Ki HK	3	Other receivables	15,356	Based on regular terms	-
20	Ke Yu	Tai Feng	3	Other receivables	209,323	Based on regular terms	-
		Yi Ding	3	Other receivables	22,159	Based on regular terms	-
		Sheng Qing	3	Other receivables	216,270	Based on regular terms	-
21	Tai Feng	Yi Ding	3	Other receivables	13,295	Based on regular terms	-
		Dong Tai	3	Other receivables	22,159	Based on regular terms	-
22	Qing Tai	Shi Cheng	3	Other receivables	17,727	Based on regular terms	-
		Dong Tai	3	Other receivables	110,794	Based on regular terms	-
23	Mei De	Xiamen Young Chang	3	Other receivables	88,536	Based on regular terms	-
		Shi Cheng	3	Other receivables	132,953	Based on regular terms	-
24	Jin Ce	Yi Ding	3	Other receivables	17,727	Based on regular terms	-
25	Sheng Qing	Xiamen Young Chang	3	Other receivables	169,464	Based on regular terms	-
		Su Zhou Feng Shen	3	Other receivables	17,638	Based on regular terms	-
		Zhu Hai Fu Te En	3	Other receivables	23,137	Based on regular terms	-
		Nanjing Hanhong	3	Other receivables	40,253	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables	35,275	Based on regular terms	-
		Yulon China Motor Investment	3	Other receivables	902,770	Based on regular terms	-
		Yu-Jie	3	Other receivables	176,528	Based on regular terms	-
		Yulon China Motor Investment	3	Nonoperating revenue and expense	13,786	Based on regular terms	-
26	Su Zhou Cheng Long	Su Chou Cheng Pin	3	Other receivables	10,142	Based on regular terms	-
		Tai Chang Cheng Mau	3	Other receivables	37,480	Based on regular terms	-

(Continued)



Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
27	HangZhou Yu Zhong	Yulon China Motor Investment	3	Other receivables	\$ 11,905	Based on regular terms	-
28	Hang Zhou Tang Yu	Yulon China Motor Investment	3	Other receivables	38,803	Based on regular terms	-
30	Hsiang Shuo	Yulon Finance Corporation Luxgen Sin Jang Enterprises	3 3 3	Operating revenue, net Operating revenue, net Operating revenue, net	41,517 11,033 13,786	Based on regular terms Based on regular terms Based on regular terms	- - -
31	Sin Jang	Yulon Finance Corporation	3	Operating revenue, net	101,940	Based on regular terms	-
32	Nan Jing Yu Hua	Nanjing Hanhong	3	Other receivables	119,592	Based on regular terms	-
33	Yulon Construction	The Company The Company	2 2	Guarantee deposits Operating revenue, net	40,263 56,418	Based on regular terms Based on regular terms	- -
34	Luxgen Taichung	Car-plus Auto Luxgen	3 3	Operating revenue, net Operating revenue, net	11,287 10,024	Based on regular terms Based on regular terms	- -
35	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
36	Yushin	Yu Pool Car-plus Auto	3 3	Operating revenue, net Operating revenue, net	11,120 13,236	Based on regular terms Based on regular terms	- -
37	Empower	Car-plus Auto Luxgen Taichung Minxiang Leasing Company	3 3 3	Operating revenue, net Operating revenue, net Operating revenue, net	12,396 11,254 35,224	Based on regular terms Based on regular terms Based on regular terms	- - -
38	Tian Wang	Yu Chang	3	Operating revenue, net	75,432	Based on regular terms	-
39	Sin Chi	Yu Sing	3	Operating revenue, net	55,237	Based on regular terms	-
41	Luxgen Kaohsiung	Car-plus Auto	3	Operating revenue, net	15,439	Based on regular terms	-
42	Hangzhou Liangrun	Fuzhou Lianghong	3	Operating revenue, net	13,746	Based on regular terms	-
43	Yufong Property Management	The Company The Company	2 2	Notes and trade receivables, net Operating revenue, net	12,014 32,981	Based on regular terms Based on regular terms	- -
44	Yu Ching	The Company UMPI	2 3	Operating revenue, net Other receivables	11,427 129,891	Based on regular terms Based on regular terms	- -
45	Sin Gan	Sin Jang	3	Operating revenue, net	30,596	Based on regular terms	-
46	Suzhou Yueshun	Su Chou Cheng Pin	3	Other receivables	28,661	Based on regular terms	-
47	Hong Yen	Shanghai Yuming	3	Other current assets	11,130	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
48	Shinshin	Yes-Energy	3	Notes and trade receivables, net	\$ 73,085	Based on regular terms	-
		Yes-Energy	3	Other current assets	300,379	Based on regular terms	-
		Yes-Energy	3	Operating revenue, net	11,441	Based on regular terms	-
49	Fuzhou Lianghong	Hangzhou Liangrun	3	Notes and trade receivables, net	159,545	Based on regular terms	-
		Union & NKH	3	Operating revenue, net	43,330	Based on regular terms	-
		Hangzhou Liangrun	3	Operating revenue, net	379,681	Based on regular terms	-
50	Su Zhou Feng Shun	Wu Jiang Lian Cheng	3	Notes and trade receivables, net	22,047	Based on regular terms	-
51	Nanjing Hanhong	Nan Jing Yu Hua	3	Other receivables	12,978	Based on regular terms	-
52	Yung Hong	Yulon Finance Corporation	3	Operating revenue, net	16,066	Based on regular terms	-
53	Haitec	Luxgen	3	Operating revenue, net	21,253	Based on regular terms	-
		Yulon China Motor Investment	3	Operating revenue, net	(12,336)	Based on regular terms	-
54	Hang Zhou Haitec	The Company	2	Operating revenue, net	322,284	Based on regular terms	-
55	Ching-Tong	Sin Jang	3	Operating revenue, net	20,945	Based on regular terms	-
56	Advance Power Machinery	The Company	2	Operating revenue, net	27,605	Based on regular terms	-
57	Zhe Jiang Cheng Yi Company	Master Good Car (Wuhan) Automobile Sales Co., Ltd.	3	Other receivables	18,269	Based on regular terms	-
58	Car-Plus Go	Car-Plus (Suzhou)	3	Notes and trade receivables, net	17,882	Based on regular terms	-
59	Yulon TOBE	The Company	2	Other current assets	63,582	Based on regular terms	-
60	Su Zhou Feng Shen	Su Zhou Feng Shun	3	Other receivables	44,094	Based on regular terms	-
		Su Chou Cheng Pin	3	Other receivables	13,228	Based on regular terms	-
		Su Zhou Cheng Pang	3	Other receivables	13,228	Based on regular terms	-
64	Yu Rich	Yulon Finance Corporation	3	Operating revenue, net	11,579	Based on regular terms	-
65	H. K. Manpower	Car-plus Auto	3	Operating revenue, net	17,000	Based on regular terms	-
67	Yes-Energy	YES Charging Service	3	Other receivables	13,956	Based on regular terms	-
68	Feng Hua	Su Zhou Cheng Long	3	Notes and trade receivables, net	66,141	Based on regular terms	-
69	YES Charging Service	Yes-Energy	3	Other receivables	32,675	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, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tai-Yuen Textiles	181,128,973	18.11
China Motor	166,714,441	16.67

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	2022	2021	Difference	
			Amount	%
Current assets	270,783,114	235,281,902	35,501,212	15.09%
Non-Current assets	89,648,500	88,580,877	1,067,623	1.21%
Total assets	360,431,614	323,862,779	36,568,835	11.29%
Current liabilities	253,571,875	226,995,138	26,576,737	11.71%
Non-current liabilities	34,347,887	26,168,118	8,179,769	31.26%
Total liabilities	287,919,762	253,163,256	34,756,506	13.73%
Capital stock	10,000,000	10,000,000	0	0.00%
Capital surplus	7,923,262	6,578,018	1,345,244	20.45%
Retained earnings	29,851,250	36,025,088	(6,173,838)	(17.14%)
Total shareholders' equity	72,511,852	70,699,523	1,812,329	2.56%
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 TAC (Yulon Finance Corporation) stable growth of loan business which increased notes receivable and accounts receivable.				
2. The increase in current liabilities was mainly due to short-term borrowings increment which purpose for group financing.				
3. The increase in non-current liabilities was mainly due to long-term borrowings increment which purpose for group financing.				
4. The increase in capital surplus was mainly due to amount effect of the equity changes from capital increase of TAC (Yulon Finance Corporation).				
5. The increased retained earnings were mainly due to the infusion of net profit in the current period.				

#### Comparative Analysis of Standalone Financial Status

Unit: Thousands of NTD

Items \ Year	2022	2021	Difference	
			Amount	%
Current assets	11,109,773	12,048,474	(938,701)	(7.79%)
Non-Current assets	69,626,910	66,549,863	3,077,047	4.62%
Total assets	80,736,683	78,598,337	2,138,346	2.72%
Current liabilities	11,869,938	12,880,622	(1,010,684)	(7.85%)
Non-current liabilities	20,735,812	13,065,852	7,669,960	58.70%
Total liabilities	32,605,750	25,946,474	6,659,276	25.67%
Capital stock	10,000,000	10,000,000	0	0.00%
Capital surplus	7,923,262	6,578,018	1,345,244	20.45%
Retained earnings	29,851,250	36,025,088	(6,173,838)	(17.14%)
Total shareholders' equity	48,130,933	52,651,863	(4,520,930)	(8.59%)
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.)				
The increase in non-current liabilities was mainly due to bank loans increment.				

## II. Financial Performance Analysis

### Comparative Analysis of Consolidated Financial Performance

Unit: Thousands of NTD

Items	Year	2022		2021		Increase (decrease) amount	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			77,079,263		78,047,772	(968,509)	(1.24%)
Operating costs			49,622,977		54,626,814	(5,003,837)	(9.16%)
Gross profits			27,456,286		23,420,958	4,035,328	17.23%
Realized (unrealized) profits or losses on sales			11		2,576	(2,565)	(99.57%)
Net operating margin			27,456,297		23,423,534	4,032,763	17.22%
Operating expenses			17,350,124		16,287,749	1,062,375	6.52%
Net operating profits (losses)			10,106,173		7,135,785	2,970,388	41.63%
Non-operating income and expenses			(8,725,901)		2,562,023	(11,287,924)	(440.59%)
Other income		1,324,107		1,165,281		158,826	13.63%
Other profits and losses		52,996		(157,222)		210,218	133.71%
Financial costs		(476,439)		(478,043)		(1,604)	(0.34%)
Shareholding in the affiliated companies and joint ventures under the equity method		(9,626,565)		2,032,007		(11,658,572)	(573.75%)
Profit before income tax			1,380,272		9,697,808	(8,317,536)	(85.77%)
Income tax expense			2,568,309		1,955,493	612,816	31.34%
continuing operations			(1,188,037)		7,742,315	(8,930,352)	(115.34%)
Other comprehensive profit and loss (net)			719,534		149,839	569,695	380.20%
Titles not reclassified as profit and loss accounts:							
Reevaluation of determined benefit plan		162,920		148,721		14,199	9.55%
Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income		(31,973)		88,795		(120,768)	(136.01%)
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		(35,681)		126,140		(161,821)	(128.29%)
Accounts to be reclassified to profit or loss subsequently:							
Exchange differences on the translation of financial statements of foreign operations		318,329		(120,315)		438,644	364.58%
Profit or loss on hedging instruments not subject to basis adjustment		(128)		111		(239)	(215.32%)
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		306,067		(93,613)		399,680	426.95%
Total comprehensive income for the period			(468,503)		7,892,154	(8,360,657)	(105.94%)

Analysis of the change in the increase or decrease percentage:

1. The increase in gross profits was mainly due to TAC (Yulon Finance Corporation) stable growth of loan business in 2022.
2. The increase in other gains was mainly due to reversal of compensation liabilities Reserve, Haitec Co., Ltd in 2022.
3. The decrease in the shares of affiliates and joint ventures recognized under the equity method was mainly due to loss from Covid insurance of Tokio Marine Nawa Insurance.
4. The decrease in unrealized gains and losses on equity instrument measured by fair value through other comprehensive gains and losses was mainly due to the loss from this account in 2022.
5. The increase in the share of other comprehensive income of affiliates and joint ventures recognized under the equity method was mainly due to the unrealized gains on the fair value of the investment in equity instruments through other comprehensive income of subsidiaries in 2022.

### Comparative Analysis of Standalone Financial Performance

Unit: Thousands of NTD

Items	Year	2022		2021		Increase (decrease) amount	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			22,410,271		24,310,315	(1,900,044)	(7.82%)
Operating costs			20,378,211		21,998,071	(1,619,860)	(7.36%)
Gross profits			2,032,060		2,312,244	(280,184)	(12.12%)
Realized (unrealized) profits or losses on sales			(5,111)		11,749	(16,860)	(143.50%)
Net operating margin			2,026,949		2,323,993	(297,044)	(12.78%)
Operating expenses			1,274,368		1,280,667	(6,299)	(0.49%)
Net operating profits (losses)			752,581		1,043,326	(290,745)	(27.87%)
Non-operating income and expenses			(5,317,514)		3,774,088	(9,091,602)	(240.90%)
Other income		58,216		43,633		14,583	33.42%
Other profits and losses		(814,971)		103,513		(918,484)	(887.31%)
Financial costs		(218,591)		(196,763)		21,828	11.09%
Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method		(4,391,389)		3,787,304		(8,178,693)	(215.95%)
Interest revenue		49,221		36,401		12,820	35.22%
Profit before income tax			(4,564,933)		4,817,414	(9,382,347)	(194.76%)
Income tax expense			131,759		101,898	29,861	29.30%
continuing operations			(4,696,692)		4,715,516	(9,412,208)	(199.60%)
Other comprehensive profit and loss (net)			597,468		183,750	413,718	225.15%
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		16,620		1,486		15,134	1018.44%
Reevaluation of determined benefit plan		116,606		125,347		(8,741)	(6.97%)
The share of other comprehensive income of subsidiaries, affiliates and joint ventures recognized in equity method		464,242		56,917		407,325	715.65%
Total comprehensive income for the period			(4,099,224)		4,899,266	(8,998,490)	(183.67%)

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 losses was mainly due to provision for impairment of losses made for changes to design costs at early design in Yulon City.
3. The decrease in share of profits and losses in subsidiaries, affiliates and joint ventures under the equity method was mainly due to the impact of the COVID-19 epidemic and government policies, and the claim loss provision for epidemic prevention policies made by the reinvestment company.
4. The increase in Income tax expense was primarily due to the realization of deferred tax assets for 2022.
5. The decrease in unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income was mainly due to the increase in the value of the shares after valuation.
6. Increase in the share of other comprehensive income of subsidiaries, affiliates and joint ventures recognized in equity method was mainly attributable to recognition of currency conversion of overseas re-investment companies, resulting in an increase in cumulative exchange benefits.

### III. Cash flow analysis

#### (I) Liquidity analysis for the most recent 2 years

Items	Year	2022	2021	Increase (decrease) amount
Cash flow ratio		(11.82)	(8.90)	(32.81%)
Cash flow adequacy ratio		(289.26)	(263.89)	(9.61%)
Cash reinvestment ratio		(26.34)	(19.52)	(34.94%)

Analysis of the change in the increase or decrease percentage:  
All indicators of cash flows in 2022 decreased compared with 2021, mainly due to the continuous growth of the financing business of Yurong, a subsidiary, which increased the amount of receivables and affected the increase in net cash outflow from operating activities in 2022.

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
2,585,364	33,832,241	(65,585,866)	(29,168,261)	-	Bank borrowings, cash capital increase and issuance of converted corporate bonds

1. Analysis of changes in cash flows in the coming year:  
(1) Annual cash inflows: cash inflow and dividend income expected from the Company's operations.  
(2) Annual cash outflows: mainly used for operating expenses, tax payments, repayment of bank borrowings and corporate debts.

2. Remedy for estimated cash shortage and liquidity analysis: In addition to cash inflows and expenditures from operating activities, bank borrowings, cash capital increases and converted corporate bonds will be used to cover insufficient cash balances.

Note: The information presented in the table is based on the standalone 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						
				2019	2020	2021	2022	2023	2024	2025
Expansion of machinery and equipment	Self-owned Capital	2025.12.31	\$745,855	\$152,714	\$77,310	\$48,588	\$342,519	\$28,441	\$55,313	\$40,970
Production equipment	Self-owned Capital	2025.12.31	\$1,723,303	\$188,641	\$147,237	\$468,886	\$389,256	\$206,358	\$201,210	\$121,715
Environmental protection equipment	Self-owned Capital	2025.12.31	\$21,159	\$2,518	\$2,143	\$3,085	-	\$4,471	\$4,471	\$4,471
IT Equipment	Self-owned Capital	2025.12.31	\$172,650	\$3,180	\$20,712	\$5,961	\$140,755	-	\$1,361	\$681
Quality assurance equipment	Self-owned Capital	2025.12.31	\$259,255	\$51,390	\$43,443	\$29,645	\$19,593	\$42,186	\$34,603	\$38,395
Construction and Maintenance	Self-owned Capital	2025.12.31	\$5,750,893	\$595,296	\$1,734,528	\$1,722,734	\$703,340	\$963,822	\$661	\$30,512

(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 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 Sanyi 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 2022, the main reasons for profit or loss, improvement plan and investment plan for the coming year:

In 2022, the Company launched U6 GT AERO, URX Panorama LOHAS Edition, URX WILDFUN Edition and URX NEO and other models under its own brand LUXGEN, of which URX NEO has become the main sales force in the near future, not only showing the latest styling style of the next generation, but also upgrading again for active safety and intelligent technology; a number of practical humanized intelligent technologies such as 12-inch multi-function HD touch screen, AR Around View + AR safety image, Eagle View+360-degree surround image, Alley View+, etc. are fully reflected in the most popular product advantages and equipment of Taiwanese consumers; we will continue to provide more practical, diversified and close to life products in the future, looking forward to bringing consumers a unique new experience with a new look.

The investment layout of the electric vehicle industry continues to expand participation in energy-saving policy projects initiated by the government; In accordance with government policies, we have built battery charging stations, and expanded business projects into the solar power generation and financing industry.

As for real estate development, the new store Yulon City has obtained a license in the first quarter of 2022 and officially opened in the second half of 2023.

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 2023'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 Group, 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.

## IV. 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. 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 & 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. 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 2022 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 2022, if interest rates increase by 1%, with all other variables held constant, the Company's net profits before tax for 2022 will decrease by \$726,367 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 2022, 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 decreased by \$3,683 thousand for 2022.
  - 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 2022 was 102.95, up 2.74% from the average of 101.04 for 2021. The total consumer price index increased to 104.07 in February 2023 from 103.78 in December 2022, a increase of 0.29%, and the average of 104.39 in January-February increased by 2.78% compared to 101.61 in the same period of 2022. Inflation showed a slight increase in 2023, 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 2022 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  
All handled in accordance with the policies set forth in the Company's "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  
The derivative transactions entered into by the Company include forward exchange contracts, foreign exchange options and interest rate swaps to manage the Consolidated Company's interest rate and exchange rate risks, which are handled in accordance with the policies set forth in the "Procedures for Handling Derivative Transactions". Derivatives are initially recognized at fair value upon entering into derivative contracts and subsequently remeasured at fair value at the balance sheet date, with gains or losses arising from subsequent measurements recognized directly in profit or loss.
- (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 2022 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 2022 and as of the report date:

The intellectual property management plan based on the corporate group's strategy of open platform and product (customer) diversity includes review of the accumulated intellectual properties and their classification by the needs of future business development. 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 2022 intellectual property related agenda included: (1) 158 registered trademarks, 1 registered patent and 4 patents pending application as of the report dated April 7, 2023; (2) 3 sessions of intellectual property seminars in 2022 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 2022 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 2022 and as of the report date: None.

- (IX) Expected benefits, possible risks and corresponding measures of the plant expansion in 2022 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 2022 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 2022 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 2022 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: None.
- (XIII) 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. (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. (License No. (2013) Zhuan-Gao-Kuai-Zi No. 000328)	Business development department	1
Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2013 for CPAs. (License No. (2013) Zhuan-Gao-Kuai-Zi No. 000381)	Audit office	1

# VIII Special Notes

## I. Information on Affiliates (I) Consolidated business report of affiliates 1. Organizational Chart of Affiliates

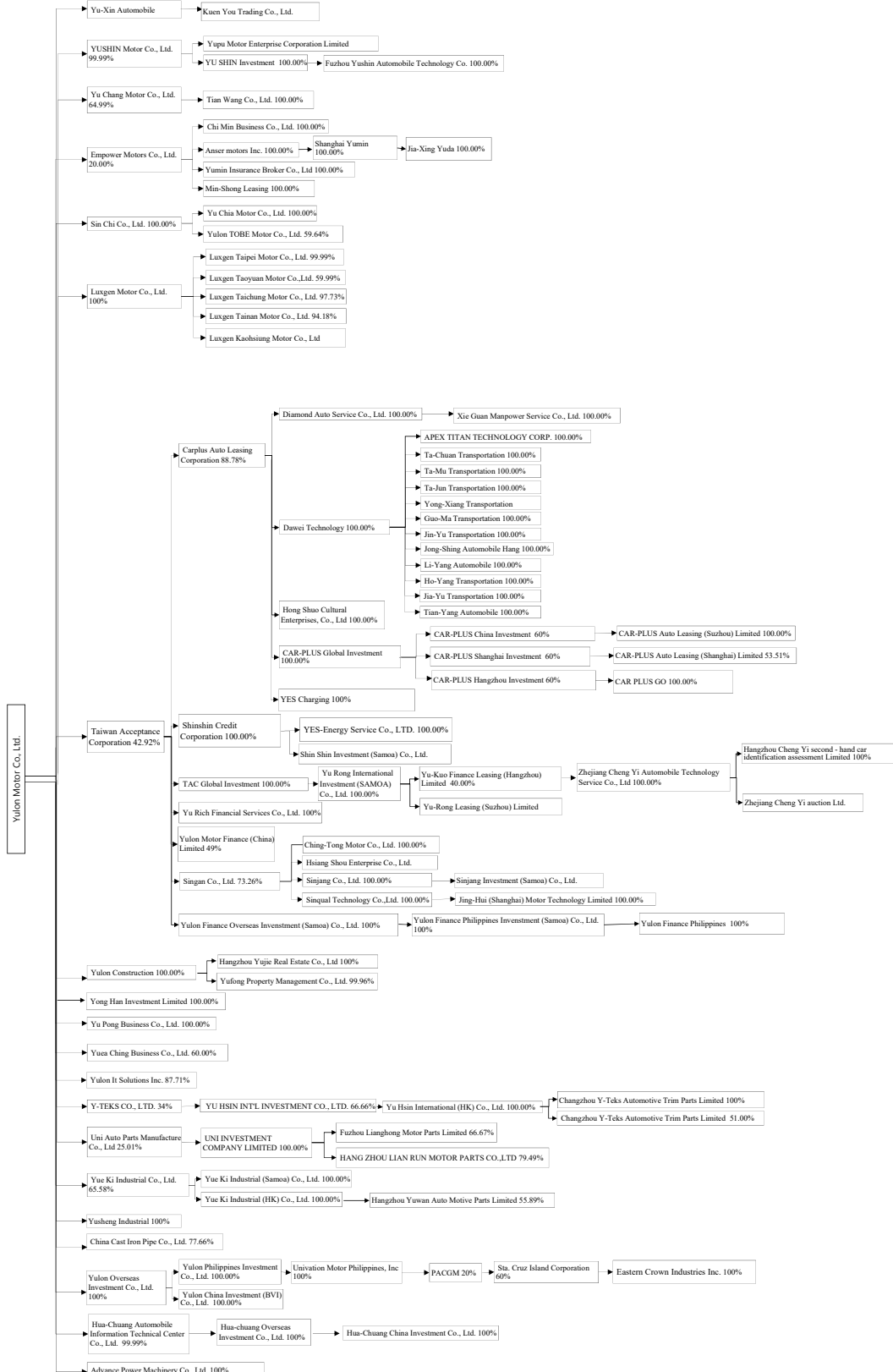
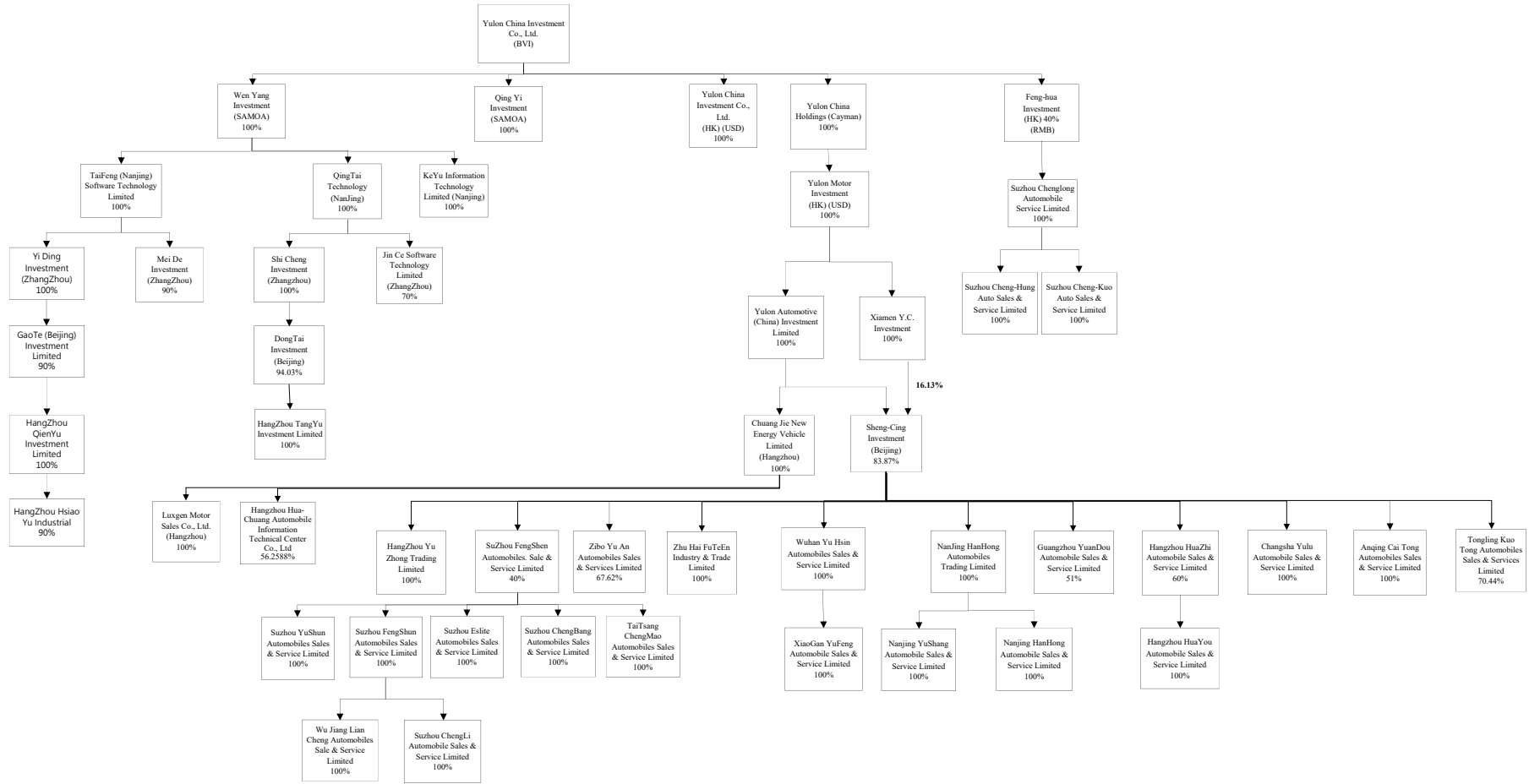


Figure 1:



## 2. Basic information on affiliates

As of 2022.12.31

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	5,971,114	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	4,303,000	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	1,064,028	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	2,474,813	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 cars and motorcycle parts and accessories
YES-Energy Service Co., LTD.	8	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.
Taiwan Acceptance Corporation	9	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.	10	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.	11	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	12	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	13	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.	14	Yu-Rong Leasing (Suzhou) Limited	2010.06.30	Room 1118, Building 23, Times Square, Suzhou Industrial Park	RMB 500,000 thousand	Equipment and vehicle finance lease business
	15	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



Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
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
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	85,000	Small passenger car rental, automobile wholesale and retail business, etc.
	20	Da Wei Technology Co., Ltd	2016.09.19	No. 59, Jingmao 1st Rd., Nangang Dist., Taipei City	40,000	Electric car brokerage service
	21	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
	22	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	23	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
	24	Car-Plus Shanghai Investment(Samoa) co.,Ltd	2008.12.22	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 Shanghai Investment (Samoa) Co.,Ltd	27	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
CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	28	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.	29	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
Da Wei Technology Co., Ltd	30	Ta Teng Transportation Co.,Ltd.	1973.06.29	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
	31	Dachuan Transportation Co., Ltd.	1978.06.19	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	32	Damu Transportation Co., Ltd.	1976.07.01	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
	33	Dajun Transportation Co., Ltd.	1979.05.24	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	34	Yongxiang Transportation Co., Ltd.	1977.10.28	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	35	Guoma Transportation Co., Ltd.	1978.11.16	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	4,000	Taxicab Transportation Business
	36	Jinyu Transportation Enterprise Co., Ltd	1977.06.02	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	37	Zhongxing Automobile Co., Ltd.	1968.02.17	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,500	Taxicab Transportation Business
	38	Liyang Automobile Co., Ltd.	1977.12.08	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	9,000	Taxicab Transportation Business
	39	Heyang Transportation Co., Ltd.	1974.12.10	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
	40	Jiayu Transportation Enterprise Co., Ltd	1977.09.13	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	41	Tianyang Transportation Co., Ltd.	1978.05.27	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
Taiwan Acceptance Corporation	42	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.
Singan Co., Ltd.	43	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.
	44	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
	45	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
	46	Sinjang Co., Ltd	2000.08.09	No. 136, Sanmin Rd., Linkou Dist., New Taipei City	128,240	Sales and brokerage services of used vehicles
Sinjang Co., Ltd	47	Sinjang Investment (Samoa) Co., Ltd.	2013.09.16	TMF Chambers P.O. Box 3269. Apia. Samoa	USD 1,874 thousand	Holding company
Sinqual Technology Co., Ltd.	48	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	49	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.
	50	Yulon Construction Co., Ltd.	1977.01.28	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	1,221,000	Commissioned construction of residential buildings for sale and introduction of related housing for rent and sale, etc.
Yulon Construction Co., Ltd.	51	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)
	52	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
YULON MOTOR CO., LTD	53	Sin Chi Co., Ltd.	2001.12.25	7F., No. 150, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City	905,000	Advertising services and business management consulting, etc.
Sin Chi Co., Ltd.	54	Yu Chia Motor Co., Ltd.	1999.08.25	No. 83, Da'an Rd., Tucheng Dist., New Taipei City	26,000	Automobile retail industry, vehicle parts retail industry, automobile repair industry, etc.
	55	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	56	Yung Hang Investment Co., Ltd.	1994.09.12	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	776,220	Investment in various production and service businesses.
	57	Yu Pong Business Co., Ltd.	1992.04.13	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	284,704	Management and related business of Yulon professional basketball team
	58	Yulon It Solutions Inc.	2000.09.01	4F.-1, No. 30, Taiyuan St., Zhubei City, Hsinchu County	190,000	Information Software Services
	59	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.
	60	Yue Sheng Industrial Co., Ltd.	1969.04.29	No. 40-5, Bogongkeng, Sanyi Township, Miaoli County	288,000	Manufacture of automobiles and parts, etc.
	61	Advance Power Machinery Co., Ltd.	2008.06.03	No. 39-1, Bogongkeng, Sanyi Township, Miaoli County	5,000	Manufacture and sale of automobile and motorcycle parts, etc.
	62	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.	63	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
	64	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.	65	Hangzhou Yuwan Auto Motive Parts Limited	2010.02.02	Linlong Branch Road, Linjiang Industrial Park, Xiaoshan District, Hangzhou	USD 19,860 thousand	Automobile parts design, development, manufacturing, sales, installation and after-sales service, etc.
YULON MOTOR CO., LTD	66	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
	67	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
	68	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.	69	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
	70	YU SHIN Investment Ltd.	2011.03.23	Portcullis TrustNet Chambers, P.O.Box 1225, Apia, Samoa	RMB 37,480 thousand	Holding company

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
YU SHIN Investment Ltd.	71	Fuzhou YuShin Automobile Technology Co.	2019.11.13	The whole car sales complex building, No. 3 Xiangtong Road, Shanggan Town, Minhou County, Fuzhou City, Fujian Province	RMB 12,000 thousand	Sales of new cars; retail of auto parts and accessories; wholesale of auto parts and accessories; sales of auto decoration supplies. Lubricant sales; used car dealership; motor vehicle repair and maintenance
Esinn Co., Ltd	72	KUEN YOU TRADING CO., LTD.	2018.04.27	No. 154-5, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	10,000	Wholesale and retail of automobiles and motorcycles and parts, tires
Yu Chang Motor Co., Ltd.	73	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	74	Yulon Overseas Investment Co., Ltd.	2003.07.04	TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 1,082,406 thousand	Investment
Yulon Overseas Investment Co., Ltd.	75	Yulon China Investment Co., Ltd.	2003.07.08	TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 1,057,980 thousand	Investment
	76	Yulon Philipines 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 Philipines Investment Co., Ltd.	77	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.	78	STA. CRUZ ISLAND CORPORATION	1991.09.23	Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines	PHP 533,799 thousand	Housing Leasing
Yulon China Investment Co., Ltd.	79	Wen Yang Investment Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 29,650 thousand	Investment
	80	Qing Yi Investment Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 14,024 thousand	Investment
	81	Yulon China Investment Limited.	2008.02.13	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	USD 269,984 thousand	Investment
	82	Yulon China Holdings Co. Ltd.	2012.01.06	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands	USD 711,803 thousand	Investment
	83	Feng-hua Investment (HK) Co., Ltd.	2011.03.22	UNIT 706 HALESON BLDG1 JUBILEE ST, HK.	USD 7,000 thousand	Holding company

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Feng-hua Investment (HK) Co., Ltd.	84	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.	85	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
	86	Suzhou Cheng-Kuo Auto Sales & Service Limited	2014.05.22	South side of Nanhuan Road, Shengze Town, Wujiang District, Suzhou City (Maota Village)	RMB 20,000 thousand	Sales: automobiles and accessories, motorcycles and accessories, metal materials, hardware, electrical and mechanical products, construction materials, lubricants, non-hazardous chemical products; used car dealership; car licensing procedures on behalf of the office; car rental; motor vehicle repair and technical advisory services. Business information consulting services; economic information consulting services; automobile

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
						information consulting services; self-management and agency for the import and export of various commodities and technologies
Wen Yang Investment (Samoa) Co., Ltd.	87	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
	88	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
	89	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	90	Zhangzhou Development Zone Yi Ding Investment Co., Ltd.	2005.12.09	Room 604-4, Building 6, Shanhuyuan, 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
	91	Zhangzhou Development Zone Mei De Investment Co., Ltd.	2005.12.09	Room 604-2, Building 6, Shanhuyuan, 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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
						international technologies, products and equipment; computer software and hardware development and technical services and consulting
QingTai (NanJing) Technology Limited	92	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
	93	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.	94	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	95	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
HangZhou QienYu Investment Limited	96	HangZhou Hsiao Yu Investment Limited	2007.10.22	No. 310, North District, Zhongyu Modern City, Beigan Street, Xiaoshan District	RMB 10,000 thousand	Business investment and all other legal projects that do not require approval
Zhangzhou Development Shi Cheng Investment Co., Ltd.	97	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	98	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Yulon China Holdings Co. Ltd.	99	Yulon Motor Investment Limited.	2012.01.30	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	USD 711,803 thousand	Investment
Yulon Motor Investment (HK) Co., Ltd.	100	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
	101	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	102	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. 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)



Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	103	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 relations planning; technical consulting (except brokerage), technical services; technology import and export
Chuang Jie New Energy Vehicle (HZ) Limited	104	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
	105	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	106	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)

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
SuZhou FengShen Automobiles. Sale & Service Limited	107	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 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)
	108	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	109	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 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
	110	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	111	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	112	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 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
	113	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
						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	114	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
	115	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)
	116	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
	117	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
	118	Zhu Hai FuTeEn Industry & Trade Limited	2003.04.29	No. 123, Huayu Road, Xiangzhou District, Zhuhai City	RMB 35,200 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)

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	119	Wuhan Yu Hsin Automobiles Sales & Service Limited	2007.09.12	No. 1 Gongnong Road, Qiaokou District, Wuhan City, Hubei Province	RMB 100,000 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	120	Xiaogan Yufeng Automobile Sales Service Co., Ltd.	2011.05.16	Fairy Lake East Road, Xiaonan Economic Development Zone, Xiaogan City	RMB 32,000 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	121	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	122	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
	123	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	124	HangZhou Yu Zhong Trading Limited	2007.09.25	Room 1016, Building 2, Hangzhou Yulon Building, Xiaoshan 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 the sale of goods that require a license); sales of daily necessities; domestic trade agency; sales agency; retail of clothing and accessories (For those that must be approved according to law, business activities shall be independently conducted according to law on the basis of business license).

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	125	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	126	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	127	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-related technical consulting services; auto leasing; auto repair; auto repair technical consulting; venue leasing; machinery and equipment leasing
YULON MOTOR CO., LTD	128	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.	129	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.	130	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
YU HSIN INT'L INVESTMENT (HK) CO., LTD.	131	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
	132	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 10,450 thousand	Design, development, manufacturing and sales services of automotive interior components
YULON MOTOR CO., LTD	133	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	134	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.	135	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.
	136	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	137	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.	138	Luxgen Taipei 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
	139	Luxgen Taoyuan 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
	140	Luxgen Taichung 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
	141	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
	142	Luxgen Kaohsiung 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
YULON MOTOR CO., LTD	143	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



Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
EMPOWER MOTORS CO., LTD.	144	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
	145	Hongyan Automobile Co., Ltd.	2010.12.15	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA	213,774	Holding company
	146	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
	147	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.	148	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	149	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	150	Hua-Chuang Automobile Information Technical Center Co., Ltd.	2005.12.27	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	14,136,001	Automobile product design business and parts manufacturing, wholesale and retail, and management consulting
Hua-Chuang Automobile Information Technical Center Co., Ltd.	151	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
Hua-Chuang Overseas Investment Co., Ltd.	152	Hua-chuang China Investment Co., Ltd.	2012.08.29	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	343,374	Investment

3. Those who are presumed to have a controlling affiliation of the same shareholder: None
4. 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.

5. Names of directors, supervisors and presidents of affiliated enterprises and their shareholdings or capital contributions to such enterprises (as of December 31, 2022)

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
1	Taiwan Acceptance Corporation		YULON MOTOR CO., LTD	213,375,801	42.92
		Chairman	Yen Chen Li-Lien		
		Director	Tso, Chi-Sen		
		Director	Zhen-Xiang Yao		
			Yulon-Administered Enterprises Company Limited	17,676	-
		Director (and President)	Kuo-Hsing Hsu		
			Le Wen Investment Co., Ltd.	5,727,671	1.15
		Vice Chairman	Chen-Cheng Li		
		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		Taiwan Acceptance Corporation	430,300,000	100.00
		Chairman	Kuo-Hsing Hsu		
		Director	Te-Chao Huang		
		Director	Wen-Kai Chuang		
		Director	Po-An Lai		
		Director (and President)	Yuan-Lung Chueh		
		Supervisor	Yuan-long Chen		
Supervisor	Shu-hua Liao				
3	Carplus Auto Leasing Corporation		Taiwan Acceptance Corporation	94,421,002	88.74
		Chairman (and President)	Kuo-Hsing Hsu		
		Director	Chun-Cheng Lin		
		Director	Chien-Shun Liao		
		Director	Po-An Lai		
		Director	Jung-Fu Cheng		
		Supervisor	Ruiyi Investment Co., Ltd.	7,955,672	7.48
Supervisor	Chen Zhi-Long				
Supervisor	Shortage				
4	Yu Rich Financial Services Co., Ltd.		Taiwan Acceptance Corporation	247,481,250	100.00
		Chairman	Kuo-Hsing Hsu		
		Director	Zhuang Yi-Xue		
		Director	Te-Chao Huang		
		Director	Wen-Kai Chuang		
		Director	Po-An Lai		
		Supervisor	Yuan-long Chen		
Supervisor	Shu-hua Liao				
5	Yulon Motor Finance (China) Limited		YULON MOTOR CO., LTD	RMB 510,000 thousand*	51.00
		Chairman	Chin-Chuan Chen		
		Director	Shi-hao Fang		
		Supervisors	Yan Zhou		
			Taiwan Acceptance Corporation	RMB 490,000 thousand*	49.00
		Director	Fu-Hsiung Liu		
		Director	Chun-Cheng Lin		
		Director (and President)	Chi-Chang Ho		
Supervisors	Shu-hua Liao				
6	Shin Shin Investment (Samoa) Co., Ltd.		Shinshin Credit Corporation	USD 12,000 thousand*	100.00
		Director	Kuo-Hsing Hsu		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
7	YES-Energy Service Co., LTD.	Chairman Director Director Supervisor	Shinshin Credit Corporation Yuan-Lung Chueh Shih-Neng Yeh Che-Jen Tao Mingde Lo	29,000,000	100.00
8	YES CHARGING SERVICE CO., LTD.	Chairman Director Director Supervisor	Carplus Auto Leasing Corporation Chun-Cheng Lin Wong Pak-Tong Jung-Fu Cheng Xinzhen Lin	7,200,000	100.00
9	Yulon Finance Overseas Investment (Samoa) Co., Ltd.	Director	Taiwan Acceptance Corporation Kuo-Hsing Hsu	USD 15,000 thousand*	100.00
10	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Director	Yulon Finance Overseas Investment (Samoa) Co., Ltd. Kuo-Hsing Hsu	USD 15,000 thousand*	100.00
11	Yulon Finance Philippines Co., Ltd	Chairman Director (and President) Director Director Director Independent Director Independent Director	Yulon Finance Philippines Investment (Samoa) Co., Ltd. Mingqi Hu Zhiling Zhan Yu-Chueh Li Jun Chen Chun-Cheng Lin JESSIE D. CABALUNA Norweijann Cruz	PHP 750,000 thousand*	100.00
12	TAC Global Investment (Samoa) Co., Ltd.	Director	Taiwan Acceptance Corporation Kuo-Hsing Hsu	USD 108,833 thousand*	100.00
13	Yu Rong International Investment (SAMOA) Co., Ltd.	Director	TAC Global Investment (Samoa) Co., Ltd. Kuo-Hsing Hsu	USD 87,496 thousand*	100.00
14	Yu-Rong Leasing (Suzhou) Limited	Chairman (and President) Director Director Director Director Supervisor Supervisor	Yu Rong International Investment (SAMOA) Co., Ltd. Fu-Hsiung Liu Chin-Chuan Chen Yuan-Lung Chueh Wen-Kai Chuang Xiao Yong-Lin Shu-hua Liao Yan Zhou	RMB 500,000 thousand*	100.00
15	Yu-Kuo Finance Leasing (Hangzhou) Limited	Chairman Director Director Supervisors	Yu Rong International Investment (SAMOA) Co., Ltd. Fu-Hsiung Liu Chi-Chang Ho Kuo-Hsing Hsu Shu-hua Liao	USD 12,000 thousand*	40.00
			Shin Shin Investment (Samoa) Co., Ltd. Xiao Yong-Lin	USD 12,000 thousand*	40.00
16	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd	Chairman Director Director Supervisors	Yu-Kuo Finance Leasing (Hangzhou) Limited Fu-Hsiung Liu Xiao Yong-Lin Ching-Yu Tsai Huang Hung	RMB 20,000 thousand*	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
17	Hangzhou Cheng Yi second - hand car identification assessment Limited	Managing director Supervisors	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd Ching-Yu Tsai Huang Hung	RMB 1,500 thousand*	100.00
18	Zhejiang Cheng Yi auction Ltd.	Director (and President) Supervisors	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd Ching-Yu Tsai Huang Hung	RMB 2,000 thousand*	100.00
19	Diamond Auto Service Co., Ltd.	Chairman	Carplus Auto Leasing Corporation Chun-Cheng Lin	8,500,000	100.00
20	Da Wei Technology Co., Ltd	Chairman	Carplus Auto Leasing Corporation Chun-Cheng Lin	4,000,000	100.00
21	Hong Shuo Cultural Enterprises Co.,Ltd.	Chairman (and President)	Carplus Auto Leasing Corporation Chun-Cheng Lin	4,050,000	100.00
22	CAR-PLUS Global Investment (Samoa) Co., Ltd.	Director	Carplus Auto Leasing Corporation Chun-Cheng Lin	USD 31,200 thousand*	100.00
23	CAR-PLUS China Investment (Samoa) Co., Ltd	Director	CAR-PLUS Global Investment Chun-Cheng Lin TAC Global Investment	USD 6,000 thousand* USD 4,000 thousand*	60.00 40.00
24	CAR-PLUS Shanghai Investment (Samoa) Co., Ltd.	Director	CAR-PLUS Global Investment Chun-Cheng Lin TAC Global Investment	USD 6,000 thousand* USD 4,000 thousand*	60.00 40.00
25	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	Director	CAR-PLUS Global Investment Chun-Cheng Lin TAC Global Investment	USD 19,200 thousand* USD 12,800 thousand*	60.00 40.00
26	CAR-PLUS Auto Leasing (Suzhou) Limited	Chairman (and President) Director Director Director Supervisors Supervisors	CAR-PLUS China Investment (Samoa) Co., Ltd Fu-Hsiung Liu Jun Chen Yung-Lin Hsiao Po-An Lai Chin-Chuan Chen Yan Zhou Xinzhen Lin	USD 24,279 thousand*	100.00
27	CAR-PLUS Auto Leasing (Shanghai) Limited	Chairman (and President) Director Director Supervisors	CAR-PLUS Shanghai Investment (Samoa) Co., Ltd Fu-Hsiung Liu Jun Chen Yung-Lin Hsiao Xinzhen Lin	USD 14,447 thousand*	53.51
28	CAR-PLUS GO Co., Ltd.	Chairman (and President) Director Director Director Director Supervisors	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd Jun Chen Chin-Chuan Chen Qingya Chen Po-An Lai Weimin Pan Xinzhen Lin	USD 32,000 thousand*	100.00
29	Xie Guan Manpower Service Co., Ltd.	Chairman	Diamond Auto Service Co., Ltd. Chun-Cheng Lin	1,000,000	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
30	Ta Teng Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
31	Dachuan Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
32	Damu Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
33	Dajun Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
34	Yongxiang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
35	Guoma Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 4,000 thousand*	100.00
36	Jinyu Transportation Enterprise Co., Ltd	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
37	Zhongxing Automobile Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,500 thousand*	100.00
38	Liyang Automobile Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 9,000 thousand*	100.00
39	Heyang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
40	Jiayu Transportation Enterprise Co., Ltd	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
41	Tianyang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
42	Singan Co., Ltd.	Chairman Director Director Director Director (and President) Supervisor Supervisor	Taiwan Acceptance Corporation Kuo-Hsing Hsu Po-An Lai Te-Chao Huang Jung-Hua Li Shun-Yen Hung Luxgen Motor Co., Ltd. Yuan-long Chen Shu-hua Liao	21,004,499     5,669,791	73.26     19.78
43	Sinqual Technology Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Yi-Yuan Huang Chien Lai-Fong Jo-Mei Fu	13,000,000	100.00
44	Hsiang Shou Enterprise Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Yi-Yuan Huang Chien Lai-Fong Jo-Mei Fu	10,000,000	100.00
45	Qinton Motor Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Yi-Yuan Huang Kuoh-Siung Peng Jo-Mei Fu	6,745,947	100.00
46	Sinjang Co., Ltd	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Yi-Yuan Huang Lin Chi-Wai Jo-Mei Fu	12,824,000	100.00
47	Sinjang Investment (Samoa) Co., Ltd.	Director Director	Sinjang Co., Ltd Shun-Yen Hung TAC Global Investment (Samoa) Co., Ltd. Kuo-Hsing Hsu	USD 1,337 thousand* USD 537 thousand*	71.34 28.66

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
48	Jing-Hui (Shanghai) Motor Technology Limited	Chairman Director (and President) Supervisors	Sinqual Technology Co., Ltd. Shun-Yen Hung Yu-Hsuan Wu Jo-Mei Fu	USD 1,675 thousand*	100.00
49	Yu Ching Business Co., Ltd.	Chairman Director Director Supervisor	YULON MOTOR CO., LTD Jian-Hui Li Wen-Yi Lo Hsun-Kuei Hsieh Yu Pong Business Co., Ltd. Hong Yao Jian	42,660,000 28,440,000	60.00 40.00
50	Yulon Construction Co., Ltd.	Chairman Vice Chairman Director Director Director Supervisor	YULON MOTOR CO., LTD Yen Chen Li-Lien Zhen-Xiang Yao Chen Bo-Yung Jack, J.T. Huang Wen-Yi Lo Qi-hong Tasi	122,100,000	100.00
51	Hangzhou Yujie Real Estate Co., Ltd	Chairman (and President) Director Director Supervisors	Yulon Construction Co., Ltd. Chin-Chuan Chen Wen-Yi Lo Yu-Chien Li Qi-hong Tasi	RMB 500,000 thousand*	100.00
52	Yufong Property Management Co., Ltd.	Chairman Director Director Supervisor	Yulon Construction Co., Ltd. Wen-Yi Lo Chien Sik-Nin Yu-Chien Li Yulon-Administered Enterprises Company Limited Qi-hong Tasi	2,499,000 1,000	99.96 0.04
53	Sin Chi Co., Ltd.	Chairman Director Director Supervisor	YULON MOTOR CO., LTD Zhen-Xiang Yao Jian-Hui Li Wen-Yi Lo Hong Yao Jian	90,500,000	100.00
54	Yu Chia Motor Co., Ltd.	Chairman Director Director Supervisor	Sin Chi Co., Ltd. Jian-Hui Li Li-Hua Wu Shen-Guo Wang Hsun-Kuei Hsieh	2,600,000	100.00
55	Yulon TOBE Motor Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor	Sin Chi Co., Ltd. Zhen-Xiang Yao Jian-Hui Li Li-Hua Wu Ellectramobilys SARL Damien Biro Axei Biro Hsun-Kuei Hsieh Chiang Wang	22,005,453 14,890,400	60.00 40.00
56	Yung Hang Investment Co., Ltd.	Chairman Director Supervisor	YULON MOTOR CO., LTD Yen Chen Li-Lien Zhen-Xiang Yao Qi-hong Tasi	77,622,000	100.00
57	Yu Pong Business Co., Ltd.	Chairman (and President) Director Director Supervisor	YULON MOTOR CO., LTD Yen Chen Li-Lien Wen-Yi Lo Yuan-long Chen Youan Huang	28,470,422	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
58	Yulon It Solutions Inc.	Chairman	YULON MOTOR CO., LTD Binglin Chen	16,663,998	87.71
		Director Director Supervisor	Wen-Chiang Chung Hong-Zheng Chen Tai Yuen Textile Co., Ltd. Chi-Hui Chen	2,336,002	12.29
59	China Cast Iron Pipe Co., Ltd.	Chairman	YULON MOTOR CO., LTD Wen-Yi Lo	24,850	77.66
		Director	Li-Hua Wu		
		Director Supervisor	Tai Yuen Textile Co., Ltd. Chien Sik-Nin Tai Yuen Textile Co., Ltd. Hsun-Kuei Hsieh	430 5,679	1.34 17.75
60	Yue Sheng Industrial Co., Ltd.	Chairman Director Director (and President) Director Supervisor	YULON MOTOR CO., LTD Wen-Jung Tsai Jian-Hui Li Tseng Guo-Feng Shen-Guo Wang Hsun-Kuei Hsieh	28,800,000	100.00
61	Advance Power Machinery Co., Ltd.	Chairman Director (and President) Director Supervisor	YULON MOTOR CO., LTD Hong-Zheng Chen Shi-Ting Chen Shun-Yuan Yang Hsun-Kuei Hsieh	500,000	100
62	Yueki Industrial Co., Ltd.	Chairman	YULON MOTOR CO., LTD Chun-Hung Chen	12,766,887	65.58
		Director	Yan Zhou		
		Director	Li-Hua Wu		
		Director	Shih-Lin Wu		
		Director	Wen-Yuan Li		
		Director	Japan MARELLI CORPORATION Shanxi Zhengbo China Motor Corporation	3,698,000 2,936,222	19.00 15.08
		Director	Chen-xing Zhu Yulon-Administered Enterprises Company Limited	1,000	0.01
Supervisor Supervisor	Yuan-long Chen Akiyama Toyohiko	0	-		
63	Yue Ki Industrial (Samoa) Co., Ltd	Director	Yueki Industrial Co., Ltd.	4,125,945	100.00
64	Hong Kong Yueki Holdings Co., Ltd.	Director	Yueki Industrial Co., Ltd.	10,600,000	100.00
		Director Director	Chun-Hung Chen Zhixiong Wu		
65	Hangzhou Yuwan Auto Motive Parts Limited	Chairman	Hong Kong Yueki Holdings Co., Ltd. Shih-Lin Wu	USD 11,100 thousand*	55.89
		Director (and President)	Shunxiong Fan		
		Director Supervisor	Qing Yi Investment Co., Ltd. Huang Shi-Gu Yuming Zhuang	USD 8,760 thousand* -	44.11 -
66	Esinn Co., Ltd	Chairman	YULON MOTOR CO., LTD Jian-Hui Li	17,999,000	99.99
		Director (and President)	Wen- Chiang Hsu		
		Director	Meng-Fen Hsiao		
		Director Director	Wen-Chiang Chung Wen-Jung Tsai		
		Supervisor	Yulon-Administered Enterprises Company Limited Yuan-long Chen	1,000	0.01

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
67	Yushin Motor Co., Ltd.	Chairman	YULON MOTOR CO., LTD Wen- Chiang Hsu	19,999,000	99.99
		Director Director Director Director	Wen-Chiang Chung Wenxiu Zhu Meng-Fen Hsiao Jian-Hui Li		
		Supervisor	Yulon-Administered Enterprises Company Limited Yuan-long Chen	1,000	0.01
68	Yu Chang Motor Co., Ltd.	Chairman	Yao-Hsin Kuo	2,920,400	13.56
		Director	Yu-Hung Kuo	1,545,200	7.17
			YULON MOTOR CO., LTD	13,998,500	64.99
		Director Director Director	Wen-Jung Tsai Chiu-Yueh Lo Meng-Fen Hsiao		
		Supervisor	Yulon-Administered Enterprises Company Limited Yuan-long Chen	1,000	0.01
		Supervisor	Chiu-Hua Chen	1,111,200	5.16
69	Yupu Enterprise Co., Ltd.	Chairman Director Director Supervisor	Yushin Motor Co., Ltd. Wenxiu Zhu Jian-Syong Liao Wentian Guo I-Hsuan Lin	5,000,000	100.00
70	YU SHIN Investment Ltd.		Yushin Motor Co., Ltd.	RMB 37,480 thousand*	100.00
		Chairman	Wenxiu Zhu		
71	Fuzhou YuShin Automobile Technology Co.	Chairman Director Director Supervisors	YU SHIN Investment Ltd. Shih-Hao Tseng Huang Jun-Quan Zhiqiang Yan I-Hsuan Lin	RMB 12,000 thousand*	100.00
72	KUEN YOU TRADING CO., LTD.	Chairman Director Director Supervisor	Esinn Co., Ltd Wen- Chiang Hsu Wen-Chiang Chung Yung-Shun Li Meng-Fen Hsiao	1,000,000	100.00
73	Tian Wang Co., Ltd.	Chairman Director Director Supervisor	Yu Chang Motor Co., Ltd. Yao-Hsin Kuo Meng-Fen Hsiao Chiu-Yueh Lo Ti-Chien Wei	1,700,000	100.00
74	Yulon Overseas Investment Co., Ltd.	Director	YULON MOTOR CO., LTD Heng-Yao Wang	1,082,405,973.67	100.00
75	Yulon China Investment Co., Ltd.	Director	Yulon Overseas Investment Co., Ltd. Heng-Yao Wang	1,057,980 thousand*	100.00
76	Yulon Philipines Investment Co., Ltd.	Director	Yulon Overseas Investment Co., Ltd. Zhen-Xiang Yao	35,740,966	100.00
77	UNIVATION MOTOR PHILIPPINES, INC.	Chairman	Yulon Philipines Investment Co., Ltd. Jian-Hui Li	PHP 436,553 thousand*	40.00
		Director (and CEO)	Yu-Chueh Li	-	-
		Director	Kuo-Chang Peng	-	-
		Director Director	Reynaldo J. Concepcion Teresita D. Hamor	- -	- -
			EASTERN CROWNE INDUSTRIES, INC.	PHP 35,000 thousand*	3.21
			STA.CRUIZ ISLAND CORP.	PHP 619,830 thousand*	56.79



Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
78	STA.CRUZ ISLAND CORROPATION	Director Chairman  Director Director	Yulon Philipines Investment Co., Ltd.  Pacific Gem Corporation Reynaldo J. Concepcion William C. Yu  UNIVATIONMOTOR PHILIPPINES, INC. Nedia O. Sagun Teresita D. Hamor	PHP 74,937 thousand* PHP 320,279 thousand* - - PHP 138,583 thousand* -	14.04  60.00  - - 25.96 -
79	Wen Yang Investment Co., Ltd.	Director	Yulon China Investment Co., Ltd. Zhen-Xiang Yao	29,650,000	100.00
80	Qing Yi Investment Co., Ltd.	Director	Yulon China Investment Co., Ltd. Zhen-Xiang Yao	USD 14,024 thousand*	100.00
81	Yulon China Investment Limited.	Director	Yulon China Investment Co., Ltd. Zhen-Xiang Yao	USD 269,984 thousand*	100.00
82	Yulon China Holdings Co. Ltd.	Director	Yulon China Investment Co., Ltd. Chin-Chuan Chen	USD 711,803 thousand*	100.00
83	Feng-hua Investment (HK) Co., Ltd.	Director  Director	Chenglong Limited. I-Wei Wang  Yulon China Investment Co., Ltd. Yuan-long Chen Huamao International Investment Co., Ltd.	USD 2,100 thousand*  USD 2,800 thousand* USD 2,100 thousand*	30.00  40.00 30.00
84	Suzhou Chenglong Auto Sales & Service Co.	Chairman (and President) Director Director Director Director Supervisors Supervisors	Feng-hua Investment (HK) Co., Ltd. I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ching-Yi Wang Ming-Tsang Chao Liu Zong-Xin Yan Zhou	USD 7,000 thousand*	100.00
85	Suzhou Cheng-Hung Auto Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	Suzhou Chenglong Auto Sales & Service Co. I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ching-Yi Wang Ming-Tsang Chao Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
86	Suzhou Cheng-Kuo Auto Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	Suzhou Chenglong Auto Sales & Service Co. I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ching-Yi Wang Ming-Tsang Chao Liu Zong-Xin Yan Zhou	RMB 20,000 thousand*	100.00
87	KeYu (Nanjing) Information Technology Limited	Managing director Supervisors	Wen Yang Investment (Samoa) Co., Ltd.  Chin-Chuan Chen Qi-hong Tasi	RMB 180,031 thousand*	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
88	TaiFeng (Nanjing) Software Technology Limited	Managing director	Wen Yang Investment (Samoa) Co., Ltd. Chin-Chuan Chen	USD 14,850 thousand*	100.00
89	QingTai (NanJing) Technology Limited	Managing director Supervisors	Wen Yang Investment (Samoa) Co., Ltd. Chin-Chuan Chen Wen-Yi Lo	USD15,350 thousand*	100.00
90	Zhangzhou Development Zone Yi Ding Investment Co., Ltd.	Director (and President) Supervisors	TaiFeng (Nanjing) Software Technology Limited Yuan-long Chen Wen-Yi Lo	RMB 55,200 thousand*	100.00
91	Zhangzhou Development Zone Mei De Investment Co., Ltd.	Director (and President) Supervisors	TaiFeng (Nanjing) Software Technology Limited QingTai (NanJing) Technology Limited Yuan-long Chen Wen-Yi Lo	RMB 71,550 thousand* RMB 7,950 thousand*	90.00 10.00
92	Zhangzhou Development Shi Cheng Investment Co., Ltd.	Director (and President) Supervisors	QingTai (NanJing) Technology Limited Yuan-long Chen Wen-Yi Lo	RMB 71,830 thousand*	100.00
93	Zhangzhou Development Zone Jin Ce Investment Co., Ltd.	Director (and President) Supervisors	QingTai (NanJing) Technology Limited TaiFeng (Nanjing) Software Technology Limited Yuan-long Chen Wen-Yi Lo	RMB 13,769 thousand* RMB 5,901 thousand*	70.00 30.00
94	GaoTe (Beijing) Investment Limited	Director (and President) Supervisors	Zhangzhou Development Zone Yi Ding Investment Co., Ltd. Zhangzhou Development Zone Jin Ce Investment Co., Ltd. Yi Liu Qi-hong Tasi	RMB 52,200 thousand* RMB 5,800 thousand*	90.00 10.00
95	HangZhou QienYu Investment Limited	Director (and President) Supervisors	GaoTe (Beijing) Investment Limited Yi Liu Ya-Ming Chen	RMB 10,000 thousand*	100.00
96	HangZhou Hsiao Yu Investment Limited	Chairman Director Director (and President) Supervisors	HangZhou TangYu Investment Limited HangZhou QienYu Investment Limited Zhejiang Zhongyu (Holdings) Group Co., Ltd. Chi-Wu Liu Chi-Hou Wen Wen-Chiang tien Lai Liu	RMB 900 thousand* RMB 9,000 thousand* RMB 100 thousand*	9.00 90.00 1.00
97	DongTai (Beijing) Investment Limited	Director (and President) Supervisors	Zhangzhou Development Shi Cheng Investment Co., Ltd. Zhangzhou Development Zone Jin Ce Investment Co., Ltd. Lai Liu Qi-hong Tasi	RMB 68,830 thousand* RMB 4,370 thousand*	94.03 5.97

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
98	HangZhou TangYu Investment Limited	Director (and President) Supervisors	DongTai (Beijing) Investment Limited Chi-Tsai Wen Ming Chen	RMB 10,000 thousand*	100.00
99	Yulon Motor Investment Limited.	Director	Yulon China Holdings Co. Ltd. Zhen-Xiang Yao	USD 711,803 thousand*	100.00
100	Yulon Automotive (China) Investment Limited.	Chairman Director (and President) Director Supervisors	Yulon Motor Investment Limited. Zhen-Xiang Yao Chin-Chuan Chen Wen-Jung Tsai Yuan-long Chen	USD 274,940 thousand*	100.00
101	Xiamen Y.C. Invest. Consulting Limited.	Managing director Supervisors	Yulon Motor Investment Limited. Chin-Chuan Chen Wen-Yi Lo	USD 1,860 thousand*	100.00
102	Chuang Jie New Energy Vehicle (HZ) Limited.	Chairman Director (and President) Director Supervisors	Yulon Automotive (China) Investment Limited Binglin Chen Huang Shi-Gu Chin-Chuan Chen Yi-Chin Lin	RMB 790,000 thousand*	100.00
103	Sheng Qing (Beijing) Investment Limited	Vice Chairman  Chairman (and President) Director Supervisors	Yulon Automotive (China) Investment Limited Chin-Chuan Chen Xiamen Y.C. Invest. Consulting Limited Yuan-long Chen Yan Zhou Wen-Yi Lo	RMB 1,039,671 thousand*  RMB 200,000 thousand*	83.87  16.13
104	Luxgen (Hangzhou) Motor Sales Co., Ltd	Chairman Director Director President Supervisors	Chuang Jie New Energy Vehicle (HZ) Limited Chong-Yuan Chen Chin-Chuan Chen Huang Shi-Gu Yi-Chin Lin Heng-Yao Wang	USD 434,550 thousand*	100.00
105	Hangzhou Hua-chuang Automobile Informati	Chairman Director (and President) Director Supervisors	Chuang Jie New Energy Vehicle (HZ) Limited Yulon Automotive (China) Investment Limited Qiu Minhui Huang Shi-Gu Chin-Chuan Chen Hong Yao Jian	USD 16,818 thousand* USD 13,076 thousand*	56.2588 43.7412
106	SuZhou FengShen Automobiles. Sale & Service Limited	Director Director Director Supervisors  Chairman (and President) Director Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Yu-Ching Lin Ming-Tsang Chao Yan Zhou Suzhou Chengfeng Trading Co., Ltd. I-Wei Wang Ching-Yi Wang Liu Zong-Xin	RMB 19,200 thousand*  RMB 28,800 thousand*	40.00  60.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
107	Suzhou ChengBang Automobiles Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ming-Tsang Chao Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
108	Suzhou Eslite Automobiles Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Ming-Tsang Chao Yu-Ching Lin Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 40,000 thousand*	100.00
109	Suzhou YuShun Automobiles Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Ming-Tsang Chao Yu-Ching Lin Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
110	TaiTsang ChengMao Automobiles Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Ming-Tsang Chao Yu-Ching Lin Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
111	Suzhou FengShun Automobiles Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ming-Tsang Chao Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 25,000 thousand*	100.00
112	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	Suzhou FengShun Automobiles Sales & Service Limited I-Wei Wang Chin-Chuan Chen Yu-Ching Lin Ming-Tsang Chao Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
113	Suzhou ChengLi Automobile Sales & Service Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	Suzhou FengShun Automobiles Sales & Service Limited  I-Wei Wang Chin-Chuan Chen Ming-Tsang Chao Yu-Ching Lin Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 15,000 thousand*	100.00
114	Anqing Cai Tong Automobiles Sales & Service Limited	Chairman Director Director Supervisors	Sheng Qing (Beijing) Investment Limited  Huang Yu-Zheng Zhiqiang Yan Chin-Chuan Chen Zhou Yan	RMB 27,417 thousand*	100.00
115	Tongling Kuo Tong Automobiles Sales & Services Limited	Chairman (and President) Director Director Supervisors	DongTai (Beijing) Investment Limited  Sheng Qing (Beijing) Investment Limited  Huang Yu-Zheng Zhiqiang Yan Chin-Chuan Chen Yan Zhou	RMB 5,000 thousand*  RMB 11,913 thousand*	29.56  70.44
116	Zibo Yu An Automobiles Sales & Services Limited	Chairman (and President) Director Director Supervisors	DongTai (Beijing) Investment Limited  Sheng Qing (Beijing) Investment Limited  Huang Yu-Zheng Chin-Chuan Chen Zhiqiang Yan Yan Zhou	RMB 5,000 thousand*  RMB 10,440 thousand*	32.38  67.62
117	Guangzhou YuanDou Automobile Sales & Service Limited	Chairman Director Supervisors  Vice Chairman Director Director President Supervisors	Yuanlong Automobile Co., Ltd.  Chen-Fang Chang Ming-Jung Hsu Ming-Ching Chen  Sheng Qing (Beijing) Investment Limited  Chin-Chuan Chen Zhiqiang Yan Tian-Shiang Su Chun-Pao Ho Yan Zhou	RMB 17,150 thousand*  RMB 17,850 thousand*	49.00  51.00
118	Zhu Hai FuTeEn Industry & Trade Limited	Chairman Director Director President Supervisors	Sheng Qing (Beijing) Investment Limited  Chin-Chuan Chen Tian-Shiang Su Yu-Ching Lin Huang Xian-Wu Huang Shi-Gu	RMB 35,200 thousand*	100.00
119	Wuhan Yu Hsin Automobiles Sales & Service Limited	Chairman Director Director President Supervisors	Sheng Qing (Beijing) Investment Limited  Chin-Chuan Chen Tian-Shiang Su Yu-Ching Lin Gong Yi-Ming Huang Shi-Gu	RMB 100,000 thousand*	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
120	Xiaogan Yufeng Automobile Sales Service Co., Ltd.	Chairman President Director Supervisors	Wuhan Yu Hsin Automobiles Sales & Service Limited Chin-Chuan Chen Hsiao-Ming Kuo Yu-Ching Lin Tian-Shiang Su Huang Shi-Gu	RMB 32,000 thousand*	100.00
121	NanJing HanHong Automobiles Trading Limited	Chairman President Director Director Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Te-Kuo Wang Yu-Ching Lin Tian-Shiang Su Huang Shi-Gu	RMB 131,000 thousand*	100.00
122	Nanjing YuShang Automobile Sales & Service Limited	Chairman Director Director Supervisors	NanJing HanHong Automobiles Trading Limited Chi-Ruei Chen Chin-Chuan Chen Zhiqiang Yan Huang Shi-Gu	RMB 38,000 thousand*	100.00
123	Nanjing HanHong Automobile Sales & Service Limited	Chairman Director Director Supervisors	NanJing HanHong Automobiles Trading Limited Chin-Chuan Chen Chi-Ruei Chen Zhiqiang Yan Huang Shi-Gu	RMB 44,000 thousand*	100.00
124	HangZhou Yu Zhong Trading Limited	Managing director President Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Chun-Chung Li Qi-hong Tasi	RMB 10,000 thousand*	100.00
125	Hangzhou HuaZhi Automobile Sales & Service Limited	Chairman Supervisors Director Director	DengfengYulon Motor Co.Ltd Tsai Wei-Feng Shi-hao Fang Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Tian-Shiang Su	RMB 8,000 thousand* RMB 12,000 thousand*	40.00 60.00
126	Hangzhou HuaYou Automobile Sales & Service Limited	Managing director Supervisors	Hangzhou HuaZhi Automobile Sales & Service Limited Tsai Wei-Feng Shi-hao Fang	RMB 8,000 thousand*	100.00
127	Changsha Yulu Automobile Sales & Service Limited	Chairman President Director Director Supervisors	Sheng Qing (Beijing) Investment Limited Chi-Ruei Chen Chi-Huang Chien Chin-Chuan Chen Zhiqiang Yan Huang Shi-Gu	RMB 31,800 thousand*	100.00
128	Y-Teks Co., Ltd.	Chairman Director Director Director Director Director Director Supervisor Supervisor	YULON MOTOR CO., LTD Chun-Hung Chen Chin-Chu Lin Kasai Kogyo Co., Ltd. Yasushi Ishii Sandou Shouichi Yue Sheng Industrial Co., Ltd. Tseng Guo-Feng Sanlong Asset Management Co., Ltd. Chung-Hsien Chen Changyu Industrial Co., Ltd. Shang-Hui Chen Chia-Ching Chen Li-Hsiung Cheng	602,124 591,185 212,388 93,948 213,299 - -	34.00 33.38 11.99 5.30 12.04 - -

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
129	YU HSIN INT'L INVESTMENT (BVI) CO., LTD.	Chairman	Y-Teks Co., Ltd.	USD 2,231 thousand*	66.66
		Director	Chun-Hung Chen Sandou Shouichi Chin-Chu Lin		
		Director	YU SHIN Investment Ltd. Li-Hsiung Cheng	USD 558 thousand*	16.67
		Director	SAMOA Fangbang Investment Co., Ltd. Li-Tai Kuo	USD 558 thousand*	16.67
130	YU HSIN INT'L INVESTMENT (HK) CO., LTD.	Chairman	YU HSIN INT'L INVESTMENT (BVI) CO., LTD.	USD 13,071 thousand*	100.00
		Director	Chun-Hung Chen		
		Director	Sandou Shouichi		
		Director	Chin-Chu Lin		
131	Changzhou Y-Teks Automotive Trim Parts Limited	Director	YU HSIN INT'L INVESTMENT (HK) CO., LTD.	USD 714 thousand*	51.00
		Director	Li-Sung Cheng		
		Director (and President)	Imamura Hitoshi		
		Director	Chung-Kun Hsueh		
		Director	Chin-Chu Lin		
		Chairman	Jiangsu Changbian Integration Technology Co., Ltd.	USD 462 thousand*	33.00
		Director	Pin-Gang Ruei		
132	Hangzhou Y-teks Automotive Trim Parts Lt	Director	Chien-Min Kuo		
		Director Supervisors	China National Machinery International Cooperation Co., Ltd.	USD 224 thousand*	16.00
		Supervisors	Jyun-Min Mao		
		Supervisors	Wun-Long Li		
133	Uni Auto Parts Manufacture Co., Ltd	Chairman	YU HSIN INT'L INVESTMENT (HK) CO., LTD.	USD 10,450 thousand*	100.00
		Director (and President)	Chin-Chu Lin		
		Director	Sun Dong-Yu		
		Director	Imamura Hitoshi		
		Director	Zhao-Zhi Lu		
		Supervisors	Sun Dong-Yu		
133	Uni Auto Parts Manufacture Co., Ltd	Supervisors	Li-Hsiung Cheng		
		Chairman	YULON MOTOR CO., LTD	21,728,516	25.01
		Director	Jian-Hui Li		
		Director (and President)	Qiu Minhui		
		Managing Director	Teng-Hung Yang		
		Director	Xinchang Machinery Factory Co., Ltd.	17,377,154	20.00
		Director	Chih-Hsiung His		
		Director	Chin-Ming His		
		Director	China Motor Corporation	13,032,137	15.00
		Managing Director	Tung-Tai Hsiung		
		Director	Quanxing Investment Development Co., Ltd.	5,211,979	6.00
		Director	Chungsin-Wu		
Director	Japan Clockwork Co., Ltd.	13,033,833	15.00		
Director	Shinichi Kanzawa				
Director	British Channel Islands Merchant Adient Global Holdings Ltd.	8,688,921	10.00		
Supervisor	Kuo-Jung Wang				
Supervisor	Yulon-Administered Enterprises Company Limited	1,000	-		
	Hsun-Kuei Hsieh				
	Kuei-Fen Tien				

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
134	Uni Investment Co., Ltd.	Director Director	Uni Auto Parts Manufacture Co., Ltd Teng-Hung Yang Chih-Hsiung His	NTD 289,287 thousand*	100.00
135	Fuzhou Lianghong Motor Parts Limited	Chairman Director Director Director Director Director Supervisor Supervisor  Director Director Director	Uni Investment Co., Ltd. Teng-Hung Yang Deng Ji-Xiong Chih-Hsiung His Kuo-Jung Wang Chungsin-Wu Tung-Tai Hsiung Chang Shun-Xian Chiu Qiong-Kuan  Namba Press Industry Co., Ltd. Namba Chikako Junichi Namba Namba Kurihara	RMB 69,313 thousand*          RMB 34,651 thousand*	66.67          33.33
136	HANG ZHOU LIAN RUN MOTOR PARTS CO.,LTD	Chairman Director Director Director Director Director Supervisor  Director	Uni Investment Co., Ltd. Teng-Hung Yang Deng Ji-Xiong Chang Shun-Xian Chih-Hsiung His Chungsin-Wu Kuo-Jung Wang Chiu Qiong-Kuan  Qing Yi Investment Co., Ltd. Yuming Zhuang	RMB 117,842 thousand*          RMB 30,405 thousand*	79.49          20.51
137	Luxgen Motor Co., Ltd.	Chairman (and President) Director Director Supervisor	YULON MOTOR CO., LTD Tso, Chi-Sen  Zhen-Xiang Yao Ching-Hsing Lin Yuan-long Chen	92,700,000	100.00
138	Luxgen Taipei Motor Co., Ltd.	Chairman Director Director Director Director  Supervisor	Luxgen Motor Co., Ltd. Tso, Chi-Sen Ching-Hsing Lin Meng-Fen Hsiao Wen-Yuan Li Zhen-Xiang Yao Yulon-Administered Enterprises Company Limited Yuan-long Chen	18,499,000      1,000	99.99      0.01
139	Luxgen Taoyuan Motor Co., Ltd.	Chairman Director Director  Director Director Supervisor	Luxgen Motor Co., Ltd. Tso, Chi-Sen Zhen-Xiang Yao Meng-Fen Hsiao Yushin Motor Co., Ltd. Wenxiu Zhu Huifeng Automobile Co., Ltd. Chi-Feng Tsai Yulon-Administered Enterprises Company Limited Yuan-long Chen	6,299,000    2,100,000 2,100,000 1,000	59.99    20.00 20.00 0.01
140	Luxgen Taichung Motor Co., Ltd.	Chairman Director Director Director Director Supervisor	Luxgen Motor Co., Ltd. Tso, Chi-Sen (TBD) Meng-Fen Hsiao EMPOWER MOTORS CO., LTD. Chin-Feng Kao Huifeng Automobile Co., Ltd. Zicheng Huang Yulon-Administered Enterprises Company Limited Yuan-long Chen	10,359,000   120,000 120,000 1,000	97.73   1.13 1.13 0.01



Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
141	Luxgen Tainan Motor Co., Ltd.		Luxgen Motor Co., Ltd.	9,889,000	94.18
		Chairman	Tso, Chi-Sen		
		Director	Zhen-Xiang Yao		
		Director	Meng-Fen Hsiao		
		Director	(TBD)		
142	Luxgen Kaohsiung Motor Co., Ltd.	Director	Huifeng Automobile Co., Ltd.	610,000	5.81
		Director	Chi-Feng Tsai		
143	EMPOWER MOTORS CO., LTD.	Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
		Supervisor	Yuan-long Chen		
		Chairman	Luxgen Motor Co., Ltd.	6,599,000	92.944
		Director	Tso, Chi-Sen		
		Director	Ching-Hsing Lin		
144	Chi Min Business Co., Ltd.	Director	Meng-Fen Hsiao		
		Director	Yu Chang Motor Co., Ltd.	250,000	3.521
		Director	Yao-Hsin Kuo		
		Director	Huifeng Automobile Co., Ltd.	250,000	3.521
		Director	Kelong Bi		
145	Hongyan Automobile Co., Ltd.	Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.014
		Supervisor	Yuan-long Chen		
		Chairman	Yupu Enterprise Co., Ltd.	15,900,000	53.000
		Director	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Kuo-Lung Lai		
		Director	Mei-Chang Hsu	5,998,780	19.996
		Director	YULON MOTOR CO., LTD		
		Director	Fang-Zhong Lai		
		Director	Yu-Cho Hsieh		
146	Yumin Insurance Broker Co., Ltd	Director	Meng-Fen Hsiao		
		Director	Taiwan Acceptance Corporation	8,100,000	27.000
		Director	Pei-Chin Tsou		
		Director	Shi-Jie Li		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,220	0.004
		Supervisor	Yuan-long Chen		
		Supervisor	Nan-Cheng Pan	-	-
		Supervisor	Shu-hua Liao	-	-
		Supervisor			
		Supervisor			
147	Mingxiang Auto Leasing Corporation	Supervisor	EMPOWER MOTORS CO., LTD.	800,000	100.00
		Supervisor	Chin-Feng Kao		
		Chairman	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Fang-Zhong Lai		
148	Yumin Insurance Broker Co., Ltd	Director	Meng-Fen Hsiao		
		Director	Fang-Zhong Lai		
		Director	His-Kun Liu		
		Director	Pei-Chin Tsou		
		Supervisor	Qi-hong Tasi		
149	Mingxiang Auto Leasing Corporation	Supervisor	Mei-Chang Hsu		
		Supervisor	EMPOWER MOTORS CO., LTD.	NTD 213,774 thousand*	100.00
		Supervisor	Chin-Feng Kao		
		Supervisor	EMPOWER MOTORS CO., LTD.	500,000	100.00
		Supervisor	Chin-Feng Kao		
150	Mingxiang Auto Leasing Corporation	Supervisor	Chin-Feng Kao		
		Supervisor	Meng-Fen Hsiao		
		Supervisor	Fang-Zhong Lai		
		Supervisor	His-Kun Liu		
		Supervisor	Pei-Chin Tsou		
151	Mingxiang Auto Leasing Corporation	Supervisor	Qi-hong Tasi		
		Supervisor	Mei-Chang Hsu		
		Supervisor	EMPOWER MOTORS CO., LTD.	3,000,000	100.00
		Supervisor	Chin-Feng Kao		
		Supervisor	His-Kun Liu		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
148	Shanghai Yumin Automobiles Sales & Service Limited	Chairman	Hongyan Automobile Co., Ltd. Chin-Feng Kao	RMB 81,559 thousand*	100.00
149	ChiaHsing YuTa Automobiles Sales & Service Limited	Managing director Supervisors	Shanghai Yumin Automobiles Sales & Service Limited Chin-Feng Kao Ya-Wen Yang	RMB 26,767 thousand*	100.00
150	Hua-Chuang Automobile Information Technical Center Co., Ltd.	Chairman Director Director Director Supervisor	YULON MOTOR CO., LTD Wen-Jung Tsai Qiu Minhui Wen-Yi Lo Sun Wen-Ling Yuan-long Chen	1,413,600,107	99.99
151	Hua-Chuang Overseas Investment Co., Ltd.	Institutional representative	Hua-Chuang Automobile Information Technical Center Co., Ltd. Chin-Chuan Chen	NTD 371,771 thousand*	100.00
152	Hua-chuang China Investment Co., Ltd.	Institutional representative Director	Hua-Chuang Overseas Investment Co., Ltd. Huang Shi-Gu Chin-Chuan Chen	NTD 343,374 thousand*	100.00

6. Operating overview of affiliated companies (as of December 31, 2022)

(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	5,971,114	133,090,122	99,902,925	33,187,197	10,209,327	3,339,164	5,803,991	12.06
22010002	Yu Ching Business Co., Ltd.	711,000	912,391	282,579	629,812	38,440	886	(505,265)	(7.11)
22010004	Yu Pong Business Co., Ltd.	284,704	585,519	21,784	563,735	45,175	(9,239)	(202,820)	(7.12)
22010005	Yung Hang Investment Co., Ltd.	776,220	874,741	2,151	872,590	39,301	23,572	25,025	0.32
22010008	Yue Sheng Industrial Co., Ltd.	288,000	498,564	71,881	426,683	265,486	(34,385)	(22,988)	(0.80)
22010010	Yueki Industrial Co., Ltd.	194,670	1,135,543	555,760	579,783	840,819	(5,380)	(86,639)	(4.45)
22010012	China Cast Iron Pipe Co., Ltd.	32,000	90,709	34,175	56,534	21,015	16,827	13,553	4.24
22010014	Yu Chang Motor Co., Ltd.	215,385	1,196,463	927,818	268,645	4,035,448	(25,981)	74,911	3.48
22010017	Yushin Motor Co., Ltd.	200,000	749,050	491,872	257,178	2,291,617	(70,448)	3,171	0.16
22010020	Yu Chia Motor Co., Ltd.	26,000	29,463	280	29,183	2,081	(400)	(223)	(0.09)
22010023	Singan Co., Ltd.	286,700	828,046	231,217	596,829	34,236	11,857	211,655	7.38
22010024	Sinqual Technology Co., Ltd.	130,000	389,341	185,707	203,634	512,874	38,637	28,856	2.22
22010027	Yulon Construction Co., Ltd.	1,221,000	4,883,000	838,295	4,044,705	242,195	102,047	402,714	3.30
22010034	EMPOWER MOTORS CO., LTD.	300,000	1,194,165	797,168	396,997	3,101,016	(55,043)	28,095	0.94
22010035	Tian Wang Co., Ltd.	17,000	62,588	37,722	24,866	107,030	3,435	3,610	2.12
22010036	Yupu Enterprise Co., Ltd.	50,000	73,934	11,579	62,355	86,679	112	3,790	0.76
22010042	Yulon It Solutions Inc.	190,000	47,262	6,822	40,440	27,109	1,122	1,236	0.07
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	68,229	770,679	262,192	508,487	0	(293)	14,941	Note
22010053	Sin Chi Co., Ltd.	905,000	1,028,605	27,015	1,001,590	58,329	35,728	2,319	0.03
22010054	Esinn Co., Ltd.	180,000	1,382,265	1,197,046	185,219	3,394,803	(159,590)	15,050	0.84
22010055	Y-Teks Co., Ltd.	177,100	1,212,251	292,352	919,899	240,669	15,353	95,884	5.41
22010060	YU HSIN INT'L INVESTMENT (BVI) CO., LTD.	102,786	1,326,189	656	1,325,533	0	(9,687)	133,570	39.91
22010063	Yulon Overseas Investment Co., Ltd.	33,240,688	7,351,642	104	7,351,538	0	(329)	215,781	0.20
22010067	Yulon China Investment Limited.	32,490,566	7,233,938	132	7,233,806	0	(753)	185,468	0.18
22010068	Yulon Philippines Investment Co., Ltd.	1,097,606	116,729	265	116,464	0	(603)	30,623	0.86
22010070	Uni Auto Parts Manufacture Co., Ltd.	868,892	3,299,475	886,796	2,412,679	1,374,320	2,213	3,629	0.04
22010073	Shinshin Credit Corporation	4,303,000	69,848,882	60,454,685	9,394,197	4,057,022	1,806,666	1,537,232	3.57
22010076	Carplus Auto Leasing Corporation	1,064,028	24,696,234	22,409,174	2,287,060	11,377,244	324,178	293,516	2.76
22010077	Chi Min Business Co., Ltd.	8,000	29,519	15,864	13,655	82,152	146	686	0.86
22010079	Diamond Auto Service Co., Ltd.	85,000	296,091	163,086	133,005	178,161	9,568	13,715	1.61
22010081	Yu Rich Financial Services Co., Ltd.	2,474,813	30,699,248	26,438,745	4,260,503	3,920,133	1,688,688	1,340,299	5.42
22010085	Uni Investment Co., Ltd.	289,287	1,947,829	24,890	1,922,939	0	(2,096)	19,145	0.66
22010086	Fuzhou Lianghong Motor Parts Limited	458,419	1,263,293	458,764	804,529	2,015,961	6,899	23,423	Note
22010087	Yue Ki Industrial (Samoa) Co., Ltd.	142,811	343,587	0	343,587	0	(1)	(85,934)	(6.02)
22010093	Qinton Motor Co., Ltd.	67,459	123,722	77,160	46,562	231,049	8,507	10,866	1.61
22010096	Hua-Chuang Automobile Information Technical Center Co., Ltd.	14,136,001	9,594,808	7,999,778	1,595,030	87,274	165,683	322,729	0.23
22010098	Wen Yang Investment (Samoa) Co., Ltd.	910,552	1,374,411	646,304	728,107	0	(162)	7,123	0.24
22010099	Qing Yi Investment (Samoa) Co., Ltd.	430,676	51,631	0	51,631	0	(133)	(2,202)	(0.16)
22010100	KeYu (Nanjing) Information Technology Limited.	793,828	670,592	0	670,592	0	(292)	4,071	Note
22010101	TaiFeng (Nanjing) Software Technology Limited	503,614	542,026	209,323	332,703	0	(246)	1,679	Note
22010102	QingTai (NanJing) Technology Limited	530,297	370,997	8	370,989	0	(203)	1,531	Note
22010104	Xie Guan Manpower Service Co., Ltd.	10,000	27,384	6,265	21,119	46,878	3,924	4,759	4.76
22010105	Zhangzhou Development Zone Yi Ding Investment Co., Ltd.	243,399	206,618	53,181	153,437	0	(180)	365	Note
22010106	Zhangzhou Development Zone Mei De Investment Co., Ltd.	350,547	327,672	99	327,573	0	(1,541)	736	Note
22010107	Zhangzhou Development Shi Cheng Investment Co., Ltd.	316,727	304,127	150,802	153,325	0	(167)	905	Note
22010108	Zhangzhou Development Zone Jin Ce Investment Co., Ltd.	86,733	67,839	2	67,837	0	(126)	245	Note
22010109	GaoTe (Beijing) Investment Limited	255,745	174,466	643	173,823	0	(2,389)	183	Note
22010111	DongTai (Beijing) Investment Limited	322,768	289,950	136,098	153,852	1,875	(3,932)	(126)	Note
22010112	SuZhou FengShen Automobiles. Sale & Service Limited	211,651	1,079,700	233,267	846,433	791,436	30,028	121,889	Note
22010113	Suzhou FengShun Automobiles Sales & Service Limited	110,235	496,345	206,100	290,245	959,456	28,035	52,285	Note
22010114	Guangzhou YuanDou Automobile Sales & Service Limited	154,329	194,675	40,046	154,629	274,283	(276)	433	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
22010116	Zhu Hai FuTeEn Industry & Trade Limited	155,211	340,072	50,890	289,182	760,000	5,001	9,045	Note
22010117	TAC Global Investment (Samoa) Co., Ltd	3,342,261	5,718,001	0	5,718,001	0	0	707,153	6.50
22010118	CAR-PLUS China Investment (Samoa) Co.,Ltd	307,100	652,466	0	652,466	0	0	202	0.02
22010119	CAR-PLUS Auto Leasing (Suzhou) Limited	745,619	2,348,386	1,697,099	651,287	997,078	42,821	199	Note
22010121	CAR-PLUS Global Investment (Samoa) Co., Ltd	958,152	675,210	10	675,200	0	(74)	(15,901)	(0.51)
22010122	Changzhou Y-Teks Automotive Trim Parts Limited	42,994	176,098	28,911	147,187	57,076	(9,106)	15,329	Note
22010123	NanJing HanHong Automobiles Trading Limited	577,631	634,241	373,448	260,793	693,651	(13,580)	(15,793)	Note
22010124	HangZhou Yu Zhong Trading Limited	44,094	51,030	0	51,030	0	(164)	292	Note
22010125	HangZhou TangYu Investment Limited	44,094	39,688	0	39,688	0	(44)	(44)	Note
22010126	HangZhou QienYu Investment Limited	44,094	4,353	0	4,353	0	(33)	(52)	Note
22010127	Wuhan Yu Hsin Automobiles Sales & Service Limited	440,940	554,250	102,103	452,147	1,132,474	(6,474)	8,475	Note
22010128	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	44,094	141,315	55,098	86,217	369,613	24,915	19,998	Note
22010129	HangZhou Hsiao Yu Investment Limited	44,094	852	0	852	0	(41)	(22)	Note
22010130	Hong Shuo Cultural Enterprises Co.,Ltd.	40,500	27,284	6,386	20,898	31,925	4,236	4,910	1.21
22010131	Hsiang Shou Enterprise Co., Ltd.	100,000	403,540	147,744	255,796	636,878	93,415	76,402	7.64
22010138	Yulon China Investment (HK) Ltd.	8,291,209	2,085	141	1,944	0	(353)	(1,071)	(0.00)
22010143	Luxgen Motor Co., Ltd.	927,000	2,947,578	2,053,296	894,282	2,682,762	(17,067)	62,456	0.67
22010146	YU HSN INTL INVESTMENT (HK) CO., LTD.	401,410	410,468	328	410,140	0	(567)	56,246	4.30
22010147	Luxgen Taipei Motor Co., Ltd.	185,000	598,725	488,634	110,091	1,172,522	(70,544)	(24,034)	(1.30)
22010148	Luxgen Taoyuan Motor Co., Ltd.	105,000	226,897	118,624	108,273	663,106	(3,664)	5,837	0.56
22010149	Luxgen Taichung Motor Co., Ltd.	106,000	263,743	124,382	139,361	682,718	(6,568)	6,053	0.57
22010150	Luxgen Tainan Motor Co., Ltd.	105,000	235,077	126,984	108,093	490,569	(13,386)	(3,139)	(0.30)
22010151	Luxgen Kaohsiung Motor Co., Ltd.	71,000	171,161	105,483	65,678	523,103	(8,335)	2,325	0.33
22010152	Car-Plus Shanghai Investment (Samoa) co., Ltd	307,100	438,660	0	438,660	0	0	15,061	1.51
22010153	CAR-PLUS Auto Leasing (Shanghai) Limited	792,187	1,129,754	309,995	819,759	226,910	40,615	25,387	Note
22010154	Yulon TOBE Motor Co., Ltd.	368,959	114,264	90	114,174	0	(81,416)	(80,981)	(2.19)
22010157	Suzhou YuShun Automobiles Sales & Service Limited	44,094	44,514	2,470	42,044	3,870	(778)	4,778	Note
22010163	Hangzhou Y-teks Automotive Trim Parts Lt	320,920	136,847	10,132	126,715	63,973	33,867	34,008	Note
22010164	YES-Energy Service Co., LTD.	290,000	1,681,763	1,410,922	270,841	248,475	56,171	40,042	1.38
22010165	Hangzhou Yuwan Auto Motive Parts Limited	609,901	100,169	1,801	98,368	854	(5,988)	6,387	Note
22010166	Hong Kong Yueki Holdings Co., Ltd.	325,526	55,283	15,359	39,924	0	0	3,570	0.34
22010167	Yu Rong International Investment (SAMOA) Co., Ltd.	2,687,002	5,257,692	0	5,257,692	0	0	717,560	8.20
22010169	Yu-Rong Leasing (Suzhou) Limited	2,318,482	24,132,690	18,942,744	5,189,946	2,605,555	831,497	633,141	Note
22010170	Sinjang Co., Ltd	128,240	790,766	523,135	267,631	487,364	105,521	87,158	6.80
22010174	Hangzhou HuaZhi Automobile Sales & Service Limited	88,188	119,494	298,317	(178,823)	1	(363)	69,311	Note
22010175	Feng-hua Investment (HK) Co., Ltd.	194,715	420,495	0	420,495	0	0	25,577	Note
22010177	Hangzhou HuaYou Automobile Sales & Service Limited	35,275	96	182,607	(182,511)	0	(117)	43,418	Note
22010179	Xiaogan Yufeng Automobile Sales Service Co., Ltd.	141,101	340,215	57,820	282,395	1,040,219	21,134	17,532	Note
22010181	Shanghai Yumin Automobiles Sales & Service Limited	359,626	67,914	78,332	(10,418)	13,400	(4,777)	(10,449)	Note
22010183	Suzhou Chenglong Auto Sales & Service Co.	194,713	551,597	197,243	354,354	931,206	25,598	25,578	Note
22010184	Suzhou ChengLi Automobile Sales & Service Limited	66,141	86,599	11,310	75,289	393,749	9,225	9,202	Note
22010186	Nanjing YuShang Automobile Sales & Service Limited	167,557	24,618	18,416	6,202	2,906	2,432	1,280	Note
22010188	Yulon China Holdings Co. Ltd.	21,859,470	5,527,629	0	5,527,629	0	0	174,140	0.24
22010189	Yulon Motor Investment Limited.	21,859,470	5,527,713	90	5,527,623	0	(433)	174,140	0.24
22010190	Yulon Automotive (China) Investment Limited	8,331,766	5,841,864	1,081,463	4,760,401	34,587	13,042	205,102	Note
22010192	YES CHARGING SERVICE CO., LTD.	72,000	123,873	63,818	60,055	52,745	(11,750)	(11,815)	(1.64)

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
22010194	Changsha Yulu Automobile Sales & Service Limited	140,219	27,904	16,030	11,874	10,776	4,554	4,436	Note
22010198	Hongyan Automobile Co., Ltd.	213,774	29,168	0	29,168	0	0	(10,410)	(0.49)
22010199	YU SHIN Investment Ltd.	161,965	9,256	0	9,256	0	0	(23,964)	(4.54)
22010201	Hangzhou Hua-chuang Automobile Informati	872,914	130,148	136,239	(6,091)	387,623	8,321	13,370	Note
22010202	Hua-chuang China Investment Co., Ltd.	343,374	0	0	0	0	(30)	396	0.01
22010203	Hua-Chuang Overseas Investment Co., Ltd.	371,771	0	0	0	0	0	396	0.01
22010205	Suzhou Eslite Automobiles Sales & Service Limited	176,376	291,161	89,845	201,316	271,598	17,377	13,557	Note
22010206	Suzhou ChengBang Automobiles Sales & Service Limited	44,094	186,470	115,890	70,580	474,175	16,930	15,114	Note
22010207	Nanjing HanHong Automobile Sales & Service Limited	194,014	132,174	13,269	118,905	0	999	1,008	Note
22010208	Yumin Insurance Broker Co., Ltd	5,000	5,158	197	4,961	629	255	255	0.51
22010210	Yu-Kuo Finance Leasing (Hangzhou) Limited	921,300	252,783	75,731	177,052	12,899	230,898	211,046	Note
22010211	Sinjang Investment (Samoa) Co., Ltd.	57,551	35,411	0	35,411	0	(50)	501	0.27
22010212	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd	88,188	18,682	8,148	10,534	(38)	(371)	3,487	Note
22010213	ChiaHsing YuTa Automobiles Sales & Service Limited	118,026	3,448	11,606	(8,158)	2,038	(7,864)	(8,205)	Note
22010214	Suzhou Cheng-Hung Auto Sales & Service Limited	44,094	130,915	81,886	49,029	168,768	877	1,955	Note
22010215	Suzhou Cheng-Kuo Auto Sales & Service Limited	88,188	34,171	188	33,983	43,470	(647)	(457)	Note
22010216	TaiTsang ChengMao Automobiles Sales & Service Limited	44,094	172,146	70,044	102,102	259,943	13,060	12,142	Note
22010219	Anqing Cai Tong Automobiles Sales & Service Limited	120,893	18	441	(423)	0	(69)	(542)	Note
22010222	Tongling Kuo Tong Automobiles Sales & Services Limited	74,576	29,173	698	28,475	558	(8,163)	(5,939)	Note
22010223	Zibo Yu An Automobiles Sales & Services Limited	68,081	207	2,876	(2,669)	0	(310)	(314)	Note
22010224	UNIVATION MOTOR PHILIPPINES, INC.	594,040	428,434	312,893	115,541	78,696	15,666	19,016	1.74
22010225	Sheng Qing (Beijing) Investment Limited	5,466,205	4,604,859	430,722	4,174,137	1,967	(54,594)	101,080	Note
22010226	Jing-Hui (Shanghai) Motor Technology Limited	49,734	38,604	14,216	24,388	6	(1,737)	(1,480)	Note
22010228	HANG ZHOU LIAN RUN MOTOR PARTS CO.,LTD	653,679	391,843	357,147	34,696	421,221	15,735	8,606	Note
22010229	Shin Shin Investment (Samoa) Co., Ltd.	368,520	109,331	0	109,331	0	0	84,418	7.03
22010230	Yulon Motor Finance (China) Limited	4,409,400	9,285,447	4,804,715	4,480,732	983,101	293,654	279,421	Note
22010232	Da Wei Technology Co., Ltd	40,000	48,497	0	48,497	0	(16)	4,700	1.18
22010233	Hangzhou Cheng Yi second - hand car identification assessment Limited	6,614	2,975	0	2,975	781	694	729	Note
22010235	Zhejiang Cheng Yi auction Ltd.	8,819	12,642	2,370	10,272	6,337	3,392	3,522	Note
22010236	Hangzhou Yujie Real Estate Co., Ltd	2,204,700	2,908,858	639,569	2,269,289	1,108,077	446,246	321,650	Note
22010237	Ta Teng Transportation Co.,Ltd.	6,000	6,962	2,331	4,631	7,227	456	393	0.66
22010239	Luxgen (Hangzhou) Motor Sales Co., Ltd	13,280,507	484,114	393,468	90,646	8,878	572	(52,930)	Note
22010240	Yufong Property Management Co., Ltd.	25,000	89,149	23,862	65,287	85,620	9,635	8,330	3.33
22010241	Yulon Finance Overseas Investment (Samoa) Co., Ltd.	460,650	153,068	0	153,068	0	0	1,072	0.07
22010242	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	460,650	153,068	0	153,068	0	0	1,072	0.07
22010243	KUEN YOU TRADING CO., LTD.	10,000	47,311	31,214	16,097	133,121	(4,939)	382	0.38
22010246	Yulon Finance Philippines Co., Ltd	408,225	620,310	467,242	153,068	76,578	1,447	1,072	0.14
22010247	Chuang Jie New Energy Vehicle (HZ) Limited	3,483,426	2,276,024	81,391	2,194,633	428,453	24,837	73,717	Note
22010248	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	982,720	34,157	0	34,157	0	0	(41,641)	(1.30)
22010249	CAR-PLUS GO Co., Ltd.	982,720	34,689	532	34,157	0	(41,973)	(41,641)	Note
22010250	Wuhan TAC Auto Trade Co., Ltd.	8,819	676	18,274	(17,598)	0	(132)	(139)	Note
22010252	Dachuan Transportation Co., Ltd.	3,000	1,646	234	1,412	1,094	313	252	0.84
22010253	Damu Transportation Co., Ltd.	6,000	1,531	385	1,146	644	428	363	0.61
22010254	Dajun Transportation Co., Ltd.	3,000	1,482	276	1,206	542	276	245	0.82
22010260	Fuzhou YuShin Automobile Technology Co.	52,913	5,866	0	5,866	79,983	(28,302)	(24,023)	Note
22010261	Yongxiang Transportation Co., Ltd.	3,000	1,350	543	807	1,238	418	375	1.25

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
22010262	Guoma Transportation Co., Ltd.	4,000	522	103	419	613	347	290	0.73
22010263	Jinyu Transportation Enterprise Co., Ltd	3,000	749	197	552	644	290	232	0.77
22010264	Zhongxing Automobile Co., Ltd.	3,500	645	132	513	475	304	248	0.71
22010265	Liyang Automobile Co., Ltd.	9,000	8,318	1,243	7,075	4,146	1,275	1,024	1.14
22010266	Heyang Transportation Co., Ltd.	6,000	987	392	595	1,583	362	456	0.76
22010267	Jiayu Transportation Enterprise Co., Ltd	3,000	539	249	290	370	210	186	0.62
22010268	Tianyang Transportation Co., Ltd.	6,000	1,490	444	1,046	1,473	695	634	1.06
22010269	MINXIANG LEASING CO., LTD	30,000	55,754	24,789	30,965	13,174	(416)	336	0.11
22010270	Advance Power Machinery Co., Ltd.	5,000	37,588	24,597	12,991	106,955	3,146	2,598	5.20

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 2022 (from January 1 to December 31, 2022) 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-Ei-Lien



March 9, 2023

(III) Relations Report: Not applicable

## II. From 2022 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 (2022) or during the current year up to the date of publication of the annual report:**

Unit: Thousands of NTD; shares; %  
As of 2023.4.7

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	-
Yu Pong	284,704	Operating revenues	100%	2022.7.28	-	-	76	3	(0.1)	0	0	-	-	-

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 2022 or during the current year up to the date of publication of the annual report: No such matter.**

