

Environmental



Social



Governance



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

Notice to readers

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

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I The Letter to Shareholders



Dear Shareholders,

Thank you all for your love and support to Yulon Motors over the past year. Here is a summary report on the business results of 2021 and the business plan for 2022.

➤ 2021 Business Results

Despite the COVID-19 pandemic which was effectively contained, Taiwan's auto market underwent a minor decline by 1.7% in the second half of last year (2021), with 449,900 vehicles sold. Meanwhile, we had a total of 31,928 vehicles under the Nissan and Luxgen brands delivered in 2021, with an operating revenue of NT\$24.31 billion.

Last year (2021), we had a net operating profit of NT\$1.043 billion, increased by 2.96%, while the net income after tax was NT\$4.716 billion, and the earnings per share after tax was NT\$4.82, which was a substantial increase by 72.14%, and the best performance over the past 16 years. This success was a result from our pragmatic transformation strategy, under which our operational structure was continuously adjusted and the value chain resources integrated to make a consolidated efficacy through the exploration into new business territories.

It has always been our insistence to continuously introduce new models in response to customer needs. Last July (2021), the NISSAN brand launched a new domestic-made TIIDAJ model, with a diamond-shaped water tank cover, and equipped with intelligent driving technologies such as active safety warning and smart audio-visual media, along with the domestic-made trendy models of SENTRA, KICKS, and X-TRAIL, all equipped with the intelligent safety mechanism. Besides, the LUXGEN brand launched a high cost-performance model URX, and together with Carnival Industrial, a renowned corporate brand of tailored-made suits, to jointly interpret a fashionable and exquisite attitude toward life, and create an exclusive taste for cars. Both NISSAN and LUXGEN brands have effectively attracted intentions and improved customer satisfaction.

On the way to higher business performance, we continue our commitment to the ESG sustainability. On the corporate governance, we are rated top 5% by TWSE this year, eight years in a row; on the environmental sustainability, we have been doing green manufacturing, working on greenhouse gas inventory and certification, and planning energy storage venues to demonstrate carbon neutrality; on social responsibility, we have invested our auto business to the "Happy Wheel South Link Smart Medical Welfare Transportation Project" which has created social influence worth, estimated by a professional consulting firm, NT\$15.79 with each NT dollar invested, making one of the best performances among the industrial peers, also a winner of the CRS and ESG awards from the Global Views Monthly.

➤ Business plans for 2022 and beyond

We will continue to optimize the management of new car platform and smart manufacturing, and embrace the new NISSAN and LUXGEN models to be launched in the second half of this year. We will also develop new products and seek new customers, with a great effort on new energy vehicles and green storage business for ever higher sustainability performance.

The Yulon City in Xindian had obtained the building use license in February this year, and interior decoration is on the way. It is expected to open in the first half of 2023. The shopping mall will combine our resources with our partners' to provide a variety of choices for food and beverage, fashions, cultural creation, entertainment, living goods, and family activities. Customers will enjoy new and exclusive experience. Hopefully, the city mall operations will bring in greater consolidated benefits to the company's home living and real estate businesses.

Finally, in the face of environmental changes and competition challenges, the transformation and upgrade of the auto industry is a process that requires continuous efforts. We will continue collaboration with our partners to accurately allocate our resources for business deployment and for the creation of sustainability values. Meanwhile, we'd very appreciate continuous supports from our shareholders, customers, suppliers and business partners. And I wish all of you and your families happy and prosperous!

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.
 - Oct. 1956: The first jeep was successfully built and publicly exhibited at the Double Ten Festival.
 - Apr. 1957: Held a long-distance road test for self-made jeep from Taipei to Kaohsiung, and transported the vehicle to Bangkok for the International Commodity Exhibition.
 - Dec. 1957: Signed a technical cooperation agreement with Nissan Motor Co.
 - Mar. 1959: Officially produced YLN-101 five-ton gasoline truck chassis.
 - Mar. 1960: Launched YLN-701 1200C.C blue bird small sedan, pioneering the production of small cars in Taiwan.
 - Sep. 1960: Officially changed name to “Yulon Motor Co., Ltd”
 - Apr. 1962: Signed a technical cooperation contract with Innocenti (Italy) to produce Lambda two-wheeled motorcycles.
 - Oct. 1964: The expansion plan of 20,000 vehicles per year was drafted.
 - Dec. 1968: Semi-automatic operation equipment for casting plant completed.
 - Mar. 1970: The first set of large-scale electroplating equipment and integrated production line in Taiwan was completed and put into operation.
 - Dec. 1972: The Company's cumulative production exceeded 50,000 vehicles.
 - Mar. 1973: Xindian stamping plant was completed with construction and opened.
 - Nov. 1973: Xindian plant's office building expansion started.
 - Aug. 1976: The Company's shares were officially listed on the centralized market of the stock exchange.
 - Jul. 1977: The preparatory office for the construction of the Sanyi plant was established, and the construction of the plant was started.
 - May 1981: The first phase construction of the Sanyi plant was completed and production began.
 - Aug. 1981: Established an engineering center in Guishan Industrial Zone, Taoyuan, dedicated to automobile design and development.
 - May 1983: Sulley sedan was exported to the Middle East and the Caribbean, pioneering the export of domestic sedans.
 - May 1986: Established the “Wu Shun-Wen's News Scholarship Foundation”.
 - Oct. 1986: The first Taiwanese designed and developed car, the Feeling 101, was launched.
 - Dec. 1990: Our NEW SENTRA sedan was launched.
 - Dec. 1991: Our cumulative production volume exceeded one million units.
 - Sep. 1992: Yulon Motor completely updated its Corporate Identity System (CIS).
 - Sep. 1992: The Company's self-developed “Arex” new car was launched.
 - Jun. 1993: Our March was officially launched.
 - Jul. 1994: Our entire vehicle lineup was marketed under the NISSAN brand.
 - Nov. 1995: Implemented plant and office consolidation
 - Feb. 1996: Our CEFIRO sedan was officially launched.
 - Nov. 1996: The Company obtained ISO 9002 international quality assurance certification.
 - Oct. 1997: The Company's VERITA was officially launched.
 - 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.
 - Nov. 1998: The Engineering Center was officially upgraded to Yulon Asia Technology Center (YATC).
 - Mar. 1999: The Company obtained the international standard ISO 14001 environmental management system certification.
 - Oct 1999: Invested in Philippine Plant (NMPI) to enter Southeast Asia market.
 - Nov. 1999: The Company obtained ISO 9001 certification.
 - Nov. 1999: Launched the commercial vehicle “Cabstar”, setting a new benchmark for commercial vehicles.

- Dec. 1999: Won the 2nd National Public Service Award.
- May 2000: Signed a joint venture contract with Dongfeng Motor in Mainland China to enter the Mainland market.
- Jun. 2000: Launch of SENTRA 180, our new e-smart saloon.
- Nov. 2000: Acquired the dealership of Renault France in Taiwan.
- Sep. 2001: Launch of QRV, our first recreational vehicle.
- Nov. 2002: Awarded the 11th “R.O.C. Corporate Environmental Protection Award” by the Environmental Protection Administration, Executive Yuan.
- Dec. 2002: Launched X-TRAIL, the first Sports RV of the Company.
- Aug. 2003: Yulon Motor exclusively sponsored the production of the Linwang specimen.
- Oct. 2003: Yulon split into two companies, Yulon Motor and Yulon Nissan.
- Dec. 2003: Groundbreaking ceremony of “Travel the World Auto Mall” was held.
- Jan. 2005: Yulon and General Motors officially signed a joint venture agreement.
- 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.
- Jul. 2005: “Yulon General Motors Co., Ltd.” was established as a joint venture with General Motors to sell new cars and service parts under the BUICK, CADILLAC and OPEL brands.
- Oct. 2005: The pressing workshop of Sanyi plant obtained ISO TS/16949 certification.
- Dec. 2005: Received the first “R.O.C. Green Accounting Award” from the Department of Commerce, Ministry of Economic Affairs.
- 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.
- Aug. 2006: Renault Modus 1.6 new car launched.
- Nov. 2006: Megane 1.6/2.0 five-door facelift launched.
- Oct. 2007: NISSAN LIVINA 1.8/1.6 new car launched.
- Nov. 2007: NISSAN CABSTAR was officially launched.
- Nov. 2007: Opening ceremony of Yulon Nissan Design Center.
- Feb. 2008: Sold 2,525 pings of Xindian plant to HTC for maximizing and realizing land development benefits.
- Mar. 2008: OPEL ASTRA Sri new car launched.
- May 2008: Established Luxgen Motor Co., Ltd. to develop own brand.
- Jun. 2008: Renault MEGANE dci series launched.
- Sep. 2008: 2008 Yulon Motor Sustainability Report published.
- Nov. 2008: Renault GRAND SCENIC diesel RV was launched.
- Aug. 2009: Luxgen Motor Co., Ltd. unveiled the first LUXGEN 7 MPV, a 7-seater RV.
- Sep. 2009: Established Yulon TOBE Motor Co., Ltd. to market own brand of cars - TOBE.
- Dec. 2009: Yulon TOBE Motor Co., Ltd. released the first TOBE M'car, which was exported to Vietnam and other places.
- Apr. 2010: LUXGEN 7 MPV won the 18th “Taiwan Excellence Golden Quality Award” and “Taiwan Excellence Popularity King”.
- May 2010: Luxgen Motor Co., Ltd. announced the LUXGEN 7 SUV, a luxury Sports RV.
- Jul. 2010: Luxgen EV electric vehicle was officially registered.
- Oct. 2010: Luxgen Motor Co., Ltd. unveiled the LUXGEN 7 CEO model.
- Jan. 2011: Yulon TOBE Motor Co., Ltd. released the 2011 m'car 1.5L.
- Apr. 2011: LUXGEN 7 MPV won the 19th “Taiwan Excellence Gold Quality Award” and “Taiwan Excellence Popularity King”.
- May 2011: LUXGEN 7 SUV EV+ won the “2011 Green Car of the Year” award from the Environmental Protection Administration.
- July 2011: LUXGEN 7 SUV, the first model of Dengfeng Yulon Motor Co., Ltd officially rolled off the assembly line
- Sep. 2011: Yulon TOBE Motor Co., Ltd. released tobe W'car 1.5L.
- Oct. 2011: NISSAN NEW MARCH was launched.
- Nov. 2011: Luxgen Motor Co., Ltd. was awarded “2011 Taiwan Innovative Enterprise” by the Ministry of Economic Affairs.

- May 2012: TOBE's first four-door sedan, the M'way 1.8L, was launched.
- Jul. 2012: TOBE's first five-door hatchback, the Q'way 1.8L, was launched.
- Aug. 2012: Launched LUXGEN 5 Sedan, the first sedan.
- Aug. 2012: Luxgen won the 20th "Taiwan Excellence Award" with LUXGEN CEO EV+.
- Dec. 2012: NISSAN BIG TIIDA was launched.
- Jun. 2013: NISSAN JUKE was imported from UK with original packaging and launched.
- Oct. 2013: NISSAN SUPER SENTRA, mid-size car ever built, was launched.
- Nov. 2013: LUXGEN U6 TURBO was launched.
- Mar. 2014: NISSAN ALL NEW LIVINA energy-saving RV small player made its debut.
- Sep. 2014: The Company was awarded three stars by the Taipei City Government as the "4th Edition of Happy Enterprise".
- May 2015: NISSAN "Super Play Beauty" X-TRAIL made its debut.
- 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. 2015: NISSAN JUKE 2016 made its debut.
- May 2016: LUXGEN V7 TURBO ECO HYPER high-top welfare car made its debut.
- May 2016: LUXGEN S3 CROSS SEDAN was launched.
- 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.
- Sep. 2016: NISSAN MURANO HYBRID made its debut.
- Aug. 2017: LUXGEN's 100,000th new vehicle, the U5 SUV, rolled off the assembly line (supported by 10 years mileage and 100,000 car owners).
- Sep. 2017: LUXGEN U5 SUV was officially launched (the first in the world to be equipped with a vehicle AR imaging system).
- Nov. 2017: LUXGEN U6 GT/GT220 facelift was launched.
- Nov. 2018: NISSAN's global strategic car model KICKS was launched.
- Dec. 2018: Included as a constituent of the FTSE4Good Taiwan Sustainability Index.
- Sep. 2019: Awarded No. 11 in the Large Enterprise Category of the Commonwealth's Corporate Citizenship Awards.
- Sep. 2019: Value chain transformation, fully opened up to diversify customers, announced the OEM assembly of ADIVA three-wheeled heavy motorcycle for export to Europe, Japan and Southeast Asia.
- Oct. 2019: Announced the export of Muse electric logistics vehicles to France, actively expanding the opportunities to serve diversified customers at home and abroad.
- Dec. 2019: LUXGEN URX was launched.
- Mar. 2020: LUXGEN URX seven-seat ARD Smart Travel Model was launched.
- Jul. 2020: LUXGEN URX 5+1-seat LOHAS Model was launched.
- Sep. 2020: NISSAN X-TRAIL Limited Edition was launched.
- Sep. 2020: NISSAN KICKS Limited Edition was launched.

(III) 2021 operating results

- Apr. 2021: LUXGEN URX LOHAS Model winning the German iF Design Award for the second year in a row.
- May 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.
- Oct. 2021: Engagement in the electric vehicle market, with Model C SUV expected to become LUXGEN’s next generation products.

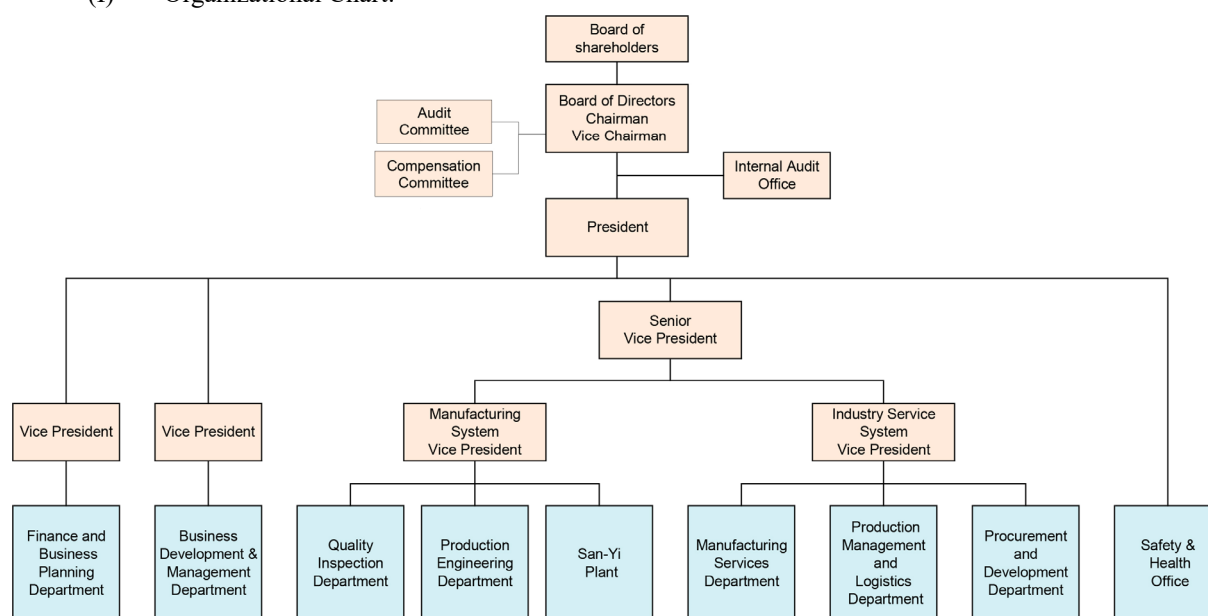
(IV) Other matters:

- (1) To improve the financial structure and to meet the operational needs, a fund of NT\$735 million was added to the capital of "Hua-Chuang Automobile Information Technical Center Co., Ltd." making its total capital up to NT\$13.436 billion.
- (2) To meet the operational needs, the Company purchased a total of 24.22% equity of “China Engine Corporation” owned by the "National Development Fund of Executive Yuan" and the “Ministry of Economic Affairs”, for an amount of NT\$552 million, and sold 2.5% of the equity respectively to “Sentec E&E Co., Ltd.” and “Hsin Chong Machinery Works Co., Ltd.”, for a total of NT\$114 million, resulting in 38.16% holding of the equity stake after the transactions.

III Corporate 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 Company's internal control system and tracking its improvement; supervising and managing the subsidiaries.
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 Services 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 Logistics	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.
Procurement and Development Department	Nationalized parts design and development, procurement and outsourcing management; production equipment, material procurement, cost control and import and export logistics operations.
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.

II. Profiles of Directors, President and Vice Presidents, Assistant Vice Presidents, Heads of the Departments and Branches

(I) Information of directors

Title (Note 1)	Nationality/ Country of Origin	Name	Gender Age (Note 2)	Date Elected	Term	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding	
							Number of shares	%	Number of shares	%	Number of shares	%
Chairman	R.O.C.	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li- Lien	Female 51-60 years old	2019.07.01	3 years	1992.07.01	284,901,045 *377,924	18.11 0.024	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	2021.02.26	1 year	2021.02.26 (Note 6)	284,901,045 *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	2019.07.01	3 years	2007.07.13	262,228,166 *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	2019.07.01	3 years	2008.08.27	262,228,166 *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 61-70 years old	2019.07.01	3 years	1992.07.05	17,287,844 *0	1.09 0	10,990,936 *0	1.09 0	0 *0	0 0

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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	%			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 Director 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 Hna-Chuang Automobile Information Technical Center Co., Ltd. President of Dongnan (Fujian) Automobile Industry Co. Vice President 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. For the rest, please refer to "Information on Affiliates"	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 Director of Tai Yuen Textile Co., Ltd. Director of Yulon-Administered Enterprises Company Limited Managing and independent director of Shihlin Electric & Engineering Corp.	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 SYSTEX Corporation Independent director of CTCI Corporation Independent director of Delta Electronics, Inc. For the rest, please refer to "Information on Affiliates"	None	None	None

Title (Note 1)	Nationality/ Country of Origin	Name	Gender Age (Note 2)	Date Elected	Term	Date First Elected (Note 3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Children Current Shareholding	
							Number of shares	%	Number of shares	%	Number of shares	%
Director	R.O.C.	Yen Ching-Ling's Foundation Representative: Zhen-Xiang Yao	Male 61-70 years old	2019.07.01	3 years	2004.07.01	17,287,844 *15,412	1.09 0.001	10,990,936 *212,738	1.09 0.0213	0 *0	0 0
Independent Director	R.O.C.	Yi-Hong Hsieh	Male 61-70 years old	2019.07.01	3 years	2013.07.01	*0	0	*0	0	*0	0
Independent Director	R.O.C.	Zhongqi Zhou	Male 61-70 years old	2019.07.01	3 years	2016.07.01	*0	0	*0	0	*0	0
Independent Director	R.O.C.	Yen-Chin, Tsai	Male 61-70 years old	2019.07.01	3 years	2018.07.01	*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.

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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	%			Title	Name	Relation
0	0	Curtin University MIB Vice President of YULON MOTOR CO., LTD Director of Luxgen Motors/Yes Energy Service/China Engine Corporation Chairman of Yulon TOBE 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 Chairman of Uni Auto Parts Manufacture Co., Ltd Chairman of Yulon Construction Co., Ltd. Chairman of Yulon Automotive (China) Investment Limited Supervisor of Dengfeng Yulon Motor Co., Ltd Supervisor of Guangzhou Fengshen Motor Co., Ltd. For the rest, please refer to "Information on Affiliates"	None	None	None
0	0	Doctor of Law, Stanford University School of Law, USA Adjunct Professor, Department of Accounting, National Taiwan University Adjunct Professor, College of Management, National Taiwan University Associate Professor, Institute of Law, Soochow University	Remuneration Committee Member of YULON MOTOR CO., LTD Audit Committee Member of YULON MOTOR CO., LTD Independent director of momo.com Inc. Remuneration Committee Member of momo.com Inc. Audit Committee Member of momo.com Inc. Independent director of Taiwan Acceptance Corporation Remuneration Committee Member of Taiwan Acceptance Corporation Audit Committee Member of Taiwan Acceptance Corporation Independent director of BNP Paribas Cardif TCB Life Insurance Co., Ltd., etc.	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 Co.	Remuneration Committee Member of YULON MOTOR CO., LTD Audit Committee Member of YULON MOTOR CO., LTD Independent director of Taiwan Acceptance Corporation Remuneration Committee Member of Taiwan Acceptance Corporation Audit 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. Director of Kiwi Technology Inc.	None	None	None
0	0	Ph.D. in Accounting from the University of California, Los Angeles Dean, Department of Accounting, National Taiwan University Director, Graduate Institute of Accounting, National Taiwan University Member of Taiwan Stock Exchange Listing Review Committee	Remuneration Committee Member of YULON MOTOR CO., LTD Audit Committee Member of YULON MOTOR CO., LTD Independent director of Nan Shan Life Insurance Company, Ltd. Remuneration Committee Member of Nan Shan Life Insurance Company, Ltd. Audit Committee Member of Nan Shan Life Insurance Company, Ltd. Independent Director of Genesys Logic, Inc. Remuneration Committee Member of Genesys Logic, Inc. Independent Director of Cowealth Medical Holding Co., Ltd. Audit Committee Member of Cowealth Medical Holding Co., Ltd. Consultant of Taiwan IASB of Accounting Research and Development Foundation ROC	None	None	None

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.

Note 6: The corporate director, Tai Yuen Textile Co., Ltd. reassigned its representative, and the vice chairman, Kuo-Rong Chen, was relieved from office on 2021.02.26; the new director, Tso, Chi-Sen, was newly appointed on 2021.02.26. On 2021.03.25, the Board of Directors elected Director Tso, Chi-Sen as the new Vice Chairman.

* Indicates personal shareholding

(II) Major shareholders of the institutional shareholders

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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. Nan Shan Life Insurance Company, Ltd. (2.70%) 6. Taiwan Life Insurance Co., Ltd. (1.18%) 7. Taiwan Business Bank (0.94%) 8. Fande Investment Co., Ltd. (0.88%) 9. Yung Hang Investment Co., Ltd. (0.72%) 10. J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account (0.64%)
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

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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%)

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholders (Note 2)
6. Yongshun Investment Co., Ltd.	<ol style="list-style-type: none"> 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%)
7. Diamond Hosiery & Thread Co., Ltd.	<ol style="list-style-type: none"> 1. British Virgin Islands Wanda Company (72.51%) 2. Tai Yuen Textile Co., Ltd. (21.97%) 3. Xiang Wei Investment Co., Ltd. (5.09%) 4. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (0.1684%) 5. Le Wen Investment Co., Ltd. (0.13%) 6. Wavin Investment Co., Ltd. (0.13%) 7. Yen Chen Li-Lien (0.0002%) 8. Daughter of Yen Chen Li-Lien (0.0002%) 9. Son of Yen Chen Li-Lien (0.0002%)
8. Lippen Investment Co., Ltd.	<ol style="list-style-type: none"> 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (98.993%) 2. Diamond Hosiery & Thread Co., Ltd. (1.002%) 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%)
9. Yuanwei Investment Co., Ltd.	<ol style="list-style-type: none"> 1. Wu Shun-Wen's Industrial Development and Investment Promotion Committee (91.513%) 2. Diamond Hosiery & Thread Co., Ltd. (8.477%) 3. Fande Investment Co., Ltd. (0.002%) 4. Weitai Investment Co., Ltd. (0.002%) 5. Le Wen Investment Co., Ltd. (0.002%) 6. Vincent Investment Co., Ltd. (0.002%) 7. Wavin Investment Co., Ltd. (0.002%)
10. Mitsubishi Motors Taiwan	<ol style="list-style-type: none"> 1. Nissan Motor Co., Ltd. (34.02%) 2. Mitsubishi Corporation (20.01%) 3. Master Trust Bank of Japan, Ltd. (Trust Account) (5.42%) 4. Mitsubishi Heavy Industries (1.44%) 5. MUFG Bank Ltd. (0.99%) 6. BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (0.83%) 7. Custody Bank of Japan, Ltd. (Trust Account) (0.64%) 8. SIX SIS LTD. (0.63%) 9. Custody Bank of Japan, Ltd. (Trust Account 7) (0.60%) 10. JP MORGAN CHASE BANK 385781 (0.53%)
11. YULON MOTOR CO., LTD	<ol style="list-style-type: none"> 1. Tai Yuen Textile Co., Ltd. (18.11%) 2. China Motor Corporation (16.67%) 3. Yen Chen Li-Lien (3.42%) 4. Daughter of Yen Chen Li-Lien (3.39%) 5. Son of Yen Chen Li-Lien (3.39%) 6. Fande Investment Co., Ltd. (1.72%) 7. Yen Ching-Ling's Foundation (1.09%) 8. New labor pension fund (0.92%) 9. J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account (0.78%) 10. Citi Commercial Bank's investment account with the Central Bank of Norway (0.77%)
12. Nan Shan Life Insurance Company, Ltd.	<ol style="list-style-type: none"> 1. Runcheng Investment Holdings Co., Ltd. (89.54%) 2. Ruen Hua Dyeing & Weaving Co., Ltd. (1.34%) 3. Ying-Tsung Tu (1.16%) 4. Runtex Co., Ltd. (0.97%) 5. Ruentex Development Co., Ltd. (0.23%) 6. Ruentex Industries Limited (0.21%)

Names of corporate shareholders (Note 1)	Major shareholders of the corporate shareholders (Note 2)
	7. Yuanxin Investment Co., Ltd. (0.16%) 8. Ruentex Leasing Co., Ltd. (0.13%) 9. Jipin Investment Co., Ltd. (0.11%) 10. Pan City Co., Ltd. (0.09%)
13. Taiwan Life Insurance Co., Ltd.	CTBC Financial Holdings Co., Ltd (100%)
14. Taiwan Business Bank	1. Bank of Taiwan (16.21%) 2. National Development Fund, Executive Yuan (5.87%) 3. Land Bank of Taiwan (2.29%) 4. Ministry of Finance (2.08%) 5. HSBC's Morgan Stanley escrow account (1.73%) 6. JPMorgan Chase Bank, Taipei Branch, was entrusted with the custody of the Advanced Total International Equity Index Fund, a series of funds of Advanced Starlight Fund, Inc. (0.93%) 7. JPMorgan Chase Bank, Taipei Branch was entrusted with the custody of Van Garde Emerging Market Equity Index Fund managed by Van Garde Group Inc. (0.92%) 8. BES Engineering Inc. (0.87%) 9. Taiwan Business Bank's employee shareholding trust account (0.80%) 10. Citi Bank Taiwan's UBS European SE investment account (0.76%)
15. Fande Investment Co., Ltd.	1. Weitai Investment Co., Ltd. (33.36%) 2. Wavin Investment Co., Ltd. (33.34%) 3. Le Wen Investment Co., Ltd. (33.30%)
16. Yung Hang Investment Co., Ltd.	YULON MOTOR CO., LTD (100%)
17. J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account	Unavailable due to constraint of local practices

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

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

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

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

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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. No violations of 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. No violations of 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. No violations of Article 30 of the Company Act.	Not applicable	1
Liang Zhang	1. Professional skills: economic financing, operational judgment, industrial knowledge and global views. 2. No violations of Article 30 of the Company Act.	Not applicable	3
Jack, J.T .Huang	1. Professional skills: legal compliance, operational judgment, industrial knowledge and global views. 2. A licensed attorney 3. No violations of Article 30 of the Company Act.	Not applicable	4
Zhen-Xiang Yao	1. Professional skills: leadership, operational judgment, business administration, crisis handling, industrial knowledge and global views. 2. No violations of Article 30 of the Company Act.	Not applicable	0
Yi-Hong Hsieh	1. Holding a lecturer or higher teaching position in public and private colleges on financial regulations. 2. A licensed attorney. 3. More than 5 years of work experience in business, legal, financial, accounting and/or other required skills. 4. Professional skills: legal compliance, operational judgment, industrial knowledge and global views.	Conformable to all (See Page 15 for details)	2
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 Page 15 for details)	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 next page for details)	3

Note 1: For details of the directors' professional experience, please refer to "Information on directors" on page 6-9 of this Annual Report.

(V) Board diversity and independence

1. Diversity

We advocate the board diversity and respect the policy to strengthen corporate governance and consolidate board structure, in the belief that the diversity will help improve our overall performance. The appointment to board seats are based on the professional competence, with complementary capabilities across industrial domains, while the criteria consist of basic profiles (such as age, gender, nationality, etc.), industry experience and related skills (such as business administration, financial accounting, legal consulting, auto industry operations, etc.), as well as business judgment, operational management, leadership and crisis handling. In 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	61-70 years old	-	-	V				V	V		V	-
Zhen-Xiang Yao Director	R.O.C.	Male	61-70 years old	-	-	V	V				V			V
Yi-Hong Hsieh Independent Director	R.O.C.	Male	61-70 years old	-	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		

- (1) The 9 directors (3 independent) of the 16th 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 Hsieh Yi-Hong are competent in legal affairs, and Director Zhang Liang and Independent Director Zhou Zhongqi and Tsai Yen-Chin are experts in economic financing. The 16th board has 33% of the members with financial expertise, and 22% with legal compliance professionalism.
- (2) The average term of office of the board directors is 9 years. Among them, Independent Director Hsieh Yi-Hong has been in the office for 8 years, while the rest independent directors are in consecutive terms of no more than 3 years. All the board members are ROC nationals, with the 3 independent directors accounting for 33% of the total board seats. Two directors are aged over 70, six aged 60-69, and one aged below 60. In addition to the above profile features, the gender equality is equally important in the board composition. The current board includes 1 female member, accounting for 11% of the total board seats, and adding higher proportion of female directors will be an objective to achieve in the future.
- (3) The diversity for complementary features in the board composition has reached a higher level than the standards set out in Article 20 of the Company's "Code of Corporate Governance". Yet amendment and addition to the diversity policy will be made in the future depending on the board performance, business operations and development needs, including but not limited to two major aspects: essential qualifications and values, and professional knowledge and skills, to ensure that the board members are adequately equipped with the knowledge, skills and qualities necessary to perform their duties.

2. Board independence

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

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

- (1) Not an employee of the Company or any of its affiliates.
- (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) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

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

Title (Note 1)	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Number of shares	%	Number of shares	%	Number of shares	%
President	R.O.C.	Zhen-Xiang Yao	Male	2013.08.08	212,738	0.0213	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.

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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. Chairman of China Cast Iron Pipe 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 Hna-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 planning department, YULON MOTOR CO., LTD	Director of Hna-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 2021

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 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	The company	Companies in the consolidated financial statements (Note 7)	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statements (Note 7)	
Institutional Director	Tai Yuen Textile Co., Ltd.	0	0	0	0	15,610,519	15,610,519	0	0	15,610,519 0.3310%	15,610,519 0.3310%	0	0	0	0	0	0	0	0	15,610,519 0.3310%	15,610,519 0.3310%	0
Institutional Director	China Motor Corporation	0	0	0	0	4,390,460	4,390,460	0	0	4,390,460 0.0931%	4,390,460 0.0931%	0	0	0	0	0	0	0	0	4,390,460 0.0931%	4,390,460 0.0931%	0
Institutional Director	Yen Ching-Ling's Foundation	0	0	0	0	4,390,460	4,390,460	0	0	4,390,460 0.0931%	4,390,460 0.0931%	0	0	0	0	0	0	0	0	4,390,460 0.0931%	4,390,460 0.0931%	0
Chairman	Tai Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	13,000,400	26,443,308	0	0	0	0	960,000	1,104,000	13,960,400 0.2961%	27,547,308 0.5842%	0	0	0	0	0	0	0	0	13,960,400 0.2961%	27,547,308 0.5842%	36,329,108
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	0	0	0	0	0	0	101,667	182,524	101,667 0.0022%	182,524 0.0039%	9,417,305	9,417,305	108,000	108,000	134,856	0	134,856	0	9,761,828 0.2070%	9,842,685 0.2087%	0
Director	China Motor Corporation Representative: Shin-I Lin	4,507,200	4,507,200	0	0	0	0	120,000	120,000	4,627,200 0.0981%	4,627,200 0.0981%	0	0	0	0	0	0	0	0	4,627,200 0.0981%	4,627,200 0.0981%	4,627,200
Director	China Motor Corporation Representative: Liang Zhang	0	0	0	0	0	0	120,000	216,000	120,000 0.0025%	216,000 0.0046%	0	0	0	0	0	0	0	0	120,000 0.0025%	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	1,390,860	1,342,860 0.0285%	1,390,860 0.0295%	0	0	0	0	0	0	0	0	1,342,860 0.0285%	1,390,860 0.0295%	7,000,000
Director	Yen Ching-Ling's Foundation Representative: Zhen-Xiang Yao	0	2,122,000	0	0	0	0	120,000	361,000	120,000 0.0025%	2,483,000 0.0527%	10,253,473	11,148,063	349,740	349,740	131,624	0	131,624	0	10,854,837 0.2302%	14,112,427 0.2993%	450,000
Independent Director	Yi-Hong Hsieh	0	0	0	0	0	0	1,040,000	2,700,000	1,040,000 0.0221%	2,700,000 0.0573%	0	0	0	0	0	0	0	0	1,040,000 0.0221%	2,700,000 0.0573%	0
Independent Director	Yen-Chin, Tsai	0	0	0	0	0	0	540,000	540,000	540,000 0.0115%	540,000 0.0115%	0	0	0	0	0	0	0	0	540,000 0.0115%	540,000 0.0115%	0
Independent Director	Zhongqi Zhou	0	0	0	0	0	0	1,040,000	2,700,000	1,040,000 0.0221%	2,700,000 0.0573%	0	0	0	0	0	0	0	0	1,040,000 0.0221%	2,700,000 0.0573%	0

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 2021 remunerations received by the directors in the most recent year 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, (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\$38,350 to NT\$80,000 per month, and NT\$10,000 each time depending on the actual attendance of the independent directors at the functional committee meetings.
- ※ 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 etc. (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	3,453,481	6,033,041	349,740	349,740	6,919,992	7,598,022	131,624	0	131,624	0	10,854,837 0.2302%	14,112,427 0.2993%	450,000
Vice President	Jian-Hui Li	1,712,460	1,840,460	221,827	221,827	2,976,231	2,999,231	64,970	0	64,970	0	4,975,488 0.1055%	5,126,488 0.1087%	320,000

* 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 acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.
- Note 4: Please fill in the remuneration amount to the president and vice president resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. And should also fill out following table 3.
- Note 5: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's President and Vice President.
- Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.
- Note 7: a. This field must state any form of remuneration the President and Vice President has received from The Company's invested businesses other than subsidiaries.
 b. For President/Vice Presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column E of the Remuneration brackets table. Change the name of column E to "All invested businesses".
 c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which The Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.
- ※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

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

December 31, 2021

Unit: NTD

	Title	Name	Stock	Cash	Total	Total/after-tax profit
Manager	President	Zhen-Xiang Yao	0	951,315	951,315	0.0202%
	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				
	Manager	Shi-Ting Chen				
	Manager	Li-Hua Wu				
	Manager	Wen-Yuan Li				
	Manager	Shih-Lin Wu				
	Manager	Chong-Yuan Chen				
	Manager	Shen-Guo Wang				
	Manager	Meng-Yue Jie				
	Manager	Hsun-Kuei Hsieh				
	Manager	King-Wai Wong				
Manager	Yu-Hsun Lin					
Manager	Pai-Chun Peng					

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.

(VIII) Analysis of the total remuneration paid to directors, president, and 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, vice president and assistant vice president as a percentage of net profits after tax in the individual or standalone financial statements:

Unit: NTD

	2021			2020		
	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	67,678,564	4,715,516,436	1.4353%	23,176,200	2,739,210,188	0.8461%
President and Vice President	15,830,325	4,715,516,436	0.3357%	21,364,152	2,739,210,188	0.7799%

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, vice president and assistant 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

	2021			2020		
	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	88,067,919	4,715,516,436	1.8677%	38,528,530	2,739,210,188	1.4066%
President and Vice President	19,238,915	4,715,516,436	0.4080%	21,364,152	2,739,210,188	0.7799%

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 less 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 Year 2021, the Board of Directors held 6 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	6	0	100%	
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	0	1	0%	2021/02/26 Dismissal (former)
Vice Chairman	Tai Yuen Textile Co., Ltd. Representative: Tso, Chi-Sen	5	0	100%	2021/02/26 Appointment (new)
Director	China Motor Corporation Representative: Shin-I Lin	6	0	100%	
Director	China Motor Corporation Representative: Liang Zhang	6	0	100%	
Director	Yen Ching-Ling’s Foundation Representative: Jack, J.T .Huang	6	0	100%	
Director	Yen Ching-Ling’s Foundation Representative: Zhen-Xiang Yao	6	0	100%	
Independent Director	Yi-Hong Hsieh	6	0	100%	
Independent Director	Zhongqi Zhou	6	0	100%	
Independent Director	Yen-Chin, Tsai	6	0	100%	

Other notes:

- I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:
 - (I) The content of the particulars inscribed in Article 14-3 of the Securities and Exchange Act: Since the Company has set up its Audit Committee; the provisions of Article 14-3 shall not apply according to Article 14-5 of the Securities and Exchange Act. please refer to the section “The State of operations of the Audit Committee” for the matters referred to in Article 14-5 of Securities and Exchange Act.
 - (II) Except for the aforementioned matters, the resolutions reached by the Board of Directors with the objections or reservations of the independent directors documented or declared in writing: None.
- II. The recusal of the directors from motions that involved a conflict of interest. (Specify the names of the directors, the content of the motions, and reason for recusal, and the participation in voting):
The Company has established the “Procedure for Board of Directors Meetings”, which stipulates the terms of recusal of directors from motions involving conflict of interest and handles it in accordance with the relevant regulations.
- III. Information on the periodicity and period, scope, method and content of the self-evaluation (or peer evaluation) by the Board of Directors:
Please refer to Note 3 for the implementation of the Board of Directors' evaluation.
- IV. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation.

1. In addition to the establishment of the Remuneration Committee as approved by the Board of Directors on August 26, 2011, the Company also elected two independent directors for the 14th term at the 2013 regular shareholder meeting in accordance with Article 14-2 of the Securities and Exchange Act, with a view to strengthening the functions of the Board of Directors and enhancing the effectiveness of corporate governance, and established an Audit Committee in July 2016 to replace the former supervisory system to strengthen the internal control mechanism of the Company.
2. In addition, in order to comply with the international trend of corporate governance, the Company revised the "Procedure for Board of Directors Meetings" and "Audit Committee Charter" on March 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 "Board of Directors Evaluation Measures" were approved on November 9, 2015 and the second amendment was completed on May 10, 2019. 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.

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, 2021 to December 31, 2021	1. Board member 2. Audit Committee 3. Remuneration Committee	Self-evaluation	1. 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 2. The operations of the Audit Committee and the Remuneration 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 2021 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	6	0	100%	Re-elected on 2019/7/1, with legal expertise
Independent Director	Zhongqi Zhou	6	0	100%	Re-elected on 2019/7/1, with management and financial expertise
Independent Director	Yen-Chin, Tsai	6	0	100%	Re-elected on 2019/7/1, with financial expertise

Other notes:

- I. If the Audit Committee operation falls under any of the following circumstances, the date, session, proposals of the Committee meeting, as well as objections, reservations or material suggestions from independent directors, and meeting resolutions, and the Company's response to the Committee's opinions should be explicitly stated.
- (I) The content of the particulars inscribed in Article 14-5 of the Securities and Exchange Act.

Date of the Audit Committee meeting	Session of the Audit Committee meeting	Summary of the motion	Independent Director and Audit Committee's opinion	The Company's handling of the Audit Committee's opinion
2021/01/26	5 th interim meeting of the 2 nd Audit Committee	Amendment of the Corporate Charter	Approved as submitted.	Executed as resolved
2021/01/26	5 th interim meeting of the 2 nd Audit Committee	Liquidation and capital increase of "Changsha Yulu", a Mainland dealership company invested by the Company	Approved as submitted.	Executed as resolved
2021/01/26	5 th interim meeting of the 2 nd Audit Committee	Discontinuance and transfer of "Tongling Kuo Tong", a Mainland dealership company invested by the Company	Approved as submitted.	Executed as resolved
2021/01/26	5 th interim meeting of the 2 nd Audit Committee	Transfer of equity interests in "Jiangmen Junxing" and "Jiangmen YuLi", Mainland dealership companies invested by the Company	Approved as submitted.	Executed as resolved
2021/01/26	5 th interim meeting of the 2 nd Audit Committee	The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of RMB 51 million for Yulon Motor Finance (China) Limited.	Approved as submitted.	Executed as resolved
2021/01/26	5 th interim meeting of the 2 nd 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
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's 2020 final operating reports	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The proposal for the distribution of earnings of the Company in 2020;	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The distribution of profit sharing remuneration to employees and directors for 2020	Adopted as submitted	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's endorsement and guarantee facility for 2021	Adopted as submitted	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	Amendment to certain provisions of the Company's "Articles of Incorporation."	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's convening of 2021 regular shareholder meeting.	Approved as submitted.	Executed as resolved

Date of the Audit Committee meeting	Session of the Audit Committee meeting	Summary of the motion	Independent Director and Audit Committee's opinion	The Company's handling of the Audit Committee's opinion
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of US\$10.2 million for Yulon Motor Finance (China) Limited.	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's bank facility application for 2021	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's issuance of Letter of Operating Support (LOS) in 2021.	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	The Company's Statement of Internal Control System for 2020	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd Audit Committee	Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2021	Approved as submitted.	Executed as resolved
2021/03/24	9 th interim meeting of the 2 nd 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
2021/05/12	10 th interim meeting of the 2 nd Audit Committee	The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd.	Approved as submitted.	Executed as resolved
2021/05/12	10 th interim meeting of the 2 nd Audit Committee	Proposal for acquisition of China Engine Corporation	Approved as submitted.	Executed as resolved
2021/06/24	6 th interim meeting of the 2 nd Audit Committee	Proposal to postpone the shareholders' meeting and change the base date of cash dividend distribution due to the pandemic	Approved as submitted.	Executed as resolved
2021/06/24	6 th interim meeting of the 2 nd Audit Committee	Proposal to sign with Viewshow Cinemas a Letter of Intent (MOU) for the lease of the Yulong City Tower shopping mall covering the "Entire 6th Floor and Part of 7th Floor of Yulon City Tower".	Approved as submitted.	Executed as resolved
2021/08/04	11 th interim meeting of the 2 nd Audit Committee	Proposal for endorsement on the bank credit of LUXGEN Taipei Motor Co., Ltd.	Approved as submitted.	Executed as resolved
2021/08/04	11 th interim meeting of the 2 nd Audit Committee	The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of RMB 30 million for Xiaogan Yufeng Automobile Sales Service Co., Ltd..	Approved as submitted.	Executed as resolved
2021/08/04	11 th interim meeting of the 2 nd 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
2021/08/04	11 th interim meeting of the 2 nd 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
2021/11/10	12 th interim meeting of the 2 nd Audit Committee	Amendment to certain provisions of the Company's "Articles of Incorporation."	Approved as submitted.	Executed as resolved
2021/11/10	12 th interim meeting of the 2 nd Audit Committee	The Company's donation to the Wu Shun-Wen's News Scholarship Foundation	Approved as submitted.	Executed as resolved
2021/11/10	12 th interim meeting of the 2 nd Audit Committee	The Company's bank facility adjustment for 2021	Approved as submitted.	Executed as resolved
2021/11/10	12 th interim meeting of the 2 nd 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

Date of the Audit Committee meeting	Session of the Audit Committee meeting	Summary of the motion	Independent Director and Audit Committee's opinion	The Company's handling of the Audit Committee's opinion
2021/11/10	12 th interim meeting of the 2 nd Audit Committee	The Company's 2022 audit plan	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
2021/3/24	1. Report on the implementation of audit works from December 2020 to February 2021 2. 2020 Report on implemented "Measures for the Administration of Distributors in Mainland China" 3. Report on returning vendors' gifts 4. Discussion and communication between audit officer independent directors.
2021/5/12	1. Report on the implementation of audit works from March to April 2021 2. Execution of reports required by laws 3. Audit of overseas subsidiaries 4. Discussion and communication between audit officer independent directors.
2021/8/4	1. Report on the implementation of audit works from May to July 2021 2. Amendment of subsidiary approval authority 3. Audit of overseas subsidiaries 4. Discussion and communication between audit officer independent directors.
2021/11/10	1. Report on the implementation of audit works from August to October 2021 2. Publication of violation patterns and letter contents 3. Audit of overseas subsidiaries 4. Discussion and communication between audit officer independent directors.

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

Date	Highlights of the communication
2021/3/24	1. CPA report on 2020 financial statements 2. Scope of group audit and computer audit 3. Audit result of 2020 individual and consolidated financial statements
2021/5/12	CPA report on 2021 Q1 financial statements
2021/8/4	1. CPA report on financial statements for the first half of 2021 2. Analysis of CFC key points applicable to for-profit undertakings
2021/11/10	1. CPA report on 2021 Q3 financial statements 2. Planning of annual audit of financial statements 3. Identification of significant risks and key audit items 4. Decree update: Draft amendment to "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"

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)		Summary	The variation with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”, and the reasons for the variation
	Yes	No		
1. 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 a Code of Corporate Governance Practices, which is disclosed on the Market Observation Post System and the Company’s website.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
2. The shareholdings structure and shareholders’ equity of the Company				
(1) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(1) The Company convenes shareholders’ meetings in accordance with the provisions of the Company Act and related laws and regulations, and has established complete rules of meeting procedure, and implemented matters that should be resolved by the shareholders’ meetings in accordance with the rules of procedure. In addition, the Company has a spokesperson to respond to shareholders’ suggestions or questions, and a dedicated stock affairs unit as the service window to handle related matters.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
(2) 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		(2) The Company tracks the shareholdings of directors, officers, and top ten shareholders.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
(3) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		(3) The Company implements risk control and firewall mechanisms with its affiliates in accordance with the “Handling Measures for Related Party Transactions”, “Operating Procedures for Lending Funds to Others”, and “Management Measures for Endorsement and Guarantee Management”	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
(4) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	V		(4) The Company has established the “Procedures for Prevention of Insider Trading” to prohibit insiders from trading marketable securities using undisclosed information in the market.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
3. Composition and responsibility of the Board of Directors				
(1) Has the board devised diversified guidelines and implemented them based on member makeup?	V		(1) 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, business model and	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	
(2) 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	(2)	<p>development needs and implemented them. The 16th Board has one female director, Yen Chen Li-Lien, and all board members have various professional skills and knowledge. 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, With expertise in the area of legal affairs, Jack, J.T .Huang, Director, and Yi-Hong Hsieh, Independent Director; with expertise in the area of economic and financial affairs, Leung Chang, Director, and Zhongqi Zhou and Yen-Chin, Tsai, Independent Directors.</p> <p>The independent directors account for 33% of the total board seats, and female directors account for 11%. There is two independent directors having taken the seat for 3–6 year, and one for over 7 years. There are two directors aged over 70, six between 60–69, and one under 60.</p> <p>The "Corporate Governance Best Practice Principles" defines standards in two major aspects to formulate diversity policy based on the business, operations and development needs.</p> <p>(1) The prerequisites and value norms for the board composition require that female directors take up to one third of the board seats for the goal of diversity.</p> <p>(2) The Company also places emphasis on the professional knowledge and skills of its Board of Directors. In addition to expertise in the automobile industry and management, the percentage of directors with expertise in finance and law is expected to reach 20%.</p> <p>The percentage of financial professional directors in the 16th Board of Directors of the Company is 33%, while the percentage of legal professional directors reaches 22% with the addition of the new director of the 16th term, Jack, J.T .Huang.</p> <p>(2) Considering the size of the Company's Board of Directors and the number of independent directors, the Company has established the Remuneration Committee and the Audit Committee as required by law at this stage, and has set up internal control management mechanisms and projects, operations and decision-making meetings for each business. Through such meetings, important issues are evaluated to provide the Board of Directors with input</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		
(3) 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>to carry out its oversight responsibilities. The Company has set up an Audit committee to replace the supervisory system on July, 2016, The CSR Committee established in 2018(ESG Committee), Risk Control Task Force established on November, 2020.</p> <p>(3) 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 May 2019, the Company completed the amendment of certain provisions of the “Board of Directors Evaluation Measures“, which was approved by the Board of Directors. The 2021 internal evaluation on the board, board members and the functional committee as well as the external evaluation on the overall board performance were completed in December 2021, and the results of the internal and external evaluations along with improvement proposals were reported in the January 2022 board meeting. The internal evaluation with questionnaires was based on the directors' engagement as well as the performance of the audit committee and remuneration committee, and the results were rated 97.07–100 points. The external evaluation with questionnaires and interviews conducted by the Taiwan Institute of Ethical Business and Forensics was based on the directors' opinions on the board operations, and the results were 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.</p>	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies”.
(4) Will the Company have the independence of the public accountant evaluated regularly?	V		(4) 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,” which includes the size of the CPA firm, the number of years of continuous audit services provided, and	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>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 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 Year 2021 was completed and approved by the Board of Directors in March 2022.</p>	
<p>4. 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.)?</p>	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 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 2021:</p> <ol style="list-style-type: none"> 1. Assisted independent directors and regular directors in carrying out their duties, provided necessary information and arranged for directors' further education. 2. Assisted in the proceedings and resolutions of the board of directors meetings and shareholders' meetings 3. Managed 2021 annual directors' liability insurance. 4. In order to implement corporate governance, a performance evaluation of the Board of Directors and Directors for 2021 was conducted and presented to the Board of Directors in January 2022. 	<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		
			<p>5. In 2021, 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 July 2021, 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 2021:</p> <ol style="list-style-type: none"> 1. The Way to Sustainability – External Innovation (3 hours) 2. Sustainability Governance in Risk Perspective – From Corporate Governance to ESG (3 hours) 	
5. 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 business 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 whenever necessary along these smooth channels.	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies”.
6. Does the Company commission a professional stock service agent to handle shareholders' affairs?		V	The Company handles the shareholders' affairs internally.	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.
7. Information disclosure				
(1) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(1) The Company has set up a website to disclose financial and operational information in a timely manner in accordance with relevant laws and regulations. The Company's website: http://www.yulon-motor.com.tw	In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies”.
(2) 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	V		(2) 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	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>Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?</p> <p>(3) 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?</p>		V	<p>are also available on the website and an English website has been set up to achieve the purpose of full disclosure of information.</p> <p>(3) The annual, quarterly and monthly financial statements are currently reported within the legal deadlines, and efforts will be made to announce the financial statements ahead of the deadlines.</p>	<p>In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies”.</p>
<p>8. 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)?</p>	V		<ol style="list-style-type: none"> 1. For employee rights and employee wellness, please refer to Chapter 5, Section 5, “Labor Relations” of this annual. 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 environmental protection, safety and health issues, and jointly strive to enhance corporate social responsibility. 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>In compliance with the “Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies”.</p>

6. The continuing education of directors and independent directors (2021.1.1 - 2021.12.31)

Title	Name	Course organizer	Course name	Training hours	Remarks
Chairman	Yen Chen Li-Lien	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Vice Chairman	Tso, Chi-Sen	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	Initially appointed as the director of a listed company on 2011.3.25
Director	Shin-I Lin	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Director	Liang Zhang	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Director	Jack, J.T .Huang	Taiwan Institute of Directors; Taiwan Corporate Governance Association	Corporate Innovation – Subscription of Economy Strategic Thinking; The 2021 Trend of ESG/CSR and Sustainability Governance	6	
Director	Zhen-Xiang Yao	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Independent Director	Yi-Hong Hsieh	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Independent Director	Zhongqi Zhou	Corporate Governance Association in Taiwan	Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; The Way to Sustainability – External Innovation	6	
Independent Director	Yen-Chin, Tsai	Corporate Governance Association in Taiwan	The Impact of IFRS17 on Strategic Planning of Insurance Companies; The Way to Sustainability – External Innovation; Sustainability Governance in Risk Perspective – From Corporate Governance to ESG; Changes in Earning Patterns and Performance Evaluation under IFRS17	9	

7. 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.

8. 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.

9. 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, 2021 to July 1, 2022.	
9. 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 8 th Corporate Governance Evaluation, improvement for the indicators with no points achieved in the 7 th Session was proposed as follows:	
Indicators with no points achieved in the 7 th Session 2020	Measures taken in the 8 th Session
Is the shareholders' meeting held before the end of May?	Due to COVID-19 the pandemic factor and the schedule of cash dividend distribution, the shareholders' meetings might be held on July.
Is the annual financial report announced within two months after the end of fiscal year?	It is planned to announce the 2021 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.

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 (Convener)	Yi-Hong Hsieh	Please refer to "Disclosure of the professional qualifications of directors and the independence of independent directors" on page 14.		2
Independent Director	Zhongqi Zhou			2
Independent Director	Yen-Chin, Tsai			2

2. Information on the operations of the Remuneration Committee

- (1) The Remuneration Committee of the Company consists of 3 members.
- (2) Term of office of the current Committee: The term of office of the Fourth Remuneration Committee is from July 1, 2019 to June 30, 2022. As of April 30, 2021, the Fourth Remuneration Committee met seven 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)
Convener	Yi-Hong Hsieh	7	0	100%	Reelected on July 1, 2019
Committee member	Zhongqi Zhou	7	0	100%	Reelected on July 1, 2019
Committee member	Yen-Chin, Tsai	7	0	100%	Reelected on July 1, 2019

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 2021, the content of the motion, the result of the resolution of the Committee and the Company's handling of the opinions of the Committee.

Remuneration Committee Date	Session of the Remuneration Committee meeting	Summary of the motion	Remuneration Committee's opinion	The Company's handling of the Remuneration Committee's opinion
2021/3/24	5 th meeting of the 4 th Remuneration Committee	The distribution of profit sharing remuneration to employees and directors for 2020	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
2021/11/10	6 th meeting of the 4 th Remuneration Committee	Proposal for 2021 executive salary adjustment	Approved as submitted.	Presented to the Board of Directors and approved by all attending directors.
		2022 calendar of the Remuneration Committee	Approved as submitted.	Executed as resolved

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

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

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

Projects engaged	Implementation Status (Note 1)		The variation with the “Corporate Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies”, and the reasons for the variation
	Yes	No	
1. 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		In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
2. 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		In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.

Projects engaged	Implementation Status (Note 1)		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>III. Safety and health risk management</p> <ol style="list-style-type: none"> 1. Risk management is coordinated and executed by the Safety and Health Office. 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. 3. The safety and health office will be responsible for tracking, statistics and management of the defects inspected until they are completely improved. 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. <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"> 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. 2. Upgrade the equipment and optimize the energy efficiency of the process. 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. 4. Working with Hon Hai (Foxconn) with a total solution for electric vehicle chassis and key component modules to shorten the development process of electric vehicles, so that the products can be put into the market more quickly. <p>V. Information risk management</p> <ol style="list-style-type: none"> 1. Compliance with information security management system: The Company has 	

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>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 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, we have followed the Group's “Information Security Development Blueprint” and completed the “Information Security Risk Internal Control Management Measures” plan in 2018 to implement information security risk management.</p> <p>For details, please see the “Risk Management” and “Stakeholders Management and Interaction” of the CSR Report.</p>	
3. Environmental issue				
(1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(1) The automobile industry is a technology-intensive and capital-intensive industry with a huge industrial chain that involves a wide range of related industries. To address the characteristics of this industry, we have set up a Green Energy Task Force to regularly review and improve our CO ₂ , waste and other emission targets.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
(2) Is the company dedicated to improving energy efficiency and using recycled materials with low impact on the environment?	V		(2) 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”.
(3) Has the company assessed the current and future risks and opportunities from climate change, and taken corresponding measures?	V		(3) The Company has long been concerned about the impact of climate change on its operations, and actively identifies and responds to the risks and impacts of extreme weather in order to identify opportunities. 1. Develop company-wide energy	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		
(4) 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>saving and carbon reduction, greenhouse gas reduction... KPI, and monthly review and control the achievement rate and set improvement measures.</p> <p>2. Upgrade the equipment and optimize the energy efficiency of the process.</p> <p>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.</p> <p>4. Develop zero-carbon emission smart electric vehicles and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly.</p> <p>Please refer to Note 3 for the Company's identification of opportunities and measures to address climate risk issues.</p> <p>(4) The Company has been conducting greenhouse gas inventories since 2006, and established the Green Energy Project in 2008 to set annual reduction targets for greenhouse gas, waste, and water consumption, and has continued to promote energy saving and waste reduction PDCA activities since then. Under the ISO 14001 environmental management system certification, the Company regularly reviews the status of environmental objectives and improvement performance to ensure the implementation of energy saving and carbon reduction plans and achievement of targets.</p> <p>Specific measures are described below:</p> <p>1. Energy-reducing low carbon manufacturing:</p> <p>(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.</p> <p>(2) 203 improvement projects were completed in 2021, reducing carbon emissions by 360.36 metric tons per year (172 projects for electricity, reducing carbon</p>	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.

Projects engaged	Implementation Status (Note 1)		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>emissions by 70.8 metric tons per year; 27 projects for gas, reducing carbon emissions by 288.6 metric tons per year; and 4 projects for fuel oil, reducing carbon emissions by 0.96 metric tons per year).</p> <p>(3) Yulon's Sanyi plant : The CO2 emission totaled 9,980 metric tons in 2021(scope 1: 2,605 metric tons, scope 2: 7,181 metric tons, scope 3: 194 metric tons), 11,957 metric tons in 2020(scope 1: 3,624 metric tons, scope 2: 8,030 metric tons, scope 3:303 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) The totaled water consumption of Yulon's Sanyi plant was 332,346 metric tons in 2021, 355,443 metric tons in 2020.</p> <p>3. Waste reduction and management:</p> <p>(1) All kinds of wastes are handled by legal vendors approved by the Environmental Protection Administration and reported online according to the law, and the reuse rate is 100%.</p> <p>(2) 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>(3) 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>(4) The waste totaled 2,933 metric tons in 2021(Hazardous Waste: 6 tons, Non-Hazardous Waste: 2,927 metric tons), 3,409 metric tons in 2020(Hazardous Waste: 10 tons, Non-Hazardous Waste: 3,399 metric tons).</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>4. Social issue</p> <p>(1) 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>(1) The human resources unit of the Company formulates relevant 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 “Corporate Social Responsibility Best Practice Principles” established by the Company. We recognize and follow the United Nations “Universal Declaration of Human Rights”, the “Guiding Principles of Business and Human Rights”, the “Global Compact”, the “International Labor Organization Convention”, and other international human rights conventions, and will not violate or infringe on human rights and treat all colleagues, customers and stakeholders with dignity.</p> <p>Execution Policy:</p> <ol style="list-style-type: none"> 1. Provide a safe and healthy working environment 2. Eliminate unlawful discrimination to ensure equal work opportunities 3. Prohibit child labor 4. Prohibit forced labor 5. Assist employees to maintain physical and mental health and work-life balance 6. Support employees to form and join labor unions to exercise their labor rights in accordance with the law <p>Specific measures for human rights policy:</p> <p>(1) Provide a safe and healthy working environment: weekly health promotion in the safety and hygiene room, “group insurance” for all employees, their spouses and children, etc. For more details, please refer to “Protective Measures for Working Environment and Employees’ Personal Safety” in Chapter 5, Section 5, Labor Relations.</p> <p>(2) Assist employees to maintain physical and mental health and work-life balance, and prohibit forced labor: announce that all employees will have one on-time work day and two no-meeting days per month, and hold regular family days each year.</p>	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		
(2) 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		(3) Support employees to form and join labor unions to exercise their labor rights in accordance with the law; encourage them to join labor unions. (2) 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 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. The Company has established and implemented employee benefit measures, which are described in detail in Chapter 5, Section 5, “Labor Relations”.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
(3) Does the Company provide employees with a safe and healthy working environment, and provide safety and health education to employees regularly?	V		(3) 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. The Company attaches great importance to employees’ physical and mental health and work-life balance prohibit forced labor. In addition to the announcement that all employees will have one punctual closing day and two non-meeting days per month, family days will be held regularly every year.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
(4) Has the company established an effective career development and training program for employees?	V		(4) 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”.
(5) 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	V		(5) 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	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		
international standards, and set policies to protect consumers’ rights and procedures for customers to file complaints?			<p>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.</p> <p>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 the after-sales warranty of the products, the warranty terms and conditions are clearly listed in the owner's manual to inform consumers of their rights and benefits and to help them deal with the system.</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.</p> <p>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>	
(6) 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? DER	V		(6) We regularly audit and evaluate suppliers, and request continuous improvement plans for suppliers with bad records in order to meet the spirit of green procurement. As for suppliers, the Company has made green procurement an important reference indicator and has strictly selected its past suppliers in accordance with Nissan's procurement regulations, and the Company may	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		
			terminate or cancel the contract if the counterparty is involved in dishonest behavior.	
(5) Has the company prepared a Sustainability Report based on the international standards or guidelines to disclose non-financial information? Has the report been certified or endorsed by a recognized third-party?	V		In addition to disclosing relevant and reliable CSR-related information in the annual report, the Company also publishes a sustainable 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.	In compliance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”.
<p>6. For the companies which have established sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the implementation practices and the deviation from the Principles established:</p> <p>The Company has established rules and regulations related to corporate governance, such as the Rules of Procedures for Shareholders' Meetings, the Procedure for Board of Directors Meetings, the Procedures for the Management of Confidential Documents, the Procedures for Disclosure and Handling of Confidential Information, the Standard Operating Procedures for the Announcement Process, the Internal Control System, the Procedures for the Acquisition or Disposal of Assets, and the Procedures for the Lending of Funds to Others.</p> <p>In addition, measures to control air pollution, waste water, and toxic chemical substances are all set in place including the policies stipulated in the “Environmental Management Procedures”, “Environmental Objective, Targets and Programs”, and “Yulon Environmental Safety and Health Handbook”, to save energy and reduce greenhouse gas emission, water usage and waste generation, whereas the environmental objectives and targets are being fulfilled by stages with the considerations of the environmental impact from our manufacturing processes, activities, products and services. Operational standards and procedures have been enacted for corporate governance, development sustainability, social welfare engagement, and information disclosure, conformable to the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies”. The Company has prepared “Corporate Social Responsibility Best Practice Principles” and submitted it to the Board of Directors and got their approval in May 2014 and requested all subsidiaries of the Group to comply with these Principles.</p>				
<p>7. Other material information helpful to understand the sustainability practice:</p> <p>(1) The Company's corporate social responsibility operation in environmental protection</p> <ol style="list-style-type: none"> 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. 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. 3. In December 2005, Hna-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. 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. 5. Please refer to the Company's sustainable report for specific achievements in environmental protection, greenhouse gas reduction, and waste treatment in recent years. <p>(2) Sustainable development on social engagement and community welfare</p> <p>➤ Long-term promotion of wood carving art and culture</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, in order to provide funding for the local government to promote the art of wood carving, the Company has shifted the funding for the “Yulon Wood Carving Innovation Award” to the local government (\$2 million per</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>year from 2014 to 2021). In addition, the Company has been working with the Cultural Tourism Bureau of Miaoli County Government to hold the Taiwan International Wood Carving Competition in Sanyi every year by integrating resources and 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 2021), in order to 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 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>➤ Care for the vulnerable</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>Also, the annual donations have been made to the cleaning squad of the Sanyi Township for the “Employer’s Liability Insurance” since 2014, as a feedback to where the Company is located, providing the folks with livelihood protection.</p> <p>➤ Give back to the local community</p> <p>[Yulon Sanyi Scholarship]</p> <p>As a feedback to the local community, the [Yulong Sanyi Scholarship] has long been provided to the local primary and high schools. From 2015 to 2019, additional scholarship was provided to college students of the Sanyi community residents, with more than 420 students receiving the benefits. In 2021, a total of \$385,000 was awarded to 313 students for the Yulon Sanyi Scholarship, benefitting a wide range of students.</p> <p>[Yulon Motor Youth Training Scholarship]</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 7 students receiving the scholarship in 2021, with each awarded NT\$50,000.</p> <p>[Yulon Sanyi Children’s Basketball Summer Camp]</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 2021 due to the COVID-19 pandemic, to prevent cluster infection.</p> <p>[Yulon Motor Design Experience Camp]</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, courses to stimulate the schoolchildren’s thinking and creativity are also given to broaden their views to the world.</p> <p>[Other “give back to the community” activities]</p> <p>1. 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</p>	

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	Yes	No		
			<p>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.</p> <p>2. 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.</p> <p>3. Since 2005, we have been donating and adopting 100 street lamps to Sanyi Township every year.</p>	
			<p>(3) The Company's corporate social responsibility operations in social contribution and social services</p> <p>[Yen Ching-Ling's Foundation] 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>[Yen Ching-Ling's Medical Research Foundation] 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>[Wu Shun-Wen's News Scholarship Foundation] 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>[Wu Shun-Wen's Industrial Development and Investment Promotion Committee] 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>[Long-term promotion of domestic basketball]. 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 2020, the annual sponsorship was \$21.6 million, in line with long-term practice.</p>	
			<p>(3) Sustainable development on social contribution and social services</p> <p>[Yen Ching-Ling's Foundation] 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>[Yen Ching-Ling's Medical Research Foundation] 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>[Wu Shun-Wen's News Scholarship Foundation] 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>[Wu Shun-Wen's Industrial Development and Investment Promotion Committee] 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>[Long-term promotion of domestic basketball].</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>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 2020, the annual sponsorship was \$21.6 million, in line with long-term practice.</p> <p>[Yulon Volunteer Club]</p> <p>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, 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 2021:</p> <ol style="list-style-type: none"> (1) The “Love Unstoppable” blood donation activities were held in May and September, with two sessions collecting a total of 44,250 c.c. of blood. (2) Sponsorship to the “Miaoli County Food Banking Program” under the Pandemic Emergency Relief Project hosted by the Miaoli County Government Social Affairs Department in July, with a donation amounted to NT\$ 350,000 to subsidize marginal households and new low-income families who could not be included in the social welfare system but needed help urgently. (3) Donation of the "Sanyi Warm Story Hall" along with NT\$ 35,000 worth of kitchenware for the cooking facilities in August, and the venue will be used as an activity and dining place for the Sanyi elderly living alone. (4) The “Year-end Heart Warming Donation”, a fundraising activity within the Yulon Group, was launched in December, and the total of NT\$ 728,900 raised was fully donated to Miaoli Guangai House of Correction, Youan House of Correction, Huashan Foundation, Mingde House of Correction, Genesis Social Welfare Foundation, Dongji Public Welfare, and Happy Dog Halfway House Association. (5) A total of 13 members of Yulon Volunteer Club have obtained the volunteer certificate through the online volunteer training. <p>(4) Implementation of sustainable consumer rights and interests</p> <ol style="list-style-type: none"> 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. 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. 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. 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. 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. 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. <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"> 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. 		

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. Actively promote the ISO 14001 certification of our suppliers, who must comply with the Labor Standards Law, in order to protect human rights regulations.</p> <p>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.</p> <p>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.</p> <p>5. The actual operation has been gradually taken seriously by suppliers, please refer to our sustainable report for detailed implementation results.</p> <p>(7) Implementation of other sustainability programs</p> <p>1. The Company in 1999 obtained the international standard ISO 14001 environmental management system certification.</p> <p>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.</p> <p>3. The Company has always insisted that environmental protection and corporate competitiveness are both important and do not contradict each other. In our successive sustainability reports, we have clearly declared and expressed our policy on dealing with stakeholders such as shareholders, customers, suppliers, communities and employees, and have integrated environmental protection into our business philosophy and included it in the annual projects and targets of each unit as a key point for implementation of daily work items.</p> <p>4. For detailed CSR results, see the sustainability report at https://www.yulon-motor.com.tw/csr_report.aspx.</p>	

Note 1: If "Yes" is ticked in the implementation option, specify the major policies, strategies, and measures implemented; if "No" is ticked, explain in the column of "Discrepancies from 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.

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

Aspect	Risk identification	Risk Impact	Response	Opportunity
Policy and regulations	Increased cost for greenhouse gas emissions	Need to continue to invest in equipment to comply with environmental regulations and emissions requirements, which drives up the Company's operating costs	<p>1. In 2005, the Company established a “greenhouse gas inventory team“ to deal with greenhouse gas identification, inventory and reduction issues.</p> <p>2. Follow the standard procedures of ISO 14064 to conduct GHG inventory, data collection, emission calculation and reduction plan for each plant, and conduct GHG emission inventory and comprehensive reduction promotion for each department to reduce 63% in 2021 compared to 2007.</p>	Since 2012, the Company has extended its experience in energy saving and carbon reduction to its affiliated plants. By 2021, the Company has assisted 39 affiliated plants in completing 755 improvement projects, reducing 14,502 metric tons of CO2 in total, and actively building a green supply chain.
	Environmental regulations are getting tighter.	Fines and fees will be increased accordingly.	<p>1. Optimize the energy efficiency of the process.</p> <p>2. Develop process optimization improvement measures</p>	<p>The Company has received many awards for actively promoting energy saving and carbon reduction, which has enhanced our corporate image.</p> <ul style="list-style-type: none"> · In 2008, the Ministry of Economic Affairs awarded us the “Superior Award for Energy Conservation“. · Awarded the “Energy Saving and Carbon Reduction Action Mark“ by the Environmental Protection Administration in 2010. · In 2015, awarded the “Outstanding Performance Award for Energy Saving Service Team” by the Ministry of Economic Affairs. · In 2016, awarded the “Energy Saving Performance Award” by the Ministry of Economic Affairs.

Aspect	Risk identification	Risk Impact	Response	Opportunity
				· Awarded the “Silver Award for Energy Saving Benchmark” by the Ministry of Economic Affairs in 2017.
	Phase VI regulations and the new CAFE will be implemented soon, and vehicles that do not comply with the regulations will have to be discontinued.	1. Consumers can choose from fewer car models 2. Production capacity will be reduced, which will affect the Company's revenue	1. In December 2005, the Company established Hna-Chuang Automobile Information Technical Center Co., Ltd. to invest a lot of resources in the research and development of green electric vehicles, and strive to create high performance, high efficiency, zero fuel consumption and zero pollution green electric vehicles. In 2010, our LUXGEN EV+ electric vehicle became the first electric vehicle in Taiwan to be officially certified and registered domestically. 2. Seek OEM opportunities for other car and motorcycle brands to increase production line utilization rate.	1. Promote the transformation of the value chain of the automobile business to “fully open and diversified customers” and cooperate with Hon Hai to provide a complete solution of electric vehicle chassis and key component modules to shorten the development process of future electric vehicles and enable electric vehicle products to enter the market more quickly. 2. Exploration into new business opportunities, such as OEM for energy storage products, to expand new business niches.
Energy management	The acquisition cost of energy is higher.	The production and manufacturing cost is increased.	The energy transformation and solar photovoltaic project has been implemented in phases since 2018 by building a solar power system in Yulong Sanyi plant, and an NT\$618,786,000 follow-up investment was made in 2021 to execute the 5th and 6th phases of the project, adding a total of 2.4MW power generation capacity, making the cumulative capacity up to 7.6MW. The percentage of renewable energy will continue increase, and the solar power capacity is expected to reach 13.6MW by the end of 2022, then the green power generated will meet the total electricity consumption of the plant.	As stipulated in the Renewable Energy Development Act (revised on 2019/12/18), renewable energy power generation devices of the same type and installed on the same site where the electricity is used with cumulative combined capacity of more than 2MW must be registered and regulated in accordance with the Electricity Act, and accordingly an application was filed for the "Renewable Energy Power Generation License" which was issued by the Energy Bureau of the Ministry of Economic Affairs at the end of October 2021.
Climate Hazards	Windstorm, natural disaster...affect production	Production capacity is reduced, affecting the Company's revenue	ISO S00-B-A025 “Emergency Preparedness and Response Management” is established to strengthen the company-wide response and standard procedures for natural disasters and emergencies, and drills are conducted from time to time.	Strengthen the Company's ability to prevent and respond to disasters
	Reduced rainfall caused water shortage	Improve equipment and processes to reduce impact	1. Process water recycling, treatment and reuse. · New pre-treatment pure water process for paint workshop with additional wastewater reuse (from 150 tons/day → reduced to 80 tons/day). · Dynamic leak test water recycling in the vehicle assembly plant (from 196 tons/day to 16 tons/day) · Boiler room condensate recycling (from 21 tons/day → reduced to 1 ton/day). 2. Implement water saving measures outside of the production process. · Installed water-saving faucets throughout the plant, reducing the water output by 50% (from 7 tons/day to 3 tons/day). · Reduce the frequency of watering and sprinkling system in the plant (2 times/month → 1 time/month) (from 20 tons/day to 10 tons/day). · With the regular semi-annual inspection of water pipelines in the plant, the old water pipelines in the dormitory were replaced in 2021, and the new pipelines were	The daily water consumption of Yulon's Sanyi plant was reduced from 1,292 tons/day to 1,000 tons/day, a total reduction of 22.6%, and the operating cost was reduced accordingly.

Aspect	Risk identification	Risk Impact	Response	Opportunity
			straightened to reduce the water consumption (down from 98 tons to 71 tons per day).	
	Extreme weather affects production lead times of parts.	Supply chain seeks alternative parts sources, and costs are increased	1. Early estimation of annual demand allows supply chain manufacturers to make early production and delivery plans for contingency planning. 2. Develop alternative vendor solutions (second source) to respond to unforeseen situations in advance.	Strengthen the company's ability to deal with emergency situations.

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

Proper enforcement of business integrity

Items for assessment	Actual governance (Note 1)		Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons
	Yes	No	
1. Establishment of ethical corporate management policies and plans	V		
(1) 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		Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
(2) 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		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		
(3) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(3) The Company has established the “Management Measures for Preventing Insider Trading”, the “Regulations for Management Review”, and the “Operating Standards for Management Meetings” as the relevant regulations for the implementation of the Ethical Corporate Management Best Practice Principles and has implemented them, and amended them in accordance with the laws and regulations.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
2. Implementation of ethical corporate management (1) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed? (2) 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?	V	V	(1) 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. (2) The Company's ethical corporate management related regulations are coordinated by the Company's corporate governance officer, assistant VP of finance 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 2021, the following items were promoted for ethical corporate management. 1. Promoted ethical corporate management measures to new employees and conducted education and training. 2. Promoted ethical corporate management to new managerial officers and had them signed the statement of the ethical corporate management best practice principles. 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. 4. On-the-job training for directors: (1) Sustainability Governance in Risk Perspective – From Corporate Governance to ESG, 3 hours. (2) The Way to Sustainability – External Innovation, 3 hours.	Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” 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	
(3) 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”
(4) 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		
(5) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		
		<p>(3) In addition to the “Procedure for Board of Directors Meetings” for relevant stipulations for recusal due to conflict of interest, the Company has provided appropriate channels for the Board of Directors to proactively state whether there is a conflict of interest.</p> <p>(4) 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.</p> <p>(5) 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.</p> <p>Related courses held in 2021:</p> <ol style="list-style-type: none"> 1. Knowing business secrets: 64 participants, 2 hours session. 2. Patent application and search: 14 participants, 2 hours session. 3. Patent infringement comparison and search: 18 participants, 1.5 hours session. 4. Tip to insider trading (digital course): 20 participants, 1 hour session. 	<p>Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”</p>
3. Implementation of the whistle-blowing system			
(1) 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”
(2) 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		Compliance with the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company”
		<p>(1) The Company has established “Work Rules” and “Employee Compliant Handling Measures”; for violations of the rules and regulations, if the investigation by the Complaint Committee is substantiated, the work rules will be enforced. If necessary, we will seek damages through legal proceedings to protect the Company's reputation and rights.</p> <p>(2) The Company has established a whistleblower system and an internal independent whistleblower mailbox, which is managed by an independent director, who will assign the receiving unit for each whistleblower case. The record and preservation of whistleblowing cases, and their investigation process, results and related documents.</p>	

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		
(3) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	V		(3) 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”
4. Enhancement of information disclosure (1) Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	V		(1) 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”
5. 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: 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.				
6. 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) 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.				

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

(VII) 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.

(VIII) 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 eighth evaluations and received awards from the organizers.

(IX) The implementation of internal control system

1. Internal Control System Statement

YULON MOTOR CO., LTD
Internal Control System Statement

Date: March 10, 2022

With respect to the results of self-evaluation of company's internal control system in 2021, 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, 2021 (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 10, 2022. 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.

(X) 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 2021 and the current year up to the publication of the annual report, the mistake and improvement:

No such matter.

(XI) 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	Resolution
2021/01/28	Board of Directors	<ol style="list-style-type: none"> The Company's 2021 business objectives Amendment to certain provisions of the Company's "Articles of Incorporation." Liquidation and capital increase of "Changsha Yulu", a Mainland dealership company invested by the Company Discontinuance and transfer of "Tongling Kuo Tong", a Mainland dealership company invested by the Company Transfer of equity interests in "Jiangmen Junxing" and "Jiangmen YuLi", Mainland dealership companies invested by the Company The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of RMB 51 million for Yulon Motor Finance (China) Limited. The appointment of the Company's managerial officer. A lease agreement between the Company and a related party for real estate right-of-use assets 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2021/03/25	Board of Directors	<ol style="list-style-type: none"> The Company's 2020 final operating reports The proposal for the distribution of earnings of the Company in 2020; The distribution of profit sharing remuneration to employees and directors for 2020 The Company's endorsement and guarantee facility for 2021 Lift of non-compete restrictions on the new directors of 16th term Amendment to certain provisions of the Company's "Articles of Incorporation". Amendment to certain provisions of the Company's "Procedure for Election of Directors". The Company's convening of 2021 regular shareholder meeting. The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of US\$10.2 million for Yulon Motor Finance (China) Limited. The Company's bank facility application for 2021 The Company's issuance of Letter of Operating Support (LOS) in 2021. The Company's Statement of Internal Control System for 2020 Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2021 A lease agreement between the Company and a related party for real estate right-of-use assets 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2021/05/13	Board of Directors	<ol style="list-style-type: none"> The Company's capital increase in Hua-Chuang Automobile Information Technical Center Co., Ltd. Proposal for acquisition of China Engine Corporation 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2021/06/24	Board of Directors	<ol style="list-style-type: none"> Proposal to postpone the shareholders' meeting and change the base date of cash dividend distribution due to the pandemic in 2021. Proposal to sign with Viewshow Cinemas a Letter of Intent (MOU) for the lease of the Yulong City Tower shopping mall covering the "Entire 6th Floor and Part of 7th Floor of Yulon City Tower". 19th meeting of the 7th Board of Directors of Yulon Nissan Motor Co., Ltd. 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion

Date	Meeting type	Important motions	Resolution
2021/07/15	General Meeting of shareholders	<ol style="list-style-type: none"> Adoption of the 2020 Financial Statements. Adoption of the Proposal for Distribution of 2020 Profits. Amendment to certain provisions of the Company's "Articles of Incorporation." Amendment to certain provisions of the Company's "Procedure for Election of Directors". Cancellation of noncompetete restrictions on the directors of 16th session 	After a motion-by-motion vote, the number of voting rights in favor of the motion met the statutory requirements, and all motions were approved as submitted.
2021/08/05	Board of Directors	<ol style="list-style-type: none"> Proposal for endorsement on the bank credit of LUXGEN Taipei Motor Co., Ltd. The Company's issuance of a Letter of Operating Support (LOS) for the bank facilities of RMB 30 million for Xiaogan Yufeng Automobile Sales Service Co., Ltd. Amendments to the "Internal Control System" and "Implementation Rules for Internal Audit" of the Company's stock affairs. The appointment of the Company's managerial officer. A lease agreement between the Company and a related party for real estate right-of-use assets 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2021/11/11	Board of Directors	<ol style="list-style-type: none"> Amendment to certain provisions of the Company's "Articles of Incorporation." The Company's donation to the Wu Shun-Wen's News Scholarship Foundation The Company's bank facility adjustment for 2021 Proposal for 2021 executive salary adjustment A lease agreement between the Company and a related party for real estate right-of-use assets The Company's 2022 audit plan 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2022/01/20	Board of Directors	<ol style="list-style-type: none"> The Company's 2022 business objectives Amendment to certain provisions of the Company's "Corporate Governance Best Practice Principles". Amendment to certain provisions of the Company's "Ethical Corporate Management Best Practice Principles". 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion
2022/03/10	Board of Directors	<ol style="list-style-type: none"> Preparations for the 2022 shareholders' meeting The Company's 2021 final operating reports The proposal for the distribution of earnings of the Company in 2021; The distribution of profit sharing remuneration to employees and directors for 2021 Proposal for reelection of the 17th Board of Directors Proposal to lift the Directors of Session XVII from prohibition of business strife. Candidates for the seats of the 17th Board of Directors nominated by the Board and qualification reviews. Amendment to certain provisions of the Company's "Articles of Incorporation." Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets" and "Internals Rules on Procedures for Acquisition or Disposal of Assets" The Company's endorsement and guarantee facility for 2022 The Company's bank facility application for 2022 The Company's issuance of Letter of Operating Support (LOS) in 2022. Appointment and professional fees of CPAs and evaluation of their Independence and competence for 2022 A lease agreement between the Company and a related party for real estate right-of-use assets 3rd meeting of the 8th Board of Directors of Yulon Nissan Motor Co., Ltd. The Company's Statement of Internal Control System for 2021 	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion

Date	Meeting type	Important motions	Resolution
2022/03/25	Board of Directors	Proposal to adjust the 2021 earnings distribution	Approved as submitted after the chair's consultation with all the directors and independent directors present and after a thorough discussion

2. Review of the implementation of the resolutions of the 2021 regular shareholder meeting

Resolutions	Review of the implementation
Adoption of the 2020 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 2020 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 per share, and set August 9, 2021 as the base date for the distribution, to be finished by September 7, 2021.
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 "Procedure for Election of Directors".	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.
Cancellation of noncompete restrictions on the directors of 16 th session	With the weight of favorable votes reached the statutory threshold, the proposal was approval and enacted.

(XII) 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 2021 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.

(XIII) For 2021 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.

(XIV) 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	Note
Deloitte & Touche	Guo Li-Wen	January 1, 2021 to December 31, 2021	19,610	2,612	22,222	Other expenses are application fees of Ministry of Economic Affairs Investment Board NT\$121,000, reimbursed expenses NT\$461,000, tax certification fees NT\$1,780,000, and miscellaneous expenses NT\$250,000.
	Fan You-Wei	January 1, 2021 to December 31, 2021				

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

- (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: Not applicable.
- (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: 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 replacement	Approved by the Board of Directors on March 6, 2020		
Reason for change and explanation	The attesting CPAs appointed by the Company were formerly Tai Shun-Wai 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 Tai Shun-Wai and CPA Fan You-Wei to Guo Li-Wen and Fan You-Wei from the first quarter of 2020.		
Indicate whether the appointment is terminated or not accepted by the client or CPA	Party involved	CPA	Client
	Condition		
	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	
		Others	
	No	✓	
	Description	Not applicable	
Other disclosures (Matters to be disclosed as set out in Item 1 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 Fan You-Wei
Date of engagement	April 1, 2020
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 2021 through the date of publication of the annual report

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

Unit: shares

Position	Name	2021		2022 up to April 19	
		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.	-	-	-	-
Institutional Director	China Motor Corporation	-	-	-	-
Institutional Director	Yen Ching-Ling's Foundation	-	-	-	-
Chairman	Yen Chen Li-Lien (Note 1)	33,933,984	-	-	-
Vice Chairman	Tso, Chi-Sen	-	-	-	-
Director	Shin-I Lin	-	-	-	-
Director	Liang Zhang	-	-	-	-
Director	Jack, J.T .Huang	-	-	-	-
Director	Zhen-Xiang Yao	90,000	-	9,000	-
Independent Director	Yi-Hong Hsieh	-	-	-	-
Independent Director	Zhongqi Zhou	-	-	-	-
Independent Director	Yen-Chin, Tsai	-	-	-	-
President	Zhen-Xiang Yao	90,000	-	9,000	-
Vice President	Jian-Hui Li	-	-	-	-
Assistant Vice President	Wen-Yi Lo	-	-	-	-
Assistant Vice President	Binglin Chen	-	-	-	-
Assistant Vice President	Qiu Minhui	-	-	-	-
Assistant Vice President	Hong-Zheng Chen	-	-	-	-
Manager	Shi-Ting Chen	-	-	-	-
Manager	Li-Hua Wu	-	-	-	-
Manager	Wen-Yuan Li	-	-	-	-
Manager	Shen-Guo Wang	-	-	-	-
Manager	Meng-Yue Jie	-	-	-	-
Manager	Shih-Lin Wu	-	-	-	-
Manager	Hsun-Kuei Hsieh	-	-	-	-
Manager	King-Wai Wong	-	-	-	-
Manager	Yu-Hsun Lin (Note 2)	-	-	-	-
Manager	Pai-Chun Peng (Note 3)	-	-	-	-
Major Shareholders	Tai Yuen Textile Co., Ltd.	-	-	-	-
Major Shareholders	China Motor Corporation	-	-	-	-
Major Shareholders	Yen Chen Li-Lien (Note 1)	33,933,984	-	-	-
Major Shareholders	Kenneth Yen (Note 4)	(101,801,954)	-	-	-

Note 1: Inheriting part of the shares of her spouse Kenneth Yan on January 21 and July 28, 2021, respectively.

Note 2: Newly elected on 2021.08.05.

Note 3: Newly elected on 2021.08.05.

Note 4: The major shareholders, Yan Kaitai's spouse and minor children, completed the inheritance on January 21, 2021 and July 28, 2021, respectively.

(II) Information on the related party of the equity transfer:

Name	Reason for equity transfer	Transaction date	Counterparty	The relationship of the transaction counterparty with the company and its directors, supervisors, managers as well as shareholders holding more than 10% of total shares	Number of shares	Transaction price
Kenneth Yen	Inheritance	2021.1.21	Yen Chen Li-Lien	Husband and wife	32,874,383	Not applicable
Kenneth Yen	Inheritance	2021.1.21	Yen Chen Li-Lien's daughter	Father and daughter	32,874,383	Not applicable
Kenneth Yen	Inheritance	2021.1.21	Yen Chen Li-Lien's son	Father and son	32,874,383	Not applicable
Kenneth Yen	Inheritance	2021.7.28	Yen Chen Li-Lien	Husband and wife	1,059,601	Not applicable
Kenneth Yen	Inheritance	2021.7.28	Yen Chen Li-Lien's daughter	Father and daughter	1,059,602	Not applicable
Kenneth Yen	Inheritance	2021.7.28	Yen Chen Li-Lien's son	Father and son	1,059,602	Not applicable

(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 19, 2022

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	17,176,669 0	1.72 0	-	-	-	-	Tai Yuen Textile Co., Ltd.	The chairman of Pan German Universal Motors is a board director of Tai Yuen Textile	-

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	
Yen Ching-Ling's Foundation Representative: Yen Chen Li-Lien	10,990,936	1.09	-	-	-	-	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	9,248,000	0.92	-	-	-	-	None	None	-
J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account	7,818,444	0.78	-	-	-	-	None	None	-
Citi Commercial Bank's investment account with the Central Bank of Norway	7,672,413	0.77	-	-	-	-	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

April 19, 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	174,851,112	45.75%	6,477,888	1.70%	181,329,000	47.45%
Taiwan Acceptance Corporation - preferred stock A	36,603,992	36.60%	17,256,608	17.26%	53,860,600	53.86%
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.	108,000,000	100.00%	0	0.00%	108,000,000	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	0.00%	13,999,500	65.00%
Coc Tooling & Stamping Co., Ltd.	25,469,581	37.76%	41,986,541	62.24%	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%

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
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%	87,999,000	52.10%	152,453,000	90.26%
Chenglong Automobile Service Limited	12,065,239	27.00%	1,485	0.00%	12,066,724	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	0.00%	7,118,750	20.34%
Carplus Auto Leasing Corporation	3,254,036	3.46%	64,570,378	68.57%	67,824,414	72.03%
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 Newa Insurance Co., Ltd.	52,009,524	17.39%	70,817,524	23.68%	122,827,048	41.08%
Hna-Chuang Automobile Information Technical Center Co., Ltd.	820,900,107	61.09%	522,700,000	38.90%	1,343,600,107	99.99%
Huilian Automobile Co., Ltd.	6,116,138	20.34%	1,000	0.00%	6,117,138	20.35%
Luxgen Motor Co., Ltd.	605,000,000	100.00%	0	0.00%	605,000,000	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%	2,242,077	29.00%	3,826,994	49.50%
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 19, 2022

Unit: NTD

Month, Year	Issuing price	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	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. 0910137780 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 19, 2022

Shareholder structure	Government agency	Financial institution	Other corporations	Individual	Foreign institutions and foreigners	Total
Quantity						
No. of People	4	15	238	110,226	224	110,707
Number of shares held	41	12,714,234	455,747,148	455,587,324	75,951,253	1,000,000,000
Shareholdings (%)	0.00	1.27	45.57	45.56	7.60	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 19, 2022
(Denomination of \$10 per share)

Range of Shares	No. of Shareholders	Number of shares held	Shareholdings (%)
1 to 999	63,263	13,929,492	1.39
1,000 to 5,000	36,547	74,620,504	7.46
5,001 to 10,000	5,639	42,391,601	4.24
10,001 to 15,000	1,658	20,869,221	2.09
15,001 to 20,000	1,046	19,152,181	1.92
20,001 to 30,000	836	21,213,649	2.12
30,001 to 40,000	439	15,384,610	1.54
40,001 to 50,000	258	11,876,554	1.19
50,001 to 100,000	531	37,685,560	3.77
100,001 to 200,000	242	33,119,835	3.31
200,001 to 400,000	134	37,533,729	3.75
400,001 to 600,000	39	18,948,635	1.89
600,001 to 800,000	14	10,250,217	1.03
800,001 to 1,000,000	9	8,220,590	0.82
Over 1,000,001	52	634,803,622	63.48
Total	110,707	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 19, 2022

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%
Yen Chen Li-Lien's daughter		33,933,985	3.39%
Yen Chen Li-Lien's son		33,933,985	3.39%
Fande Investment Co., Ltd.		17,176,669	1.72%
Yen Ching-Ling's Foundation		10,990,936	1.09%
New labor pension fund		9,248,000	0.92%
J.P. Morgan Custodian Van Garde Emerging Markets Equity Index Fund Account		7,818,444	0.78%
Citi Commercial Bank's investment account with the Central Bank of Norway		7,672,413	0.77%

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

Items		Year	2020	2021	The current year up to April 30, 2022 (Note 8)
Market price per share (Note 1)	Highest		47.00	53.10	44.10
	Lowest		14.40	35.70	38.60
	Average		24.58	41.68	41.16
Net value per share (Note 2)	Before Distribution		48.74	52.65	55.69
	After Distribution		47.74	-	-
Earnings per share	Weighted average number of shares		977,704 thousand shares	977,705 thousand shares	977,705 thousand shares
	Earnings per share (Note 3)		2.80	4.82	2.12
Dividends per share	Cash dividends		1.00	1.50	-
	Stock dividends distribution	-	-	-	-
		-	-	-	-
Cumulative undistributed dividends (Note 4)			-	-	-
Analysis of ROI	P/E ratio (Note 5)		8.78	8.65	-
	P/D ratio (Note 6)		24.58	27.79	-
	Cash dividends yield (Note 7)		4.07%	3.60%	-

* 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\$1.5 per share at the 2022 regular shareholder meeting and set August 31, 2022 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:

- A. Remuneration to directors at 0.5% maximum. The independent directors shall not participate in the distribution of the aforementioned remuneration.
- B. 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.
- C. 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. In addition to the employee compensation of NT\$36.64 million, an additional bonus of NT\$38.88 million was also distributed in January 2022.

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

- (1) Based on the 2021 pretax profit, 0.75% was allocated for the employee compensations and 0.5% for the director's remunerations
- (2) In the event of discrepancies between actually distributed and estimated amounts, adjustments will be made in the following year according to the changes of accounting estimates.

3. Remuneration proposals approved by the board of directors:

- (1) The proposed NT\$36.64 million of employees' compensations and NT\$24.39 million of director's remunerations had no discrepancy from the 2021 estimates.
- (2) The compensations and remunerations proposed for employees and directors approved by the board of directors were all paid in cash, with no stock dividends.

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

The 2020 cumulative losses after being compensated from the 2020 pre-tax profits still remained, and therefore, according to the Corporate Charter, the board meeting had a proposed resolution not to distribute remunerations to employees and board directors.

(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\$ 10,000,000,000	NT\$ 5,300,000,000	
Clause on redemption or earlier redemption	None	None	
Restrictive clause	None	None	
Name of the credit rating agency	Taiwan Ratings Co., Ltd.	Taiwan Ratings Co., Ltd.	
Rating date, corporate bond rating results			
Other equity attached	Amount of common stock, foreign depository receipts or other marketable securities converted (exchanged or subscribed)	Not applicable	Not applicable
	Rules for issuing and conversion (either by exchange or purchase)	Not applicable	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) Consultation services oriented to general business administration. (Excluding certified public accountant professional services) (excluding securities investment related consultation services).
- (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 93.12% 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: The 4th generation X-CVT (Continuously Variable Transmission) 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: VC-Turbo variable compression ratio engine sports car
 - Q60 series: V6 twin-turbocharged engine sports car.
 - QX50 trim: VC-Turbo variable compression ratio engine RV
 - QX55 models: VC-Turbo inline 4-cylinder variable compression ratio turbo engine sports car.
- (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.

In 2021, with the popularized vaccination and gradual alleviation of the COVID-19 pandemic, the global economy has rebounded sharply. Although it looks positive, year 2022 is still full of uncertainties, mainly due to the impact from the spread of the Omicron variant, rising inflation and the Russian-Ukrainian war. In view of this, international forecast agencies such as IHS, IMF and World Bank have all predicted that the global economic growth in 2022 will be much slower than in 2021. Both IHS Global Insight and World Bank have estimated that the 2022 global growth rate is about 4.1% while the IMF forecast is 4.4%.

In addition, the fading efficacy of economic stimulus in response to the COVID-19 pandemic made by major economies such as the United States, coupled with high inflation, have made the U.S. Federal Reserve raise interest rates by 1 bps (0.25 percent) in March 2022 and six more interest rate hikes are expected this year. As for the euro area, the hampered economic recovery by the supply chain bottleneck, Omicron variant and rising energy prices is aggravated by the Russian-Ukrainian war, which may lead to significant impact on the supply of energy and raw materials. In China, the dynamic Zero-COVID policy will affect the momentum of its economic growth.

The estimated global economic growth rate for 2021 is shown in the following table:

	IHS Global Insight	IMF	The World Bank
Global Economic Growth Rate	4.1% ('2022/02)	4.4% ('2022/01)	4.1% ('2022/01)

Note: () for the forecast date.

(2) Domestic Economy.

In February, the Directorate General of Budget, Accounting and Statistics of Executive Yuan predicted that the 2022 domestic economic growth rate would be 4.42%. Meanwhile, the economic monitoring indicator announced in March by the National Development Council turned yellow-red from the January indicator, a positive sign of economic development, mainly due to the increased demand on emerging technologies such as 5G, automotive electronics, and internet of things. If the pandemic can be effectively controlled, with the semiconductor manufacturers and Taiwanese businessmen returning to Taiwan to increase investment and expand production capacity, couple with the stabilized domestic consumption, Taiwan will see a steady and robust economic growth.

The estimated growth rates of Taiwan's 2022 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	4.42% ('2022/02)	3.4% ('2022/03)	3.2% ('2022/04)

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, 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 lead to low capacity utilization and rising production costs in recent years. In addition, the surge in demand for imported vehicles also eats up car market share, leading to business difficulties of domestic manufacturers. In prospect of Taiwan's automobile market, it is limited for significant growth due to maturity market share. Therefore, all car manufacturers are dedicated to strengthening their R&D capabilities and technical standards, improving the value of products, and expanding their export markets to break through the bottleneck for 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 other than 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 is committed to develop its private brand and independent research and development 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, the Yulon Group has initiated the strategic transformation of its private brand since 2019, sharing the vehicle platform and R&D energy in the automobile R&D value chain to external parties in order to compete for diversified customers, creating sales scale and reducing costs via resources sharing. Under such strategy of platform transformation, the Company is 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, and actively expand the diversified customer markets. We hope to be the first to take advantage of our strengths in the transforming process and establishing solid profitable bases.

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 expect to share the global automobile industry, combining the complementary advantages of both companies in vehicle research and development in ICT industry resources to provide electric vehicle solutions for global target customers.

(III) Technological research and development

1. Research and development expenses from 2021 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 (%)
2021	360,377	78,047,772	0.462%
Q1 2022	29,135	19,037,660	0.153%

2. Work results in the last three years

- (1) Feb. 2019: Luxgen M7/U5/U6 GT 19-year model was launched.
- (2) May 2019: Luxgen S5 GT/GT225 19-year model was launched.
- (3) Oct. 2019: Yulon Nissan NISSAN KICKS 20-year model was launched.
- (4) Nov. 2019: Yulon Nissan NISSAN X-TRAIL 20-year model was launched.
- (5) Dec. 2019: Yulon Nissan NISSAN TIIDA 20-year model was launched.
- (6) Dec. 2019: Luxgen URX brand new model was launched.
- (7) Jul. 2020: Luxgen URX 5+1 seater LOHAS model was launched.
- (8) Sep. 2020: Yulon Nissan NISSAN X-TRAIL Yue Dong special model was launched in limited quantity.
- (9) Sep. 2020: Yulon Nissan NISSAN KICKS Sao Dong special model was launched in limited quantity.
- (10) Oct. 2020: NISSAN ALL NEW SENTRA was launched.
- (11) Nov. 2020: Yulon Nissan NISSAN NEW JUKE was launched.
- (12) Feb. 2021: Nissan TIIDA 2021 Model was officially launched.
- (13) Mar. 2021: Luxgen U6 AR Limited Edition was launched.
- (14) Jul. 2021: Nissan TIIDA J was officially launched.
- (15) Aug. 2021: Luxgen URX ADAS Cruise Model was launched.
- (16) Sep. 2021: Nissan KICKS New Limited Edition was launched.
- (17) Oct. 2021: Nissan X-TRAIL New Acoustic Gentleman Model Limited Edition was launched.
- (18) Nov. 2021: Nissan ALL NEW SENTRA "Black Belt Charm Edition" Limited Edition was launched.
- (19) Dec. 2021: Luxgen URX ADAS New Gentleman Model was launched.

3. Future R&D plan

- (1) Construction of electric vehicle production capacity
- (2) Electric vehicle assembly, parts and components inspection capabilities
- (3) Motor power and battery total verification capability
- (4) Construction of mass production capacity of energy storage containers
- (5) Energy storage cabinet assembly and battery component testing capability establishment

The Company has budgeted approximately \$334 million for 2022 capital expenditures and expenses for the above R&D programs, including approximately \$102 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) 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 the production and sales for the OEM brands of NISSAN and INFINITI, the cars of self-owned brands including LUXGEN M7/U7/S5/U6/S3/V7/U5/URX have been launched since 2009 to consolidate the local market with a "people-oriented" mindset and commitment to creating product lines that are friendly to all ages. In addition to the advanced deployment for the aging society by offering a variety of car choices and in consideration of the needs for self-driving cars to travel as well as the increased needs for commuting and awareness of car safety, URX 5+1 LOHAS, URX 7-seater ARD, U6 AR, URX ADAS cruise and gentleman models were successively launched in 2020 and 2021 to fully meet the needs of the new generation car users. The product line will be more complete and mature, and the utilization of production capacity will be effectively improved to reduce the manufacturing cost, and through the resource sharing of the whole value chain of Yulon Group, consumers will have a variety of choices with quality beyond expectations.
3. Increase the satisfaction level of manufacturing services.

Yulon is a professional manufacturer for many brands. In order to meet 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 customers can create a tripartite wins situation and expect Yulon the best professional automobile manufacturer in cross-strait of Taiwan-China sides.
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 changed in October 2019 to eliminate the residential part and retain only the shopping mall space. The leasing of the main floors is completed, and the building use license is obtained in the first quarter of 2022. The official opening of Yulong City will be held in the first 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.

Connect 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, implement a comprehensive quality management system, break the shackles of traditional quality thinking, introduce the production system, sales system, inventory system and customer service system one by one, and form the operation mechanism of the quality value chain, and adopt a two-way control mode to drive the overall industrial value chain.

Long-term business development plans.

1. Alliances with ICT industry, solutions and eco-system services.
 - (1) Through the joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, we promote the new business model of MIH open platform 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.
 - (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, expand OEM for Adiva 3-wheel motorcycles, 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 2021, the Company's total sales volume in Taiwan reached 32,896 units (including Nissan & Luxgen), down 19.37% from 2020, with a total market share of 7.3%.

The overall sales situation of the automobile market in Taiwan in 2021 is shown in the following table.

Sales year	2020	2021
Total sales volume	457,435	449,859
Domestic cars	241,748	248,589
Imported cars	215,687	201,270

2. Market supply and demand situation

(1) Market Overview and Outlook

The total market sales for 2021 were approximately 449,000 units, a 1.7% decrease over 2020. The 2021 domestic car market had about 248,000 domestic-made cars and 201,000 imported cars sold, with the former gradually growing compared with the previous two years, while the latter declined by 2.4%, mainly due to the impact of the COVID-19 pandemic, shortage of automotive chips, and container congestion at ports leading to limited supply. As of 2021, sales of both domestic and imported cars have seen reversed trend compared with the past.

Looking forward to 2022, with the easing of the pandemic, the steady economic recovery and the supply of domestic-made 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 436,000 cars sold for the whole year, meanwhile the Mainland China market already had 26.27 million cars sold last year and is expected to reach about 27.5 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, 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 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.

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

The joint venture, Foxtron Vehicle Technologies, which the Company established with Hon Hai, promotes the new business model of MIH open platform and sharing in the global automobile industry, combining the complementary advantages of both companies in vehicle research and development and ICT industry resources to provide overall solutions to our global target customers. With the advanced

open platform and shared resources of Foxtron Vehicle Technologies, Luxgen will continue to cultivate its private brand, focus on brand sales and channels, and launch new products that are competitive and meet market demand.

(3) Combine innovative thinking to improve differentiated added value

Innovation has always been our corporate culture. In response to the rapid changes in the global market, our company will uphold innovative technology, innovative product design, innovative thinking and service to meet the various 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, along with the launches of new models by all car manufacturers offering promotional price cuts in the competition, a prosperous 2021 car market was as expected.

Unfavorable factors:

(1) Uncertainty in the international situation

Although the global economy has been gradually recovering since 2021 as the pandemic is easing and the industrial operations are stabilizing, the haunting uncertainties are still subject to the evolution of the virus variations. On the other hand, the 2022 Ukrainian-Russian war has caused global economic panic, leading to skyrocketed prices of energy and raw materials, and the derived supply chain issues are making huge impacts on the auto industry, which requires close watch on the international situations.

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

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

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

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

(4) High end cars getting affordable

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

4. Countermeasures:

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

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

The following challenges are what Yulon must address:

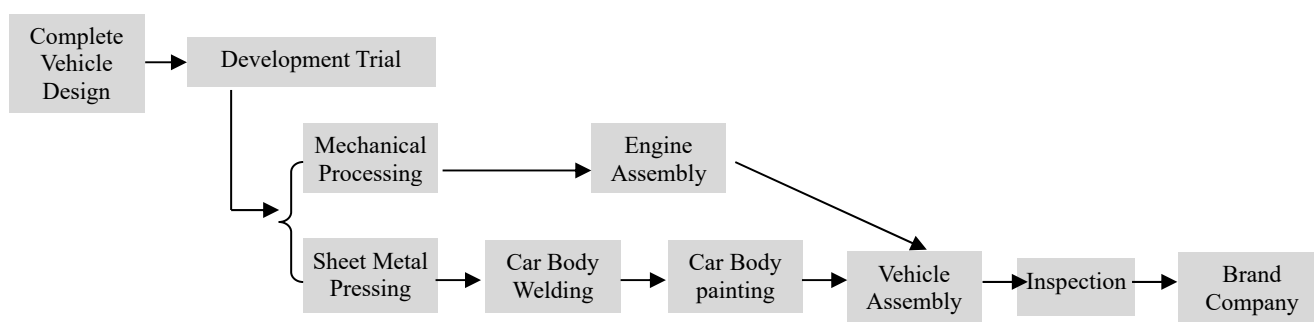
- (1) Set up smart production lines/intelligent warehouses and other related indicators in line with the Internet trend.
- (2) Shorten the test assembly time through design review verification and digital simulation.
- (3) Establish a mechanism to strengthen supplier counseling and rounds to ensure the 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 explain as follows.

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

Unit: Thousands of NTD

Items	2020				2021				2022 up to 1st quarter (Note 2)			
	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer	Name	Amount	Percentage in the net annual percentage of purchase (%)	Relation with the issuer	Name	Amount	Ratio to net purchases as of the first quarter of the current year (%)	Relation with the issuer
1	Yulon Nissan Motor	15,693,343	18.3	Invested company measured using the equity method	Yulon Nissan Motor	12,828,344	18.1	Invested company measured using the equity method	Yulon Nissan Motor	3,797,727	20.6	Invested company measured using the equity method
2	Nissan Motor Co., Ltd.	8,840,735	10.3	Investment companies that use the equity method to value affiliates	Nissan Motor Co., Ltd.	7,449,497	10.5	Investment companies that use the equity method to value affiliates	Nissan Motor Co., Ltd.	1,756,918	9.5	Investment companies that use the equity method to value affiliates
3	Other	61,183,021	71.4		Other	50,715,600	71.4		Other	12,902,400	69.9	
	Net purchase amount	85,717,099	100		Net purchase amount	70,993,441	100		Net purchase amount	18,457,045	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	2020				2021				2022 up to 1st quarter (Note 2)			
	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer Relation	Name	Amount	Ratio of annual net sales (%)	Relation with the issuer Relation	Name	Amount	As a percentage of net sales for the year up to the previous quarter (%)	Relation with the issuer
1	Yulon Nissan Motor	11,719,035	21.8	Invested company measured using the equity method	Yulon Nissan Motor	9,792,921	21.0	Invested company measured using the equity method	Yulon Nissan Motor	2,700,661	25.6	Invested company measured using the equity method
2	Other	42,067,733	78.2		Other	36,765,779	79.0		Other	7,854,724	74.4	
	Net sales	53,786,768	100		Net sales	46,558,700	100		Net sales	10,555,385	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 Main Products (By department)	2020			2021		
	Production capacity	Yield	Output value	Production capacity	Yield	Output value
Vehicle	80,000	37,929	16,472,125	80,000	30,460	13,858,100
Total	80,000	37,929	16,472,125	80,000	30,460	13,858,100

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 Main Products (By department)	2020				2021			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Vehicle	39,443	23,410,866	0	0	31,928	19,418,125	0	0
Parts	0	3,655,478	0	99	0	3,219,360	0	0
Total	39,443	27,066,344	0	99	31,928	22,637,485	0	0

Note: The above figures are compiled from unconsolidated viewpoint.

III. Employees

April 30, 2022

Year	2020	2021	2022 up to April 30	
Number of employees	Staff	320 people	319 people	314 people
	Technician	744 people	911 people	856 people
	Administrative Assistant	16 people	18 people	16 people
	Total	1,080 people	1,248 people	1,186 people
Average age	41.95 years old	40.04 years old	40.95 years old	
Average seniority	15.94 years	13.70 years	14.36 years	
Educational background	Doctor	0.28%	0.08%	0.08%
	Master	19.63%	16.75%	17.12%
	University and College	32.50%	38.62%	36.51%
	Senior high school	44.63%	42.47%	44.10%
	Below senior high school	2.96%	2.08%	2.19%

Note: The data for 2021 and 2020 is cut off at December 31 of the year.

Year	2020	2021	2022 up to March 31
Number of employees of the Company and its subsidiaries	10,457 people	10,073 people	9,936 people

Note: The data for 2021 and 2011 is cut off at December 31 of the year.

IV. Information on environmental protection expenditures

(I) Losses due to environmental pollution in 2021 and as of the report date: None

(II) Future countermeasures and possible expenditures

1. Future possible environmental expenditures:

Items \ Year	2022	2023	2024
The proposed pollution prevention and control equipment and expenditures	Energy Saving and Pollution Investment in prevention equipment	Energy Saving and Pollution Investment in prevention equipment	Energy Saving and Pollution Investment in prevention equipment
Estimated improvement	In compliance with environmental regulations & international trends	In compliance with environmental regulations & international trends	In compliance with environmental regulations & international trends
Estimated amount	NTD 35,000 thousand	NTD 35,000 thousand	NTD 35,000 thousand

2 Other expenditures:

Items \ Year	2022	2023	2024
Content of expenditures	1. Environmental fees \$14,000 thousand 2. Management fees \$13,500 thousand	1. Environmental fees \$14,000 thousand 2. Management fees \$13,500 thousand	1. Environmental fees \$14,000 thousand 2. Management fees \$13,500 thousand
Estimated improvement	Meets and exceeds environmental protection regulations	Meets and exceeds environmental protection regulations	Meets and exceeds environmental protection regulations
Estimated amount (1+2)	NTD 27,500 thousand	NTD 27,500 thousand	NTD 27,500 thousand

(III) The impact of the improvement.

Items \ Year	2022	2023	2024
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, from 580 kg-CO2 per unit to 328 kg-CO2 per unit in 2020, the amount of carbon emissions has been reduced by 43.4%, with the goal of reducing carbon emissions by 2% each year to continue to promote; total annual emissions of 11,957 metric tons-CO2 in 2020 and 9,980 metric tons-CO2 in 2021, reducing the rate of global warming.
- Reduced water consumption: The water consumption in 2021 was reduced by 23,097 metric tons from 355,443 metric tons in 2020 down to 332,346 metric tons, which was an year-by-year effort to reduce the earth's water depletion, in the meantime all the process wastewater is treated (41.2 mg/L) 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 17.14% in 2021 compared to 2020 (129.5→107.3 metric tons), and reduce the output by 1% each year as our target; recycle and reuse 100% 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.

5. Yulon Motor's ongoing environmental objectives
 - (1) Greenhouse gas emissions per unit: more than 2% reduction per year
 - (2) Volatile organic gas emissions per unit: more than 2% reduction per year
 - (3) Water consumption per unit: more than 1% reduction per year
 - (4) 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-management relationship

- (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 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 overtime staff refreshments.
 - (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, 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 2021 were about \$1,888 thousand, the average training costs per employee were about \$1,490, the total training hours were 10,970, and the average training hours per employee were 8.7 hours per year; the training courses provided by our company include:

- (1) Common training: Common training courses for all company employees, including international business law series seminars, patent discovery courses, excel computer operation courses, ISO-related courses, happiness seminars, retirement seminars, etc.
- (2) Professional training: the learning agenda includes CATIA 3D drawing, measurement system analysis (MSA), defect tree analysis (FTA), Taguchi analysis, why why analysis, failure mode and effect analysis (FMEA), advanced product quality planning (APQP), statistical process control (SPC), work flow chart management, engineering capability analysis, finance, human resource management, manufacturing, production management, and labor safety and health.
- (3) Management 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) 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.
- (5) Language training: In order to develop international business, language ability is one of the requirements for promotion, and we arrange multi-benefit sprint classes or hold language courses according to business strategies to improve employees' language ability.

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 2021 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 president's mailbox or 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
Lower CO2 emissions to 316(kg-co2/unit)	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.	328(kg-co2/unit)
Domestic waste reduced to 190.5 (ton/year) ↓	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.	107.3 (ton/year)
Injuries at the factory 4(incidents/year) ↓	Regular implementation of 5S inspection, TOP survey, and improvement of false alarms.	Through various routine inspections and improvements, to reduce the occurrence of harm.	3 (incidents/year)
Equipment safety function effectiveness 100 (%)	Develop automatic inspection method to perform safety function test of equipment in daily use operation	The on-site operation unit performs the safety function test of the equipment during the operation to ensure the normal function and reduce the occurrence of hazards.	100 %
Water quality monitoring of plant discharge water 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 41.2 mg/L Total Chromium ND Copper ND Zinc 0.023 mg/L Cadmium ND Nickel 0.152 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 (18 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; (3) after the occurrence: tracking and included in the prevention.

(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 2021-2023 "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 presented to the Board of Directors by the Audit Department at least once a year to implement information security risk management.

(III) In 2021 and as of the report date, there were no major information security risks and incidents.

For detailed regulations on information security, visit the "Information Security Risk Management Framework" of the investors' page under the corporate governance at https://www.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, 2021, it is the second 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, 2021, it is the second 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)
		2021	2020	2019	2018 (After restatement)	2017	
Current assets		234,854,492	215,186,668	231,944,241	221,698,791	169,428,441	243,880,410
Property, plant and equipment (Note 2)		35,566,354	35,542,275	36,381,174	37,984,471	35,764,145	35,887,075
Intangible assets		672,483	804,348	6,770,533	11,577,481	6,880,839	704,292
Other assets (Note 2)		52,769,450	49,789,455	38,795,595	48,599,816	46,343,082	54,110,908
Total assets		323,862,779	301,322,746	313,891,543	319,860,559	258,416,507	334,582,685
Current liabilities	Before Distribution	226,995,138	201,009,483	230,603,249	207,661,949	158,832,963	233,099,533
	After distribution (Note 4)	-	202,009,483	230,603,249	208,715,805	159,745,257	-
Non-current liabilities		26,168,118	35,437,943	26,207,143	27,774,636	20,462,405	26,600,739
Total liabilities	Before Distribution	253,163,256	236,447,426	256,810,392	235,436,585	179,295,368	259,700,272
	After distribution (Note 4)	-	237,447,426	256,810,392	236,490,441	180,207,662	-
Equity attributable to shareholders of the parent company		52,651,863	48,738,468	45,836,408	71,737,128	70,432,153	55,686,827
Capital stock		10,000,000	10,000,000	15,729,199	15,729,199	15,729,199	10,000,000
Capital surplus		6,578,018	6,563,888	6,566,495	6,597,972	6,665,705	6,578,326
Retained earnings	Before Distribution	36,025,088	32,147,077	23,775,185	49,238,886	47,916,002	38,113,540
	After distribution (Note 4)	-	31,147,077	23,775,185	48,185,030	47,003,708	-
Other equity		425,061	403,807	141,833	547,375	497,551	1,371,265
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Predecessor interests under joint controls (Note 6)		-	-	-	564,712	-	-
Non-controlling interests		18,047,660	16,136,852	11,244,743	12,122,134	8,688,986	19,195,586
Total equity	Before Distribution	70,699,523	64,875,320	57,081,151	84,423,974	79,121,139	74,882,413
	After distribution (Note 4)	-	63,875,320	57,081,151	83,370,118	78,208,845	-

* 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 financial reporting standards 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 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)				
		2021	2020	2019	2018 (After restatement)	2017
Current assets		12,048,474	13,430,414	27,778,211	21,588,727	28,407,784
Property, plant and equipment (Note 2)		7,633,561	7,424,065	6,711,446	6,461,658	6,361,945
Intangible assets		50,849	57,361	1,263,090	1,275,678	1,277,490
Other assets (Note 2)		58,865,453	58,281,188	44,166,602	68,285,190	56,969,652
Total assets		78,598,337	79,193,028	79,919,349	97,611,253	93,016,871
Current liabilities	Before Distribution	12,880,622	9,951,525	6,082,477	4,665,156	7,288,443
	After distribution (Note 3)	-	10,951,525	6,082,477	5,719,012	8,200,737
Non-current liabilities		13,065,852	20,503,035	28,000,464	20,644,257	15,296,275
Total liabilities	Before Distribution	25,946,474	30,454,560	34,082,941	25,309,413	22,584,718
	After distribution (Note 3)	-	31,454,560	34,082,941	26,363,269	23,497,012
Equity attributable to shareholders of the parent company		52,651,863	48,738,468	45,836,408	72,301,840	70,432,153
Capital stock		10,000,000	10,000,000	15,729,199	15,729,199	15,729,199
Capital surplus		6,578,018	6,563,888	6,566,495	6,597,972	6,665,705
Retained earnings	Before Distribution	36,025,088	32,147,077	23,775,185	49,238,886	47,916,002
	After distribution (Note 3)	-	31,147,077	23,775,185	48,185,030	47,003,708
Other equity		425,061	403,807	141,833	547,375	497,551
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Predecessor interests under joint controls (Note 5)		-	-	-	564,712	-
Total equity	Before Distribution	52,651,863	48,738,468	45,836,408	72,301,840	70,432,153
	After distribution (Note 3)	-	47,738,468	45,836,408	71,247,984	69,519,859

* 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

Item \ Year	Financial information from the past five years (Note 1)					Financial information for the current year up to March 31, 2022 (Note 2)
	2021	2020	2019	2018	2017	
Operating revenues (Note 5)	78,047,772	82,597,514	85,578,910	88,115,701	94,111,028	19,037,660
Net operating profits (Note 5)	23,423,534	18,629,605	5,725,273	18,965,226	20,001,414	6,541,291
Operating profits and losses (Note 5)	7,135,785	(1,218,462)	(30,747,539)	2,018,343	1,897,027	2,454,182
Non-operating income and expenses (Note 5)	2,562,023	6,942,010	7,310,391	3,366,719	2,241,421	1,181,697
Profit before income tax	9,697,808	5,723,548	(23,437,148)	5,385,062	4,138,448	3,635,879
Profit before income tax from continuing operations	7,742,315	4,839,562	(24,533,477)	3,847,036	3,078,421	3,043,945
Losses from discontinued operations (Note 3)	—	—	—	—	—	—
Net profits (losses) for the period	7,742,315	4,839,562	(24,533,477)	3,847,036	3,078,421	3,043,945
Other comprehensive income (net)	149,839	240,989	(304,732)	(687,796)	(870,238)	1,236,034
Total comprehensive income for the period	7,892,154	5,080,551	(24,838,209)	3,159,240	2,208,183	4,279,979
Net income attributable to shareholders of the parent company	4,715,516	2,739,210	(24,465,408)	2,037,032	2,288,306	2,072,286
Predecessor Equity under joint controls	—	—	(564,712)	—	—	—
Net profit attributable to non-controlling interests	3,026,799	2,100,352	496,643	1,810,004	790,115	971,659
Comprehensive income attributable to Shareholders of the parent company	4,899,266	2,949,501	(24,603,974)	1,490,742	1,508,187	3,035,120
Predecessor Equity under joint controls	—	—	(564,712)	—	—	—
Total consolidated profits and losses attributable to non-controlling interests	2,992,888	2,131,050	330,477	1,668,498	699,996	1,244,859
Earnings per share	4.82	2.80	(26.13)	1.39	1.56	2.12

* 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 financial reporting standards 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

Item	Year	Financial information from the past five years (Note 1)				
		2021	2020	2019	2018	2017
Operating revenues		24,310,315	28,271,894	30,261,929	31,808,738	36,092,796
Gross profits		2,323,993	2,326,374	2,637,334	2,846,516	2,941,489
Operating profit and loss		1,043,326	1,013,256	1,047,888	1,672,619	1,847,150
Non-operating income and expenses		3,774,088	1,625,139	(26,084,898)	489,167	472,753
Profit before income tax		4,817,414	2,638,395	(25,037,010)	2,161,786	2,319,903
Profit before income tax from continuing operations		4,715,516	2,739,210	(25,030,120)	2,037,032	2,288,306
Losses from discontinued operations (Note 2)		-	-	-	-	-
Net profits (losses) for the period		4,715,516	2,739,210	(25,030,120)	2,037,032	2,288,306
Other comprehensive gains and losses (after-tax net value)		183,750	210,291	(138,566)	(546,290)	(780,119)
Total comprehensive income for the period		4,899,266	2,949,501	(25,168,686)	1,490,742	1,508,187

* 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	2021	2020	2019	2018	2017
Attesting CPA	Guo Li-Wen Fan You-Wei	Guo Li-Wen Fan You-Wei	Tai Shun-Wai 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

Year (Note 1) Analysis items (Note 3)		Financial Analysis of the Past Five Years					The current year up to March 31, 2022 (Note 2)
		2021	2020	2019	2018 (After restatement)	2017	
Capital Structure (%)	Debts to assets ratio (%)	78.17	78.47	81.82	72.83	69.38	77.62
	Long-term capital to property, plant and equipment ratio	272.36	282.22	164.54	230.65	257.45	282.78
Solvency (%)	Current ratio	103.46	107.05	100.58	106.79	106.67	104.63
	Quick ratio	97.65	99.43	91.97	96.32	96.07	98.91
	Interest coverage multiplier	21.29	7.97	(19.88)	11.49	15.15	35.58
Operating performance	Accounts receivable turnover rate (times)	0.50	0.59	0.67	0.83	1.08	0.44
	Average collection days	724.02	616.55	540.89	437.23	337.96	821.06
	Inventory turnover rate (times)	4.64	4.29	4.57	4.52	6.77	4.58
	Accounts payable turnover rate (times)	9.45	6.37	5.74	4.78	5.28	9.47
	Average sales days	78.6	84.99	79.93	80.81	53.91	79.63
	Property, plant and equipment turnover rate (times)	2.20	2.30	2.32	2.40	2.71	2.13
	Total asset turnover rate (times)	0.25	0.27	0.28	0.31	0.39	0.23
Profitability	Return on assets (%)	2.60	1.79	(7.63)	1.51	1.38	3.80
	Return on equity (%)	11.42	7.94	(35.01)	4.74	3.89	16.73
	Ratio of net profit before tax to paid-in capital (%)	96.98	57.24	(149)	34.24	26.31	145.44
	Net profit margin (%)	9.92	5.86	(28.67)	4.37	3.27	16
	Earnings per share (NT\$)	4.82	2.80	(26.13)	1.39	1.56	2.12
Cash flow	Cash flow ratio (%)	(8.90)	2.07	(10.8)	(20.75)	(13.47)	(11.57)
	Cash flow adequacy ratio (%)	(297.22)	(274.67)	(251.31)	(182.65)	(84.73)	(294.58)
	Cash reinvestment ratio (%)	(19.52)	2.40	(25.13)	(33.36)	(20.35)	(5.66)
Leverage	Operating leverage	2.44	(7.83)	0.67	5.42	4.95	2.08
	Financial leverage	1.07	0.60	0.96	1.34	1.18	1.04

Analysis of financial ratio differences for the last two years.

1. The increase in the interest coverage multiplier was mainly due to the increase in profits before tax in 2021 compared to 2020.
2. The increased turnover rate of accounts payable was mainly due to the average accounts payable in 2021 lower than that in 2020.
3. The increase in return on assets was mainly due to the increase in net profits in 2021 compared to 2020.
4. The increase in return on equity was mainly due to the increase in net profits in 2021 compared to 2020.
5. The increased ratio of net profit before tax to paid-in capital was mainly due to the net profit in 2021 higher than that in 2020.
6. The decrease in cash flow ratio was mainly due to the decrease in net cash flow from operating activities in 2021 compared to 2020.
7. The decrease in cash re-investment ratio was mainly due to the decrease in net cash flow from operating activities in 2021 compared to 2020.
8. The increased operating leverage was mainly due to operating income in 2021 higher than that in 2020.
9. The increased financial leverage was mainly due to the net profit before tax in 2021 higher than that in 2020.

Standalone financial ratio analysis - IFRS

Analysis items (Note 3)		Year (Note 1)	Financial Analysis of the Past Five Years				
			2021	2020	2019	2018 (After restatement)	2017
Capital Structure (%)	Debts to assets ratio (%)		33.01	38.46	42.65	25.93	24.28
	Long-term capital to property, plant and equipment ratio		860.91	932.66	682.96	1,141.84	1,107.09
Solvency (%)	Current ratio		93.54	134.96	456.69	462.77	389.76
	Quick ratio		61.87	90.54	383.62	363.88	327.21
	Interest coverage multiplier		25.48	13.25	(114.41)	15.57	146.37
Operating performance	Accounts receivable turnover rate (times)		41.21	47.35	32.67	34.85	61.80
	Average collection days		8.86	7.71	11.17	10.47	5.91
	Inventory turnover rate (times)		5.18	5.86	6.10	6.52	7.46
	Accounts payable turnover rate (times)		8.28	8.92	9.35	9.05	8.98
	Average sales days		70.51	62.26	59.84	55.97	48.95
	Property, plant and equipment turnover rate (times)		3.23	4.00	4.59	5.01	5.73
	Total asset turnover rate (times)		0.31	0.36	0.34	0.36	0.42
Profitability	Return on assets (%)		6.18	3.66	(28.09)	2.27	2.65
	Return on equity (%)		9.30	5.79	(42.58)	2.85	3.27
	Ratio of net profit before tax to paid-in capital (%)		48.17	26.38	(159.18)	13.74	14.75
	Net profit margin (%)		19.40	9.69	(82.71)	6.40	6.34
	Earnings per share (NT\$)		4.82	2.80	(26.13)	1.39	1.56
Cash flow	Cash flow ratio (%)		5.44	31.52	(2.04)	(61.50)	32.97
	Cash flow adequacy ratio (%)		5.02	4.01	16.18	19.35	35.21
	Cash reinvestment ratio (%)		(0.55)	5.25	(1.76)	(4.50)	2.09
Leverage	Operating leverage		1.41	1.39	1.40	1.24	1.24
	Financial leverage		1.23	1.27	1.26	1.10	1.01

Analysis of financial ratio differences for the last two years.

1. The decrease in current ratio and quick ratio was mainly due to the corporate bonds due within one year reclassified to current liabilities, resulting in an increase in current liabilities.
2. The multiplied increase in interest coverage ratio was mainly due to the increase in the 2021 profit.
3. The increase in return on assets and return on equity was mainly due to the increase in the 2021 profit.
4. The increase in the ratio of net profit before tax to paid-in capital, net profit ratio and earnings per share was mainly due to the increase in the 2021 profit.
5. The decrease in cash flow ratio and cash reinvestment ratio was mainly due to the decrease in the 2021 operational net cash inflow.

* 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:

1. Financial structure
 - (1) Liabilities to total asset = total liabilities/total assets.
 - (2) Long-term fund to property, plant and equipment = (total equity + non-current liabilities)/net value of property, plant and equipment.
2. Solvency ratio
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets – inventories – prepaid expense) / current liabilities
 - (3) Interest protection multiples = Pre-income tax and interest profits/interest expenditure of the term
3. Operating performance
 - (1) Receivables (including accounts receivable and notes receivable resulting from operations) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation)
 - (2) Average collection days = 365 / receivables turnover
 - (3) Inventory turnover = cost of goods sold/ average inventory
 - (4) Payables (including accounts payable and bills payable that are incurred as a result of business operation) = sales cost / balance from average payables of each term (including accounts payable and bills payable)

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

The Board of Directors had duly worked out the Company's 2021 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 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

2022 Regular Shareholders Meeting

YULON MOTOR CO., LTD

Convener of the Auditing Committee: Yi-Hong Hsieh



March 10, 2022

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, 2021 and 2020, 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, 2021 and 2020, 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 auditing standards generally accepted in 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, 2021. 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, 2021 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2021 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 10, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 2,095,830	3	\$ 1,602,487	2
Financial assets at fair value through profit or loss (Note 7)	863,864	1	2,056,899	3
Financial assets at amortized cost (Note 9)	1,091,077	1	1,676,880	2
Note and trade receivable (Note 10)	25,410	-	10,751	-
Notes and trade receivable from related parties (Notes 10 and 30)	315,583	1	82,238	-
Other receivables (Notes 11 and 30)	172,815	-	178,042	-
Inventories (Note 12)	7,279,017	9	7,555,666	10
Other current assets (Note 30)	204,878	-	267,451	-
Total current assets	<u>12,048,474</u>	<u>15</u>	<u>13,430,414</u>	<u>17</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	41,985	-	-	-
Financial assets at fair value through other comprehensive income (Note 8)	2,327,421	3	2,271,662	3
Investments accounted for using equity method (Note 13)	41,944,083	53	43,461,105	55
Property, plant and equipment (Note 14)	7,633,561	10	7,424,065	9
Right-of-use assets (Note 15)	7,019	-	9,461	-
Investment properties (Note 16)	13,681,852	18	11,686,745	15
Intangible assets (Note 17)	50,849	-	57,361	-
Deferred tax assets (Note 25)	566,600	1	610,768	1
Other non-current assets	296,493	-	241,447	-
Total non-current assets	<u>66,549,863</u>	<u>85</u>	<u>65,762,614</u>	<u>83</u>
TOTAL	<u>\$ 78,598,337</u>	<u>100</u>	<u>\$ 79,193,028</u>	<u>100</u>

YULON MOTOR COMPANY LTD.**BALANCE SHEETS****DECEMBER 31, 2021 AND 2020****(In Thousands of New Taiwan Dollars)**

LIABILITIES AND EQUITY	2021		2020	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ -	-	\$ 1,500,000	2
Short-term bills payable (Note 18)	998,798	1	1,997,789	2
Trade payables	1,373,783	2	1,452,723	2
Trade payables to related parties (Note 30)	932,568	1	1,553,047	2
Other payables (Notes 20 and 30)	2,263,371	3	3,412,348	4
Current tax liabilities (Notes 4 and 25)	17,154	-	-	-
Lease liabilities (Note 15)	1,263	-	2,387	-
Current portion of bonds payable (Note 19)	7,000,000	9	-	-
Other current liabilities	293,685	-	33,231	-
Total current liabilities	12,880,622	16	9,951,525	12
NON-CURRENT LIABILITIES				
Bonds payable (Note 19)	8,300,000	11	15,300,000	19
Deferred tax liabilities (Note 25)	2,503,619	3	2,476,892	3
Lease liabilities (Note 15)	5,818	-	7,082	-
Net defined benefit liabilities (Note 21)	210,840	-	376,412	1
Deposits received	1,035,316	2	768,256	1
Credit balance on the carrying value of investments accounted for using the equity method (Note 13)	1,004,424	1	1,567,265	2
Other non-current liabilities	5,835	-	7,128	-
Total non-current liabilities	13,065,852	17	20,503,035	26
Total liabilities	25,946,474	33	30,454,560	38
EQUITY (Note 22)				
Share capital				
Ordinary shares	10,000,000	13	10,000,000	13
Capital surplus	6,578,018	8	6,563,888	8
Retained earnings				
Legal reserve	8,281,822	11	8,281,822	10
Special reserve	22,228,565	28	24,228,565	31
Unappropriated earnings (accumulated deficit)	5,514,701	7	(363,310)	-
Total retained earnings	36,025,088	46	32,147,077	41
Other equity				
Exchange differences on translation of foreign operations	(1,287,377)	(1)	(1,118,814)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	1,712,376	2	1,522,597	2
Gain on hedging instrument	62	-	24	-
	425,061	1	403,807	-
Treasury shares	(376,304)	(1)	(376,304)	-
Total equity	52,651,863	67	48,738,468	62
TOTAL	\$ 78,598,337	100	\$ 79,193,028	100

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 30)				
Sales	\$ 22,555,140	93	\$ 27,094,624	96
Other operating revenue	<u>1,755,175</u>	<u>7</u>	<u>1,177,270</u>	<u>4</u>
Total operating revenue	<u>24,310,315</u>	<u>100</u>	<u>28,271,894</u>	<u>100</u>
OPERATING COSTS (Notes 12, 21, 24 and 30)				
Cost of goods sold	21,865,881	90	25,805,146	91
Other operating cost	<u>132,190</u>	<u>1</u>	<u>182,029</u>	<u>1</u>
Total operating costs	<u>21,998,071</u>	<u>91</u>	<u>25,987,175</u>	<u>92</u>
GROSS PROFIT	2,312,244	9	2,284,719	8
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	<u>11,749</u>	<u>-</u>	<u>41,655</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,323,993</u>	<u>9</u>	<u>2,326,374</u>	<u>8</u>
OPERATING EXPENSES (Notes 10, 24 and 30)				
Selling and marketing expenses	100,903	-	106,323	-
General and administrative expenses	1,062,113	4	1,060,169	4
Research and development expenses	145,674	1	146,626	1
Expected credit gain	<u>(28,023)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,280,667</u>	<u>5</u>	<u>1,313,118</u>	<u>5</u>
PROFIT FROM OPERATIONS	<u>1,043,326</u>	<u>4</u>	<u>1,013,256</u>	<u>3</u>
NON-OPERATING INCOME				
Share of profit of subsidiaries, associates and joint ventures (Note 13)	3,787,304	16	2,236,307	8
Other income (Note 24)	43,633	-	60,249	-
Interest income	36,401	-	104,707	1
Finance costs	(196,763)	(1)	(215,326)	(1)
Other gains and losses (Note 24)	<u>103,513</u>	<u>1</u>	<u>(560,798)</u>	<u>(2)</u>
Total non-operating income	<u>3,774,088</u>	<u>16</u>	<u>1,625,139</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	4,817,414	20	2,638,395	9
INCOME TAX BENEFIT (EXPENSE) (Note 25)	<u>101,898</u>	<u>1</u>	<u>(100,815)</u>	<u>-</u>

(Continued)

YULON MOTOR COMPANY LTD.**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<u>2021</u>		<u>2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
NET PROFIT FOR THE YEAR	<u>\$ 4,715,516</u>	<u>19</u>	<u>\$ 2,739,210</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	125,347	1	6,208	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,486	-	6,552	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	<u>225,480</u>	<u>1</u>	<u>60,665</u>	<u>-</u>
	<u>352,313</u>	<u>2</u>	<u>73,425</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(168,563)</u>	<u>(1)</u>	<u>136,866</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>183,750</u>	<u>1</u>	<u>210,291</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,899,266</u>	<u>20</u>	<u>\$ 2,949,501</u>	<u>10</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	<u>\$ 4.82</u>		<u>\$ 2.80</u>	
Diluted	<u>\$ 4.82</u>		<u>\$ 2.80</u>	

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

(Concluded)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(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, 2020	\$ 15,729,199	\$ 6,566,495	\$ 8,281,822	\$ 39,373,565	\$ (23,880,202)	\$ (1,255,680)	\$ 1,397,517	\$ (4)	\$ (376,304)	\$ 45,836,408
Capital reduction for covering accumulated deficit	(5,729,199)	-	-	-	5,729,199	-	-	-	-	-
Appropriation of the 2019 earnings Special reserve	-	-	-	(15,145,000)	15,145,000	-	-	-	-	-
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	-	(2,607)	-	-	(44,834)	-	-	-	-	(47,441)
Net profit for the year ended December 31, 2020	-	-	-	-	2,739,210	-	-	-	-	2,739,210
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	(9,363)	136,866	82,760	28	-	210,291
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	2,729,847	136,866	82,760	28	-	2,949,501
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	23,034	-	(23,034)	-	-	-
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(65,354)	-	65,354	-	-	-
BALANCE, DECEMBER 31, 2020	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

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,817,414	\$ 2,638,395
Adjustments for:		
Depreciation expense	415,109	407,606
Amortization expense	24,853	28,334
Expected credit gain	(28,023)	-
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(17,041)	(41,117)
Finance costs	196,763	215,326
Interest income	(36,401)	(104,707)
Dividend income	(98,880)	(91,096)
Share of profit of subsidiaries, associates and joint ventures	(3,787,304)	(2,236,307)
Gain on disposal of property, plant and equipment	(629)	(251,082)
Gain on disposal of investment properties	-	(326,871)
(Gain) Loss on disposal of investments accounted for using the equity method	(31,749)	1
(Reversal of) Impairment loss recognized on non-financial assets	(52,225)	1,280,026
Realized gain on the transactions with subsidiaries, associates and joint ventures	(12,631)	(41,645)
Unrealized gain on foreign currency exchange	(47,369)	(34,717)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,220,490	(273,226)
Notes and trade receivable	(229,430)	216,472
Other receivables	5,895	152,841
Inventories	340,367	(1,881)
Other current assets	62,635	60,256
Other operating assets	(262,019)	6,143
Trade payables	(659,459)	211,575
Other payables	(1,148,626)	1,715,963
Other current liabilities	260,454	(545)
Net defined benefit liabilities	(40,225)	(200,344)
Other operating liabilities	(1,294)	(1,133)
Cash generated from operations	890,675	3,328,267
Interest received	25,318	99,002
Interest paid	(197,036)	(215,287)
Income tax paid	(18,115)	(75,011)
Net cash generated from operating activities	<u>700,842</u>	<u>3,136,971</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(80,000)	-
Proceeds of financial assets at fair value through other comprehensive income	33,047	50,847

(Continued)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Purchase of disposal of financial assets at amortized cost	\$ (1,093,004)	\$ -
Proceeds from disposal of financial assets at amortized cost	1,678,807	5,523,686
Purchase of financial assets at fair value through profit or loss - non-current	(41,985)	-
Acquisition of associates investment accounted for using equity method	(1,287,272)	(20,142,661)
Proceeds of associates accounted for using equity method	146,415	199
Proceeds from the capital reduction of investments accounted for using the equity method	319,559	-
Acquisition of property, plant and equipment	(249,535)	(178,066)
Proceeds from disposal of property, plant and equipment	8,689	302,404
Payments for intangible assets	(14,645)	(22,344)
Payments for investment properties	(2,179,806)	(1,714,726)
Proceeds from investment properties	-	521,151
Dividends received	<u>5,769,768</u>	<u>4,287,563</u>
Net cash generated from (used in) investing activities	<u>3,010,038</u>	<u>(11,371,947)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) Proceeds from short-term borrowings	(1,500,000)	1,500,000
(Repayment) Proceeds from short-term bills payable	(998,991)	1,997,789
Repayment of long-term borrowings	-	(1,500,000)
Increase in guarantee deposits received	267,060	557,689
Payments for lease	(2,465)	(3,220)
Dividends paid	<u>(1,000,000)</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(3,234,396)</u>	<u>2,552,258</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>16,859</u>	<u>22,727</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	493,343	(5,659,991)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,602,487</u>	<u>7,262,478</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,095,830</u>	<u>\$ 1,602,487</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, 2021 AND 2020 (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 10, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time

Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Company evaluates that amendments to other 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
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, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are 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 4: 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 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 Company completes the evaluation.

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 Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible 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 related to the contract applicable under IFRS 15 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.

Financial Instruments

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

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

a. Financial assets

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

1) Measurement category

a) Financial asset at FVTPL

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

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

b) Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets

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

The Company always recognizes lifetime Expected Credit Loss (ECL) for notes 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.

A. 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 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 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 and associates, 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

	<u>December 31</u>	
	2021	2020
Cash on hand	\$ 320	\$ 320
Checking accounts and demand deposits	<u>2,095,510</u>	<u>1,602,167</u>
	<u>\$ 2,095,830</u>	<u>\$ 1,602,487</u>

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

	<u>December 31</u>	
	2021	2020
Bank balance	0.001%-0.24%	0.001%-0.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ 452,737	\$ 1,785,079
Hybrid financial assets		
Structured deposits	<u>411,127</u>	<u>271,820</u>
	<u>\$ 863,864</u>	<u>\$ 2,056,899</u>
<u>Financial assets at FVTPL – Noncurrent</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	<u>\$ 41,985</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	2021	2020
<u>Non-current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 1,960,146	\$ 1,905,428
Unlisted shares	<u>367,275</u>	<u>366,234</u>
	<u>\$ 2,327,421</u>	<u>\$ 2,271,662</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>	
	2021	2020
<u>Current</u>		
Time deposits with original maturity of more than 3 months	\$ 512,080	\$ 1,676,880
Restricted deposit	<u>578,997</u>	<u>-</u>
	<u>\$ 1,091,077</u>	<u>\$ 1,676,880</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	2021	2020
<u>Notes receivable</u>		
Notes receivable	\$ 27,697	\$ 27,284
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 27,697</u>	<u>\$ 27,284</u>
<u>Trade receivables</u>		
Trade receivables	\$ 672,215	\$ 452,647
Less: Allowance for impairment loss	<u>(358,919)</u>	<u>(386,942)</u>
	<u>\$ 313,296</u>	<u>\$ 65,705</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.

2021

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

2020

	Not Past Due	1 to 180 Days	More Than 181 Days	Total
Gross carrying amount	\$ 84,728	\$ 8,261	\$ 386,942	\$ 479,931
Loss allowance (Lifetime ECL)	<u> -</u>	<u> -</u>	<u>(386,942)</u>	<u>(386,942)</u>
Amortized cost	<u>\$ 84,728</u>	<u>\$ 8,261</u>	<u>\$ -</u>	<u>\$ 92,989</u>

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

	2021	2020
Balance at January 1	\$ 386,942	\$ 386,942
Less: Impairment losses reversed on receivables	<u>(28,023)</u>	<u>-</u>
Balance at December 31	<u>\$ 358,919</u>	<u>\$ 386,942</u>

11. OTHER RECEIVABLES

	December 31	
	2021	2020
<u>Other receivable</u>		
Subsidy receivables	\$ 14,840	\$ 25,200
Receivables for steel plates	16,245	14,627
Others	<u>141,730</u>	<u>138,215</u>
	<u>\$ 172,815</u>	<u>\$ 178,042</u>

12. INVENTORIES

	December 31	
	2021	2020
Finished goods	\$ 1,501,797	\$ 1,226,539
Work in progress	215,859	754,804
Raw materials	<u>2,114,067</u>	<u>2,127,277</u>
	3,831,723	4,108,620
Property under construction		
Yulon Property Developments	<u>3,447,294</u>	<u>3,447,046</u>
	<u>\$ 7,279,017</u>	<u>\$ 7,555,666</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$21,865,881 thousand and \$25,805,146 thousand, respectively.

The cost of goods sold for the years ended December 31, 2021 and 2020 included reversal of inventory write-downs of \$63,718 thousand and inventory write-downs of \$70,026 thousand, respectively. The reversal of previous write-downs resulted from the disposal of partial inventories with longer aging.

The building permit of the original commercial district was modified. Therefore, the Company reclassified part of the land and construction to investment property in 2020. Please refer to Note 16 for further information.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	\$ 24,819,148	\$ 23,437,369
Investments in associates	<u>17,124,935</u>	<u>20,023,736</u>
	<u>\$ 41,944,083</u>	<u>\$ 43,461,105</u>
Credit balance of long-term investments at equity		
Investments in subsidiaries	<u>\$ 1,004,424</u>	<u>\$ 1,567,265</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.

The Company invested in Haitec Co., Ltd. by cash and assets on August 17, 2020. Refer to Note 14 and Note 16.

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.

Since the development of Dong Feng Yulon Motor Sales Co., Ltd. was not as expected, after internal decision-making and application for pre-reorganization with the support of the local government, on November 3, 2021, the Intermediate People's Court of Hangzhou City, Zhejiang Province ruled to accept the case. The company continued to cooperate with the relevant court procedures, continued to declare the claims and confirmed the reorganization plan proposed by the intended investors.

The investments in China Motor Company and Tokio Marine Newa 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 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.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property under Construction	Total
<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>
<u>Cost</u>							
Balance at January 1, 2020	\$ 4,284,225	\$ 2,875,984	\$ 3,579,498	\$ 71,737	\$ 1,015,686	\$ 101,683	\$ 11,928,813
Additions	-	62,133	61,589	1,998	41,601	10,745	178,066
Disposals	(49,203)	-	-	-	(598)	-	(49,801)
Retirements	-	-	(63,771)	(3,212)	(48,851)	-	(115,834)
Asset-based investment	(39,723)	(73,121)	-	-	-	-	(112,844)
Reclassification	420,195	711,932	112,675	-	46,785	-	1,291,587
Balance at December 31, 2020	<u>\$ 4,615,494</u>	<u>\$ 3,576,928</u>	<u>\$ 3,689,991</u>	<u>\$ 70,523</u>	<u>\$ 1,054,623</u>	<u>\$ 112,428</u>	<u>\$ 13,119,987</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ -	\$ (1,834,433)	\$ (2,432,875)	\$ (69,622)	\$ (827,856)	\$ (52,581)	\$ (5,217,367)
Disposals	-	-	62,317	3,212	48,784	-	114,313
Asset-based investment	-	18,573	-	-	-	-	18,573
Reclassification	-	(246,448)	-	-	-	-	(246,448)
Depreciation expense	-	(96,191)	(199,932)	(1,030)	(67,840)	-	(364,993)
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ (2,158,499)</u>	<u>\$ (2,570,490)</u>	<u>\$ (67,440)</u>	<u>\$ (846,912)</u>	<u>\$ (52,581)</u>	<u>\$ (5,695,922)</u>
Carrying amount at December 31, 2020	<u>\$ 4,615,494</u>	<u>\$ 1,418,429</u>	<u>\$ 1,119,501</u>	<u>\$ 3,083</u>	<u>\$ 207,711</u>	<u>\$ 59,847</u>	<u>\$ 7,424,065</u>

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

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

The Company invested in Haitec Co., Ltd. by cash and assets on August 17, 2020. The investment included land and building. On December 31, 2020, the carrying value of the land was \$39,723 thousand and the carrying value of the building was \$54,548 thousand; both are classified as property, plant and equipment.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Vehicles	\$ 1,098	\$ 2,553
Land	<u>5,921</u>	<u>6,908</u>
	<u>\$ 7,019</u>	<u>\$ 9,461</u>
	For the Year Ended December 31	
	2021	2020
Depreciation charge for right-of-use assets		
Vehicles	\$ 1,455	\$ 2,276
Land	<u>987</u>	<u>987</u>
	<u>\$ 2,442</u>	<u>\$ 3,263</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 1,263</u>	<u>\$ 2,387</u>
Non-current	<u>\$ 5,818</u>	<u>\$ 7,082</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
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.

16. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
<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>
<u>Cost</u>			
Balance at January 1, 2020	\$ 4,879,392	\$ 5,399,011	\$ 10,278,403
Additions	-	1,714,726	1,714,726
Disposals	(181,877)	(26,856)	(208,733)
Asset-based investment	(194,493)	(358,017)	(552,510)
Reclassification	<u>833,597</u>	<u>1,126,939</u>	<u>1,960,536</u>
Balance at December 31, 2020	<u>\$ 5,336,619</u>	<u>\$ 7,855,803</u>	<u>\$ 13,192,422</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ -	\$ (1,818,167)	\$ (1,818,167)
Disposals	-	14,453	14,453
Asset-based investment	-	90,939	90,939
Reclassification	-	246,448	246,448
Depreciation expense	<u>-</u>	<u>(39,350)</u>	<u>(39,350)</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ (1,505,677)</u>	<u>\$ (1,505,677)</u>
Carrying amount at December 31, 2020	<u>\$ 5,336,619</u>	<u>\$ 6,350,126</u>	<u>\$ 11,686,745</u>

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

The Company invested in Haitec Co., Ltd. by cash and assets on August 17, 2020. The investment included land and building. On December 31, 2020, the carrying amount of the land was \$194,493 thousand and the carrying amount of the building was \$267,078 thousand. Both are classified as investment properties.

As of December 31, 2021 and 2020, the fair values of the Company's investment property were \$26,042,730 thousand and \$26,249,341 thousand, respectively. Both fair values were appraised by an independent qualified professional appraiser.

17. INTANGIBLE ASSETS

In order to comply with the global regulation of emission and fuel consumption, and also develop the advanced engine technology and new energy power train system for Luxgen brand, the Company acquired the intangible assets, PHEV (EF Engine and Plug in Hybrid Power Module), from Hua-chuang Automobile Information Technical Center Co., Ltd. The monetary amount of the transaction is \$1,210,000 thousand in 2017. The Company terminated the development of intangible assets stated above and recognized impairment loss in 2020.

18. BORROWINGS

a. Short-term borrowings

	December 31, 2021	December 31, 2020
Line of credit borrowings	\$ -	\$ 1,500,000
Interest rate	-	0.90%~0.95%

b. Short-term bills payable

	December 31, 2021	December 31, 2020
Commercial paper	\$ 1,000,000	\$ 2,000,000
Less: Unamortized discount on bills payable	<u>1,202</u>	<u>2,211</u>
	<u>\$ 998,798</u>	<u>\$ 1,997,789</u>
Interest rate	0.50%	0.46%~0.90%

19. BONDS PAYABLE

	December 31	
	2021	2020
Unsecured domestic bonds	\$ 15,300,000	\$ 15,300,000
Less: Current portion	<u>(7,000,000)</u>	<u></u>
	<u>\$ 8,300,000</u>	<u>\$ 15,300,000</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

	<u>December 31</u>	
	2021	2020
<u>Current</u>		
Other payables		
Payables for other taxes	\$ 1,060,825	\$ 1,983,281
Payables for employees bonus	452,756	377,793
Payables for purchases of equipment	268,639	359,004
Payables for dividends	106,009	210,732
Payables for vendor expenses	78,392	99,318
Payables for annual leave	23,825	4,793
Others	<u>272,925</u>	<u>377,427</u>
	<u>\$ 2,263,371</u>	<u>\$ 3,412,348</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:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ 1,036,740	\$ 1,271,587
Fair value of plan assets	<u>(824,116)</u>	<u>(892,970)</u>
Net defined benefit liability	<u>\$ 212,624</u>	<u>\$ 378,617</u>

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2021	\$ 1,271,587	\$ (892,970)	\$ 378,617
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>
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>
Balance at January 1, 2020	\$ 1,467,624	\$ (882,182)	\$ 585,442
Service cost			
Current service cost	23,483	-	23,483
Net interest expense (income)	<u>11,006</u>	<u>(7,094)</u>	<u>3,912</u>
Recognized in profit or loss	<u>34,489</u>	<u>(7,094)</u>	<u>27,395</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(30,387)	(30,387)
Actuarial loss - changes in demographic assumptions	347	-	347
Actuarial loss - changes in financial assumptions	33,914	-	33,914
Actuarial gain - experience adjustments	<u>(10,082)</u>	<u>-</u>	<u>(10,082)</u>
Recognized in other comprehensive income	<u>24,179</u>	<u>(30,387)</u>	<u>(6,208)</u>
Contributions from the employer	-	(125,118)	(125,118)
Benefits paid	<u>(254,705)</u>	<u>151,811</u>	<u>(102,894)</u>
Balance at December 31, 2020	<u>\$ 1,271,587</u>	<u>\$ (892,970)</u>	<u>\$ 378,617</u>

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:

	<u>December 31</u>	
	2021	2020
Discount rate(s)	0.625%	0.50%
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:

	<u>December 31</u>	
	2021	2020
Discount rate(s)		
0.25% increase	\$ (27,409)	\$ (33,914)
0.25% decrease	28,452	35,235
Expected rate(s) of salary increase		
0.25% increase	27,630	34,163
0.25% decrease	(26,757)	(33,057)

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.

	<u>December 31</u>	
	2021	2020
Expected contributions to the plan for the next year	<u>\$ 64,473</u>	<u>\$ 52,715</u>
Average duration of the defined benefit obligation	10.9 years	11.1 years

22. EQUITY

a. Share capital

Common shares

	December 31	
	2021	2020
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.

On June 18, 2020, the Company's shareholders held a meeting and resolved to make up for the loss by reducing capital by NT\$5,729,199 thousand, i.e., eliminating \$572,920 thousand shares. The ratio of capital reduced was about 36.4239%, and ended with 1,000,000 shares after the reduction. The resolution was approved by the Financial Supervisory Commission on July 21, 2020, and the board of directors resolved to set August 11, 2020 as the base date for capital reduction with the authorization of the shareholders in their meeting.

b. Capital surplus

	December 31	
	2021	2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Recognized from issuance of common shares	\$ 4,508,131	\$ 4,508,131
Recognized from treasury share transactions	2,025,731	2,018,204
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	6,450	-
<u>Not be used for any purpose</u>		
Arising from share of changes in capital surplus of associates or joint ventures	<u>37,706</u>	<u>37,553</u>
	<u>\$ 6,578,018</u>	<u>\$ 6,563,888</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. Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate to or reverse from special reserve.

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.

At the shareholders’ meeting on June 18, 2020, the Company approved the reduction of capital to offset deficit and resolved not to distribute dividends

The appropriations of earnings for 2020 approved in the shareholders’ meetings on July 15, 2021 , were as follows:

	<u>Appropriation of Earnings</u> 2020	<u>Dividend Per Share (NT\$)</u> 2020
Reversal of special reserve	\$ 2,000,000	
Cash dividends	1,000,000	\$1

The appropriation of earnings for 2021, which was proposed by the Company’s board of directors on March 25, 2022, was as follows::

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

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on June 17, 2022.

d. Special reserve

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 24,228,565	\$ 39,373,565
Offset deficit	<u>(2,000,000)</u>	<u>(15,145,000)</u>
Balance at December 31	<u>\$ 22,228,565</u>	<u>\$ 24,228,565</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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (1,118,814)	\$ (1,255,680)
Share of exchange difference of subsidiaries, associates and joint ventures accounted for using the equity method	<u>(168,563)</u>	<u>136,866</u>
Balance at December 31	<u>\$ (1,287,377)</u>	<u>\$ (1,118,814)</u>

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 1,522,597	\$ 1,397,517
Unrealized gain/(loss) - equity instruments	1,486	6,552
Share from associates/joint ventures accounted for using the equity method	217,147	76,208
Disposal of associates accounted for using the equity method	10,231	(23,034)
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	<u>(39,085)</u>	<u>65,354</u>
Balance at December 31	<u>\$ 1,712,376</u>	<u>\$ 1,522,597</u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 24	\$ (4)
Share from associates/joint ventures accounted for using the equity method	<u>38</u>	<u>28</u>
Balance at December 31	<u>\$ 62</u>	<u>\$ 24</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, 2021</u>				
Long-term investment of subsidiary transferred to treasury stock	<u>7,527</u>	<u>-</u>	<u>-</u>	<u>7,527</u>
For the year ended <u>December 31, 2020</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, 2021 and 2020 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
<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>
<u>December 31, 2020</u>			
Yu Ching Business Co., Ltd.	7,526	\$ 376,301	\$ 352,990
Yu Pong Business Co., Ltd.	1	<u>3</u>	<u>4</u>
		<u>\$ 376,304</u>	<u>\$ 352,994</u>

The subsidiaries holding treasury shares retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

Contract Information

a. Revenue from the sale of goods

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

Revenue from the sale of goods comes from sales of vehicles and parts. The Company recognized revenue when goods are delivered and legal ownership is transferred.

b. Rental income

Rental income from an operating lease is recognized on a straight-line basis over the term of the lease.

c. Revenue from the rendering of services

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

24. NET PROFIT

Net profit contained the following components:

a. Other operating revenue

	For the Year Ended December 31	
	2021	2020
Revenue from sale of scrap	\$ 19,258	\$ 15,319
Revenue from providing guarantees	1,657	15,669
Revenue from remuneration of directors	17,549	9,510
Others	<u>5,169</u>	<u>19,751</u>
	<u>\$ 43,633</u>	<u>\$ 60,249</u>

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gain on disposal of property, plant and equipment/investment properties/intangible assets	\$ 629	\$ 577,953
Gains/(losses) on disposal of related parties	31,749	(1)
Net foreign exchange losses	(15,985)	(2,756)
Fair value changes of financial assets mandatorily classified as at FVTPL	17,041	41,117
Impairment loss	(11,493)	(1,210,000)
Others	<u>81,572</u>	<u>32,889</u>
	<u>\$ (103,513)</u>	<u>\$ (560,798)</u>

c. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 312,087	\$ 297,398
Operating expenses	<u>103,022</u>	<u>110,208</u>
	<u>\$ 415,109</u>	<u>\$ 407,606</u>
An analysis of amortization by function		
Operating costs	\$ 9,931	\$ 15,217
Operating expenses	<u>14,922</u>	<u>13,117</u>
	<u>\$ 24,853</u>	<u>\$ 28,334</u>

d. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits	\$ 1,434,069	\$ 1,235,166
Post-employment benefits		
Defined contribution plans	29,033	22,726
Defined benefit plans	<u>20,511</u>	<u>27,395</u>
Total employee benefits expense	<u>\$ 1,483,613</u>	<u>\$ 1,285,287</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 944,918	\$ 907,527
Operating expenses	<u>538,695</u>	<u>377,760</u>
	<u>\$ 1,483,613</u>	<u>\$ 1,285,287</u>

	For the Year Ended December 31					
	2021			2020		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
Salary expense	\$ 759,309	\$ 410,618	\$ 1,169,927	\$ 762,947	\$ 302,325	\$ 1,065,272
Labor insurance	69,768	23,908	93,676	70,421	19,586	90,007
Pension	37,197	12,347	49,544	38,911	11,210	50,121
Remuneration of directors	-	44,651	44,651	-	20,418	20,418
Other employment benefits	<u>78,644</u>	<u>47,171</u>	<u>125,815</u>	<u>35,248</u>	<u>24,221</u>	<u>59,469</u>
Total employment benefits	<u>\$ 944,918</u>	<u>\$ 538,695</u>	<u>\$ 1,483,613</u>	<u>\$ 907,527</u>	<u>\$ 377,760</u>	<u>\$ 1,285,287</u>

As of December 31, 2021 and 2020, the numbers of the Company's employees were 1,254 and 1,241, respectively, and the Company has 4 and 5 directors who are not concurrently employed, and 2 and 1 director who is employed, respectively. The number of employees aligns with employee benefits expense.

As of December 31, 2021 and 2020, the employee benefits expense was \$1,151 thousand and \$1,040 thousand, respectively, the average salary expense was \$936 thousand and \$862 thousand, respectively, and the average employee salary adjustment was a increment of 8.7%.

The Company has set up an audit committee in compliance with the Securities and Exchange Act of the ROC. The audit committee is composed of all independent directors, and the committee replaces supervisors.

The remuneration of the Company's board directors and managers is evaluated and reviewed periodically by the compensation committee. The Company participates in salary investigation every year and reviews pay level periodically in order to provide employees with market competitive salaries.

- Compensation of employees and remuneration of directors

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 2020, 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:

Amount

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

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)

	For the Year Ended December 31	
	2021	2020
Inventories (included in operating cost, Note 12)	\$ 63,718	\$ (70,026)
Other current asset (included in other gains and losses, Note 24)	(509)	-
Property, plant and equipment (included in other gains and losses, Note 14)	(10,984)	-
Intangible assets (included in other gains and losses, Note 17)	-	(1,210,000)
	<u>\$ 52,225</u>	<u>\$ (1,280,026)</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 36,819	\$ 163,418
Adjustments for prior year	<u>(5,816)</u>	<u>(143,411)</u>
	<u>31,003</u>	<u>20,007</u>
Deferred tax		
In respect of the current year	<u>70,895</u>	<u>(120,822)</u>
Income tax expense recognized in profit or loss	<u>\$ 101,898</u>	<u>\$ (100,815)</u>

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

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	<u>\$ 4,817,414</u>	<u>\$ 2,638,395</u>
Income tax expense calculated at the statutory rate	\$ 963,482	\$ 527,679
Nondeductible expenses in determining taxable income	10,519	1,534
Tax-exempt income	(872,068)	(248,343)
Realized loss on investment	-	(2,244,612)
Unrecognized deductible temporary differences	17,052	1,842,920
Gains on property revaluation	-	163,418
Investment credits	(11,271)	-
Adjustments for prior years' tax	<u>(5,816)</u>	<u>(143,411)</u>
Income tax expense recognized in profit or loss	<u>\$ 101,898</u>	<u>\$ (100,815)</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, 2021

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
<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)

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
<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)

For the year ended December 31, 2021

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
<u>Deferred tax assets</u>			
Temporary differences			
Share of income of subsidiaries, associates and joint ventures	\$ 172,640	\$ -	\$ 172,640
Property, plant and equipment	4,981	22,717	27,698
Defined benefit obligation	253,562	(30,658)	222,904
Others	<u>162,185</u>	<u>25,341</u>	<u>187,526</u>
	<u>\$ 593,368</u>	<u>\$ 17,400</u>	<u>\$ 610,768</u>

<u>Deferred tax liabilities</u>			
Temporary differences			
Land value increment tax	\$ 2,397,673	\$ (112,101)	\$ 2,285,572
Property, plant and equipment	181,252	8,949	190,201
Others	<u>1,390</u>	<u>(271)</u>	<u>1,119</u>
	<u>\$ 2,580,315</u>	<u>\$ (103,423)</u>	<u>\$ 2,476,892</u>

c. Income tax assessed

The tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings (loss) per share	<u>\$ 4.82</u>	<u>\$ 2.80</u>
Diluted earnings (loss) per share	<u>\$ 4.82</u>	<u>\$ 2.80</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2021	2020
Earnings used in the computation of basic earnings per share	<u>\$ 4,715,516</u>	<u>\$ 2,739,210</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 4,715,516</u>	<u>\$ 2,739,210</u>

Shares

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	977,705	977,705
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>874</u>	<u>-</u>
Weighted average number of common shares used in the computation of diluted earnings per share	<u>978,579</u>	<u>977,705</u>

In calculating the weighted average number of shares outstanding for consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Company offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares and the resulting potentially dilutive shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. DISPOSAL OF SUBSIDIARY - LOSS OF CONTROL

For the description of the derecognition subsidiaries, please refer to Note 32 of the Company's 2021 Consolidated Financial Report.

28. CAPITAL MANAGEMENT

The Company manages its capital to ensure the entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).

The Company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure whenever necessary. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on the management's recommendations, the Company expects to balance its capital structure by paying dividends, borrowing new loans or repaying original loans.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments 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, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 452,737	\$ -	\$ 41,985	\$ 494,722
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>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 1,785,079	\$ -	\$ -	\$ 1,785,079
Other	<u>-</u>	<u>-</u>	<u>271,820</u>	<u>271,820</u>
	<u>\$ 1,785,079</u>	<u>\$ -</u>	<u>\$ 271,820</u>	<u>\$ 2,056,899</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic quoted shares	\$ 1,905,428	\$ -	\$ -	\$ 1,905,428
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>366,234</u>	<u>366,234</u>
	<u>\$ 1,905,428</u>	<u>\$ -</u>	<u>\$ 366,234</u>	<u>\$ 2,271,662</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, 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>

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTPL	<u>Financial Assets at FVTOCI</u> Equity Instruments	Total
Balance at January 1, 2020	\$ 613,524	\$ 359,578	\$ 973,102
Recognized in profit or loss			
Other gains and losses	5,411	-	5,411
Recognized in other comprehensive income (included in unrealized gain/ (loss) on financial assets at FVTOCI)	-	7,141	7,141
Purchases	1,449,800	-	1,449,800
Sales/settlements	<u>(1,796,915)</u>	<u>(485)</u>	<u>(1,797,400)</u>
Balance at December 31, 2020	<u>\$ 271,820</u>	<u>\$ 366,234</u>	<u>\$ 638,054</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, 2021, 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

	December 31	
	2021	2020
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)	\$ 905,849	\$ 2,056,899
Fair value through other comprehensive income (FVTOCI)	2,327,421	2,271,662
Financial assets at amortized cost (Note 1)	3,748,548	3,550,398
<u>Financial liabilities</u>		
Amortized cost (Note 2)	21,903,836	25,215,907

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 other 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.

	USD Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Profit or loss	\$ (3,554)	\$ (5,625)	\$ (524)	\$ 768

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.

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 1,091,077	\$ 1,676,880
Financial liabilities	16,298,798	17,297,789
Cash flow interest rate risk		
Financial assets	2,080,171	1,569,574
Financial liabilities		1,500,000

Sensitivity analysis

The sensitivity analysis was based on the Company's exposure to changes in interest rates for both derivative and non-derivative instruments at the end of the reporting period.

If interest rates had been 1% higher and had all other variables been held constant, the Company's pre-tax profit would have increased by \$20,802 thousand in 2021 and \$696 thousand in 2020.

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, 2021, financial assets at FVTPL and FVTOCI would have decreased by \$9,058 thousand and \$23,274 thousand, respectively. If equity prices had been 1% lower, as of December 31, 2020, financial assets at FVTPL and FVTOCI would have decreased by \$20,569 thousand and \$22,717 thousand, respectively.

d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk referred to the failure of counterparties to discharge an obligation and to financial guarantees provided by the Company.

- i. The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- ii. The amount of contingent liabilities in relation to financial guarantee issued by the Company

It is the Company's policy to have transactions only with creditworthy counterparties.

Credit information on counterparties is gathered by independent rating agencies through credit search and analysis. Credits are then given to counterparties in the basis of the nature of transactions, financial status of the counterparties, and collateral conditions, with related contracts to be renewed after careful reexamination to ensure that credit risk is within the level the Company has the capacity to bear.

The main objects of accounts receivable are associates companies of the company, and the Company analyzes its numerous trade receivable clients' financial status continuously.

e) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and its related parties are disclosed below:

a. Related parties and relationships with the Company

<u>Related Party</u>	<u>Relationship with the Company</u>
Yulon Finance Corporation	Subsidiary
Yu Ching Business Co., Ltd.	Subsidiary
Yu Pong Business Co., Ltd.	Subsidiary
Yung Hang Investment Co., Ltd.	Subsidiary
Yue Sheng Industrial Co., Ltd.	Subsidiary
Yue-Ki Industrial Co., Ltd.	Subsidiary
China Cast Iron Pipe Co., Ltd.	Subsidiary
Yu Chang Motor Co., Ltd.	Subsidiary
Yushin Motor Co., Ltd.	Subsidiary
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
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

(Continued)

Related Party	Relationship with the Company
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
Chinh-Ling RTC Co., Ltd.	Subsidiary(Liquidated in 4th quarter of 2020)
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
SinYi Co., Ltd.	Subsidiary (Liquidated in the 1st quarter of 2021)
Dong Feng Yulon Motor Sales Co., Ltd.	Subsidiary (Announced bankruptcy and assigned bankruptcy trustee in the 4th quarter of 2020. The Company lost control over Dong Feng Yulon Motor Sales Co., Ltd.)
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

(Continued)

<u>Related Party</u>	<u>Relationship with the Company</u>
Tokio Marine Nawa Insurance Co., Ltd.	Associates
ROC-Spicer Ltd.	Associates
UNI-Calsonic Co.	Associates
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>	
	2021	2020
<u>Sales of goods</u>		
Subsidiaries		
Luxgen	\$ 3,020,180	\$ 3,740,173
Others	<u>32,511</u>	<u>20,537</u>
	3,052,691	3,760,710
Associates		
Yulon Nissan	19,498,384	23,301,919
Joint venture	<u>-</u>	<u>99</u>
	<u>\$ 22,551,075</u>	<u>\$ 27,062,728</u>
<u>Purchases of goods</u>		
Subsidiaries	\$ 1,812,395	\$ 2,226,152
Associates	637,846	646,675
Other related parties		
Nissan Motor Co., Ltd.	7,449,497	8,840,735
Others	<u>196,857</u>	<u>254,369</u>
	7,646,354	9,095,104
Joint venture	<u>1,531</u>	<u>134,966</u>
	<u>\$ 10,098,126</u>	<u>\$ 12,102,897</u>
<u>Operating expense</u>		
Subsidiaries	\$ 106,519	\$ 58,534
Associates	36,542	45,334
Other related parties	<u>1,841</u>	<u>2,216</u>
	<u>\$ 144,902</u>	<u>\$ 106,084</u>

(Continued)

Related Party Categories	For the Year Ended December 31	
	2021	2020
<u>Other operating revenue</u>		
Subsidiaries		
Luxgen	\$ 281,643	\$ 18,997
Others	<u>258,499</u>	<u>219,825</u>
	540,142	238,822
Associates		
Yulon Nissan	899,938	509,484
Others	<u>24,206</u>	<u>24,185</u>
	924,144	533,669
Other related parties	<u>28,250</u>	<u>14,314</u>
	<u>\$ 1,492,536</u>	<u>\$ 786,805</u>

(Concluded)

Acquisition of property, plant and equipment

Subsidiaries		
Yue-Ki	\$ 34,578	\$ -
Union & NKH	22,182	-
Others	<u>7,555</u>	<u>1,527</u>
	64,315	1,527
Associates	<u>3,069</u>	<u>-</u>
	<u>\$ 67,384</u>	<u>\$ 1,527</u>

Disposal of property, plant and equipment

Subsidiaries	<u>\$ 8,607</u>	<u>\$ -</u>
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On the balance sheet dates, the amounts receivable from related parties were as follows:

Related Party Categories	December 31	
	2021	2020
<u>Notes and trade receivable</u>		
Subsidiaries		
Luxgen	\$ 137,809	\$ 59,931
Others	<u>5,721</u>	<u>741</u>
	143,530	60,672

(Continued)

Related Party Categories	December 31	
	2021	2020
Associates		
Yulon Nissan	\$ 166,431	\$ 21,295
Others	<u>1,409</u>	<u>-</u>
	167,840	21,295
Other related parties	4,213	271
Joint venture		
Dongfeng Yulon Motor Co., Ltd. (Note)	<u>-</u>	<u>-</u>
	<u>\$ 315,583</u>	<u>\$ 82,238</u>
		(Concluded)

Note: As of December 31, 2021, the receivable from related party - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model. At the end of the period, the carrying amount of the receivable after deduction of allowance for loss of \$386,942 thousand was \$0.

Related Party Categories	December 31	
	2021	2020
<u>Other receivables</u>		
Subsidiaries		
Luxgen	\$ 51,021	\$ 87,522
Others	<u>9,793</u>	<u>17,242</u>
	60,814	104,764
Associates		
Yulon Nissan	68,632	30,929
Others	<u>16,903</u>	<u>15,820</u>
	85,535	46,749
Other related parties	<u>836</u>	<u>749</u>
	<u>\$ 147,185</u>	<u>\$ 152,262</u>

Prepayments (accounted as other current assets)

Related Party Categories	December 31	
	2021	2020
Joint venture		
Dongfeng Yulon Motor Co., Ltd. (Note)	<u>\$ -</u>	<u>\$ 1,905</u>

Note: As of December 31, 2021, the Company recognized impairment loss of \$966,806 thousand on the prepayments to Dongfeng Yulon Motor Co., Ltd. The carrying amount of the prepayment to Dongfeng Yulon Motor Co., Ltd. was \$0 at December 31, 2021.

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

Related Party Categories	December 31	
	2021	2020
<u>Trade payables</u>		
Subsidiaries	\$ 209,262	\$ 425,123
Associates	79,000	103,221
Other related parties		
Nissan Motor Co., Ltd.	612,382	971,470
Others	<u>31,924</u>	<u>52,687</u>
	644,306	1,024,157
Joint venture	<u>-</u>	<u>546</u>
	<u>\$ 932,568</u>	<u>\$ 1,553,047</u>
<u>Other trade payables</u>		
Subsidiaries	\$ 81,620	\$ 4,197
Associates	4,220	8,812
Other related parties	<u>1,640</u>	<u>-</u>
	<u>\$ 87,480</u>	<u>\$ 13,009</u>

c. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 93,805	\$ 62,266
Post-employment benefits	<u>3,046</u>	<u>1,565</u>
	<u>\$ 96,851</u>	<u>\$ 63,831</u>

The compensation of the board members and the Company's management is determined by the remuneration committee based on individual performance and market conditions.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, information on significant contingent liabilities and unrecognized commitments on the balance sheet date is as follows:

- 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 within three months before contract expiry. The contract was automatically renewed on December 31, 2021. 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 within three months before contract expiry.) 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 on May 26, 2020. 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\$2,870,295 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.
- d. See Table 2 for the information on endorsements/guarantees provided to subsidiaries or associates.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<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>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
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> (Concluded)

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,496	28.48 (USD:NTD)	\$ 1,409,646
JPY	303,826	0.276 (JPY:NTD)	<u>83,856</u>
			<u>\$ 1,493,502</u>
Nonmonetary items			
USD	280,452	28.48 (USD:NTD)	\$ 7,987,275
RMB	538,039	4.377 (RMB:NTD)	<u>2,354,997</u>
			<u>\$ 10,342,272</u>
<u>Financial liabilities</u>			
Monetary items			
USD	29,747	28.48 (USD:NTD)	\$ 847,195
JPY	581,950	0.276 (JPY:NTD)	<u>160,618</u>
			<u>\$ 1,007,813</u>

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) were \$(15,985) thousand and \$(2,756) 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

There was no information on investments in mainland China should be disclosed excluding in 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, 2021
(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	\$ 713,275	\$ 692,250	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 692,250	\$ 692,250	Note 1	
2	Yulon China	Sheng Qing	Other receivables	Y	1,997,170	1,938,300	-	-	b	-	Operating capital	-	-	-	3,322,800	3,322,800	Note 1	
3	Singgual	Singan	Other receivables	Y	50,000	-	-	-	b	-	Operating capital	-	-	-	84,277	84,277	Note 1	
		Ching-Tong	Other receivables	Y	10,000	10,000	10,000	1.04%	b	-	Operating capital	-	-	-	84,277	84,277	Note 1	
4	Hsiang Shuo	Singan	Other receivables	Y	90,000	-	-	-	b	-	Operating capital	-	-	-	96,490	96,490	Note 1	
5	Yulon Motor Investment	Hang Zhou Haitec Company	Accounts receivable - related parties	Y	241,852	235,603	-	0.00%	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	65,960	-	-	-	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Hang Zhou Hua You	Accounts receivable - related parties	Y	81,350	80,301	80,301	4.00%	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Dongfeng Yulon	Accounts receivable - related parties	Y	461,717	303,842	282,139	6-6.15%	b	-	Operating capital	282,139	-	-	3,173,184	3,173,184	Note 1	
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	4,397	-	-	-	-	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1
6	Sheng Qing	Xiao Gan Yu Feng	Accounts receivable - related parties	Y	52,768	51,857	-	5.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Nanjing Hanhong	Accounts receivable - related parties	Y	155,225	82,471	39,065	5.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	83,549	72,922	56,428	0-5.6%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	117,848	43,406	22,776	0.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Hang Zhou Haitec Company	Accounts receivable - related parties	Y	219,865	99,827	-	5.75%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	61,562	55,985	48,541	3.00%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Hang Zhou Hua You	Accounts receivable - related parties	Y	14,819	10,458	8,031	3.00%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Yulon Motor Investment	Accounts receivable - related parties	Y	1,231,244	885,018	885,018	0-3%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Guang Zhou Yuan Du	Accounts receivable - related parties	Y	35,178	26,044	-	6.41%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Tung Ling Kuo Tung	Accounts receivable - related parties	Y	56,505	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Zi Bo Yu An	Accounts receivable - related parties	Y	46,392	456	35	3.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		An Hui Min Tung	Accounts receivable - related parties	Y	52,768	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Qingdao Yuanhuang	Accounts receivable - related parties	Y	87,946	84,642	-	6.41%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Dongfeng Yulon	Accounts receivable - related parties	Y	158,303	156,262	156,262	6.15%	b	-	Operating capital	156,262	-	-	1,764,222	1,764,222	Note 1	
		Xiamen Young Chang	Accounts receivable - related parties	Y	167,977	165,811	165,811	0.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Ke Yu	Accounts receivable - related parties	Y	13,192	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
Yu-Jie	Accounts receivable - related parties	Y	180,289	173,624	173,624	1.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1			
Gao Te	Accounts receivable - related parties	Y	8,795	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	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			
		Jin Ce	Accounts receivable - related parties	Y	\$ 8,795	\$ -	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 4,410,555	\$ 13,231,666	Note 1
		Fu Jian Yu Xin	Accounts receivable - related parties	Y	39,576	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	61,562	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Shenzhen Yu Zhi	Accounts receivable - related parties	Y	58,484	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Ka Shing Yu Da	Accounts receivable - related parties	Y	15,830	15,626	-	-	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1
		Fu Zhou Yu Xin	Accounts receivable - related parties	Y	17,392	17,362	-	6.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Hang Zhou hsiao Yu	Accounts receivable - related parties	Y	52,177	52,087	-	-	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1
7	Zhu Hai Fu Te En	Nanjing Hanhong	Accounts receivable - related parties	Y	7,036	-	-	-	b	-	Operating capital	-	-	-	259,175	518,352	Note 1
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	17,589	-	-	-	b	-	Operating capital	-	-	-	259,175	518,352	Note 1
8	Nanjing Hanhong	Nan Jing Yu Shang	Accounts receivable - related parties	Y	48,370	-	-	-	b	-	Operating capital	-	-	-	281,724	563,448	Note 1
9	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	43,973	43,406	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	65,960	65,109	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	43,973	43,406	-	4.10%	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	70,357	-	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Long	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Wu Jiang Lian Cheng	Accounts receivable - related parties	Y	34,926	34,725	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	43,657	43,406	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
10	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	21,703	4.10%	b	-	Operating capital	-	-	-	35,933	35,933	Note 1
11	Hang Zhou Yu Zhong	Yulon Motor Investment	Other receivables	Y	29,362	29,082	11,720	0.00%	b	-	Operating capital	-	-	-	748,987	1,123,480	Note 1
		Hang Zhou hsiao Yu	Other receivables	Y	17,589	17,362	13,456	0.00%	b	-	Operating capital	-	-	-	748,987	1,123,480	Note 1
		Hang Zhou Hua You	Other receivables	Y	18,029	17,796	17,796	0.00%	b	-	Operating capital	-	-	-	29,959	29,959	Note 1
		Dongfeng Yulon	Other receivables	Y	7,475	7,379	7,379	6.15%	b	-	Operating capital	-	-	-	29,959	29,959	Note 1
12	Shinshin	K1	Other receivables	N	109,911	52,319	52,319	1.5-16%	b	-	Operating capital	929	Property	35,000	968,159	4,840,795	Note 1
		K1	Other receivables	N	66,760	62,052	62,052	1.5-16%	a	220,000	-	1,241	Property	35,000	968,159	4,840,795	Note 1
		A32	Other receivables	N	296,000	286,558	286,558	1.5-16%	b	-	Operating capital	5,731	Property	-	968,159	4,840,795	Note 1
		Others	Other receivables	N	175,500	152,795	152,795	1.5-16%	a	227,500	-	2,833	Performance bond/property	206,800	968,159	4,840,795	Note 1
		Others	Other receivables	N	2,278,899	1,444,211	1,144,211	1.5-16%	b	-	Operating capital	22,805	Inventory/performance bond/property/stock	942,559	968,159	4,840,795	Note 1
13	Guang Zhou Yuan Du	Qingdao Yuanhuang	Accounts receivable - related parties	Y	87,946	86,812	-	6.40%	b	-	Operating capital	-	-	-	91,966	91,966	Note 1
14	Su Zhou Feng Shun	Su Chou Cheng Pin	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	82,444	82,444	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	82,444	82,444	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	-	4.10%	b	-	Operating capital	-	-	-	82,444	82,444	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				
15	Suzhou Yueshun	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	\$ 6,596	\$ 6,511	\$ 6,511	4.10%	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 17,424	\$ 17,424	Note 1	
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,596	6,511	-	-	b	-	Operating capital	-	-	-	17,424	17,424	Note 1	
16	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	119,264	117,726	117,726	0.00%	b	-	Operating capital	-	-	-	190,438	380,875	Note 1	
17	Xiao Gan Yu Feng	Chang Sha Yu Lu	Accounts receivable - related parties	Y	10,993	-	-	-	b	-	Operating capital	-	-	-	253,922	507,843	Note 1	
18	Yu-Jie	Dongfeng Yulon	Other receivables	Y	219,865	217,030	217,030	6.15%	b	-	Operating capital	217,030	-	-	888,576	888,576	Note 1	
19	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	142,655	138,450	83,070	2.70%	b	-	Operating capital	-	-	-	270,749	406,123	Note 1	
20	Su Zhou Cheng Long	Su Chou Cheng Pin	Accounts receivable - related parties	Y	21,987	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	52,768	52,087	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	21,987	-	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	48,023	47,747	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1
21	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	13,192	13,022	-	-	b	-	Operating capital	-	-	-	19,643	19,643	Note 1	
22	Hang Zhou Tang Yu	Yulon Motor Investment	Other receivables	Y	38,696	38,197	38,197	0.00%	b	-	Operating capital	-	-	-	474,353	711,529	Note 1	
		Dongfeng Yulon	Other receivables	Y	4,837	4,775	4,775	6.15%	b	-	Operating capital	4,775	-	-	18,974	18,974	Note 1	
23	Hang Zhou hsiao Yu	Yulon Motor Investment	Other receivables	Y	396	-	-	-	b	-	Operating capital	-	-	-	434,628	651,942	Note 1	
24	Hang Zhou Chien Yu	Yulon Motor Investment	Other receivables	Y	3,518	3,472	3,472	0.00%	b	-	Operating capital	-	-	-	434,060	651,090	Note 1	
25	Ke Yu	Sheng Qing	Other receivables	Y	408,949	211,821	211,821	0.50%	b	-	Operating capital	-	-	-	652,050	1,304,099	Note 1	
		Dongfeng Yulon	Other receivables	Y	21,987	21,703	21,703	0.50%	b	-	Operating capital	-	-	-	652,050	1,304,099	Note 1	
		Yi Ding	Other receivables	Y	74,754	73,790	73,790	6.15%	b	-	Operating capital	73,790	-	-	260,820	260,820	Note 1	
26	Gao Te	Dongfeng Yulon	Other receivables	Y	23,745	23,439	23,439	6.15%	b	-	Operating capital	23,439	-	-	82,696	82,696	Note 1	
27	Mei De	Sheng Qing	Other receivables	Y	131,919	-	-	-	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
		Shi Cheng	Other receivables	Y	131,919	130,218	130,218	0.50%	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
		Dongfeng Yulon	Other receivables	Y	35,530	35,072	35,072	6.15%	b	-	Operating capital	35,072	-	-	127,980	127,980	Note 1	
		Xiamen Young Chang	Other receivables	Y	131,472	130,218	-	-	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
28	Xiamen Young Chang	Dongfeng Yulon	Other receivables	Y	65,960	65,109	65,109	6.15%	b	-	Operating capital	65,109	-	-	322,279	322,279	Note 1	
29	Qing Tai	Shi Cheng	Other receivables	Y	17,589	17,362	17,362	0.50%	b	-	Operating capital	-	-	-	525,724	1,051,449	Note 1	
		Dong Tai	Other receivables	Y	109,933	108,515	108,515	0.50%	b	-	Operating capital	-	-	-	525,724	1,051,449	Note 1	
		Dongfeng Yulon	Other receivables	Y	30,781	30,384	30,384	6.15%	b	-	Operating capital	30,384	-	-	140,193	140,193	Note 1	
30	Jin Ce	Yi Ding	Other receivables	Y	30,781	30,384	17,362	0.50%	b	-	Operating capital	-	-	-	698,661	1,047,991	Note 1	
		Dongfeng Yulon	Other receivables	Y	7,036	6,945	6,945	6.15%	b	-	Operating capital	6,945	-	-	27,946	27,946	Note 1	
31	Tai Feng	Yi Ding	Other receivables	Y	13,192	13,022	13,022	0.50%	b	-	Operating capital	-	-	-	535,310	1,070,619	Note 1	
		Dong Tai	Other receivables	Y	21,987	21,703	21,703	0.50%	b	-	Operating capital	-	-	-	535,310	1,070,619	Note 1	
		Dongfeng Yulon	Other receivables	Y	48,370	47,747	47,747	6.15%	b	-	Operating capital	47,747	-	-	142,749	142,749	Note 1	
32	Dong Tai	Dongfeng Yulon	Other receivables	Y	11,873	11,720	11,720	6.15%	b	-	Operating capital	11,720	-	-	28,565	28,565	Note 1	
		An Ching Tsai Tung	Other receivables	Y	6,920	6,854	-	-	b	-	Operating capital	-	-	-	434,060	651,090	Note 1	
33	Shi Cheng	Dongfeng Yulon	Other receivables	Y	13,851	13,673	13,673	6.15%	b	-	Operating capital	13,673	-	-	54,201	54,201	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			
34	Yi Ding	Dongfeng Yulon	Other receivables	Y	\$ 23,174	\$ 22,875	\$ 22,875	6.15%	b	\$ -	Operating capital	\$ 22,875	-	\$ -	\$ 73,103	\$ 73,103	Note 1
35	Sin Jang	Singan	Other receivables	Y	210,000	-	-	1.08%	b	-	Operating capital	-	-	-	95,809	95,809	Note 1
36	Su Zhou Cheng Li	Su Chou Cheng Pin	Accounts receivable - related parties	Y	8,795	8,681	4,341	4.10%	b	-	Operating capital	-	-	-	22,610	22,610	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	8,795	8,681	-	-	b	-	Operating capital	-	-	-	22,610	22,610	Note 1
37	Tai Chang Cheng Mau	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	8,795	8,681	-	-	b	-	Operating capital	-	-	-	24,206	24,206	Note 1
38	Shanghai Yuming	Ka Shing Yu Da	Other receivables	Y	26,384	-	-	-	b	-	Operating capital	-	-	-	37,760	37,760	Note 1
39	Yu-Hsin Intl HK	Hangchow Y-Teks	Other receivables	Y	114,124	110,760	110,760	2.70%	b	-	Operating capital	-	-	-	124,634	124,634	Note 1
40	Genwise	Zhe Jiang Cheng Yi Company	Other receivables	Y	9,652	-	-	4.00%	b	-	Operating capital	-	-	-	10,197	10,197	Note 1
41	Chuang Jie New Energy Vehicle	LUXGEN (Hangzhou) Motor Sales	Other receivables	Y	153,906	151,921	-	2.00%	b	-	Operating capital	-	-	-	338,112	1,014,337	Note 1

Note 1: 0. Yulon Motor: While credit financing limit for each borrower was 10% of the lender's net equity and aggregate financing limits was 30% of the lender's net equity.

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. Singgual Travel: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
4. Hsiang Shou: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
5. Yulon 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.
6. 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.
7. Zhu Hai Fu Te En: 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.
8. Nanjing Hanhong: 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.
9. Su Zhou Feng Shen: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
10. Wu Jiang Lian Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
11. HangZhou 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.
12. 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.
13. Guang Zhou Yuan Du: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
14. Su Zhou Feng Shun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
15. Suzhou Yueshun: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
16. 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.

(Continued)

17. Xiao Gan Yu 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.
18. Yu-Jie: 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 60% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.
19. 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.
20. Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
21. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
22. 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.
23. Hang Zhou hsiao 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.
24. 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.
25. 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.
26. Gao Te: 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 200% of the lender's net equity and aggregate financing limits was 400% of the lender's net equity.
27. 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.
28. Xiamen Young Chang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
29. 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.
30. 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.
31. 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.
32. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
33. Shi Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
34. Yi Ding: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
35. Sin Jiang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
36. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
37. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
38. Shanghai Yuming: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
39. 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.
40. Genwise: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
41. Chuang Jie New Energy Vehicle: 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.

(Continued)

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, 2021
(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	\$ 510,000	\$ 80,000	\$ -	0.97	\$ 39,488,898	Y	N	N	Note 1
		Luxgen	b	15,795,559	8,100,000	3,400,000	500,000	-	6.46	39,488,898	Y	N	N	Note 1
		UMPI	b	15,795,559	568,240	387,660	130,663	-	0.74	39,488,898	Y	N	N	Note 1
		Yu Ching	b	15,795,559	1,000,000	1,000,000	-	-	1.90	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	50,000	-	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 Auto Parts	Hangchow Liangrun	b	331,524	312,000	312,000	83,070	-	13.18	947,210	N	N	Y	Note 1
2	YFC	TAC Finance Company	b	56,523,498	3,800,000	500,000	86,942	-	2.21	113,046,995	N	N	Y	Note 1
		TAC Leasing (Suzhou)	b	56,523,498	3,509,840	3,477,680	2,608,260	-	15.38	113,046,995	N	N	Y	Note 1
		Yulon Finance Philippines Corporation	b	56,523,498	2,336,000	2,140,000	566,886	-	9.47	113,046,995	N	N	N	Note 1
4	Sheng Qing	Qingdao Yuanhuang	b	22,052,776	219,865	217,030	-	-	4.92	110,263,880	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	22,052,776	351,784	195,327	3,332	-	4.00	110,263,880	N	N	Y	Note 1
		Wuhan Yu Hsin	b	22,052,776	263,838	-	-	-	-	110,263,880	N	N	Y	Note 1
		Yu-Jie	b	22,052,776	879,460	868,120	-	-	20.00	110,263,880	N	N	Y	Note 1
		Nanjing Hanhong	b	22,052,776	109,933	-	-	-	-	110,263,880	N	N	Y	Note 1
5	Nanjing Hanhong	Zhu Hai Fu Te En	d	599,380	219,865	217,030	-	-	72.42	749,225	N	N	Y	Note 1
		Nan Jing Yu Hua	b	599,380	109,933	-	-	-	-	749,225	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	599,380	130,443	130,218	31,747	-	43.45	749,225	N	N	Y	Note 1
6	Zhu Hai Fu Te En	Nanjing Hanhong	d	834,917	175,892	108,515	-	-	25.99	1,252,375	N	N	Y	Note 1
		Nan Jing Yu Hua	d	834,917	109,933	-	-	-	-	1,252,375	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	834,917	130,443	130,218	31,747	-	31.19	1,252,375	N	N	Y	Note 1
7	Su Zhou Feng Shen	Su Zhou Feng Shun	b	696,168	76,689	75,700	-	-	10.87	2,088,504	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	696,168	43,973	43,406	-	-	6.23	2,088,504	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	696,168	243,494	243,074	32,765	-	34.92	2,088,504	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	696,168	149,508	86,812	19,356	-	12.47	2,088,504	N	N	Y	Note 1
8	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	446,932	43,973	43,406	-	-	48.56	893,864	N	N	Y	Note 1
		Su Zhou Feng Shun	c	446,932	230,594	227,621	47,766	-	254.65	893,864	N	N	Y	Note 1
9	Su Zhou Feng Shun	Wu Jiang Lian Cheng	b	1,020,124	153,906	151,921	3,898	-	74.46	2,040,248	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,020,124	43,973	43,406	-	-	21.27	2,040,248	N	N	Y	Note 1
		Su Zhou Cheng Li	b	1,020,124	26,384	26,044	-	-	12.76	2,040,248	N	N	Y	Note 1
10	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	390,654	153,906	151,921	50,211	-	248.07	781,308	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)											
11	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	\$ 390,654	\$ 153,906	\$ 151,921	\$ 50,211	\$ -	206.12	\$ 868,120	N	N	Y	Note 1
12	Su Zhou Cheng Guo	Su Zhou Chen Long	c	390,654	152,184	151,921	18,110	-	400.02	868,120	N	N	Y	Note 1
13	Su Zhou Chen Long	Su Zhou Cheng Hung	b	2,011,215	79,151	78,131	-	-	19.42	4,022,430	N	N	Y	Note 1
		Su Zhou Cheng Guo	b	2,011,215	234,797	234,392	7,147	-	58.27	4,022,430	N	N	Y	Note 1
14	Nan Jing Yu Hua	Nanjing Hanhong	c	477,644	175,892	-	-	-	-	955,288	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	477,644	219,865	-	-	-	-	955,288	N	N	Y	Note 1
15	Xiao Gan Yu Feng	Nanjing Hanhong	c	1,131,783	108,703	108,515	-	-	47.94	2,263,565	N	N	Y	Note 1
		Zhu Hai Fu Te En	c	1,131,783	217,405	130,218	-	-	57.53	2,263,565	N	N	Y	Note 1
16	Wuhan Yu Hsin	Xiao Gan Yu Feng	b	1,560,672	130,443	130,218	31,747	-	41.72	3,121,344	N	N	Y	Note 1

Note 1: 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.

Union & NKH Auto Parts: 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.

YFC: 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Nanjing YuHua: 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.

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.

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, 2021

(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, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Structured finance products</u>							
	Yuanta Securities CLN - Yeong Guan 3	-	Financial assets at fair value through profit or loss - current	-	\$ 20,051	-	\$ 20,051	-
	Yuanta Securities CLN - M.J. 1st	-	Financial assets at fair value through profit or loss - current	-	1,708	-	1,708	-
	Yuanta Securities CLN - Center. 5th	-	Financial assets at fair value through profit or loss - current	-	10,026	-	10,026	-
	Yuanta Securities CLN - Singtex 2nd	-	Financial assets at fair value through profit or loss - current	-	18,214	-	18,214	-
	KGI Securities CLN-Yeong Guan. 3rd KY	-	Financial assets at fair value through profit or loss - current	1	50,049	-	50,049	-
	KGI Securities CLN - Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	1	50,137	-	50,137	-
	KGI Securities CLN - Material. 1st KY	-	Financial assets at fair value through profit or loss - current	-	25,012	-	25,012	-
	KGI Securities CLN - structured products	-	Financial assets at fair value through profit or loss - current	-	20,015	-	20,015	-
	KGI Securities CLN - Jin Hhan Dian 5	-	Financial assets at fair value through profit or loss - current	-	30,165	-	30,165	-
	KGI Securities CLN - Heng yao. 4th	-	Financial assets at fair value through profit or loss - current	1	50,037	-	50,037	-
	KGI Securities CLN - M.J. 1st KY	-	Financial assets at fair value through profit or loss - current	-	30,075	-	30,075	-
	KGI Securities CLN - Center 5	-	Financial assets at fair value through profit or loss - current	1	50,059	-	50,059	-
	KGI Securities CLN - structured products	-	Financial assets at fair value through profit or loss - current	-	28,530	-	28,530	-
	KGI Securities CLN - Hua Han. 3rd	-	Financial assets at fair value through profit or loss - current	-	20,015	-	20,015	-
	Yuanta Securities CLN - Singtex 2nd	-	Financial assets at fair value through profit or loss - current	-	7,034	-	7,034	-
The Company	<u>Beneficiary certificates</u>							
	Fuh Hwa Global Balanced	-	Financial assets at fair value through profit or loss - current	2,128	59,600	-	59,600	-
	Yuanta Global ETFs Stable Fund of Funds	-	Financial assets at fair value through profit or loss - current	1,721	28,424	-	28,424	-
	PGIM US Corporate Bond Fund USD T Distribution	-	Financial assets at fair value through profit or loss - current	15	49,531	-	49,531	-
	FSITC Global Wealthy Nations Bond Fund	-	Financial assets at fair value through profit or loss - current	1,982	19,674	-	19,674	-
	Cathay Smart ETF Conservative Fund of ETFs	-	Financial assets at fair value through profit or loss - current	1,929	21,427	-	21,427	-
	NN (L) US Credit - X Dis(M) USD	-	Financial assets at fair value through profit or loss - current	1	24,181	-	24,181	-
	KGI Taiwan Multi-Asset Income Fund	-	Financial assets at fair value through profit or loss - current	994	11,283	-	11,283	-
	THE RSIT Digital Fund	-	Financial assets at fair value through profit or loss - current	545	29,998	-	29,998	-
	Capital Global Abundant Income Fund Of Fund TWD.	-	Financial assets at fair value through profit or loss - current	3,969	53,218	-	53,218	-
	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss - current	1,092	15,758	-	15,758	-
	Nomura Global Multi-Asset Dynamically Balanced Fund	-	Financial assets at fair value through profit or loss - current	1,036	15,098	-	15,098	-
	Fuh Hwa Intelligence Fund	-	Financial assets at fair value through profit or loss - current	3,000	31,918	-	31,918	-
Taishin Dragon Fund	-	Financial assets at fair value through profit or loss - current	1,819	21,861	-	21,861	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Nomura Taiwan Dynamic Asset Allocation Fund	-	Financial assets at fair value through profit or loss - current	233	\$ 11,533	-	\$ 11,533	-
	Allianz Global Investors Taiwan Fund	-	Financial assets at fair value through profit or loss - current	143	11,676	-	11,676	-
	KGI Feng-Li Fund	-	Financial assets at fair value through profit or loss - current	739	12,122	-	12,122	-
	KGI Kifly Strategic Fund	-	Financial assets at fair value through profit or loss - current	2,349	35,435	-	35,435	-
	Future Technology Venture Capital Limited Partner	-	Financial assets at fair value through profit or loss - non-current	-	41,985	-	41,985	-
	<u>Common stocks</u>							
	Taiwan Stock Exchange	-	Financial assets at fair value through other comprehensive income - non-current	8,403	367,275	-	367,275	-
	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	36,604	1,881,445	36.60	1,881,445	-
	Mison - Century Technology, Ltd	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	752	4,601	1.25	4,601	-
TYC Brother Industrial Preferred Shares A	-	Financial assets at fair value through other comprehensive income - non-current	1,000	44,050	0.03	44,050	-	
Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at fair value through other comprehensive income - non-current	500	30,050	0.15	30,050	-	
YFC	<u>Bonds</u>							
	Government bonds	-	Financial assets at amortized cost - non-current	-	5,078	-	5,498	-
Shinshin	<u>Bonds</u>							
	Government bonds	-	Financial assets at amortized cost - non-current	-	2,400	-	3,030	-
H. K. Manpower	<u>Beneficiary certificates</u>							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	129	2,097	-	2,097	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	235	3,130	-	3,130	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,065	-	3,065	-
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	206	3,083	-	3,083	-
Da Wei	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	172	2,585	-	2,585	-
Yu Ching	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	614	9,182	-	9,182	-
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	315,357	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yu Pong	<u>Structured finance products</u>							
	KGI Securities CLN-Jiajing. 3rd	-	Financial assets at fair value through profit or loss - current	-	\$ 12,850	-	\$ 12,850	-
	KGI Securities CLN-Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	17,082	-	17,082	-
Yu Pong	<u>Beneficiary certificates</u>							
	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000	9,667	-	9,667	-
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,021	31,263	-	31,263	-
	KGI Global ESG Sustainable High Yield Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000	10,296	-	10,296	-
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	734	10,047	-	10,047	-
	KGI Feng-Li Fund	-	Financial assets at fair value through profit or loss - current	800	13,128	-	13,128	-
Yu Pong	<u>Common stocks</u>							
	Yulon Motor Company	The parent company	Financial assets at fair value through other comprehensive income - current	1	3	-	3	-
	Fubon Financial Company	-	Financial assets at fair value through other comprehensive income - current	2,661	203,006	-	203,006	-
Yung Hong	<u>Structured finance products</u>							
	Credit-linked structured finance products-Meizhe-KY	-	Financial assets at fair value through profit or loss - current	-	28,105	-	28,105	-
	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-Wonderful Hi-Tech Co., Ltd 5th	-	Financial assets at fair value through profit or loss - current	-	5,030	-	5,030	-
Yung Hong	<u>Beneficiary certificates</u>							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,186	18,354	-	18,354	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	1,564	25,018	-	25,018	-
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	307	5,008	-	5,008	-
	Allianz Gbl Investors Taiwan Money Mkt	-	Financial assets at fair value through profit or loss - current	1,582	20,020	-	20,020	-
	Nomura Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,212	19,964	-	19,964	-
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	415	5,005	-	5,005	-
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	515	7,497	-	7,497	-
	Nomura Taiwan Growth Fund	-	Financial assets at fair value through profit or loss - current	73	6,245	-	6,245	-
	Nomura Taiwan Small Cap Fund	-	Financial assets at fair value through profit or loss - current	52	6,756	-	6,756	-
	Fuh Hwa Global Balanced	-	Financial assets at fair value through profit or loss - current	198	5,547	-	5,547	-
	The RSIT Digital Fund	-	Financial assets at fair value through profit or loss - current	104	5,701	-	5,701	-
	Nomura Global Positive Change Fund	-	Financial assets at fair value through profit or loss - current	500	4,370	-	4,370	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	750	10,005	-	10,005	-
	Fuh Hwa Taiwan Intelligence Fund	-	Financial assets at fair value through profit or loss - current	141	2,730	-	2,730	-
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	607	10,002	-	10,002	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yung Hong	<u>Common stocks</u> CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	141	\$ 2,086	-	\$ 2,086	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,974	-	4,974	-
	Yulon Finance Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	12	2,015	-	2,015	-
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	411,265	-	411,265	-
	Orgchem Technology Company	-	Financial assets at fair value through other comprehensive income - non-current	291	5,085	-	5,085	-
	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	5,945	-	5,945	-
Yue Sheng	<u>Common stocks</u> YUE KI INDUSTRIAL CO., LTD.	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16	100	0.80	100	-
China Cast Iron Pipe	<u>Beneficiary certificates</u>							
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	153	1,604	-	1,604	-
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	42	510	-	510	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	313	5,010	-	5,010	-
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	2,231	3.52	2,231	-
	Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,688	6.96	1,688	-
Yushin	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	781	6.96	781	-
Yulon Construction	<u>Common stocks</u> Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,972	-	1,972	-
	Compal Electronics, INC.	-	Financial assets at fair value through profit or loss - current	14	341	-	341	-
Yufong Property Management	<u>Beneficiary certificates</u> Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	569	8,530	-	8,530	-
Yu-Jie	<u>Financial products</u> Lidodo Public Structural Deposit	-	Financial assets at fair value through profit or loss - current	-	43,471	-	43,471	-
	7-Day Call Deposit	-	Financial assets at amortized cost - current	-	130,412	-	130,412	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Empower	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	\$ 1,477	6.67	\$ 1,477	-
	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	-
Sin Chi	<u>Beneficiary certificates</u> Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	7,690	80,388	-	80,388	-
Yu Sing	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	842	6.97	842	-
Yulon China	<u>Common stocks</u> YUNG JEN INDUSTRIAL CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	-	2,076	-	2,076	-
Yulon China	<u>Financial products</u> Wuhua Tianbao RMB Structured Deposit W	-	Financial assets at fair value through profit or loss - current	-	47,818	-	47,818	-
Su Zhou Feng Shen	<u>Common stocks</u> Guang Zhou Cheng Yi	-	Financial assets at fair value through other comprehensive income - non-current	660	4,136	2.70	4,136	-
Su Zhou Feng Shen	<u>Financial products</u> Bank of China Limited Structural Deposit	-	Financial assets at amortized cost - current	-	132,587	-	132,587	-
HangZhou Yu Zhong	<u>Financial products</u> Yuntong Wealth Term Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	23,909	-	23,909	-
Sheng Qing	<u>Financial products</u> Bank Of Nanjing Call Deposit	-	Financial assets at amortized cost - current	-	899,850	-	899,850	-
	Bank Of Industrial Call Deposit	-	Financial assets at amortized cost - current	-	86,942	-	86,942	-
	Hua Xia Bank Structural Deposit	-	Financial assets at amortized cost - current	-	43,471	-	43,471	-
	Fubon Bank (China) Structured Deposit	-	Financial assets at amortized cost - current	-	239,091	-	239,091	-
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	411,200	8.00	411,200	-

(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, 2021
(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	Hua Nan Phoenix Money Market	Financial assets at fair value through profit or loss - current	-	-	18,309	\$ 300,007	-	\$ -	18,309	\$ 300,044	\$ 300,000	\$ 44	-	\$ -
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	30,786	409,748	-	-	30,786	409,812	409,739	73	-	-
	ASROCK Incorporation	Investments accounted for using equity method	-	-	32,000	154,861	40,900	552,150	8,446	114,021	82,272	31,749	72,900	616,420
	Haitec	Investments accounted for using equity method	-	-	747,400	(1,567,265)	73,500	735,000	-	-	-	-	820,900	(1,004,424)
	Yu Ching Business Co., Ltd.	Investments accounted for using equity method	-	-	72,691	522,967	-	-	30,031	300,313	300,313	-	42,660	214,485
Haitec	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	73,219	1,000,000	73,219	1,000,899	1,000,000	899	-	-
	Hua Nan Yung Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	41,414	500,000	41,414	500,199	500,000	199	-	-
Luxgen	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	36,012	400,000	89,997	1,000,000	126,009	1,400,185	1,400,000	185	-	-
Yulon Construction	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	61,757	920,000	-	-	61,757	925,372	920,000	5,372	-	-
Yu-Jie	Lidodo Public Structural Deposit	Financial assets at fair value through profit or loss - current	-	-	-	144,038	-	825,949	-	925,932	925,932	-	-	43,471
Yulon Motor Investment	Wuhua Tianbao RMB Structured Deposit W	Financial assets at fair value through profit or loss - current	-	-	-	-	-	636,850	-	589,032	589,032	-	-	47,818

(Concluded)

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

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, 2021

(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, 2021
(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 NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ (19,480,901)	86	Within 45 days	-	3 days to 45 days	\$ 166,431	49	
	Luxgen	The Company's subsidiary	Sales	(3,065,300)	14	Within 10 days	-	3 days to 10 days	137,809	40	
YFC	Yu Chang	The same ultimate parent company	Sales	(3,133,969)	7	Receipt of payment on the day	-	-	7,535	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(2,388,746)	6	Receipt of payment on the day	-	-	7,320	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(2,642,065)	6	Receipt of payment on the day	-	-	15,907	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(1,034,097)	2	Receipt of payment on the day	-	-	12,378	-	
	Yu Sing	The same ultimate parent company	Sales	(2,967,008)	7	Receipt of payment on the day	-	-	14,221	-	
	Yushin	The same ultimate parent company	Sales	(1,799,163)	4	Receipt of payment on the day	-	-	10,125	-	
	Yu Tang	An investee accounted for by equity method	Sales	(1,543,807)	4	Receipt of payment on the day	-	-	7,598	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(513,107)	1	Receipt of payment on the day	-	-	8,263	-	
	Empower	The same ultimate parent company	Sales	(2,020,944)	5	Receipt of payment on the day	-	-	6,333	-	
	Cheng Long	An investee accounted for by equity method	Sales	(1,830,134)	4	Receipt of payment on the day	-	-	8,346	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(610,994)	1	Receipt of payment on the day	-	-	6,938	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(436,301)	1	Receipt of payment on the day	-	-	4,580	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(374,922)	1	Receipt of payment on the day	-	-	2,921	-	
	Ding Long	An investee accounted for by equity method	Sales	(506,740)	1	Receipt of payment on the day	-	-	67	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(445,791)	1	Receipt of payment on the day	-	-	837	-	
Yuan Zhi	An investee accounted for by equity method	Sales	(369,966)	1	Receipt of payment on the day	-	-	1,995	-		
Sin Jang	YFC	The same ultimate parent company	Sales	(18,652,572)	98	Receipt of payment on the day	-	-	-	-	
Union & NKH Auto Parts	The Company	The Parent company	Sales	(594,670)	38	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	100,163	35	
	China Motor	An investee accounted for by equity method	Sales	(674,537)	43	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	125,986	44	
Yueki	The Company	The Parent company	Sales	(321,982)	40	45 days	Bargaining	45 days	67,891	34	
	China Motor	An investee accounted for by equity method	Sales	(188,875)	23	45 days	Bargaining	45 days	29,703	15	
	Kian-shen	A related party in substance	Sales	(180,954)	22	45 days	Bargaining	45 days	67,992	34	
Y-Teks	The Company	The Parent company	Sales	(190,470)	69	45 days	-	-	36,486	48	
Yue Sheng	The Company	The Parent company	Sales	(137,685)	44	At sight or a month	Bargaining	At sight or a month	22,342	46	
Luxgen	Hui-Fong	A related party in substance	Sales	(137,887)	4	At sight	-	At sight	-	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(154,108)	4	At sight	-	At sight	21,404	31	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(122,730)	3	At sight	-	At sight	479	1	
	Luxgen Taichung	The same ultimate parent company	Sales	(121,149)	3	At sight	-	At sight	439	1	
	YFC	The same ultimate parent company	Sales	(2,965,144)	79	Within 3 days	-	Within 3 days	43,563	63	
Singual	The Company	The Parent company	Sales	(216,749)	33	At sight or a month	Bargaining	At sight or a month	48,107	41	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(122,346)	92	At sight or a month	Bargaining	At sight or a month	12,052	97	
Hang Zhou Haitec Company	The Company	The Parent company	Sales	(375,340)	91	25 days	-	-	7,368	71	
Fuzhou Lianghong	Hangchow Liangrun	The same ultimate parent company	Sales	(252,497)	16	45 days	-	-	64,126	18	

(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 Company	The same ultimate parent company	Sales	(436,904)	98	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	72,010	64	
The Company	Union & NKH Auto Parts	The Company's subsidiary	Purchase	594,670	3	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(100,163)	4	
	Yueki	The Company's subsidiary	Purchase	321,982	2	45 days	Bargaining	45 days	(67,891)	3	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	7,449,497	44	12 days after bill of lading	-	12 days after bill of lading	(612,382)	27	
	Y-Teks	The Company's subsidiary	Purchase	190,470	1	45 days	-	-	(36,486)	2	
	Yue Sheng	The Company's subsidiary	Purchase	137,685	1	At sight or a month	Bargaining	At sight or a month	(22,342)	1	
	Singgual	The Company's subsidiary	Purchase	216,749	1	At sight or a month	Bargaining	At sight or a month	(48,107)	2	
	China Ogihara	An investee accounted for by equity method	Purchase	259,516	2	45 days after monthly closing	Bargaining	45 days after monthly closing	(29,383)	1	
	China Engine	An investee accounted for by equity method	Purchase	168,638	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(27,361)	1	
	Taiway	A related party in substance	Purchase	116,264	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(18,430)	1	
	Hang Zhou Haitec Company	The Company's subsidiary	Purchase	375,340	2	25 days	-	-	(7,368)	-	
YFC	Yulon Nissan	An investee accounted for by equity method	Purchase	21,015,748	49	Within 3 days	-	-	(140,062)	42	
	Luxgen	The same ultimate parent company	Purchase	2,965,144	7	Within 3 days	-	-	(43,563)	13	
	Sin Jang	The same ultimate parent company	Purchase	18,652,572	44	Payment on the day	-	-	-	-	
Yu Sing	YFC	The same ultimate parent company	Purchase	2,967,008	84	Receipt of payment on the day	-	-	(14,221)	23	
	Yulon Nissan	An investee accounted for by equity method	Purchase	365,699	10	Receipt of payment on the day	-	-	(17,692)	29	
	Kuen You Trading	The same ultimate parent company	Purchase	122,346	3	60 days	-	-	(12,052)	20	
Yushin	YFC	The same ultimate parent company	Purchase	1,799,163	81	Receipt of payment on the day	-	-	(10,125)	20	
	Yulon Nissan	An investee accounted for by equity method	Purchase	276,911	12	Receipt of payment on the day	-	-	(5,242)	10	
Yu Chang	YFC	The same ultimate parent company	Purchase	3,133,969	84	Receipt of payment on the day	-	-	(7,535)	11	
	Yulon Nissan	An investee accounted for by equity method	Purchase	439,940	12	Receipt of payment on the day	-	-	(17,365)	26	
Empower	YFC	The same ultimate parent company	Purchase	2,020,944	87	Receipt of payment on the day	-	-	(6,333)	7	
	Yulon Nissan	An investee accounted for by equity method	Purchase	332,409	13	Receipt of payment on the day	-	-	(1,297)	1	
Luxgen	The Company	The Parent company	Purchase	3,065,300	95	Within 10 days	-	3 days to 10 days	(137,809)	31	
Luxgen Taipei	YFC	The same ultimate parent company	Purchase	1,034,097	75	Receipt of payment on the day	-	-	(12,378)	26	
	Luxgen	The same ultimate parent company	Purchase	154,108	11	At sight	-	-	(21,404)	45	
Luxgen Taoyuan	YFC	The same ultimate parent company	Purchase	513,107	74	Receipt of payment on the day	-	-	(8,263)	43	
	Luxgen	The same ultimate parent company	Purchase	122,730	18	At sight	-	-	(479)	2	
Luxgen Taichung	YFC	The same ultimate parent company	Purchase	610,994	78	Receipt of payment on the day	-	-	(6,938)	42	
	Luxgen	The same ultimate parent company	Purchase	121,149	16	At sight	-	-	(439)	3	
Luxgen Tainan	YFC	The same ultimate parent company	Purchase	374,922	76	Receipt of payment on the day	-	-	(2,921)	51	
Luxgen Kaohsiung	YFC	The same ultimate parent company	Purchase	436,301	79	Receipt of payment on the day	-	-	(4,580)	100	
Hangchow Liangrun	Fuzhou Lianghong	The same ultimate parent company	Purchase	252,497	86	45 days	-	-	(64,126)	27	
Hang Zhou Haitec Company	Chuang Jie	The same ultimate parent company	Purchase	436,904	83	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	(72,010)	47	

(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, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Yulon Nissan	An investee accounted for by equity method	\$ 235,063 (Note 1)	165.75	\$ -	-	\$ 173,788	\$ -
	Luxgen	The Company's subsidiary	188,830 (Note 2)	17.11	-	-	114,042	-
	Dongfeng Yulon	An investee accounted for by equity method	358,919 (Note 5)	-	-	-	-	358,919
Union & NKH Auto Parts	The Company	The parent company	100,163 (Note 5)	0.04	-	-	100,967	-
Hangchow Liangrun	Dongfeng Yulon	An investee accounted for by equity method	156,031 (Note 6)	-	-	-	-	156,031
Union & NKH Auto Parts	China Motor	An investee accounted for by equity method	125,986 (Note 5)	0.05	-	-	118,108	-
Luxgen	Dongfeng Yulon	An investee accounted for by equity method	172,800 (Note 5)	-	-	-	-	172,800
Haitec	Dongfeng Yulon	An investee accounted for by equity method	7,069,623 (Note 3)	-	-	-	-	7,069,623
	Luxgen	Subsidiary	167,965 (Note 5)	-	-	-	35,342	132,623
	Yulon Motor Investment	The same ultimate parent company	103,422 (Note 6)	-	-	-	-	103,422
TAC Leasing (Suzhou)	Dongfeng Yulon	Other related parties	284,647	-	-	Depends on status of fund	-	284,647
Yulon Motor Finance	Dong Feng Yulon Sales Company	Other related parties	135,978	-	-	Depends on status of fund	-	135,978
Shinshin	YES Energy Service	The same ultimate parent company	524,674	-	-	Depends on status of fund	2,225	2,635
Yu-Jie	Dongfeng Yulon	An investee accounted for by equity method	217,763 (Note 6)	-	-	-	-	217,763
Yulon China	Wen Yang	The same ultimate parent company	586,134 (Note 6)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	108,678 (Note 6)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	130,413 (Note 6)	-	-	-	-	-
Ke Yu	Tai Feng	The same ultimate parent company	206,366 (Note 6)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	212,138 (Note 6)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
LUXGEN (Hangzhou) Motor Sales	Dong Feng Yulon Sales Company	Other related parties	\$ 670,369 (Note 6)	-	\$ -	-	\$ -	\$ 670,369
	Dongfeng Yulon	An investee accounted for by equity method	6,446,747 (Note 4)	-	-	-	-	6,446,644
Yulon Motor Investment	Dongfeng Yulon	An investee accounted for by equity method	290,895 (Note 6)	-	-	-	-	290,895
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	117,902 (Note 6)	-	-	-	-	-
Sheng Qing	Yu-Jie	The same ultimate parent company	173,884 (Note 6)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	166,059 (Note 6)	-	-	-	-	-
	Yulon Motor Investment	The same ultimate parent company	886,343 (Note 6)	-	-	-	-	-
	Dongfeng Yulon	An investee accounted for by equity method	156,496 (Note 6)	-	-	-	-	156,496
Union & NKH Auto Parts	Hangchow Liangrun	The same ultimate parent company	186,362 (Note 6)	-	-	-	-	-
Hangchow Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	105,420 (Note 5)	-	-	-	-	105,420
Hang Zhou Haitec Company	Dongfeng Yulon	An investee accounted for by equity method	535,676 (Note 5)	-	-	-	-	535,676
Hangchow Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	105,086 (Note 5)	-	-	-	-	105,086

Note 1: The receivables comprised account and notes receivable of \$166,431 thousand and other receivables of \$68,632 thousand.

Note 2: The receivables comprised account and notes receivable of \$137,809 thousand and other receivables of \$51,021 thousand.

Note 3: The receivables comprised account and notes receivable of \$6,410,785 thousand and other receivables of \$658,838 thousand.

Note 4: The receivables comprised account and notes receivable of \$5,212 thousand and other receivables of \$6,441,535 thousand.

Note 5: The receivables comprised account receivable.

Note 6: The receivables comprised other receivables.

(Concluded)

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, 2021
(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, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 9,032,436	\$ 3,025,993	\$ 1,453,134	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	141,526	44,592	8.05	3,983,679	4,181,835	265,132	-
	YFC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	174,851	45.75	6,737,137	5,153,626	2,266,284	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	393,578	(21,574)	(8,317)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	238,994	238,872	23,069	80.10	361,053	9,971	8,436	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	42,030	12,364	9,602	-
	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	594,130	10,482	3,769	-
	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	134,825	46,278	14,263	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	114,713	55,857	34,910	-
	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	531,137	118,592	52,545	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	104,251	21,194	1,897	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	776,907	1,077,221	42,660	60.00	215,885	71,560	38,420	-
	Yu Pong	New Taipei City, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	28,470	100.00	735,170	29,604	23,954	-
	Yung Hong	New Taipei City, Taiwan	Investments	537,311	537,311	77,622	100.00	723,872	45,410	45,410	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	186,926	19,999	99.99	237,386	22,329	19,431	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	789,878	320,000	64,454	38.16	616,420	(25,601)	(10,065)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	12,065	27.00	238,926	80,858	22,189	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	115,736	27,856	6,008	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	210,793	167,283	34,367	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	3,254	3.46	72,755	286,750	9,922	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,999	20.00	72,547	14,693	1,701	-
	Chan Yun	Hsinchu, Taiwan	Wholesale and retail of information software	58,594	58,594	16,664	87.71	34,425	568	498	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	1,081,157	1,081,157	108,000	100.00	1,100,850	(37,992)	(37,992)	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	505,189	17,999	99.99	137,557	19,325	3,561	-
	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	300,143	103,460	37,642	-
	Yulon Overseas	B.V.I.	Investments	32,302,352	32,321,598	1,082,406	100.00	7,015,972	(464,753)	(465,084)	-
	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,919,970	1,237,752	215,245	-
	Haitec	New Taipei City, Taiwan	Product design	10,296,755	9,561,755	820,900	61.09	(1,004,424)	(396,515)	(127,172)	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	71,416	26,603	5,073	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	28,640,000	28,640,000	605,000	100.00	409,955	(241,656)	(247,068)	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	-	32,991	-	-	-	16,813	-	-
	Yulon Construction	Taipei, Taiwan	Construction industry	3,034,485	3,034,485	122,100	100.00	3,255,614	47,172	(19,661)	-
	Hong Kong-Spicer	Hong Kong	Investment	56,475	56,475	1,585	20.50	50,380	233	48	-
Advance Power Machinery	Miaoli, Taiwan	Sales and producing of cars and related parts	10,787	10,787	500	100.00	16,532	5,012	5,012	-	
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	757,288	757,288	64,570	68.57	1,447,336	286,750	-	-
	Shinshin	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	274,997	100.00	4,840,796	1,060,195	-	-
	TAC Global	Samoa	Shareholding company	3,342,688	3,342,688	108,833	100.00	4,917,872	571,254	-	-
	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	213,004	1,237,752	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	8,100	27.00	104,350	14,693	-	-
	Yu Rich	New Taipei City, Taiwan	Installment loans of consumer products	1,160,662	1,160,662	159,876	100.00	2,912,098	973,387	-	-
	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	149,474	(96,837)	-	-
	Singan	Taipei, Taiwan	Sales of automobile - related products	315,157	315,157	21,004	73.26	396,668	181,064	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 23,277	\$ 56,085	\$ -	-
				246,407	246,407	29,000	100.00	227,501	9,836	-	-
YES Energy Service	Power Engineering	New Taipei City, Taiwan	Wholesale and retail sale of batteries	2,000	2,000	200	100.00	(14,954)	(1,979)	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	119,290	8,563	-	-
	Car-Plus Samoa	Samoa	Shareholding company	941,992	941,992	31,200	100.00	694,387	(92,486)	-	-
	Da-Wei	Taipei, Taiwan	Brokerage of electric vehicles	40,000	40,000	4,000	100.00	43,797	378	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	11,881	11,881	4,050	100.00	15,989	628	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	5,473	(2,114)	-	-
	Da-Chuan	Taipei, Taiwan	Taxi service	1,125	1,125	300	100.00	2,284	172	-	-
	Da-Mu	Taipei, Taiwan	Taxi service	1,575	1,575	600	100.00	2,358	73	-	-
	Da-Chung	Taipei, Taiwan	Taxi service	900	900	300	100.00	1,861	95	-	-
	Yong-Xiang	Taipei, Taiwan	Taxi service	3,810	3,810	300	100.00	4,242	374	-	-
	Guo-Ma	Taipei, Taiwan	Taxi service	2,286	2,286	400	100.00	2,415	97	-	-
	Jin-Yu	Taipei, Taiwan	Taxi service	3,048	3,048	300	100.00	3,368	187	-	-
	Zhong-Xing	Taipei, Taiwan	Taxi service	3,810	3,810	350	100.00	4,076	165	-	-
	Li-Yang	Taipei, Taiwan	Taxi service	5,381	5,381	900	100.00	6,432	978	-	-
	He-Yang	Taipei, Taiwan	Taxi service	2,032	2,032	600	100.00	2,170	120	-	-
	Jia-Yu	Taipei, Taiwan	Taxi service	1,778	1,778	300	100.00	1,882	77	-	-
	Tian-Yang	Taipei, Taiwan	Taxi service	2,159	2,159	600	100.00	2,571	358	-	-
	Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	17,473	1,238	-
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	22,438	485	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	385,771	40,151	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	263,825	29,887	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	563,805	563,805	19,200	60.00	44,696	(224,110)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	257,180	40,151	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	175,884	29,887	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	375,906	375,906	12,800	40.00	29,797	(224,110)	-	-
	Yu Rong International	Samoa	Shareholding company	2,698,460	2,698,460	87,496	100.00	4,459,769	632,743	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	9,014	485	-	-
Yulon Finance Philippines Corporation	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	149,474	(96,837)	-	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Philippine	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	149,474	(96,837)	-	-
Singan	Hsiang Shuo	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	241,225	69,178	-	-
	Singgual	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	210,692	40,558	-	-
	Sin Jang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	218,754	518,754	12,824	100.00	239,522	70,846	-	-
	Ching-Tong	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	75,578	6,746	100.00	35,696	2,171	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	35,269	454	0.08	28,787	4,181,835	-	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	472,511	682,685	28,440	40.00	367,157	71,560	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
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	\$ 108,884	\$ 103,460	\$ -	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	193,869	3,998	0.72	80,900	4,181,835	-	-
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	55,467	55,467	3,500	1.17	123,825	1,237,752	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	226,296	3,025,993	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,403	9	3,300	33.00	35,789	16,813	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	243	11	-	695	4,181,835	-	-
	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	46,278	-	-
	Yue Ki Samoa	Samoa	Investment	123,058	123,058	4,126	100.00	445,138	(83)	-	-
	Yue Ki HK	Hong Kong	Investment	330,094	330,094	10,600	100.00	37,655	476	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	25,455	4,185	-	-
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	58,565	7,213	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	20,487	12,296	-	-
	Yu Shin Investment	Samoa	Investment	98,111	98,111	350	100.00	44,622	(13,628)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	12,969	1,602	-	-
	Hong Yen	Samoa	Investment	213,774	190,062	213,774	100.00	39,545	(5,296)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	5,000	5,000	500	100.00	4,707	117	-	-
	Minxiang Leasing Company	Taichung, Taiwan	Lease of cars and related services	30,000	30,000	3,000	100.00	30,629	625	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	197,102	3,025,993	-	-
	Yu Chia	New Taipei City, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	2,600	100.00	29,406	261	-	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	27,996	27,996	22,005	59.64	116,399	(173,984)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	27,394	(1,852)	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	15,715	1,903	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	881,685	138,439	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	265	11	-	717	4,181,835	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	344,983	13,072	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	-	256	-	-	-	4,181,835	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,895,742	7,049	-	-
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	184,999	184,999	18,499	99.99	133,325	1,411	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	61,452	12,296	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	103,599	10,359	97.73	130,276	14,176	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	98,897	9,889	94.18	104,760	2,129	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	65,998	6,599	92.94	58,883	9,521	-	-
	Singan	New Taipei City, Taiwan	Sales of automobile - related products	81,191	81,191	5,670	19.78	107,078	181,064	-	-
	Haitec	New Taipei City, Taiwan	Product design	5,227,000	5,227,000	522,700	38.90	173,104	(396,515)	-	-
Yulon Construction	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	-	1,497	-	-	-	4,181,835	-	-
	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	56,934	6,978	-	-
Haitec	SinYi Co., Ltd.	New Taipei City, Taiwan	Wholesale and retail of cars and parts	-	500	-	-	-	140	-	-
	Hua-Chung Overseas Investment Co., Ltd	B.V.I.	Investments	490,393	490,393	5,465	100.00	(9,112)	(16,666)	-	-
	Foxtron Vehicle Technologies Corporation	New Taipei City, Taiwan	Product design	7,632,000	7,542,000	763,200	49.00	7,137,305	(784,587)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Hua-Chung Overseas Investment Co., Ltd	Haitec China Investment	Hong Kong	Investments	\$ 461,709	\$ 461,709	15,014	100.00	\$ (9,398)	\$ (16,666)	\$ -	-
Yulon Overseas	Yulon Philippine	Cayman	Investments	989,138	1,017,726	35,741	100.00	90,847	(895)	-	-
	Yulon China	B.V.I.	Investments	29,353,088	30,221,151	1,057,380	100.00	7,048,600	(463,491)	-	-
Yulon Philippine	UMPI & SCIC	Philippine	Manufacturing of cars and factory lease	808,090	831,445	10,914	100.00	89,310	(230)	-	-
	NPI	Philippine	Sale, maintenance and repair of cars and parts	65,108	66,990	12	24.50	-	152,966	-	-
Yulon China	Qing Yi	Samoa	Investments	424,168	436,427	-	100.00	88,696	6,337	-	-
	Wen Yang	Samoa	Investments	820,712	844,432	31,450	100.00	750,482	6,591	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	7,536,318	7,754,130	-	100.00	14,683	178	-	-
	Yulon China Holding	Cayman	Investments	19,865,385	20,439,529	702,043	100.00	5,419,231	(491,320)	-	-
	Feng Hua	Hong Kong	Investments	77,504	79,744	-	40.00	155,795	35,789	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	19,865,385	20,439,529	-	100.00	5,419,226	(491,320)	-	-

(Concluded)

TABLE 10

YULON MOTOR COMPANY LTD.

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	\$ 67,265	b.	\$ 55,763	\$ -	\$ -	\$ 55,763	\$ (3,777)	100.00	\$ (3,777)	\$ 486,661	\$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	782,612	b.	723,154	-	-	723,154	4,107	100.00	4,107	657,133	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	496,499	b.	445,203	-	-	445,203	321	100.00	321	313,602	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	522,805	b.	460,193	-	-	460,193	2,362	100.00	2,362	361,950	-	2, b.
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,404,202	b.	7,969,003	-	-	7,969,003	(1,645,555)	50.00	-	-	-	2, c.
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	191,962	b.	83,944	-	-	83,944	35,790	40.00	14,315	389,487	-	2, b.
Yulon Motor Investment	Investment, shareholding and related business	8,214,047	b.	1,745,943	-	-	1,745,943	(122,735)	100.00	(122,735)	4,781,756	-	2, b.
LUXGEN (Hangzhou) Motor Sales	Sales of cars and car parts	13,092,868	b.	12,928,809	-	-	12,928,809	(367,000)	100.00	(367,000)	141,382	-	2, a.
Yulon Motor Finance (China)	Car purchases and loans to car dealers for car purchases	4,347,100	a.	2,191,725	-	-	2,191,725	80,886	73.42	59,384	3,042,331	-	2, b.
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chasses, connection arms, crossrails of engines and other stamping and welding parts	139,075	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	59,409	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Xian Bo	Manufacturing and design of fixtures and jigs of vehicles, mechanical and electrical products; inner and external fittings and furnishing	74,712	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	173,504	b.	2,249	-	-	2,249	2,786	2.59	-	2,076	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	344,722	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Haitec Company	Product design	860,580	b.	-	-	-	-	(21,916)	99.94	(22,858)	(19,111)	-	2, a.

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	\$ 890,312	a.	\$ 228,152	\$ -	\$ -	\$ 228,152	\$ 404,665	20.50	\$ 82,956	\$ 249,792	\$ -	2, c.
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	373,532	a.	55,124	-	-	55,124	2,354	14.30	337	343,270	-	2, c.
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	652,065	b.	-	-	-	-	8,243	22.30	1,838	431,059	-	2, c.
Hangchow Yue Wan	Manufacturing of car parts	549,725	b.	267,362	-	-	267,362	851	80.75	687	81,192	-	2, c.
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	289,256	b.	44,327	-	-	44,327	(1,772)	29.06	56	91,582	-	2, c.
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	38,752	b.	-	-	-	-	2,094	14.82	310	66,342	-	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	138,400	b.	-	-	-	-	65,644	5.00	3,282	142,619	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	321,088	b.	-	-	-	-	594,428	6.00	35,666	875,102	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	451,942	b.	-	-	-	-	31,175	16.67	5,197	527,985	-	2, c.
Hangchow Liangrun	Manufacturing of car seats	644,443	b.	142,431	-	-	142,431	(4,065)	40.38	(1,860)	24,312	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	740,440	b.	-	-	-	-	(25,919)	10.00	(2,592)	1,231,032	-	2, c.
Yu-Jie	Construction industry	2,173,550	a.	-	-	-	-	(85,215)	100.00	(85,215)	1,921,929	-	2, b.
Car-Plus (Suzhou)	Lease of cars and related services	276,800	b.	-	-	-	-	40,151	39.20	15,738	641,896	-	2, b.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	276,800	b.	-	-	-	-	29,887	39.20	11,715	439,707	-	2, b.
Car-Plus Go Co., Ltd.	Lease of cars and related services	885,760	b.	-	-	-	-	(224,110)	37.12	(83,193)	74,492	-	2, b.
TAC Leasing (Suzhou)	Equipment and cars leasing business	2,089,729	b.	-	-	-	-	576,658	45.75	263,821	4,473,974	-	2, a.
TAC Finance Company	Equipment and cars leasing business	830,400	b.	-	-	-	-	140,213	56.60	79,361	8,764	-	2, b.
Zhe Jiang Cheng Yi Company	Equipment and cars leasing business	86,942	b.	-	-	-	-	(9,919)	56.60	(5,614)	(278)	-	2, c.
Hangzhou Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	6,521	b.	-	-	-	-	(310)	56.60	(175)	2,218	-	2, c.
Zhejiang Cheng-Yi Auction	Secondhand vehicle authentication and evaluation service	8,694	b.	-	-	-	-	3,407	56.60	1,928	6,674	-	2, c.
Shanghai Yu Guo	Sales of cars	-	b.	-	-	-	-	(112)	20.00	(22)	-	-	2, c.
Master Good Car (Wuhan)	Sales of cars	8,694	b.	-	-	-	-	(5,399)	56.60	(3,056)	(17,297)	-	2, c.
Genwise	Sales of car parts	49,031	b.	-	-	-	-	(225)	53.30	(120)	25,494	-	2, c.
Dong Yu Tech. Company	Sales of car parts	65,207	b.	-	-	-	-	-	17.99	(7,548)	-	-	2, c.
Fu Jian Yu Xin	Sales of cars	-	b.	-	-	-	-	(504)	100.00	(504)	-	-	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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Ning Bo Yu Cheng	Sales of cars	\$ -	b.	\$ -	\$ -	\$ -	\$ -	\$ (1,194)	100.00	\$ (1,194)	\$ -	\$ -	2, b.
Shanghai Yuming	Sales of cars	354,545	b.	-	-	-	-	(7,190)	32.62	(3,666)	(19)	-	2, b.
Ka Shing Yu Da	Sales of cars	116,359	b.	-	-	-	-	(5,431)	32.62	(2,814)	4,074	-	2, b.
Sheng Qing	Investments	5,388,974	b.	3,080,606	-	-	3,080,606	(13,911)	100.00	(13,911)	4,016,085	-	2, b.
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,434,209	b.	3,432,301	-	-	3,432,301	(172,409)	100.00	(172,409)	2,380,702	-	2, a.
Mei De	Computer software maintenance and computer system integration	345,594	b.	-	-	-	-	1,745	100.00	1,745	322,224	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	312,252	b.	-	-	-	-	1,936	100.00	1,936	148,970	-	2, b.
Jin Ce	Computer software maintenance and computer system integration	85,507	b.	-	-	-	-	(65)	100.00	(65)	65,189	-	2, b.
Yi Ding	Computer software maintenance and computer system integration	239,960	b.	-	-	-	-	(1,494)	100.00	(1,494)	138,585	-	2, b.
Dong Tai	Investments	318,208	b.	-	-	-	-	994	100.00	994	150,432	-	2, b.
Gao Te	Investments	252,132	b.	-	-	-	-	(2,017)	100.00	(2,017)	157,492	-	2, b.
Su Zhou Feng Shen	Sales of cars	208,661	b.	-	-	-	-	153,727	40.00	61,491	303,383	-	2, b.
Guang Zhou Yuan Du	Sales of cars	152,149	b.	-	-	-	-	(31,649)	51.00	(16,141)	77,534	-	2, b.
Zhu Hai Fu Te En	Sales of cars	153,018	b.	-	-	-	-	34,634	100.00	34,634	276,228	-	2, b.
Nanjing Hanhong	Sales of cars	569,470	b.	-	-	-	-	(12,148)	100.00	(12,148)	272,572	-	2, b.
Wuhan Yu Hsin	Sales of cars	434,710	b.	-	-	-	-	45,267	100.00	45,267	437,444	-	2, b.
Hangzhou Yu Zhong	Trading	43,471	b.	-	-	-	-	(17,575)	100.00	(17,575)	50,026	-	2, b.
Qingdao Yuanhuang	Sales of cars	-	b.	-	-	-	-	(42,045)	51.00	(21,443)	-	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	86,942	b.	-	-	-	-	(7,568)	60.00	(4,541)	(217,059)	-	2, b.
Chang Sha Yu Lu	Sales of cars	138,238	b.	-	-	-	-	2,679	100.00	2,679	7,360	-	2, b.
Hang Zhou Tang Yu	Investments	43,471	b.	-	-	-	-	(131)	100.00	(131)	37,794	-	2, b.
Hang Zhou Chien Yu	Investments	43,471	b.	-	-	-	-	(910)	100.00	(910)	(9,353)	-	2, b.
Zhuhai Yuhsin	Sales of cars	-	b.	-	-	-	-	130	100.00	130	-	-	2, b.
Shenzhen Yu Zhi	Sales of cars	-	b.	-	-	-	-	(2,879)	100.00	(2,879)	-	-	2, b.
Xiao Gan Yu Feng	Sales of cars	139,107	b.	-	-	-	-	37,252	100.00	37,252	261,217	-	2, b.
Su Zhou Feng Shun	Sales of cars	108,678	b.	-	-	-	-	72,129	40.00	28,851	278,370	-	2, b.

(Continued)

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					Outward	Inward							
Suzhou Yueshun	Sales of cars	\$ 43,471	b.	\$ -	\$ -	\$ -	\$ -	\$ 2,744	40.00	\$ 1,098	\$ 36,768	\$ -	2, b.
Su Chou Cheng Pin	Sales of cars	173,884	b.	-	-	-	-	6,044	40.00	2,417	198,220	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	43,471	b.	-	-	-	-	24,166	40.00	9,666	87,132	-	2, b.
Su Zhou Cheng Li	Sales of cars	65,207	b.	-	-	-	-	11,896	40.00	4,759	65,211	-	2, b.
Hang Zhou hsiao Yu	Investments	43,471	b.	-	-	-	-	(973)	99.00	(963)	(14,214)	-	2, b.
Nan Jing Yu Shang	Sales of cars	165,190	b.	-	-	-	-	(838)	100.00	(838)	4,856	-	2, b.
Hang Zhou Hua You	Sales of cars	34,777	b.	-	-	-	-	(3,738)	60.00	(2,243)	(222,493)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	43,471	b.	-	-	-	-	9,795	40.00	3,918	67,807	-	2, b.
Nan Jing Yu Hua	Sales of cars	191,272	b.	-	-	-	-	(13,746)	100.00	(13,746)	116,237	-	2, b.
Su Zhou Cheng Guo	Sales of cars	86,942	b.	-	-	-	-	(3,803)	40.00	(1,521)	33,955	-	2, b.
Su Zhou Cheng Hung	Sales of cars	43,471	b.	-	-	-	-	3,651	40.00	1,461	46,423	-	2, b.
Tai Chang Cheng Mau	Sales of cars	43,471	b.	-	-	-	-	15,066	40.00	6,026	88,760	-	2, b.
An Hui Min Tung	Sales of cars	-	b.	-	-	-	-	(6,005)	100.00	(6,005)	-	-	2, b.
An Ching Tsai Tung	Sales of cars	119,184	b.	-	-	-	-	265	100.00	265	116	-	2, b.
Tung Ling Kuo Tung	Sales of cars	73,523	b.	-	-	-	-	(508)	100.00	(508)	34,925	-	2, b.
Zi Bo Yu An	Sales of cars	67,119	b.	-	-	-	-	(221)	100.00	(221)	(2,326)	-	2, b.
Fu Zhou Yu Xin	Sales of cars	52,165	b.	-	-	-	-	(13,490)	100.00	(13,490)	29,332	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2021	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	\$33,856,289	\$35,394,116	\$42,419,714

Note 1: Method of investment have following type:

- 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 is no investment gains and losses, should be noted.

- b. The amounts 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 the net equity or consolidated net equity.

(Concluded)

TABLE 11**YULON MOTOR COMPANY LTD.****INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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, 2021 and 2020, 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, 2021 and 2020, 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 auditing standards generally accepted in 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, 2021. 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, 2021 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 2021 and 2020, 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2021 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 10, 2022

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, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 15,292,207	5	\$ 20,036,878	7
Financial assets at fair value through profit or loss (Note 7)	1,404,337	-	4,315,296	1
Financial assets at fair value through other comprehensive income (Note 8)	203,006	-	113,077	-
Derivative financial assets for hedging (Note 11)	484	-	1,594	-
Financial assets at amortized cost (Notes 9, 10 and 36)	5,919,832	2	4,386,706	1
Notes and trade receivable (Notes 12 and 36)	166,813,066	52	141,722,783	47
Notes and trade receivable from related parties (Notes 12, 35 and 36)	642,896	-	457,018	-
Finance lease receivables (Note 13)	23,048,596	7	22,838,380	7
Other receivables (Note 14)	2,884,919	1	1,818,711	1
Inventories (Notes 15, 29 and 36)	10,462,267	3	11,997,687	4
Other current assets (Note 35)	4,991,634	2	4,876,780	2
Incremental costs of obtaining a contract (Note 35)	3,191,248	1	2,621,758	1
Total current assets	<u>234,854,492</u>	<u>73</u>	<u>215,186,668</u>	<u>71</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	44,061	-	2,136	-
Financial assets at fair value through other comprehensive income (Note 8)	486,472	-	438,922	-
Financial assets at amortized cost (Notes 9 and 10)	1,126,362	-	624,140	-
Investments accounted for using the equity method (Notes 17 and 36)	28,028,713	9	28,968,473	10
Property, plant and equipment (Notes 18, 29, 35 and 36)	35,566,354	11	35,542,275	12
Right-of-use assets (Note 20)	2,648,561	1	3,190,202	1
Investment properties (Notes 19, 29 and 36)	14,953,989	5	11,832,290	4
Goodwill	882	-	882	-
Vehicle model development cost (Notes 21 and 29)	254,104	-	328,319	-
Other intangible assets (Notes 21 and 29)	417,497	-	475,147	-
Deferred tax assets (Note 30)	2,567,126	1	2,471,273	1
Long-term finance lease receivables (Note 13)	1,240,184	-	1,074,998	1
Refundable deposits (Note 35)	805,627	-	311,288	-
Other non-current assets	868,355	-	875,733	-
Total non-current assets	<u>89,008,287</u>	<u>27</u>	<u>86,136,078</u>	<u>29</u>
TOTAL	<u>\$ 323,862,779</u>	<u>100</u>	<u>\$ 301,322,746</u>	<u>100</u>

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	2021		2020	
	Amount	%	Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 22)	\$ 41,623,922	13	\$ 45,307,626	15
Short-term bills payable (Note 22)	130,764,899	40	106,544,979	35
Financial liabilities for hedging (Note 11)	349	-	1,541	-
Notes and trade payables	3,828,338	1	4,655,668	2
Notes and trade payable to related parties (Note 35)	1,265,765	1	1,817,464	1
Other payables (Notes 24 and 35)	9,085,622	3	12,327,544	4
Current tax liabilities (Note 30)	1,100,726	-	948,109	-
Provisions (Note 25)	91,040	-	159,271	-
Lease liabilities (Note 20)	578,022	-	604,309	-
Current portion of bonds payable (Note 23)	22,796,697	7	14,121,823	5
Current portion of long-term borrowings (Note 22)	1,771,703	1	1,480,632	-
Other current liabilities (Note 24)	14,088,055	4	13,040,517	4
Total current liabilities	226,995,138	70	201,009,483	66
NON-CURRENT LIABILITIES				
Bonds payable (Note 23)	8,300,000	3	15,300,000	5
Long-term borrowings (Note 22)	10,466,506	3	12,337,066	4
Provisions (Note 25)	397,396	-	641,441	-
Deferred tax liabilities (Note 30)	4,145,767	1	3,942,336	2
Lease liabilities (Note 20)	1,623,965	1	1,742,404	1
Net defined benefit liabilities (Note 26)	513,030	-	725,107	-
Other non-current liabilities (Note 24)	721,454	-	749,589	-
Total non-current liabilities	26,168,118	8	35,437,943	12
Total liabilities	253,163,256	78	236,447,426	78
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)				
Share capital				
Ordinary shares	10,000,000	3	10,000,000	3
Capital surplus	6,578,018	2	6,563,888	2
Retained earnings				
Legal reserve	8,281,822	2	8,281,822	3
Special reserve	22,228,565	7	24,228,565	8
Unappropriated earnings (accumulated deficits)	5,514,701	2	(363,310)	-
Total retained earnings	36,025,088	11	32,147,077	11
Other equity				
Exchange differences on translation of foreign operations	(1,287,377)	-	(1,118,814)	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,712,376	-	1,522,597	-
Gain on hedging instrument	62	-	24	-
Total other equity	425,061	-	403,807	-
Treasury shares	(376,304)	-	(376,304)	-
Total equity attributable to owners of the Company	52,651,863	16	48,738,468	16
NON-CONTROLLING INTERESTS (Note 27)	18,047,660	6	16,136,852	6
Total equity	70,699,523	22	64,875,320	22
TOTAL	\$ 323,862,779	100	\$ 301,322,746	100

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 28 and 35)				
Sales	\$ 46,558,700	60	\$ 53,786,768	65
Investment income	52,727	-	103,725	-
Rental revenue	8,384,902	11	8,177,344	10
Service revenue	3,111,070	4	3,311,791	4
Other operating revenue	<u>19,940,373</u>	<u>25</u>	<u>17,217,886</u>	<u>21</u>
Total operating revenue	<u>78,047,772</u>	<u>100</u>	<u>82,597,514</u>	<u>100</u>
OPERATING COSTS (Notes 15, 18, 21, 26, 29 and 35)				
Cost of goods sold	42,271,840	54	48,541,228	59
Rental cost	6,774,246	9	6,541,523	8
Service cost	1,842,231	2	2,161,336	2
Other operating cost	<u>3,738,497</u>	<u>5</u>	<u>6,735,840</u>	<u>8</u>
Total operating costs	<u>54,626,814</u>	<u>70</u>	<u>63,979,927</u>	<u>77</u>
GROSS PROFIT	23,420,958	30	18,617,587	23
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>2,576</u>	<u>-</u>	<u>12,018</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>23,423,534</u>	<u>30</u>	<u>18,629,605</u>	<u>23</u>
OPERATING EXPENSES (Notes 26, 29 and 35)				
Selling and marketing expenses	7,933,813	10	7,681,741	9
General and administrative expenses	5,355,693	7	5,738,720	7
Research and development expenses	360,377	1	1,364,120	2
Expected credit loss	<u>2,637,866</u>	<u>3</u>	<u>5,063,486</u>	<u>6</u>
Total operating expenses	<u>16,287,749</u>	<u>21</u>	<u>19,848,067</u>	<u>24</u>
PROFIT (LOSS) FROM OPERATIONS	<u>7,135,785</u>	<u>9</u>	<u>(1,218,462)</u>	<u>(1)</u>
NON-OPERATING INCOME				
Other income (Note 29)	906,538	1	1,010,417	1
Other gains and losses (Notes 29 and 35)	(157,222)	-	2,423,204	3
Finance costs (Note 29)	(478,043)	(1)	(821,441)	(1)
Share of profit of associates and joint ventures accounted for by the equity method (Note 17)	2,032,007	3	4,031,743	5
Interest income (Note 29)	<u>258,743</u>	<u>-</u>	<u>298,087</u>	<u>-</u>

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Total non-operating income	<u>2,562,023</u>	<u>3</u>	<u>6,942,010</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	9,697,808	12	5,723,548	7
INCOME TAX EXPENSE (Note 30)	<u>1,955,493</u>	<u>2</u>	<u>883,986</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>7,742,315</u>	<u>10</u>	<u>4,839,562</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 26)	148,721	-	(7,250)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	88,795	-	7,373	-
Share of the other comprehensive income of associates and joint ventures accounted for by the equity method	<u>126,140</u>	<u>-</u>	<u>70,111</u>	<u>-</u>
	<u>363,656</u>	<u>-</u>	<u>70,234</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(120,315)	-	163,749	-
Gain on hedging instruments not subject to basis adjustment	111	-	61	-
Share of the other comprehensive (loss) income of associates and joint ventures accounted for by the equity method	<u>(93,613)</u>	<u>-</u>	<u>6,945</u>	<u>-</u>
	<u>(213,817)</u>	<u>-</u>	<u>170,755</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>149,839</u>	<u>-</u>	<u>240,989</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,892,154</u>	<u>10</u>	<u>\$ 5,080,551</u>	<u>6</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,715,516	6	\$ 2,739,210	3
Non-controlling interests	<u>3,026,799</u>	<u>4</u>	<u>2,100,352</u>	<u>3</u>
	<u>\$ 7,742,315</u>	<u>10</u>	<u>\$ 4,839,562</u>	<u>6</u>

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,899,266	6	\$ 2,949,501	3
Non-controlling interests	<u>2,992,888</u>	<u>4</u>	<u>2,131,050</u>	<u>3</u>
	<u>\$ 7,892,154</u>	<u>10</u>	<u>\$ 5,080,551</u>	<u>6</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$4.82</u>		<u>\$2.80</u>	
Diluted	<u>\$4.82</u>		<u>\$2.80</u>	

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

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company												
	Retained Earnings					Exchange Differences on Translating Foreign Operations	Other Equity		Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings		Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income						
BALANCE, JANUARY 1, 2020	\$ 15,729,199	\$ 6,566,495	\$ 8,281,822	\$ 39,373,565	\$ (23,880,202)	\$ (1,255,680)	\$ 1,397,517	\$ (4)	\$ (376,304)	\$ 45,836,408	\$ 11,244,743	\$ 57,081,151	
Capital reduction for covering accumulated deficit	(5,729,199)	-	-	-	5,729,199	-	-	-	-	-	-	-	
Appropriation of the 2019 earnings													
Special reserve	-	-	-	(15,145,000)	15,145,000	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,293,234)	(1,293,234)	
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(2,607)	-	-	(4,527)	-	-	-	-	(7,134)	-	(7,134)	
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	-	-	-	-	(40,307)	-	-	-	-	(40,307)	-	(40,307)	
Net profit for the year ended December 31, 2020	-	-	-	-	2,739,210	-	-	-	-	2,739,210	2,100,352	4,839,562	
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	(9,363)	136,866	82,760	28	-	210,291	30,698	240,989	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	2,729,847	136,866	82,760	28	-	2,949,501	2,131,050	5,080,551	
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(42,851)	-	42,851	-	-	-	-	-	
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	531	-	(531)	-	-	-	-	-	
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	-	-	-	-	4,054,293	4,054,293	
BALANCE, DECEMBER 31, 2020	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													
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	-	-	-	-	28,854	-	(28,854)	-	-	-	-	-	
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	

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, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 9,697,808	\$ 5,723,548
Profit and loss		
Depreciation expense	7,305,341	8,091,102
Amortization expense	2,957,547	2,677,899
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(29,804)	(38,706)
Finance costs	3,012,335	3,797,371
Interest income	(17,774,485)	(15,923,588)
Dividend income	(85,539)	(26,680)
Share of profit of subsidiaries, associates and joint ventures	(2,032,007)	(4,031,743)
Loss (gain) on disposal of property, plant and equipment	118,519	(681,587)
(Gain) loss on disposal of investment properties	(121)	14,143
(Gain) loss on disposal of intangible assets	(9,016)	28,111
Loss (gain) on deconsolidation of subsidiary	73,241	(4,040,489)
Gain on disposal of investments accounted for using the equity method	(31,100)	(422)
Impairment loss recognized on financial assets	-	738
Impairment loss recognized on non-financial assets	651,748	2,790,669
Expected credit loss	2,637,866	5,063,486
Realized gain on the transactions with associates and joint ventures accounted for by the equity method	(1,907)	(2,568)
Realized gain on foreign currency exchange	(9,144)	(34,609)
(Gain) loss on modification of lease	(3,572)	18,964
(Reversal) recognition of provisions	(165,207)	28,542
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,907,437	(1,270,134)
Notes and trade receivable	(28,006,111)	(10,988,873)
Other receivables	(1,172,508)	138,074
Inventories	930,791	1,149,905
Other current assets	(184,538)	771,538
Finance lease receivables	(279,217)	4,283,112
Available-for-operating-lease assets	(6,525,542)	(5,316,321)
Incremental cost of obtaining a contract	(3,308,711)	(2,436,781)
Other operating assets	(559,787)	325,259
Notes and trade payable	(1,370,271)	379,548
Other payables	(2,576,102)	4,091,532
Provisions	(147,069)	(175,341)
Guarantee deposits received	220,859	(463,295)
Other current liabilities	843,456	432,232
Accrued pension liabilities	(67,164)	(283,381)
Other operating liabilities	(24,993)	(183,250)
Cash used in operations	(33,006,967)	(6,091,995)
Interest received	17,590,226	15,748,753

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Interest paid	\$ (3,050,186)	\$ (4,184,571)
Income tax paid	<u>(1,728,122)</u>	<u>(1,306,714)</u>
Net cash (used in) generated from operating activities	<u>(20,195,049)</u>	<u>4,165,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(80,000)	(1,642)
Proceeds from financial assets at fair value through other comprehensive income	33,867	66,551
Purchase of financial assets at amortized cost	(7,308,276)	(4,072,570)
Proceeds from financial assets at amortized cost	5,263,314	9,536,783
Payments for disposal of investments accounted for using the equity method	(552,150)	-
Proceeds from disposal of investments accounted for using the equity method	116,163	199
Net cash (outflow) inflow on disposal of subsidiary	(9,108)	21,837
Payments for property, plant and equipment	(1,825,619)	(3,235,982)
Proceeds from disposal of property, plant and equipment	962,291	1,536,937
(Increase) decrease in refundable deposits	(521,149)	56,943
Payments for intangible assets	(155,054)	(324,791)
Proceeds from intangible assets	24,991	-
Payments for investment properties	(2,210,804)	(1,798,478)
Proceeds from investment properties	1,418	38,598
Dividends received	<u>3,652,256</u>	<u>3,733,337</u>
Net cash (used in) generated from investing activities	<u>(2,607,860)</u>	<u>5,557,722</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	134,704,861	117,023,460
Repayment of short-term borrowings	(138,199,987)	(139,897,554)
Proceeds from short-term bonds payable	399,812,930	324,967,931
Repayment of short-term bonds payable	(375,549,938)	(316,838,794)
Issuance of bonds payable	3,743,375	8,100,976
Repayment of bonds	(2,100,000)	(4,350,000)
Proceeds from long-term borrowings	23,950,709	25,676,238
Repayment on long-term borrowings	(25,531,884)	(28,495,067)
Repayment of financial liabilities measured at cost	-	(753,630)
Change in guarantee deposits	(6,525)	648,705
Repayment of lease liabilities	(630,799)	(653,403)
Dividends paid	(2,148,097)	(1,214,015)
Change in non-controlling interests	<u>107,267</u>	<u>(40,307)</u>
Net cash generated from (used in) financing activities	<u>18,151,912</u>	<u>(15,825,460)</u>

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ (93,674)	\$ (8,792)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,744,671)	(6,111,057)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>20,036,878</u>	<u>26,147,935</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 15,292,207</u>	<u>\$ 20,036,878</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, 2021 AND 2020 (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 10, 2022.

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 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018–2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture”

will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group evaluates that amendments to other 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
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, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are 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 4: 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 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 Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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 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 related to the contract applicable under IFRS 15 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. 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. 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 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 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.

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

	December 31	
	2021	2020
Cash on hand	\$ 25,797	\$ 20,171
Checking accounts and demand deposits	12,914,597	16,564,754
Cash equivalent		
Time deposits with original maturities within 3 months	2,351,286	3,451,322
Third-party payment service deposits	<u>527</u>	<u>631</u>
	<u>\$ 15,292,207</u>	<u>\$ 20,036,878</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic quoted shares	\$ 9,373	\$ 9,619
Mutual funds	798,544	3,789,176
Hybrid financial assets		
Structured deposits	481,222	301,971
Principal guaranteed financial assets	<u>115,198</u>	<u>214,530</u>
	<u>\$ 1,404,337</u>	<u>\$ 4,315,296</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	\$ 2,076	\$ 2,136
Mutual funds	<u>41,985</u>	<u>-</u>
	<u>\$ 44,061</u>	<u>\$ 2,136</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Quoted stocks	\$ <u>203,006</u>	\$ <u>113,077</u>
<u>Non-current</u>		
Domestic investments		
Quoted stocks	\$ 78,701	\$ 31,303
Domestic unlisted shares	407,022	406,095
Others	<u>749</u>	<u>1,524</u>
	<u>\$ 486,472</u>	<u>\$ 438,922</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>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets - current</u>		
Time deposits with original maturity more than 3 months	\$ 2,752,369	\$ 3,557,812
Reserve account	325,573	270,324
Restricted Bank deposit	948,703	4
Pledged time deposits	7,215	19,457
Bank deposit for specified purpose	22,799	54,116
Debt instruments investment	1,532,353	484,493
Beneficiary right of the real estate trust (a)	<u>335,858</u>	<u>-</u>
	5,924,870	4,386,706
Less: Allowance for impairment loss	<u>(5,038)</u>	<u>-</u>
	<u>\$ 5,919,832</u>	<u>\$ 4,386,706</u>

(Continued)

	December 31	
	2021	2020
<u>Financial assets - non-current</u>		
Central Government Development Bonds (b)	\$ 7,478	\$ 15,245
Pledged time deposits	45,596	44,630
Restricted Bank deposit	632,633	558,320
Time deposits with original maturity more than 3 months	434,710	-
Debt instruments investment	<u>9,900</u>	<u>9,900</u>
	1,130,317	628,095
Deduct: Allowance for loss	<u>(3,955)</u>	<u>(3,955)</u>
	<u>\$ 1,126,362</u>	<u>\$ 624,140</u>
		(Concluded)

- a. Shinshin acquired debt instruments which is beneficiary right of the real estate trust from July to December 2021, with yearly effective interest rate of 3.69%-5.01%, and with maturity date in year 2022 to 2024.
- 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 of August 16, 2022 and February 13, 2021, respectively. As of December 31, 2021 and 2020, Yulon Finance Co, Ltd. and Shinshin pledged Central Government Development Bonds with face value of \$2,600 thousand and \$4,700 thousand, respectively, as guarantee deposits for evidence of claims in the courthouse.
- c. Yulon Motor Finance (China) Co., Ltd. holds the creditor's right to the beneficiary securities issued by trust institutions through accounts receivable securitization in March and September 2019. The value of the first time issue of priority trust beneficiary rights is RMB530 million, which accounts for 85.13% of total beneficiary rights. Among the priority trust beneficiary rights, the value of the A1-category is RMB310 million, and the annual beneficiary rate is 4.6%, which has expired in September 2019. The value of the A2-category is RMB150 million, and the annual beneficiary rate is 4.8%, which has expired in February 2020. The value of the B-category is RMB70 million, and the annual beneficiary rate is 6.5%, which has expired in May 2020. The interest is paid monthly for such beneficiary certificates. The value of the secondary beneficiary right is RMB93 million, and there is no annual beneficiary rate, which has expired in July 2020. The value of the second time issue of priority trust beneficiary rights is RMB251 million, which accounts for 81.07% of total beneficiary rights. Among the priority trust beneficiary rights, the value of the A1-category is RMB74 million, and the annual beneficiary rate is 4.2%, which has expired in December 2019. The value of the A2-category is RMB151 million, and the annual beneficiary rate is 5.2%, which has expired in October 2020. The value of the B-category is RMB26 million, and the annual beneficiary rate is 6.5%, which has expired in November 2020. The interest is paid monthly for such beneficiary certificates. The value of the secondary beneficiary rights is RMB59 million, and there is no annual beneficiary rate, which has expired in November 2020.
- d. Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.

- e. 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.

	<u>December 31</u>	
	2021	2020
Gross carrying amount	\$ 7,055,187	\$ 5,014,801
Less: Allowance for impairment loss	<u>(8,993)</u>	<u>(3,955)</u>
Amortized cost	<u>\$ 7,046,194</u>	<u>\$ 5,010,846</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>	
	2021	2020
<u>Financial assets under hedge accounting</u>		
Cash flow hedges - interest rate swaps	<u>\$ 484</u>	<u>\$ 1,594</u>
<u>Financial liabilities under hedge accounting</u>		
Cash flow hedges - interest rate swaps	<u>\$ 349</u>	<u>\$ 1,541</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, 2021 and December 31, 2020

Notional Amounts (In Thousands)	Maturity Date	Interest Rates - Receipt	Interest Rates - Payment
\$ 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>	
	<u>2021</u>	<u>2020</u>
Notes and trade receivables	\$ 210,965,262	\$ 177,304,626
Less: Allowance for impairment loss	(13,408,027)	(12,790,762)
Unrealized interest income	<u>(30,101,273)</u>	<u>(22,334,063)</u>
	<u>\$ 167,455,962</u>	<u>\$ 142,179,801</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	More Than 180 Days	Total
<u>December 31, 2021</u>				
Gross carrying amount	\$ 171,378,967	\$ 1,413,857	\$ 8,071,165	\$ 180,863,989
Loss allowance (Lifetime ECL)	<u>(5,204,068)</u>	<u>(165,820)</u>	<u>(8,038,139)</u>	<u>(13,408,027)</u>
Amortized cost	<u>\$ 166,174,899</u>	<u>\$ 1,248,037</u>	<u>\$ 33,026</u>	<u>\$ 167,455,962</u>
<u>December 31, 2020</u>				
Gross carrying amount	\$ 143,587,444	\$ 2,142,719	\$ 9,240,400	\$ 154,970,563
Loss allowance (Lifetime ECL)	<u>(3,141,537)</u>	<u>(463,176)</u>	<u>(9,186,049)</u>	<u>(12,790,762)</u>
Amortized cost	<u>\$ 140,445,907</u>	<u>\$ 1,679,543</u>	<u>\$ 54,351</u>	<u>\$ 142,179,801</u>

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

	<u>For the Year Ended December 31</u>	
	2021	2020
Balance at January 1	\$ 12,790,762	\$ 12,803,452
Add: Net remeasurement of loss allowance	2,680,281	3,267,672
Add: Amounts recovered	471,970	328,157
Less: Reclassification	-	(617)
Less: Amounts written off	(2,526,014)	(3,484,481)
Less: Amounts related to loss of control	-	(129,990)
Foreign exchange gains and losses	<u>(8,972)</u>	<u>6,569</u>
Balance at December 31 (Note)	<u>\$ 13,408,027</u>	<u>\$ 12,790,762</u>

Note: As of December 31, 2021, 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 \$7,699,454 thousand and \$159,807 thousand.

13. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 19,366,566	\$ 18,977,361
Year 2	7,190,101	7,316,573
Year 3	2,357,714	2,631,490
Year 4	1,038,361	1,241,016
Year 5	282,865	285,761
Year 6 onwards	<u>309,386</u>	<u>169,773</u>
	30,544,993	30,621,974
Less: Unearned finance income	(3,396,171)	(3,499,449)
Less: Allowance for impairment loss	<u>(2,860,042)</u>	<u>(3,209,147)</u>
Discounted unguaranteed residual value	<u>\$ 24,288,780</u>	<u>\$ 23,913,378</u>
Net investment in leases presented as finance lease receivables	<u>\$ 24,288,780</u>	<u>\$ 23,913,378</u>

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.40 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 are denominated in New Taiwan dollars with average lease term of 10.82 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 2.54%-13.98% and 2.47%-13.98% per annum as of December 31, 2021 and 2020, 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, 2021

	Not Past Due	1-180 Days	More Than 180 Days	Total
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>

December 31, 2020

	Not Past Due	1-180 Days	More Than 180 Days	Total
Gross carrying amount	\$ 22,386,761	\$ 2,037,023	\$ 2,698,741	\$ 27,122,525
Loss allowance (Lifetime ECL)	<u>(266,551)</u>	<u>(243,855)</u>	<u>(2,698,741)</u>	<u>(3,209,147)</u>
Amortized cost	<u>\$ 22,120,210</u>	<u>\$ 1,793,168</u>	<u>\$ -</u>	<u>\$ 23,913,378</u>

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

	<u>For the Year Ended December 31</u>	
	2021	2020
Balance at January 1	\$ 3,209,147	\$ 2,258,211
Add: Net remeasurement of loss allowance	(4,757)	1,081,013
Add: Amounts recovered	28,253	13,909
Less: Amounts written off	(359,421)	(195,721)
Foreign exchange gains and losses	<u>(13,180)</u>	<u>51,735</u>
Balance at December 31	<u>\$ 2,860,042</u>	<u>\$ 3,209,147</u>

Note: As of December 31, 2021, the balance included the loss allowance of receivable from related party of the Group - Dongfeng Yulon Motor Co., Ltd. of \$284,647 thousand.

14. OTHER RECEIVABLES

	<u>December 31</u>	
	2021	2020
Other receivable - at amortized cost	\$ 11,926,236	\$ 10,952,089
Less: Allowance for impairment loss	<u>(9,041,317)</u>	<u>(9,133,378)</u>
	<u>\$ 2,884,919</u>	<u>\$ 1,818,711</u>

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 9,133,378	\$ 8,910,958
Add: Net remeasurement of loss allowance	(42,696)	714,801
Add: Reclassification	-	617
Less: Amounts related to loss of control	-	(565,706)
Less: Actual write-off	(21,975)	-
Foreign exchange gains and losses	<u>(27,390)</u>	<u>72,708</u>
Balance at December 31 (Note)	<u>\$ 9,041,317</u>	<u>\$ 9,133,378</u>

Note: As of December 31, 2021, 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 \$8,281,709 thousand and \$677,725 thousand, respectively.

15. INVENTORIES

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

	December 31	
	2021	2020
Finished goods	\$ 2,808,628	\$ 3,675,705
Work in progress	291,276	899,533
Raw materials	<u>2,750,759</u>	<u>2,899,246</u>
	<u>5,850,663</u>	<u>7,474,484</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>1,159,969</u>	<u>-</u>
	<u>1,164,310</u>	<u>4,341</u>
<u>Construction land</u>		
Property under construction	<u>3,447,294</u>	<u>4,518,862</u>
	<u>\$ 10,462,267</u>	<u>\$ 11,997,687</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$42,271,840 thousand and \$48,541,228 thousand, respectively.

The cost of goods sold for the years ended December 31, 2021 and 2020 included reversal of inventory write-downs of \$178,678 thousand and inventory write-downs \$235,411 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; refer to Note 20.

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 December 31		Remark	
			2021	2020		
The Company	Yulon Finance Corporation ("Yulon Finance Corporation")	Sale and lease of cars and parts	45.75	45.75	-	
	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	-	
	Yue Sheng Industrial Co., Ltd. ("Yue Sheng")	Car manufacture and furnishing; manufacture, installation and sale of car parts	80.10	80.07	-	
	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	3.46	The Group owned 72.03% of Car-plus in the two reporting periods.	
	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 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	61.09	58.84	The Group owned 99.99% of Haitec in the two reporting periods.	
	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	-	
	Yulon Finance Corporation	Shinshin	Installment-related financing services for car and truck purchases	100.00	100.00	-
		Car-plus Auto	Car lease and trade	68.57	68.57	The Group owned 72.03% of Car-plus in the two reporting periods.
		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 in 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		Shareholding company	100.00	100.00	-	
YES-Energy		Wholesale and retail of batteries	100.00	100.00	-	
Car-plus Auto	Power Engineering Co., Ltd.	Wholesale and retail of batteries	100.00	100.00	-	
	Diamond Leasing Service Corporation ("Diamond Leasing")	Car sale and lease	100.00	100.00	-	
	Car-Plus Global Investment (Samoa) Co., Ltd. ("Car-Plus Samoa")	Shareholding company	100.00	100.00	-	
	Hong Shou Culture Enterprise Co., Ltd. ("Hong Shou Culture")	Publication	100.00	100.00	-	
	Da-Wei Technology Co., Ltd. ("Da-Wei")	Brokerage of electric vehicles	100.00	100.00	-	
Sin Gan	Singual Travel Service Co., Ltd. ("Singual Travel")	Sale of information software, telecommunications equipment and maintenance of cars and parts	100.00	100.00	-	
	Hsiang Shou Enterprise Co., Ltd. ("Hsiang Shou")	Towing	100.00	100.00	-	
Singual Travel	Sin Jang	Sales and brokerage of secondhand vehicles	100.00	100.00	-	
	Qinton Motor Co., Ltd. ("Qinton")	Sale and maintenance of cars and parts	100.00	100.00	-	
	Shang Hai Jing-Huei Investment Co., Ltd. ("Shang Hai Jing-Huei")	Sale of car equipment and parts	100.00	100.00	-	

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark	
			December 31			
			2021	2020		
Da-Wei	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	-	
	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	Sinjiang International Investment (Samoa) Co., Ltd. ("Sinjiang Samoa")	Holding company	71.34	71.34	The Group owned 100% of Sinjiang (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	-	
TAC Global	Car-Plus China Investment (Samoa) Co., Ltd.	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.	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.	Holding company	40.00	40.00	-	
	Yu Rong International Investment (Samoa) Co., Ltd.	Holding company	100.00	100.00	-	
	Sinjiang International Investment (Samoa) Co., Ltd.	Holding company	28.66	28.66	The Group owned 100% of Sinjiang (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 trading	100.00	100.00	-	
Car-Plus Hangzhou	CAR-PLUS GO Co., Ltd.	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 in the two reporting periods.	
TAC Financial Leasing	Zhejiang Cheng-Yi	Sales and brokerage of secondhand vehicles	100.00	100.00	-	
Zhejiang Cheng-Yi	Shanghai YuGuo Auto Trade Co., Ltd	Car trade	-	100.00	Liquidated in 3rd quarter of 2021	
	Hangzhou Cheng-Yi-Jun Used-cars Authenticated Evaluation Service Co., Ltd.	Secondhand vehicle authentication and evaluation service	100.00	100.00	-	
	Zhejiang ChengYi Auction Co., Ltd.	Car trading	100.00	100.00	-	
	Wuhan TAC Auto Trade Co., Ltd.	Secondhand vehicles authentication and evaluation service	100.00	100.00	-	
Yulon Finance Overseas	Yulon Finance Philippines	Shareholding company	100.00	100.00	-	
Yulon Finance Philippines	Yulon Finance Philippines Corporation	Financial lease of car and loans to car dealers for purpose of purchasing automobiles	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	-	
Yu Shin Investment Ltd.	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 TAC Financial in the three reporting periods.	
	Yu Shin Investment ("Yu Shin Investment")	Investments	100.00	100.00	-	
	Fu Jian Yu Xin Auto Sales & Services Co., Ltd. ("Fu Jian Yu Xin")	Sale and maintenance and repair of cars and parts.	-	49.00	Liquidated in 4 th quarter of 2021.	
Sin Chi Company	Fu Zhou Yu xin Auto Technology Co., Ltd ("Fu Zhou Yu xin")	Sale and maintenance and repair of cars and parts.	100.00	100.00	-	
	Yu Chia Motor Co., Ltd. ("Yu Chia")	Sale, maintenance and repair of heavy vehicles and parts	100.00	100.00	-	
Yu Pong	Yulon TOBE Motor Co., Ltd. ("Yulon TOBE")	Sale of cars and parts	59.64	100.00	Capital increase by non-related parties in 2nd quarter of 2021	
	Yu Ching	Import and export and sale of cars and parts	40.00	40.00	The Group owned 100% of Yu Ching in the three reporting periods.	
Yulon Construction	Hangzhou Yu-Jie Real Estate Co., Ltd. ("Yu-Jie")	Construction	100.00	100.00	-	
Yulon Overseas	Yufong Property Management Co., Ltd.	Management consulting and lease of real estate	100.00	100.00	-	
	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. ("Yulon China HK")	Investments	100.00	100.00	-	
	Feng Hua Investment Co., Ltd. ("Feng Hua")	Investments	40.00	40.00	-	
Yulon China Holding	Yulon China Holding Co., Ltd. ("Yulon China Holding")	Investments	100.00	100.00	-	
	Yulon China (HK) Holding Limited ("Yulon China (HK) Holding")	Investments	100.00	100.00	-	
Yulon China (HK) Holding	Yulon China Motor Investment Limited ("Yulon China Motor Investment")	Investments	100.00	100.00	-	
	Xiamen Young Chang Investment Co., Ltd. ("Xiamen Young Chang")	Renders consulting services on cars, electronics, textiles and related products	100.00	100.00	-	
	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale of cars and parts	97.75	100.00	The Group owned 100% of Luxgen (Hangzhou) in the two reporting periods.	
Yulon China Motor Investment	TAC Financial Leasing Co., Ltd.	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	3.23	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.	
Chuang Jie New Energy Co., Ltd.	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale of cars and parts	2.25	-	The Group owned 100% of Luxgen (Hangzhou) in the two reporting periods.	
Xiamen Young Chang	Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")	Investments	16.13	16.13	The Group owned 100% of Sheng Qing in the two reporting periods.	
Feng Hua	Su Zhou Chen Long Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Long")	Sale and maintenance of cars and parts	100.00	100.00	-	
Qing Yi	Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")	Manufacturing of key car components, electric cars and related parts	44.11	44.11	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.	
	Hangchow Liangrun Motor Parts Co., Ltd. ("Hangchow Liangrun")	Manufacturing of car seats and developing the related market	20.50	20.50	The Group owned 100% of Hangchow Y-Teks in the two reporting periods.	
	Hangchow Y-Teks Automotive Trim Parts ("Hangchow Y-Teks")	Manufacturing and sale of car interior furnishing and related business	-	13.87	Yushin (HK) acquired 13.87% of Hangchow Y-Teks from Qing Yi in 4 th quarter of 2021	

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31	2020	
			2021	2020	
Wen Yang	Qing Tai (Nan Jing) Technology Co., Ltd. ("Qing Tai")	Computer software maintenance and computer system integration	100.00	100.00	-
	Tai Feng (Nan Jing) Software Technology Co., Ltd. ("Tai Feng")	Computer software maintenance and computer system integration	100.00	100.00	-
	Ke Yu (Nan Jing) Information Technology Co., Ltd. ("Ke Yu")	Computer software maintenance and computer system integration	100.00	100.00	-
Qing Tai	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	-
	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.
Tai Feng	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.
	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	-
Jin Ce	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.
Shi Cheng	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.
Yi Ding	Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")	Investments	90.00	90.00	The Group owned 100% of Gao Te in the two reporting periods.
Dong Tai	Hang Zhou Tang Yu Investment Co., Ltd. ("Hang Zhou Tang Yu")	Investments	100.00	100.00	-
	An Hui Min Tung Auto Sale & Service Co., Ltd. ("An Hui Min Tong")	Sale and maintenance of cars and parts	-	35.09	Liquidated in 3 rd quarter of 2021
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	Sale and maintenance of cars and parts	29.56	29.56	The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.
	Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	32.38	32.38	The Group owned 100% of Zi Bo Yu An in the two reporting periods.
	Zhu Hai Fu Te En Industry & Trade Co., Ltd. ("Zhu Hai Fu Te En")	Sale and maintenance of cars and parts	100.00	100.00	-
Sheng Qing	Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. ("Guang Zhou Yuan Du")	Sale and maintenance of cars and parts	51.00	51.00	-
	Su Zhou Feng Shen Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shen")	Sale and maintenance of cars and parts	40.00	40.00	-
	Nanjing Hanhong Motor Trading Co., Ltd. ("Nanjing Hanhong")	Sale and maintenance of cars and parts	100.00	100.00	-
	Wuhan Yu Hsin Auto Sale & Service Co., Ltd. ("Wuhan Yu Hsin")	Sale and maintenance of cars and parts	100.00	100.00	-
	Jiangmen Junxing Auto Sale & Service Co., Ltd. ("Jiangmen Junxing")	Sale and maintenance of cars and parts	-	60.00	Sold in the 1 st quarter of 2021
	Shanghai Yuming Auto Sale & Service Co., Ltd. ("Shanghai Yuming")	Sale and maintenance of cars and parts	-	51.00	Hong Yen acquired 51% of Shanghai Yuming from Sheng Qing in the 4 th quarter of 2021. The Group owned 100% of Shanghai Yuming in the two reporting periods.
	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	-	30.60	Sold in the 4 th quarter of 2021
	Hang Zhou Yu Zhong Trading Co., Ltd. ("Hang Zhou Yu Zhong")	Trading	100.00	100.00	-
	Ning Bo Yu Cheng Auto Sales & Services Co., Ltd. ("Ning Bo Yu Cheng")	Sale, maintenance and repair of cars and parts	-	100.00	Liquidated in 3 rd quarter of 2021.
	Fu Jian Yu Xin	Sale, maintenance and repair of cars and parts	-	51.00	Liquidated in 4 th quarter of 2021.
	Hang Zhou Hua Zhi Auto Sales & Services Co., Ltd. ("Huang Zhou Hua Zhi")	Sale, maintenance and repair of cars and parts	60.00	60.00	-
	Changsha Yu Lu Auto Sale & Service Co., Ltd. ("Changsha Yu Lu")	Sale and maintenance of cars and parts	100.00	100.00	-
	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")	Sale and maintenance of cars and parts	100.00	100.00	-
An Hui Min Tung Auto Sale & Service Co., Ltd. ("An Hui Min Tong")	Sale and maintenance of cars and parts	-	64.91	Liquidated in 3 rd quarter of 2021.	
Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	Sale and maintenance of cars and parts	70.44	70.44	The Group owned 100% of Tong Ling Kuo Tong in the two reporting periods.	
Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	67.62	67.62	The Group owned 100% of Zi Bo Yu An in the two reporting periods.	
Gao Te	Hang Zhou Qian Yu Investment Co., Ltd. ("Hang Zhou Qian Yu")	Investments	100.00	100.00	-
	Su Zhou Cheng Long	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Cheng Long	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 Shen	Su Zhou Feng Shun Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shun")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Yueshun Auto Sale & Service Co., Ltd. ("Su Zhou Yueshun")	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Cheng Pin	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	-
	Tai Chang Cheng Mau Auto Sale & Service Co., Ltd. ("Tai Chang Cheng Mau")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Feng Shun	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Li Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Li")	Sale and maintenance of cars and parts	100.00	100.00	-
Zhu Hai Fu Te En	Zhuhai Yuhsin Auto Sales & Parts Co., Ltd. ("Zhuhai Yuhsin")	Sale and maintenance of cars and parts	-	100.00	Liquidated in 2 nd quarter of 2021.
	Shenzhen Yu Zhi Auto Sales & Services Co., Ltd. ("Shenzhen Yu Zhi")	Sale and maintenance of cars and parts	-	100.00	Liquidated in 2 nd quarter of 2021.
Guang Zhou Yuan Du	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	-	40.00	Sold in 4 th quarter of 2021.
Jiang Men Junxing Auto Sale & Service Co., Ltd. ("Jiang Men Junxing")	Jiang Men Yuli Auto Sale & Service Co., Ltd. ("Jiang Men Yuli")	Sale and maintenance of cars and parts	-	100.00	Sold in 1 st quarter of 2021.
Wuhan Yu Hsin Auto Sale & Service Company	Xiao Gan Yu Feng Auto Sale & Service Co., Ltd. ("Xiao Gan Yu Feng")	Sale and maintenance of cars and parts	100.00	100.00	-
Hang Zhou Hua Zhi	Hang Zhou Hua You Auto Sales & Services Co., Ltd. ("Hang Zhou Hua You")	Sale and maintenance of cars and parts	100.00	100.00	-
Nanjing Hanhong Trading Company	Nan Jing Yu Shang Auto Sale & Service Co., Ltd. ("Nan Jing Yu Shang")	Sale and maintenance of cars and parts	100.00	100.00	-
	Nan Jing Yu Hua Auto Sale & Service Co., Ltd. ("Nan Jing Yu Hua")	Sales and maintenance of cars and parts	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership		Remark
			December 31	2020	
Hang Zhou Qien Yu	Hang Zhou Hsiao Yu Business Co., Ltd. ("Hang Zhou Hsiao Yu")	Investments	90.00	90.00	The Group owned 99% of Hang Zhou Hsiao Yu in the two reporting periods.
Hang Zhou Tang Yu	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.
Hang Zhou Hsiao Yu	Hang Zhou Haitec Co., Ltd.	Car design	6.08	-	The Group owned 100% of Hang Zhou Hsiao Yu in the two reporting periods.
Yulon Philippine	Univation Motor Philippines, Inc. (UMPI)	Car manufacturing	100.00	100.00	-
	Sta. Cruz Island Corporation (SCIC)	Plant lease	100.00	100.00	-
Y-Teks	Yu-Hsin Intl Investment Co., Ltd. ("Yu-Hsin Intl")	Investments	66.67	66.67	-
Yu-Hsin Intl	Yu-Hsin Intl (H.K) Investment Co., Ltd. ("Yu-Hsin Intl HK")	Investments	100.00	100.00	-
Yu-Hsin Intl HK	Hangchow Y-Teks Automotive Trim Parts ("Hangchow Y-Teks")	Manufacturing and sale of car interior furnishing and related business	100.00	86.13	Yu-Hsin Intl HK acquired 13.87% of Hangzhou Y-Teks from Qing Yi in 4 th quarter of 2021
	Changzhou Y-Teks Automotive Trim Parts ("Changzhou Y-Teks")	Manufacturing and sale of car interior furnishing and related business	51.00	51.00	-
Union & NKH Auto Parts Company	Uni Investment Co., Ltd. ("Uni Investment")	Investments	100.00	100.00	-
Uni Investment	Fuzhou Lianghong Motor Parts Co., Ltd. ("Fuzhou Lianghong")	Manufacturing of car seats and developing the related market	66.67	66.67	-
	Hangchow Liangrun Motor Parts Co., Ltd. ("Hangchow Liangrun")	Manufacturing of car seats and developing the related market	79.50	79.50	The Group owned 100% of Hangchow 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	Y-Teks Co., Ltd. ("Y-Teks")	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 Y-Teks in the two reporting periods.
	Yueki Industrial Co., Ltd. ("Yueki")	Manufacturing and sale of car components	0.08	0.08	-
Yu Chang Company	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 related products	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 related products	1.10	1.10	The Group owned 98.9% 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 trading	100.00	100.00	-
Hong Yen	Shanghai Yuming	Sale and maintenance of cars and parts	100.00	49.00	Hong Yen acquired 51% of Shanghai Yuming from Sheng Qing in the 4 th quarter of 2021. The Group owned 100% of Shanghai Yuming in the two reporting periods.
Shanghai Yuming	Jia Hsin Yuda	Sales and maintenance of cars and parts	100.00	100.00	-
Luxgen	Luxgen Taipei	Sale, maintenance and repair of cars and parts	99.99	99.99	-
	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 Taichung	Sale, maintenance and repair of cars and parts	97.73	97.73	The Group owned 98.9% of Luxgen Taichung in the two reporting periods.
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	94.18	94.18	-
	Luxgen Kaohsiung	Sale, maintenance and repair of cars and parts	92.94	92.94	The Group owned 96.5% of Luxgen Kaohsiung in the two reporting periods.
	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.	Product design of cars	38.90	41.15	The Group owned 99.99% of Haitec in two reporting periods.
Haitec	SinYi Co., Ltd. ("SinYi")	Wholesale and retail of cars and parts	-	100.00	Liquidated in 1 st quarter of 2021
	Hua-Chung Overseas Investment Co., Ltd. ("Hua-Chung Overseas")	Investments	100.00	100.00	-
Hua-Chung Overseas	Haitec China Investment Company ("Haitec China")	Investments	100.00	100.00	-
	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	50.18	96.77	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.

(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	2020
YFC	54.25%	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		Accumulated Non-controlling Interests	
	For the Year Ended		December 31	
	2021	2020	2021	2020
YFC (excluding its subsidiaries' non-controlling interests)	\$ 2,782,132	\$ 1,689,351	\$ 13,092,936	\$ 11,277,818

The summarized financial information below represents amounts before intragroup eliminations.

Yulon Finance Corporation and Yulon Finance Corporation's subsidiaries:

	December 31	
	2021	2020
Current assets	\$ 206,489,620	\$ 178,973,088
Non-current assets	25,621,805	23,619,939
Current liabilities	(201,884,859)	(176,306,678)
Non-current liabilities	<u>(4,696,787)</u>	<u>(4,198,289)</u>
Equity	<u>\$ 25,529,779</u>	<u>\$ 22,088,060</u>
Equity attributable to:		
Owners of Yulon Finance Corporation	\$ 11,808,783	\$ 10,200,779
Non-controlling interests of Yulon Finance Corporation	13,092,936	11,277,818
Non-controlling interests of Yulon Finance Corporation's subsidiaries	<u>628,060</u>	<u>609,463</u>
	<u>\$ 25,529,779</u>	<u>\$ 22,088,060</u>
	For the Year Ended December 31	
	2021	2020
Revenue	<u>\$ 31,962,181</u>	<u>\$ 29,632,864</u>
Net profit from continuing operations	\$ 5,359,643	\$ 2,897,250
Other comprehensive income (loss) for the year	<u>(56,220)</u>	<u>140,710</u>
Total comprehensive income for the year	<u>\$ 5,303,423</u>	<u>\$ 3,037,960</u>

(Continued)

	For the Year Ended December 31	
	2021	2020
Profit attributable to:		
Owners of YFC	\$ 2,486,033	\$ 1,131,259
Non-controlling interests of YFC	2,782,132	1,689,351
Non-controlling interests of YFC's subsidiaries	<u>91,478</u>	<u>76,640</u>
Total net revenue	<u>\$ 5,359,643</u>	<u>\$ 2,897,250</u>
Total comprehensive income attributable to:		
Owners of YFC	\$ 2,456,628	\$ 1,210,490
Non-controlling interests of YFC	2,759,508	1,746,915
Non-controlling interests of YFC's subsidiaries	<u>87,287</u>	<u>80,555</u>
Total comprehensive income	<u>\$ 5,303,423</u>	<u>\$ 3,037,960</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (23,500,178)	\$ 1,102,419
Investing activities	(908,433)	51,919
Financing activities	23,624,921	81,509
Net foreign exchange gains/(losses)	<u>(25,361)</u>	<u>66,058</u>
Net cash (outflow) inflow	<u>\$ (809,051)</u>	<u>\$ 1,301,905</u>
Dividends paid to non-controlling interest:		
Non-controlling interests of YFC	\$ 942,075	\$ 940,762
Non-controlling interests of YFC's subsidiaries	<u>63,209</u>	<u>44,773</u>
	<u>\$ 1,005,284</u>	<u>\$ 985,535</u>

(Concluded)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investment in associates	\$ 28,028,713	\$ 28,960,884
Investment in joint venture	<u>-</u>	<u>7,589</u>
	<u>\$ 28,028,713</u>	<u>\$ 28,968,473</u>

a. Investments in associates

	December 31	
	2021	2020
Material associates		
Yulon Nissan Motor Co., Ltd.	\$ 9,455,834	\$ 10,770,926
China Motor Company	4,094,778	4,146,769
Foxtron Vehicle Technologies Co., Ltd.	<u>7,137,305</u>	<u>7,431,785</u>
	20,687,917	22,349,480
Non-material associates	<u>7,340,796</u>	<u>6,611,404</u>
	<u>\$ 28,028,713</u>	<u>\$ 28,960,884</u>

1) Material associates

Name	December 31	
	2021	2020
Yulon Nissan Motor Co., Ltd.	50.02%	50.02%
China Motor Company	8.86%	8.87%
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	
	2021	2020
Yulon Nissan Motor Co., Ltd.	\$ 37,362,450	\$ 38,862,950
China Motor Company	3,110,784	2,484,713

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	
	2021	2020
Current assets	\$ 5,203,802	\$ 8,299,093
Non-current assets	19,449,673	19,465,537
Current liabilities	(2,321,931)	(2,483,233)
Non-current liabilities	<u>(3,330,836)</u>	<u>(3,606,846)</u>
Equity	<u>\$ 19,000,708</u>	<u>\$ 21,674,551</u>
Proportion of the Group's ownership	50.02%	50.02%
Equity attributable to the Group	\$ 9,504,154	\$ 10,841,610
Unrealized gain or loss with associates	<u>(48,320)</u>	<u>(70,684)</u>
Carrying amount	<u>\$ 9,455,834</u>	<u>\$ 10,770,926</u>
	For the Year Ended December 31	
	2021	2020
Revenue	<u>\$ 24,668,384</u>	<u>\$ 29,660,638</u>
Net income	\$ 3,025,993	\$ 6,540,938
Other comprehensive income	<u>(140,836)</u>	<u>(58,711)</u>
Total comprehensive income	<u>\$ 2,885,157</u>	<u>\$ 6,482,227</u>
Dividends received from Yulon Nissan Motor Co., Ltd.	<u>\$ 2,780,427</u>	<u>\$ 3,191,564</u>

China Motor Company and subsidiaries

	December 31	
	2021	2020
Current assets	\$ 19,520,745	\$ 20,378,864
Non-current assets	35,214,369	34,218,829
Current liabilities	(6,765,189)	(7,272,243)
Non-current liabilities	<u>(1,644,897)</u>	<u>(1,618,806)</u>
Equity	46,325,028	45,706,644
Non-controlling interest	<u>(3,652,898)</u>	<u>(3,583,254)</u>
	<u>\$ 42,672,130</u>	<u>\$ 42,123,390</u>
Proportion of the Group's ownership	8.86%	8.87%
Equity attributable to the Group	\$ 3,780,751	\$ 3,736,345
Unrealized gain or loss in associates	(90)	(116)
Intersect shareholding (accounted for by the treasury stock method)	<u>314,117</u>	<u>410,540</u>
Carrying amount	<u>\$ 4,094,778</u>	<u>\$ 4,146,769</u>

For the Year Ended December 31

	2021	2020
Revenue	<u>\$ 31,125,399</u>	<u>\$ 30,874,600</u>
Net income	<u>\$ 4,403,484</u>	<u>\$ 3,540,548</u>
Other comprehensive income	<u>186,693</u>	<u>129,049</u>
Total comprehensive income	<u>\$ 4,590,177</u>	<u>\$ 3,669,597</u>
Dividends received from China Motor Company	<u>\$ 343,553</u>	<u>\$ -</u>

Foxtron Technologies

	December 31	
	2021	2020
Current assets	\$ 6,863,186	\$ 7,731,094
Non-current assets	8,230,562	7,849,916
Current liabilities	(452,833)	(411,217)
Non-current liabilities	<u>(74,986)</u>	<u>(2,407)</u>
Equity	<u>\$ 14,565,929</u>	<u>\$ 15,167,386</u>
Proportion of the Group's ownership	49.00%	49.00%
Equity attributable to the Group	<u>\$ 7,137,305</u>	<u>\$ 7,431,785</u>
Carrying amount	<u>\$ 7,137,305</u>	<u>\$ 7,431,785</u>

	For the Year Ended December 31	
	2021	2021
Revenue	<u>\$ 66,218</u>	<u>\$ -</u>
Net income	<u>\$ (784,587)</u>	<u>\$ (223,010)</u>
Other comprehensive income	<u>(549)</u>	<u>(1,925)</u>
Total comprehensive income	<u>\$ (785,136)</u>	<u>\$ (224,935)</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
(Loss) profit for the year	\$ 483,600	\$ 317,591
Other comprehensive income (loss)	<u>73,561</u>	<u>40,447</u>
Total comprehensive (loss) income for the year	<u>\$ 557,161</u>	<u>\$ 358,038</u>

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the 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, 2021 and 2020 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, 2021 and 2020 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

	December 31	
	2021	2020
Joint ventures that are not individually material	<u>\$ -</u>	<u>\$ 7,859</u>
	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Loss for the year	<u>\$ -</u>	<u>\$ -</u>
Total comprehensive income (loss) for the year	<u>\$ -</u>	<u>\$ -</u>

The Group exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. (“Dong Yu Tech. Company”), whose 75% investment in this entity and 50% 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.

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. The carrying amount of the investment was zero as of December 31, 2021. Since the development of Dong Feng Yulon Motor Sales Co., Ltd. was not happening as expected, the Group decided and applied for pre-reorganization proceedings, and with the support of the local government, on November 3, 2021, the Intermediate People's Court of Hangzhou City, Zhejiang Province ruled to accept the case. The Group continued to cooperate with the relevant court procedures, continued to declare the claims and confirmed the reorganization plan proposed by the intended investors.

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, 2021 and 2020 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, 2021 and 2020 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
Cost							
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>
Accumulated depreciation and impairment							
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>\$ 4,150,847</u>	<u>\$ 2,462,329</u>	<u>\$ 552,348</u>	<u>\$ 1,325,603</u>	<u>\$ 514,839</u>	<u>\$ 15,713,717</u>

(Continued)

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2020	\$ 6,849,724	\$ 8,484,786	\$ 20,265,319	\$ 1,833,966	\$ 7,802,074	\$ 688,480	\$ 45,924,349
Effect of loss of control	-	(60,352)	(22,604)	(34,352)	(477,261)	-	(594,569)
Effect of disposal of consolidated entities	-	-	(1,556)	(4,177)	(32,318)	-	(38,051)
Additions	-	78,016	1,120,876	439,827	253,989	725,543	2,618,251
Disposals	(253,870)	(165,063)	(766,849)	(617,845)	(583,570)	(1,736)	(2,388,933)
Effect of foreign currency exchange differences	(27,621)	27,218	26,613	(911)	(73,691)	2,179	(46,213)
Reclassifications	311,208	1,132,001	(468,101)	(11,627)	61,301	(980,357)	44,425
Balance at December 31, 2020	<u>\$ 6,879,441</u>	<u>\$ 9,496,606</u>	<u>\$ 20,153,698</u>	<u>\$ 1,604,881</u>	<u>\$ 6,950,524</u>	<u>\$ 434,109</u>	<u>\$ 45,519,259</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2020	\$ -	\$ (4,399,487)	\$(17,074,720)	\$ (504,129)	\$ (5,666,092)	\$ (53,019)	\$ (27,697,447)
Effect of loss of control	-	60,352	52,576	34,352	447,289	-	594,569
Effect of disposal of consolidated entities	-	-	1,441	2,314	23,082	-	26,837
Disposals	-	84,915	752,948	199,460	485,270	-	1,522,593
Reclassifications	-	(53,118)	6,950	(17,773)	98,939	-	34,998
Impairment loss	-	(27,526)	(1,093,065)	(178,761)	(7,877)	-	(1,307,229)
Depreciation expense	-	(304,004)	(367,362)	(281,838)	(521,441)	-	(1,474,645)
Effect of foreign currency exchange differences	-	(13,979)	(23,175)	329	62,485	-	25,660
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ (4,652,847)</u>	<u>\$(17,744,407)</u>	<u>\$ (746,046)</u>	<u>\$ (5,078,345)</u>	<u>\$ (53,019)</u>	<u>\$(28,274,664)</u>
Carrying amount at December 31, 2020	<u>\$ 6,879,441</u>	<u>\$ 4,843,759</u>	<u>\$ 2,409,291</u>	<u>\$ 858,835</u>	<u>\$ 1,872,179</u>	<u>\$ 381,090</u>	<u>\$ 17,244,595</u>

(Concluded)

For the years ended December 31, 2021 and 2020, the brand segments evaluated that the sales volume of the remaining vehicle models declined and some of the vehicle models terminated the development; therefore, the recoverable amounts of some equipment were lower than the carrying amounts. As a result, there were impairment losses of \$775,448 thousand and \$1,307,229 thousand for 2021 and 2020.

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% and 9.25% at December 31, 2021 and 2020.

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
Leased assets	3 years or according to terms of lease

b. Assets leased under operating leases

VehiclesCost

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>

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 \$ 19,852,637

Cost

Balance at January 1, 2020	\$ 27,719,862
Additions	9,531,414
Disposals	(8,597,408)
Reclassifications	(85,116)
Effect of foreign currency exchange differences	<u>18,939</u>
Balance at December 31, 2020	<u>\$ 28,587,691</u>

Accumulated depreciation and impairment

Balance at January 1, 2020	\$ (9,565,590)
Disposals	5,011,038
Recognized reversal of impairment losses	1,017
Reclassifications	42,934
Depreciation	(5,772,410)
Effect of foreign currency exchange differences	<u>(7,000)</u>
Balance at December 31, 2020	<u>\$ (10,290,011)</u>

Carrying amounts at December 31, 2020 \$ 18,297,680

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 year ended December 31, 2021 and 2020, the Group recognized reversal of impairment losses due to the sale of second-handed vehicles for \$94,040 thousand and \$1,017 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

	Freehold Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 5,636,388	\$ 7,554,988	\$ 13,191,376
Reclassifications to property, plant and equipment	167,549	709,141	876,690
Reclassifications to property under construction	-	522,266	522,266
Additions	-	2,210,804	2,210,804
Disposals	(905)	(565)	(1,470)
Effect of foreign currency exchange differences	<u>(528)</u>	<u>(20,260)</u>	<u>(20,788)</u>
Balance at December 31, 2021	<u>\$ 5,802,504</u>	<u>\$ 10,976,374</u>	<u>\$ 16,778,878</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ -	\$ (1,359,086)	\$ (1,359,086)
Reclassifications to property, plant and equipment	-	(417,617)	(417,617)
Recognized Impairment loss	-	(36)	(36)
Depreciation expense	-	(61,890)	(61,890)
Disposal	-	173	173
Effect of foreign currency exchange differences	<u>-</u>	<u>13,567</u>	<u>13,567</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (1,824,889)</u>	<u>\$ (1,824,889)</u>
Carrying amount at December 31, 2021	<u>\$ 5,802,504</u>	<u>\$ 9,151,485</u>	<u>\$ 14,953,989</u>

(Continued)

	Freehold Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2020	\$ 4,746,524	\$ 5,157,623	\$ 9,904,147
Reclassifications to property, plant and equipment	(311,208)	(1,264,155)	(1,575,363)
Reclassifications to property under construction	1,253,791	1,863,414	3,117,205
Additions	-	1,798,478	1,798,478
Disposals	(52,741)	-	(52,714)
Effect of foreign currency exchange differences	<u>22</u>	<u>(372)</u>	<u>(350)</u>
Balance at December 31, 2020	<u>\$ 5,636,388</u>	<u>\$ 7,554,988</u>	<u>\$ 13,191,376</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ -	\$ (1,579,574)	\$ (1,579,574)
Reclassifications to property, plant and equipment	-	287,139	287,139
Depreciation expense	-	(66,808)	(66,808)
Effect of foreign currency exchange differences	<u>-</u>	<u>157</u>	<u>157</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ (1,359,086)</u>	<u>\$ (1,359,086)</u>
Carrying amount at December 31, 2021	<u>\$ 5,636,388</u>	<u>\$ 6,195,902</u>	<u>\$ 11,832,290</u>

(Concluded)

The investment properties are depreciated on a straight-line basis over their estimated useful lives of 30 to 60 years.

The fair values of investment assets as of December 31, 2021 and 2020 based on the valuation by an independent professional appraiser were \$29,743,032 thousand and \$29,197,259 thousand.

20. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Carrying amount</u>		
Land	\$ 1,061,357	\$ 1,577,884
Buildings	1,549,039	1,569,039
Vehicles	11,878	18,471
Others	<u>26,287</u>	<u>24,808</u>
	<u>\$ 2,648,561</u>	<u>\$ 3,190,202</u>

	For the Year Ended December 31	
	2021	2020
Additions of right-of-use assets	<u>\$ 644,855</u>	<u>\$ 562,958</u>
Depreciation charge for right-of-use assets		
Land	\$ 143,880	\$ 182,242
Buildings	475,662	557,512
Vehicles	7,010	12,669
Others	<u>25,309</u>	<u>24,636</u>
	<u>\$ 651,861</u>	<u>\$ 777,059</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 578,002</u>	<u>\$ 604,309</u>
Non-current	<u>\$ 1,623,965</u>	<u>\$ 1,742,404</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	0.9%-6.41%	0.9%-6.41%
Buildings	0.88%-7.08%	0.9%-7.08%
Vehicles	0.74%-5.34%	0.9%-5.24%
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

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 72,292</u>	<u>\$ 109,079</u>
Expenses relating to low-value asset leases	<u>\$ 6,367</u>	<u>\$ 12,797</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 12,826</u>	<u>\$ 21,500</u>
Total cash outflow for leases	<u>\$ (722,284)</u>	<u>\$ (796,779)</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

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
<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>
<u>Cost</u>			
Balance at January 1, 2020	\$ 19,814,704	\$ 1,627,250	\$ 21,441,954
Additions	326,876	170,732	497,608
Reclassifications	(5,897,888)	13,171	(5,884,717)
Disposals	(389,907)	(53,147)	(443,054)
Effect of foreign currency exchange differences	1,528	4,581	6,109
Balance at December 31, 2020	<u>\$ 13,855,313</u>	<u>\$ 1,762,587</u>	<u>\$ 15,617,900</u>

(Continued)

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2020	\$ (13,505,630)	\$ (1,166,673)	\$ (14,672,303)
Amortization expense	(173,042)	(120,288)	(293,330)
Impairment loss	(1,224,632)	(24,141)	(1,249,046)
Reclassifications	1,376,310	(360)	1,375,950
Disposals	-	25,047	25,047
Effect of foreign currency exchange differences	-	(752)	(752)
Balance at December 31, 2020	<u>\$ (13,526,994)</u>	<u>\$ (1,287,440)</u>	<u>\$ (14,814,434)</u>
Carrying amount at December 31, 2020	<u>\$ 328,319</u>	<u>\$ 475,147</u>	<u>\$ 803,466</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 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. Please refer to Note 17.

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% and 9.25% at December 31, 2021 and 2020. The Group recognized impairment loss in 2021 and 2020 were \$140,177 and \$1,224,632 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, the other intangible assets of the Group, was acquired by Car-Plus (Suzhou) Auto Leasing Co., Ltd. and Car-Plus Leasing (Shanghai) for operating purpose. The ownership can be transacted in the market, and can also be transferred to various vehicles; thus, it was classified as intangible assets with infinite useful life.

The decrease in the recoverable amount of vehicle registration plates led to recognition of impairment loss of \$8,805 thousand and reversal of impairment loss of \$428 thousand in 2021 and 2020. 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	2-3 years
Motor design and research and development outputs	Units-of-production method
Others	1-10 years

22. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Secured borrowings (Note 36)		
Bank loans	\$ 3,948,005	\$ 3,974,704
Unsecured borrowings		
Line of credit borrowings	<u>37,675,917</u>	<u>41,332,922</u>
	<u>\$ 41,623,922</u>	<u>\$ 45,307,626</u>
Interest rate	0.75%-5.70%	0.75%-6.95%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ 131,038,822	\$ 106,747,380
Less: Unamortized discount on bills payable	<u>273,923</u>	<u>202,401</u>
	<u>\$ 130,764,899</u>	<u>\$ 106,544,979</u>
Interest rate	0.37%-1.87%	0.37%-2.05%

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

	December 31	
	2021	2020
Secured borrowings(Note)		
Bank loans	\$ 8,167,251	\$ 10,263,184
Unsecured borrowings		
Credit borrowings	395,575	408,906
Commercial paper (recurring)	3,675,383	3,145,608
Less: Current portion long-term borrowings	<u>(1,771,703)</u>	<u>(1,480,632)</u>
	<u>\$ 10,466,506</u>	<u>\$ 12,337,066</u>
Interest rates	0.74%-5.15%	0.91%-5.23%

Note: Haitec Co., Ltd. borrowed a total of NT\$12.199 billion from 17 financial institutions, and as the original loan maturity date expired, Haitec Co., Ltd. consulted with the 17 financial institutions and reached a consensus and adopted a joint loan case model; 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\$1.67 billion in 2021.

23. BONDS PAYABLE

	December 31	
	2021	2020
<u>Convertible bonds</u>		
Unsecured domestic bonds	\$ 26,850,000	\$ 25,200,000
Secured domestic bonds	4,288,000	4,288,000
Less: Discounts on bonds payable	<u>(41,303)</u>	<u>(66,177)</u>
	31,096,697	29,421,823
Less: Current portion	<u>(22,796,697)</u>	<u>(14,121,823)</u>
Bonds payable - non-current	<u>\$ 8,300,000</u>	<u>\$ 15,300,000</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 Company issued three-year maturity, unsecured corporate bonds on May 12, 2017, August 11, 2017, January 8, 2018, August 20, 2020, and November 9, 2020 with issuance amounts of \$2 billion, \$2.35 billion, \$2.1 billion, \$1.7 billion and \$2.2 billion and simple interest rates of 1.07%, 1.02%, 0.85%, 0.85% and 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 May 12, 2017, August 11, 2017 and January 8, 2018, had been repaid on May 12, 2020, August 11, 2020 and January 8, 2021.

Yulon Finance Company 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 Company 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

	December 31	
	2021	2020
<u>Current</u>		
Other payables		
Equipment payables	\$ 1,263,403	\$ 1,670,165
Accrued expense payable	5,782,909	7,467,083
Dividends payable	236,260	289,948
Others	<u>1,803,050</u>	<u>2,900,348</u>
	<u>\$ 9,085,622</u>	<u>\$ 12,327,544</u>
Other liabilities		
Guarantee deposits received	\$ 10,694,490	\$ 10,487,968
Others	<u>3,393,565</u>	<u>2,552,549</u>
	<u>\$ 14,088,055</u>	<u>\$ 13,040,517</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 695,310	\$ 698,287
Others	<u>26,144</u>	<u>51,302</u>
	<u>\$ 721,454</u>	<u>\$ 749,589</u>

25. PROVISIONS

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Financial guarantee provisions	\$ 89,048	\$ 156,060
Warranties	<u>1,992</u>	<u>3,211</u>
	<u>\$ 91,040</u>	<u>\$ 159,271</u>
<u>Non-current</u>		
Warranties	<u>\$ 397,396</u>	<u>\$ 641,441</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, Ching-Tong 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:

	December 31	
	2021	2020
Present value of the defined benefit obligation	\$ 1,834,600	\$ 2,165,878
Fair value of plan assets	<u>(1,396,437)</u>	<u>(1,491,385)</u>
Net defined benefit liability	<u>\$ 438,163</u>	<u>\$ 674,493</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
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>
Balance at January 1, 2020	<u>\$ 2,422,456</u>	<u>\$ (1,464,590)</u>	<u>\$ 957,866</u>
Service cost			
Current service cost	28,939	-	28,939
Net interest expense (income)	<u>17,911</u>	<u>(11,558)</u>	<u>6,353</u>
Recognized in profit or loss	<u>46,850</u>	<u>(11,558)</u>	<u>35,292</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(50,028)	(50,028)
Actuarial loss - changes in demographic assumptions	9,436	-	9,436
Actuarial loss - changes in financial assumptions	60,209	-	60,209
Actuarial gain - experience adjustments	<u>(12,367)</u>	<u>-</u>	<u>(12,367)</u>
Recognized in other comprehensive income	<u>57,278</u>	<u>(50,028)</u>	<u>7,250</u>
Contributions from the employer	-	(174,782)	(174,782)
Benefits paid	<u>(360,706)</u>	<u>209,573</u>	<u>(151,133)</u>
Balance at December 31, 2020	<u>\$ 2,165,878</u>	<u>\$ (1,491,385)</u>	<u>\$ 674,493</u> (Concluded)

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:

	December 31	
	2021	2020
Discount rate(s)	0.5%-0.69%	0.35%-0.75%
Expected rate(s) of salary increase	1%-2.5%	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:

	December 31, 2021	December 31, 2020
Discount rate(s)		
0.25% increase	<u>\$(47,800)</u>	<u>\$ (59,929)</u>
0.25% decrease	<u>\$ 54,475</u>	<u>\$ 65,803</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 52,972</u>	<u>\$ 63,918</u>
0.25% decrease	<u>\$(46,658)</u>	<u>\$(58,512)</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.

	<u>December 31</u>	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 98,943</u>	<u>\$ 85,147</u>
The average duration of the defined benefit obligation	8-13 years	9-16 years

27. EQUITY

a. Share capital

Common shares

	<u>December 31</u>	
	2021	2020
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	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
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.

On June 18, 2020, the Company's shareholders held a meeting and resolved to make up for the loss by reducing capital by NT\$5,729,199 thousand, i.e., eliminating \$572,920 thousand shares. The ratio of capital reduced was about 36.4239%, and ended with 1,000,000 shares after the reduction. The resolution was approved by the Financial Supervisory Commission on

July 21, 2020, and the board of directors resolved to set August 11, 2020 as the base date for capital reduction with the authorization of the shareholders in their meeting.

b. Capital surplus

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>		
Arising from issuance of common shares	\$ 4,508,131	\$ 4,508,131
Arising from treasury share transactions	2,025,731	2,018,204
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	6,450	-
<u>Not be used for any purpose</u>		
Arising from share of changes in capital surplus of associates or joint ventures	<u>37,706</u>	<u>37,553</u>
	<u>\$ 6,578,018</u>	<u>\$ 6,563,888</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.

Under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Company should appropriate to or reverse from special reserve.

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.

At the shareholders' meeting on June 18, 2020, the Company approved the reduction of capital to offset deficit and resolved not to distribute dividends.

The appropriations of earnings for 2020, which was approved in the shareholders' meetings on July 15, 2021, was as follows:

	<u>Appropriation of Earnings</u> 2020	<u>Dividend Per Share (N.T. Dollar)</u> 2020
Reversal of special reserve	\$ 2,000,000	
Cash dividends	1,000,000	\$ 1

The appropriation of earnings for 2021, which was proposed by the Company's board of directors on March 25, 2022, was as follows:

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

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on June 17, 2022

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2021	2020
Balance at January 1	\$ 24,228,565	\$ 39,373,565
Offset deficit	<u>(2,000,000)</u>	<u>(15,145,000)</u>
Balance at December 31	<u>\$ 22,228,565</u>	<u>\$ 24,228,565</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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$(1,118,814)	\$ (1,255,680)
Exchange differences arising on translating the financial statements of foreign operations	(89,391)	146,448
Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method	<u>(79,172)</u>	<u>(9,582)</u>
Balance at December 31	<u><u>\$ (1,287,377)</u></u>	<u><u>\$ (1,118,814)</u></u>

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 1,522,597	\$ 1,397,517
Unrealized gain/(loss) - equity instruments	88,092	7,358
Share from associates accounted for using the equity method	130,541	74,871
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>(28,854)</u>	<u>42,851</u>
Balance at December 31	<u><u>\$ 1,712,376</u></u>	<u><u>\$ 1,522,597</u></u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 24	\$ (4)
Interest rate risk - interest rate swaps	<u>38</u>	<u>28</u>
Balance at December 31	<u><u>\$ 62</u></u>	<u><u>\$ 24</u></u>

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 16,136,852	\$ 11,244,743
Attributable to non-controlling interests:		
Share of profit for the year	3,026,799	2,100,352
Exchange difference arising on translation of foreign entities	(30,924)	15,228
Unrealized gain/(loss) on financial assets at FVTOCI	703	15
Gain/(loss) on hedging instruments	73	33
Remeasurement on defined benefit plans	3,808	(5,062)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(7,571)	18,411
Partial disposal of subsidiaries	210,244	-
Non-controlling interest relating to differences between acquisition or disposal price and carrying value of subsidiaries	(6,449)	-
Amount related to disposal of subsidiaries (Note 32)		4,056,366
Cash dividends from subsidiaries	<u>(1,285,875)</u>	<u>(1,293,234)</u>
Balance at December 31	<u>\$ 18,047,660</u>	<u>\$ 16,136,852</u>

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
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>
For the year ended <u>December 31, 2020</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, 2021 and 2020 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
<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>
<u>December 31, 2020</u>			
Yu Ching Business Co., Ltd.	7,526	\$ 376,301	\$ 352,990
Yu Pong Business Co., Ltd.	1	<u>3</u>	<u>4</u>
		<u>\$ 376,304</u>	<u>\$ 352,994</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

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

Interest revenues from the accounts receivable of YFC and Shinshin and Yu Rich collectively during the years ended December 31, 2021 and 2020 were \$8,588,841 thousand and \$6,991,134 thousand, respectively. As of December 31, 2021 and 2020, the uncollected accounts receivable of YFC and Shinshin and Yu Rich collectively were \$127,024,387 thousand and \$103,425,844 thousand, respectively, and recognized as accounts receivable.

6) Interest income on installment sales

Interest revenue on acquired receivables from installment sales of YFC, Shinshin and TAC Leasing (Suzhou) in 2021 and 2020 amounted to \$3,074,744 thousand and \$2,438,933 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, 2021 and 2020 were \$ 232,789 thousand and \$348,980 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, 2021 and 2020, the managerial service account balances of the loans provided by YFC and Shinshin collectively were \$2,792,050 thousand and \$4,166,684 thousand, respectively. The reimbursements from YFC and Shinshin to banks as of December 31, 2021 and 2020 were \$358,047 thousand and \$523,070 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 40 for details of revenue information.

29. NET PROFIT AND OTHER COMPREHENSIVE INCOME

a. Other operating revenue

	For the Year Ended December 31	
	2021	2020
Rental revenue	\$ 84,028	\$ 128,128
Commission revenue	265,448	264,397
Subsidy revenue	101,989	186,729
Others	<u>455,073</u>	<u>431,163</u>
	<u>\$ 906,538</u>	<u>\$ 1,010,417</u>

b. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Gains (losses) on disposal of property, plant and equipment, investment property and intangible assets	\$ (118,398)	\$ 681,587
Gain on disposal of associates	31,100	(422)
Net foreign exchange loss	(20,240)	60,679
Net gain (loss) on financial assets mandatorily as at FVTPL	21,764	39,122
Impairment loss	(14,703)	(73,627)
Compensation loss (Note)	30,534	(1,948,043)
Gain on deconsolidation of subsidiary (refer to Note 32)	(73,241)	4,040,489
Others	<u>(14,038)</u>	<u>(376,581)</u>
	<u>\$ (157,222)</u>	<u>\$ 2,423,204</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

	For the Year Ended December 31	
	2021	2020
Interest on bank overdrafts and loans	\$ 2,568,948	\$ 3,341,003
Interest on corporate bonds	341,810	323,332
Other interest expense	<u>101,577</u>	<u>133,036</u>
	3,012,335	3,797,371
Less: Interest accounted for as operating cost	<u>2,534,292</u>	<u>2,975,930</u>
	<u>\$ 478,043</u>	<u>\$ 821,441</u>

d. Interest revenue

	For the Year Ended December 31	
	2021	2020
Interest revenue from acquired accounts receivable	\$ 8,588,841	\$ 6,990,956
Interest revenue from installment sales	3,074,744	2,438,933
Interest revenue from capital leases	2,823,623	3,010,148
Others	<u>3,287,277</u>	<u>3,483,607</u>
	17,774,485	15,923,644
Less: Interest revenue accounted for as operating revenue	<u>17,515,742</u>	<u>15,625,557</u>
	<u>\$ 258,743</u>	<u>\$ 298,087</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by function		
Operating costs	\$ 6,080,552	\$ 6,730,335
Operating expenses	<u>1,224,789</u>	<u>1,360,767</u>
	<u>\$ 7,305,341</u>	<u>\$ 8,091,102</u>
An analysis of amortization by function		
Operating costs	\$ 66,117	\$ 172,840
Operating expenses	<u>2,891,430</u>	<u>2,505,059</u>
	<u>\$ 2,957,547</u>	<u>\$ 2,677,899</u>

f. Employee benefit expense

	For the Year Ended December 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 221,594	\$ 226,440
Defined benefit plans	<u>25,511</u>	<u>35,292</u>
	247,105	261,732
Other employee benefits	<u>8,938,123</u>	<u>8,851,214</u>
Equity-settled share-based payment transaction	<u>\$ 9,185,228</u>	<u>\$ 9,112,946</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 2,681,466	\$ 2,729,533
Operating expenses	<u>6,503,762</u>	<u>6,383,413</u>
	<u>\$ 9,185,228</u>	<u>\$ 9,112,946</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 2020, 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 was approved by the Company's board of directors on March 10, 2022 , was as follows:

Amount

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

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)

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment (included in other operating cost, Note 18)	\$ 681,408	\$ 1,306,212
Inventories (included in operating cost, Note 15)	(178,678)	235,411
Investment properties (included in other gains and losses, Note 19)	36	-
Motor designs and research and development outputs (included in other operating cost, Note 21)	140,177	1,224,632
Other intangible assets (included in other operating cost, Note 21)	<u>8,805</u>	<u>24,414</u>
	<u>\$ 651,748</u>	<u>\$ 2,790,669</u>

30. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense (income) were as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 1,707,297	\$ 1,679,531
Income tax on unappropriated earnings	37,120	26,721
Adjustments for prior years	<u>101,092</u>	<u>(118,889)</u>
	1,845,509	1,587,363
Deferred tax		
In respect of the current year	<u>109,984</u>	<u>(703,377)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,955,493</u>	<u>\$ 883,986</u>

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

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	<u>\$ 9,697,808</u>	<u>\$ 5,723,548</u>
Income tax expense calculated at the statutory rate	\$ 2,878,673	\$ 1,337,494
Nondeductible expenses in determining taxable income	45,235	8,106
Tax-exempt income	(1,289,377)	(315,530)
Income tax on unappropriated earnings	37,120	26,721
Unrecognized deductible temporary differences	182,750	(196,253)
Adjustments for prior years' tax	<u>101,092</u>	<u>23,448</u>
Income tax expense recognized in profit or loss	<u>\$ 1,955,493</u>	<u>\$ 883,986</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, 2021

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Balance at the End of the Year
<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
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>

Deferred tax liabilities

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>

For the year ended December 31, 2020

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Balance at the End of the Year
<u>Deferred tax assets</u>			
Temporary differences			
Share of loss of subsidiaries, associates and joint ventures	\$ 172,639	\$ 150,215	\$ 322,854
Property, plant and equipment	227,498	(62,399)	165,099
Defined benefit obligation	282,388	(13,150)	269,238
Doubtful debts	797,363	469,710	1,267,073
Loss carryforward	125,901	(16,224)	109,677
Others	<u>249,214</u>	<u>88,118</u>	<u>337,332</u>
	<u>\$ 1,855,003</u>	<u>\$ 616,270</u>	<u>\$ 2,471,273</u>

(Continued)

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Balance at the End of the Year
<u>Deferred tax liabilities</u>			
Temporary differences			
Property, plant and equipment	\$ 1,033,522	\$ 71,515	\$ 1,105,037
Land value increment tax	2,509,919	(112,101)	2,397,818
Share of profit of subsidiaries, associates and joint ventures	489,300	(95,619)	393,681
Others	<u>12,574</u>	<u>33,226</u>	<u>45,800</u>
	<u>\$ 4,045,315</u>	<u>\$ (102,979)</u>	<u>\$ 3,942,336</u> (Concluded)

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

As of December 31, 2021 and 2020, deductible temporary differences with unrecognized deferred tax assets were \$6,923,343 thousand and \$4,113,002 thousand, respectively.

- d. Income tax assessed

The tax returns through 2019 have been assessed by the tax authorities.

31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2021	2020
Basic earnings (loss) per share	<u>\$ 4.82</u>	<u>\$ 2.80</u>
Diluted earnings (loss) per share	<u>\$ 4.82</u>	<u>\$ 2.80</u>
 Net Profit for the Year		
	<u>For the Year Ended December 31</u>	
	2021	2020
Earnings used in the computation of basic earnings per share	<u>\$ 4,715,516</u>	<u>\$ 2,739,210</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 4,715,516</u>	<u>\$ 2,739,210</u>

Shares

	For the Year Ended December 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	977,705	977,705
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>874</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>978,579</u>	<u>977,705</u>

In calculating the weighted average number of shares outstanding for the consolidated EPS, the Company recognized the number of the shares held by associates as treasury shares and deducted the number of treasury shares from the weighted average number of outstanding shares in the current period.

If the Group offered to settle bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

32. DISPOSAL OF SUBSIDIARY

Dongfeng Yulon Motor Sales Co., Ltd. was ruled by the court as bankrupt in November 2020. The Group has lost control on Dongfeng Yulon Motor Sales Co., Ltd. since then. The Group derecognized related assets, liabilities, and non-controlling interests of Dongfeng Yulon Motor Sales Co., Ltd.

- a. Analysis of assets and liabilities over which the Group lost control

	November 9, 2020
Current assets	
Cash and cash equivalents	\$ 4,146
Accounts receivable	93,487
Other receivables	54,935
Inventories	48
Non-current assets	
Property, plant and equipment	-
Intangible assets	374
Other non-current assets	278,033
Investments accounted for using the equity method	10,525
Current liabilities	
Accounts payable	7,464,444
Other payable	1,021,035
Other current liabilities	31,897
Non-current liabilities	
Guarantee deposits received	<u>32,758</u>
Net assets deconsolidated	<u>\$ (8,108,586)</u>

b. Gain on deconsolidation of subsidiary

	November 9, 2020
Net assets deconsolidated	\$ 8,108,586
Non-controlling interests	<u>(4,054,293)</u>
Gain on deconsolidation of subsidiary	<u>\$ 4,054,293</u>

c. Net cash outflow arising from deconsolidation of the subsidiary

	November 9, 2020
The balance of cash and cash equivalents deconsolidated	<u>\$ 4,146</u>

- d. The Group also disposed of some non-significant subsidiaries in 2020 and lost control over them. Net cash flow arising from deconsolidation of such subsidiaries was \$25,983 thousand.

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, 2021, 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, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	\$ 9,373	\$ -	\$ -	\$ 9,373
Domestic unlisted shares				
Derivative financial assets	-	-	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>
Hedged financial assets				
Interest rate exchange contracts	<u>\$ -</u>	<u>\$ 484</u>	<u>\$ -</u>	<u>\$ 484</u>
Financial assets at FVTOCI				
Domestic quoted shares	\$ 281,707	\$ -	\$ -	\$ 281,707
Domestic unlisted shares	-	-	407,022	407,022
Others	<u>-</u>	<u>749</u>	<u>-</u>	<u>749</u>
	<u>\$ 281,707</u>	<u>\$ 749</u>	<u>\$ 407,022</u>	<u>\$ 689,478</u>
Hedged financial assets				
Interest rate exchange contracts	<u>\$ -</u>	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ 349</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	\$ 9,619	\$ -	\$ -	\$ 9,619
Domestic unlisted shares	-	-	2,136	2,136
Derivative financial assets	4,003,706	-	-	4,003,706
Others	<u>-</u>	<u>-</u>	<u>301,971</u>	<u>301,971</u>
	<u>\$ 4,013,325</u>	<u>\$ -</u>	<u>\$ 304,107</u>	<u>\$ 4,317,432</u>
Hedged financial assets				
Interest rate exchange contracts	<u>\$ -</u>	<u>\$ 1,594</u>	<u>\$ -</u>	<u>\$ 1,594</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic quoted shares	\$ 144,380	\$ -	\$ -	\$ 144,380
Domestic unlisted shares	-	-	406,095	406,095
Others	-	1,524	-	1,524
	<u>\$ 144,380</u>	<u>\$ 1,524</u>	<u>\$ 406,095</u>	<u>\$ 551,999</u>
Hedged financial assets				
Interest rate exchange contracts	\$ -	\$ 1,541	\$ -	\$ 1,541
				(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, 2021

	Financial Assets at Fair Value Through Profit or Loss	Available-for- sale Financial Assets Equity Instruments	Total
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	(60)	70	10
Balance at December 31, 2021	<u>\$ 525,283</u>	<u>\$ 407,022</u>	<u>\$ 932,305</u>

For the year ended December 31, 2020

	Financial Assets at Fair Value Through Profit or Loss	Available-for- sale Financial Assets	
		<u>Equity Instruments</u>	Total
Balance at January 1, 2020	\$ 631,521	\$ 402,492	\$ 1,034,013
Recognized in profit or loss (included in other gains and losses)	5,465	-	5,465
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	2,446	2,446
Purchases	1,464,800	1,642	1,466,442
Disposals/settlements	(1,797,566)	(485)	(1,798,051)
Effects of exchange rate changes	<u>(113)</u>	<u>-</u>	<u>(113)</u>
Balance at December 31, 2020	<u>\$ 304,107</u>	<u>\$ 406,095</u>	<u>\$ 710,202</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, 2021, 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

	<u>December 31</u>	
	2021	2020
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Mandatorily at FVTPL	\$ 1,448,398	\$ 4,317,432
Derivative instruments in designated hedge accounting relationships	484	1,594
Financial assets at amortized cost (Note 1)	217,773,689	192,959,614
Fair value through other comprehensive income (FVTOCI)	689,478	551,999

(Continued)

	December 31	
	2021	2020
<u>Financial liabilities</u>		
Derivative instruments in designated hedge accounting relationships	349	1,541
Amortized cost (Note 2)	241,293,252	225,079,057
Financial guaranteed contracts	89,048	156,060
		(Concluded)

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 38.

Sensitivity analysis

The Group was mainly exposed to Currency USD, Currency RMB and Currency JPY.

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.

	USD Impact	
	For the Year Ended December 31	
	2021	2020
Profit or loss	\$ (3,602)	\$ (1,065)

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:

	December 31	
	2021	2020
Fair value interest rate risk		
Financial assets	\$ 184,425,088	\$ 158,758,712
Financial liabilities	161,861,596	135,966,802
Cash flow interest rate risk		
Financial assets	12,740,789	15,776,195
Financial liabilities	53,862,131	59,125,324

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, 2021 and 2020 would decrease by \$411,213 thousand and \$433,491 thousand, respectively.

Hedge accounting

The Group entered into interest rate swap contracts and cross-currency 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 and cross-currency swaps are 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, 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	\$ -	\$ -	\$ -	\$ -

December 31, 2020

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	\$ 1,594	\$ -	\$ -
	\$500 millions	2019.5.24-2022.5.23	0.708%	TAIBOR 3M	Financial liabilities for hedging	-	(1,541)	-

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, 2021, financial assets at FVTPL and FVTOCI would have decreased by \$14,484 thousand and \$6,895 thousand, respectively.

If equity prices had been 1% lower, as of December 31, 2020, financial assets at FVTPL and FVTOCI would have decreased by \$43,190 thousand and \$5,520 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, 2021

	Less than 1 Year	1-5 Years	5+ Years
<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>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 18,800,676	\$ -	\$ -
Variable interest rate liabilities	31,766,593	11,118,243	-
Fixed interest rate liabilities	97,960,935	51,426,000	1,700,000
Lease liabilities	670,395	1,312,094	362,785
Financial guarantee contracts	<u>4,166,684</u>	<u>-</u>	<u>-</u>
	<u>\$ 153,365,283</u>	<u>\$ 63,856,337</u>	<u>\$ 2,062,785</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
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
Brilliant Insight International Consultancy Service Co., Ltd.	Associate's subsidiary
Dongfeng Yulon Co., Ltd.	Other related parties (from subsidiary to other related parties since the fourth quarter of 2020)
Tai-Yuen Textiles Co., Ltd.	Other related parties
Wen Shen Co., Ltd.	Other related parties
Lowin Industrial Co., Ltd.	Other related parties
Yu Lai Co., Ltd.	Other related parties
Taiwin Company	Other related parties
Hui-Fong Motor Co., Ltd.	Other related parties
Snappy Machinery Co., Ltd.	Other related parties

(Continued)

<u>Related Party</u>	<u>Relationship with the Group</u>
Nissan Motor Co., Ltd.	Other related parties
Shug Ye Motor Co., Ltd.	Other related parties
Southeast Motor Co., Ltd.	Other related parties
Jin De Technology Co., Ltd.	Other related parties
Gunze Co., Ltd.	Other related parties
Taiway Co., Ltd.	Other related parties
ROC-Keeper Co., Ltd.	Other related parties
Carnival Industrial Co., Ltd.	Other related parties
Chang Yue Plastics Industrial Co., Ltd.	Other related parties
Fu Lun 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
	(Concluded)

b. Operating revenue

1) Sales of goods

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 9,792,921	\$ 11,719,035
Others	<u>11,098,866</u>	<u>13,588,033</u>
	20,891,787	25,307,068
Joint venture	7,866	3,750
Other related parties	<u>252,768</u>	<u>286,820</u>
	<u>\$ 21,152,421</u>	<u>\$ 25,597,638</u>

2) Rental revenue

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 63,164	\$ 64,836
Others	<u>41,418</u>	<u>41,413</u>
	104,582	106,249
Other related parties	<u>51,931</u>	<u>34,205</u>
	<u>\$ 156,513</u>	<u>\$ 140,454</u>

(Continued)

Related Party Categories	For the Year Ended December 31	
	2021	2020
<u>Service revenue</u>		
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 48,759	\$ 82,495
Others	<u>197,374</u>	<u>162,294</u>
	246,133	244,789
Joint venture	-	4
Other related parties	<u>8,958</u>	<u>7,007</u>
	<u>\$ 255,091</u>	<u>\$ 251,800</u>
		(Concluded)

Related Party Categories	For the Year Ended December 31	
	2021	2020
<u>Other operating income</u>		
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 889,524	\$ 485,054
Others	<u>159,871</u>	<u>64,448</u>
	1,049,395	549,502
Joint venture	429	7,291
Other related parties	<u>8,910</u>	<u>6,465</u>
	<u>\$ 1,058,734</u>	<u>\$ 563,258</u>

3) Installment sales interest subsidies revenue

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 124,705	\$ 179,553
Others	<u>11,384</u>	<u>13,696</u>
	<u>\$ 136,089</u>	<u>\$ 193,249</u>

c. Purchase of goods

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 12,828,344	\$ 15,693,343
Others	<u>1,091,613</u>	<u>1,149,196</u>
	<u>13,919,957</u>	<u>16,842,539</u>
		(Continued)

Related Party Categories	For the Year Ended December 31	
	2021	2020
Joint venture		
Dongfeng Yulon Motor Co., Ltd	5,971	216,848
Other related parties		
Nissan Motor Co., Ltd.	7,449,497	8,840,735
Others	<u>325,521</u>	<u>414,605</u>
	<u>7,775,018</u>	<u>9,255,340</u>
	<u>\$ 21,700,946</u>	<u>\$ 26,314,727</u>
		(Concluded)

d. Operating expenses

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates	\$ 146,416	\$ 350,286
Other related parties	<u>4,620</u>	<u>9,051</u>
	<u>\$ 151,036</u>	<u>\$ 359,337</u>

e. Acquisition of assets for lease

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates	\$ 264,806	\$ 195,002
Other related parties		
Hui-Fong Motor	412,466	368,972
Shug Ye Motor	<u>169,746</u>	<u>147,243</u>
	<u>582,212</u>	<u>516,215</u>
	<u>\$ 847,018</u>	<u>\$ 711,217</u>

f. Disposal of property, plant and equipment

Related Party Categories	Proceeds from Disposal of Property, Plant and Equipment For the Three Months Ended September 30		Gains (Losses) on Disposal of Property, Plant and Equipment For the Three Months Ended September 30	
	2021	2020	2021	2020
Associates				
Foxtron Vehicle	\$ 50,862	-	\$ 17,690	-
Other related parties	<u>8,194</u>	<u>-</u>	<u>8,194</u>	<u>-</u>
	<u>\$ 59,056</u>	<u>\$ -</u>	<u>\$ 25,884</u>	<u>\$ -</u>

g. Acquisition of receivables

Related Party Categories	For the Year Ended December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 2,029,879	\$ 2,039,906
Hui-Lian Motor	1,150,160	1,334,335
Cheng Long Co., Ltd.	478,625	729,781
Others	<u>1,203,056</u>	<u>1,518,303</u>
	<u>\$ 4,861,720</u>	<u>\$ 5,622,325</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	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 32,481	\$ 35,637
Others	<u>15,005</u>	<u>16,924</u>
	<u>\$ 47,486</u>	<u>\$ 52,561</u>

i. Receivable from related parties

1) Notes receivable and trade receivables

Related Party Categories	December 31	
	2021	2020
Associates	\$ 601,409	\$ 452,341
Joint venture (Note 1)		
Dongfeng Yulon Motor Co., Ltd	-	725
Others related parties (Note 2)	<u>41,487</u>	<u>3,952</u>
	<u>\$ 642,896</u>	<u>\$ 457,018</u>

2) Other financial assets

Related Party Categories	December 31	
	2021	2020
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 69,994	\$ 72,267
Others	<u>32,619</u>	<u>31,818</u>
	102,613	104,085
Joint venture (Note 3)		
Dongfeng Yulon Motor Co., Ltd	103	10,107
Other related parties (Note 4)	<u>12,044</u>	<u>106,759</u>
	<u>\$ 114,760</u>	<u>\$ 220,951</u>

3) Guarantee deposits

Related Party Categories	December 31	
	2021	2020
Associates	\$ 1,437	\$ 2,477
Other related parties	<u>1,592</u>	<u>1,616</u>
	<u>\$ 3,029</u>	<u>\$ 4,093</u>

Note 1: As of December 31, 2021, 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 7,699,454 thousand is 0.

Note 2: As of December 31, 2021, the consolidated Company's receivables to Dongfeng Yulon Sales Company was assessed in accordance with the expected credit loss model. At the end of the period, the carrying amount of receivable which deducts allowance loss of \$159,807 thousand is \$0.

Note 3: As of December 31, 2021, the consolidated Company's receivables to Dongfeng Yulon Motor Co., Ltd. was assessed in accordance with the expected credit loss model. At the end of the period, the carrying amount of receivable which deducts allowance loss of \$8,281,709 thousand is \$103 thousand.

Note 4: As of December 31, 2021, the receivable from related parties of the Group - Dongfeng Yulon Sales Company 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 \$677,725 thousand is \$0.

i. Prepayment (included in other current assets)

Related Party Categories	December 31	
	2021	2020
Joint venture		
Dongfeng Yulon Motor Co., Ltd	<u>\$ -</u>	<u>\$ 1,905</u>

Note: As of December 31, 2021 the accumulated impairment loss on the prepayment to Dongfeng Yulon Motor Co., Ltd. was \$966,806 thousand.

j. Payable to related parties

1) Notes payable and trade payable

Related Party Categories	December 31	
	2021	2020
Associates	\$ 455,859	\$ 712,143
Joint venture		
Dongfeng Yulon Motor Co., Ltd	3,884	18,813

(Continued)

Related Party Categories	December 31	
	2021	2020
Other related parties		
Nissan Motor Co., Ltd.	612,382	971,470
Others	<u>193,640</u>	<u>115,038</u>
	<u>806,022</u>	<u>1,086,508</u>
	<u>\$ 1,265,765</u>	<u>\$ 1,817,464</u>

(Concluded)

2) Other payables

Related Party Categories	December 31	
	2021	2020
Associates	\$ 187,505	\$ 243,606
Other related parties	<u>45,830</u>	<u>60,374</u>
	<u>\$ 233,335</u>	<u>\$ 303,980</u>

k. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

l. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 93,805	\$ 62,266
Post-employment benefits	<u>3,046</u>	<u>1,565</u>
	<u>\$ 96,851</u>	<u>\$ 63,831</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:

	December 31	
	2021	2020
Notes and trade receivables	\$ 4,910,618	\$ 3,477,051
Property, plant and equipment	1,040,530	1,027,695
Investment properties	543,852	555,842
Vehicle certificates (classified as inventories)	306,196	376,629

(Continued)

	December 31	
	2021	2020
Reserve account and pledged time deposits (classified as financial assets at amortized cost)	378,384	334,911
Investments accounted for using the equity method	7,137,305	7,431,785
Others	<u>82,423</u>	<u>4,700</u>
	<u>\$ 14,399,308</u>	<u>\$ 13,208,613</u> (Concluded)

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 within three months before contract expiry. The contract was automatically renewed on December 31, 2021. 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 within three months before contract expiry.) 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 on May 26, 2020. 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\$2,870,295 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.

38. 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, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<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>

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 33,281	28.48 (USD:NTD)	<u>\$ 947,851</u>

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
RMB	349,670	4.365 (RMB:NTD)	1,526,239
RMB	240,575	0.153 (RMB:USD)	<u>1,050,062</u>
			<u>\$ 2,576,301</u>
<u>Financial liabilities</u>			
Monetary items			
USD	29,747	28.48 (USD:NTD)	<u>\$ 847,207</u> (Concluded)

For the years ended December 31, 2021 and 2020, realized and unrealized foreign exchange gains (losses) were \$(20,240) thousand and \$60,679 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.

39. 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

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)

40. 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								
<u>December 31, 2021</u>								
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>
For the year ended								
<u>December 31, 2020</u>								
Revenues from external customers	\$ 12,726,345	\$ 3,173,620	\$ 29,474,412	\$ 21,389,060	\$ 15,135,062	\$ 699,015	\$ -	\$ 82,597,514
Intersegment revenues	<u>20,161,162</u>	<u>1,841,822</u>	<u>1,202,718</u>	<u>1,116,221</u>	<u>313,728</u>	<u>1,883,368</u>	<u>(26,519,019)</u>	<u>-</u>
Segment revenues	<u>\$ 32,887,507</u>	<u>\$ 5,015,442</u>	<u>\$ 30,677,130</u>	<u>\$ 22,505,281</u>	<u>\$ 15,448,790</u>	<u>\$ 2,582,383</u>	<u>\$ (26,519,019)</u>	<u>\$ 82,597,514</u>
Segment income								<u>\$ 5,723,548</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	
	2021	2020	2021	2020
Taiwan	\$ 57,285,381	\$ 58,596,754	\$ 51,751,754	\$ 47,578,054
China	20,604,559	23,493,164	6,355,998	6,792,783
Others	<u>157,832</u>	<u>507,596</u>	<u>304,699</u>	<u>325,495</u>
	<u>\$ 78,047,772</u>	<u>\$ 82,597,514</u>	<u>\$ 58,412,451</u>	<u>\$ 54,696,332</u>

Non-current assets exclude financial instruments 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			
	2021		2020	
	Amount	% on Sales	Amount	% on Sales
Yulon Nissan Motor Co., Ltd.	<u>\$ 10,919,073</u>	<u>14</u>	<u>\$ 12,530,973</u>	<u>15</u>

TABLE 1

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ 713,275	\$ 692,250	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 692,250	\$ 692,250	Note 1	
2	Yulon China	Sheng Qing	Other receivables	Y	1,997,170	1,938,300	-	-	b	-	Operating capital	-	-	-	3,322,800	3,322,800	Note 1	
3	Singgual	Singan	Other receivables	Y	50,000	-	-	-	b	-	Operating capital	-	-	-	84,277	84,277	Note 1	
		Ching-Tong	Other receivables	Y	10,000	10,000	10,000	1.04%	b	-	Operating capital	-	-	-	84,277	84,277	Note 1	
4	Hsiang Shuo	Singan	Other receivables	Y	90,000	-	-	-	b	-	Operating capital	-	-	-	96,490	96,490	Note 1	
5	Yulon Motor Investment	Hang Zhou Haitec Company	Accounts receivable - related parties	Y	241,852	235,603	-	0.00%	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	65,960	-	-	-	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Hang Zhou Hua You	Accounts receivable - related parties	Y	81,350	80,301	80,301	4.00%	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1	
		Dongfeng Yulon	Accounts receivable - related parties	Y	461,717	303,842	282,139	6-6.15%	b	-	Operating capital	282,139	-	-	3,173,184	3,173,184	Note 1	
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	4,397	-	-	-	-	b	-	Operating capital	-	-	-	3,173,184	3,173,184	Note 1
6	Sheng Qing	Xiao Gan Yu Feng	Accounts receivable - related parties	Y	52,768	51,857	-	5.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Nanjing Hanhong	Accounts receivable - related parties	Y	155,225	82,471	39,065	5.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	83,549	72,922	56,428	0-5.6%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	117,848	43,406	22,776	0.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Hang Zhou Haitec Company	Accounts receivable - related parties	Y	219,865	99,827	-	5.75%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	61,562	55,985	48,541	3.00%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Hang Zhou Hua You	Accounts receivable - related parties	Y	14,819	10,458	8,031	3.00%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Yulon Motor Investment	Accounts receivable - related parties	Y	1,231,244	885,018	885,018	0-3%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Guang Zhou Yuan Du	Accounts receivable - related parties	Y	35,178	26,044	-	6.41%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Tung Ling Kuo Tung	Accounts receivable - related parties	Y	56,505	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Zi Bo Yu An	Accounts receivable - related parties	Y	46,392	456	35	3.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		An Hui Min Tung	Accounts receivable - related parties	Y	52,768	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Qingdao Yuanhuang	Accounts receivable - related parties	Y	87,946	84,642	-	6.41%	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1	
		Dongfeng Yulon	Accounts receivable - related parties	Y	158,303	156,262	156,262	6.15%	b	-	Operating capital	156,262	-	-	1,764,222	1,764,222	Note 1	
		Xiamen Young Chang	Accounts receivable - related parties	Y	167,977	165,811	165,811	0.60%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
		Ke Yu	Accounts receivable - related parties	Y	13,192	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Yu-Jie	Accounts receivable - related parties	Y	180,289	173,624	173,624	1.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1	
Gao Te	Accounts receivable - related parties	Y	8,795	-	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	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			
		Jin Ce	Accounts receivable - related parties	Y	\$ 8,795	\$ -	\$ -	-	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 4,410,555	\$ 13,231,666	Note 1
		Fu Jian Yu Xin	Accounts receivable - related parties	Y	39,576	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	61,562	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Shenzhen Yu Zhi	Accounts receivable - related parties	Y	58,484	-	-	-	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Ka Shing Yu Da	Accounts receivable - related parties	Y	15,830	15,626	-	-	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1
		Fu Zhou Yu Xin	Accounts receivable - related parties	Y	17,392	17,362	-	6.00%	b	-	Operating capital	-	-	-	4,410,555	13,231,666	Note 1
		Hang Zhou hsiao Yu	Accounts receivable - related parties	Y	52,177	52,087	-	-	b	-	Operating capital	-	-	-	1,764,222	1,764,222	Note 1
7	Zhu Hai Fu Te En	Nanjing Hanhong	Accounts receivable - related parties	Y	7,036	-	-	-	b	-	Operating capital	-	-	-	259,175	518,352	Note 1
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	17,589	-	-	-	b	-	Operating capital	-	-	-	259,175	518,352	Note 1
8	Nanjing Hanhong	Nan Jing Yu Shang	Accounts receivable - related parties	Y	48,370	-	-	-	b	-	Operating capital	-	-	-	281,724	563,448	Note 1
9	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	43,973	43,406	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	65,960	65,109	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	43,973	43,406	-	4.10%	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	70,357	-	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Long	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Wu Jiang Lian Cheng	Accounts receivable - related parties	Y	34,926	34,725	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	43,657	43,406	-	-	b	-	Operating capital	-	-	-	278,467	278,467	Note 1
10	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	21,703	4.10%	b	-	Operating capital	-	-	-	35,933	35,933	Note 1
11	HangZhou Yu Zhong	Yulon Motor Investment	Other receivables	Y	29,362	29,082	11,720	0.00%	b	-	Operating capital	-	-	-	748,987	1,123,480	Note 1
		Hang Zhou hsiao Yu	Other receivables	Y	17,589	17,362	13,456	0.00%	b	-	Operating capital	-	-	-	748,987	1,123,480	Note 1
		Hang Zhou Hua You	Other receivables	Y	18,029	17,796	17,796	0.00%	b	-	Operating capital	-	-	-	29,959	29,959	Note 1
		Dongfeng Yulon	Other receivables	Y	7,475	7,379	7,379	6.15%	b	-	Operating capital	-	-	-	29,959	29,959	Note 1
12	Shinshin	K1	Other receivables	N	109,911	52,319	52,319	1.5-16%	b	-	Operating capital	929	Property	35,000	968,159	4,840,795	Note 1
		K1	Other receivables	N	66,760	62,052	62,052	1.5-16%	a	220,000	-	1,241	Property	35,000	968,159	4,840,795	Note 1
		A32	Other receivables	N	296,000	286,558	286,558	1.5-16%	b	-	Operating capital	5,731	Property	-	968,159	4,840,795	Note 1
		Others	Other receivables	N	175,500	152,795	152,795	1.5-16%	a	227,500	-	2,833	Performance bond/property	206,800	968,159	4,840,795	Note 1
		Others	Other receivables	N	2,278,899	1,444,211	1,144,211	1.5-16%	b	-	Operating capital	22,805	Inventory/performance bond/property/stock	942,559	968,159	4,840,795	Note 1
13	Guang Zhou Yuan Du	Qingdao Yuanhuang	Accounts receivable - related parties	Y	87,946	86,812	-	6.40%	b	-	Operating capital	-	-	-	91,966	91,966	Note 1
14	Su Zhou Feng Shun	Su Chou Cheng Pin	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	82,444	82,444	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	82,444	82,444	Note 1
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	-	4.10%	b	-	Operating capital	-	-	-	82,444	82,444	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				
15	Suzhou Yueshun	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	\$ 6,596	\$ 6,511	\$ 6,511	4.10%	b	\$ -	Operating capital	\$ -	-	\$ -	\$ 17,424	\$ 17,424	Note 1	
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,596	6,511	-	-	b	-	Operating capital	-	-	-	17,424	17,424	Note 1	
16	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	119,264	117,726	117,726	0.00%	b	-	Operating capital	-	-	-	190,438	380,875	Note 1	
17	Xiao Gan Yu Feng	Chang Sha Yu Lu	Accounts receivable - related parties	Y	10,993	-	-	-	b	-	Operating capital	-	-	-	253,922	507,843	Note 1	
18	Yu-Jie	Dongfeng Yulon	Other receivables	Y	219,865	217,030	217,030	6.15%	b	-	Operating capital	217,030	-	-	888,576	888,576	Note 1	
19	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	142,655	138,450	83,070	2.70%	b	-	Operating capital	-	-	-	270,749	406,123	Note 1	
20	Su Zhou Cheng Long	Su Chou Cheng Pin	Accounts receivable - related parties	Y	21,987	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	52,768	52,087	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	21,987	21,703	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1	
		Su Zhou Cheng Pang	Accounts receivable - related parties	Y	21,987	-	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	48,023	47,747	-	-	-	b	-	Operating capital	-	-	-	160,897	160,897	Note 1
21	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	13,192	13,022	-	-	b	-	Operating capital	-	-	-	19,643	19,643	Note 1	
22	Hang Zhou Tang Yu	Yulon Motor Investment	Other receivables	Y	38,696	38,197	38,197	0.00%	b	-	Operating capital	-	-	-	474,353	711,529	Note 1	
		Dongfeng Yulon	Other receivables	Y	4,837	4,775	4,775	6.15%	b	-	Operating capital	4,775	-	-	18,974	18,974	Note 1	
23	Hang Zhou hsiao Yu	Yulon Motor Investment	Other receivables	Y	396	-	-	-	b	-	Operating capital	-	-	-	434,628	651,942	Note 1	
24	Hang Zhou Chien Yu	Yulon Motor Investment	Other receivables	Y	3,518	3,472	3,472	0.00%	b	-	Operating capital	-	-	-	434,060	651,090	Note 1	
25	Ke Yu	Sheng Qing	Other receivables	Y	408,949	211,821	211,821	0.50%	b	-	Operating capital	-	-	-	652,050	1,304,099	Note 1	
		Dongfeng Yulon	Other receivables	Y	21,987	21,703	21,703	0.50%	b	-	Operating capital	-	-	-	652,050	1,304,099	Note 1	
		Yi Ding	Other receivables	Y	74,754	73,790	73,790	6.15%	b	-	Operating capital	73,790	-	-	260,820	260,820	Note 1	
26	Gao Te	Dongfeng Yulon	Other receivables	Y	23,745	23,439	23,439	6.15%	b	-	Operating capital	23,439	-	-	82,696	82,696	Note 1	
27	Mei De	Sheng Qing	Other receivables	Y	131,919	-	-	-	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
		Shi Cheng	Other receivables	Y	131,919	130,218	130,218	0.50%	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
		Dongfeng Yulon	Other receivables	Y	35,530	35,072	35,072	6.15%	b	-	Operating capital	35,072	-	-	127,980	127,980	Note 1	
		Xiamen Young Chang	Other receivables	Y	131,472	130,218	-	-	b	-	Operating capital	-	-	-	479,926	959,852	Note 1	
28	Xiamen Young Chang	Dongfeng Yulon	Other receivables	Y	65,960	65,109	65,109	6.15%	b	-	Operating capital	65,109	-	-	322,279	322,279	Note 1	
29	Qing Tai	Shi Cheng	Other receivables	Y	17,589	17,362	17,362	0.50%	b	-	Operating capital	-	-	-	525,724	1,051,449	Note 1	
		Dong Tai	Other receivables	Y	109,933	108,515	108,515	0.50%	b	-	Operating capital	-	-	-	525,724	1,051,449	Note 1	
		Dongfeng Yulon	Other receivables	Y	30,781	30,384	30,384	6.15%	b	-	Operating capital	30,384	-	-	140,193	140,193	Note 1	
30	Jin Ce	Yi Ding	Other receivables	Y	30,781	30,384	17,362	0.50%	b	-	Operating capital	-	-	-	698,661	1,047,991	Note 1	
		Dongfeng Yulon	Other receivables	Y	7,036	6,945	6,945	6.15%	b	-	Operating capital	6,945	-	-	27,946	27,946	Note 1	
31	Tai Feng	Yi Ding	Other receivables	Y	13,192	13,022	13,022	0.50%	b	-	Operating capital	-	-	-	535,310	1,070,619	Note 1	
		Dong Tai	Other receivables	Y	21,987	21,703	21,703	0.50%	b	-	Operating capital	-	-	-	535,310	1,070,619	Note 1	
		Dongfeng Yulon	Other receivables	Y	48,370	47,747	47,747	6.15%	b	-	Operating capital	47,747	-	-	142,749	142,749	Note 1	
32	Dong Tai	Dongfeng Yulon	Other receivables	Y	11,873	11,720	11,720	6.15%	b	-	Operating capital	11,720	-	-	28,565	28,565	Note 1	
		An Ching Tsai Tung	Other receivables	Y	6,920	6,854	-	-	b	-	Operating capital	-	-	-	434,060	651,090	Note 1	
33	Shi Cheng	Dongfeng Yulon	Other receivables	Y	13,851	13,673	13,673	6.15%	b	-	Operating capital	13,673	-	-	54,201	54,201	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			
34	Yi Ding	Dongfeng Yulon	Other receivables	Y	\$ 23,174	\$ 22,875	\$ 22,875	6.15%	b	\$ -	Operating capital	\$ 22,875	-	\$ -	\$ 73,103	\$ 73,103	Note 1
35	Sin Jang	Singan	Other receivables	Y	210,000	-	-	1.08%	b	-	Operating capital	-	-	-	95,809	95,809	Note 1
36	Su Zhou Cheng Li	Su Chou Cheng Pin	Accounts receivable - related parties	Y	8,795	8,681	4,341	4.10%	b	-	Operating capital	-	-	-	22,610	22,610	Note 1
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	8,795	8,681	-	-	b	-	Operating capital	-	-	-	22,610	22,610	Note 1
37	Tai Chang Cheng Mau	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	8,795	8,681	-	-	b	-	Operating capital	-	-	-	24,206	24,206	Note 1
38	Shanghai Yuming	Ka Shing Yu Da	Other receivables	Y	26,384	-	-	-	b	-	Operating capital	-	-	-	37,760	37,760	Note 1
39	Yu-Hsin Intl HK	Hangchow Y-Teks	Other receivables	Y	114,124	110,760	110,760	2.70%	b	-	Operating capital	-	-	-	124,634	124,634	Note 1
40	Genwise	Zhe Jiang Cheng Yi Company	Other receivables	Y	9,652	-	-	4.00%	b	-	Operating capital	-	-	-	10,197	10,197	Note 1
41	Chuang Jie New Energy Vehicle	LUXGEN (Hangzhou) Motor Sales	Other receivables	Y	153,906	151,921	-	2.00%	b	-	Operating capital	-	-	-	338,112	1,014,337	Note 1

Note 1: 0. Yulon Motor: While credit financing limit for each borrower was 10% of the lender's net equity and aggregate financing limits was 30% of the lender's net equity.

- 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 Travel: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
- Hsiang Shou: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
- Yulon 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.
- Zhu Hai Fu Te En: 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.
- Nanjing Hanhong: 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.
- 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.
- Hangzhou 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.
- Guang Zhou Yuan Du: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% 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.
- Xiao Gan Yu 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.

(Continued)

18. Yu-Jie: 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 60% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.
 19. 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.
 20. Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 21. Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 22. 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.
 23. Hang Zhou hsiao 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.
 24. 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.
 25. 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.
 26. Gao Te: 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 200% of the lender's net equity and aggregate financing limits was 400% of the lender's net equity.
 27. 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.
 28. Xiamen Young Chang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
- (Continued)
29. 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.
 30. 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.
 31. 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.
 32. Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 33. Shi Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 34. Yi Ding: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 35. Sin Jiang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 36. Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 37. Tai Chang Cheng Mau: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 38. Shanghai Yuming: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 39. 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.
 40. Genwise: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.
 41. Chuang Jie New Energy Vehicle: 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.

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, 2021
(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	\$ 510,000	\$ 80,000	\$ -	0.97	\$ 39,488,898	Y	N	N	Note 1
		Luxgen	b	15,795,559	8,100,000	3,400,000	500,000	-	6.46	39,488,898	Y	N	N	Note 1
		UMPI	b	15,795,559	568,240	387,660	130,663	-	0.74	39,488,898	Y	N	N	Note 1
		Yu Ching	b	15,795,559	1,000,000	1,000,000	-	-	1.90	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	50,000	-	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 Auto Parts	Hangchow Liangrun	b	331,524	312,000	312,000	83,070	-	13.18	947,210	N	N	Y	Note 1
2	YFC	TAC Finance Company	b	56,523,498	3,800,000	500,000	86,942	-	2.21	113,046,995	N	N	Y	Note 1
		TAC Leasing (Suzhou)	b	56,523,498	3,509,840	3,477,680	2,608,260	-	15.38	113,046,995	N	N	Y	Note 1
		Yulon Finance Philippines Corporation	b	56,523,498	2,336,000	2,140,000	566,886	-	9.47	113,046,995	N	N	N	Note 1
4	Sheng Qing	Qingdao Yuanhuang	b	22,052,776	219,865	217,030	-	-	4.92	110,263,880	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	22,052,776	351,784	195,327	3,332	-	4.00	110,263,880	N	N	Y	Note 1
		Wuhan Yu Hsin	b	22,052,776	263,838	-	-	-	-	110,263,880	N	N	Y	Note 1
		Yu-Jie	b	22,052,776	879,460	868,120	-	-	20.00	110,263,880	N	N	Y	Note 1
		Nanjing Hanhong	b	22,052,776	109,933	-	-	-	-	110,263,880	N	N	Y	Note 1
5	Nanjing Hanhong	Zhu Hai Fu Te En	d	599,380	219,865	217,030	-	-	72.42	749,225	N	N	Y	Note 1
		Nan Jing Yu Hua	b	599,380	109,933	-	-	-	-	749,225	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	599,380	130,443	130,218	31,747	-	43.45	749,225	N	N	Y	Note 1
6	Zhu Hai Fu Te En	Nanjing Hanhong	d	834,917	175,892	108,515	-	-	25.99	1,252,375	N	N	Y	Note 1
		Nan Jing Yu Hua	d	834,917	109,933	-	-	-	-	1,252,375	N	N	Y	Note 1
		Xiao Gan Yu Feng	d	834,917	130,443	130,218	31,747	-	31.19	1,252,375	N	N	Y	Note 1
7	Su Zhou Feng Shen	Su Zhou Feng Shun	b	696,168	76,689	75,700	-	-	10.87	2,088,504	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	696,168	43,973	43,406	-	-	6.23	2,088,504	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	696,168	243,494	243,074	32,765	-	34.92	2,088,504	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	696,168	149,508	86,812	19,356	-	12.47	2,088,504	N	N	Y	Note 1
8	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	446,932	43,973	43,406	-	-	48.56	893,864	N	N	Y	Note 1
		Su Zhou Feng Shun	c	446,932	230,594	227,621	47,766	-	254.65	893,864	N	N	Y	Note 1
9	Su Zhou Feng Shun	Wu Jiang Lian Cheng	b	1,020,124	153,906	151,921	3,898	-	74.46	2,040,248	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,020,124	43,973	43,406	-	-	21.27	2,040,248	N	N	Y	Note 1
		Su Zhou Cheng Li	b	1,020,124	26,384	26,044	-	-	12.76	2,040,248	N	N	Y	Note 1
10	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	390,654	153,906	151,921	50,211	-	248.07	781,308	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)											
11	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	\$ 390,654	\$ 153,906	\$ 151,921	\$ 50,211	\$ -	206.12	\$ 868,120	N	N	Y	Note 1
12	Su Zhou Cheng Guo	Su Zhou Chen Long	c	390,654	152,184	151,921	18,110	-	400.02	868,120	N	N	Y	Note 1
13	Su Zhou Chen Long	Su Zhou Cheng Hung	b	2,011,215	79,151	78,131	-	-	19.42	4,022,430	N	N	Y	Note 1
		Su Zhou Cheng Guo	b	2,011,215	234,797	234,392	7,147	-	58.27	4,022,430	N	N	Y	Note 1
14	Nan Jing Yu Hua	Nanjing Hanhong	c	477,644	175,892	-	-	-	-	955,288	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	477,644	219,865	-	-	-	-	955,288	N	N	Y	Note 1
15	Xiao Gan Yu Feng	Nanjing Hanhong	c	1,131,783	108,703	108,515	-	-	47.94	2,263,565	N	N	Y	Note 1
		Zhu Hai Fu Te En	c	1,131,783	217,405	130,218	-	-	57.53	2,263,565	N	N	Y	Note 1
16	Wuhan Yu Hsin	Xiao Gan Yu Feng	b	1,560,672	130,443	130,218	31,747	-	41.72	3,121,344	N	N	Y	Note 1

Note 1: 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.

Union & NKH Auto Parts: 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.

YFC: 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Nanjing YuHua: 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.

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.

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.

TABLE 3

YULON MOTOR COMPANY LTD

MARKETABLE SECURITIES HELD

DECEMBER 31, 2021

(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, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	<u>Structured finance products</u>							
	Yuanta Securities CLN - Yeong Guan 3	-	Financial assets at fair value through profit or loss - current	-	\$ 20,051	-	\$ 20,051	-
	Yuanta Securities CLN - M.J. 1st	-	Financial assets at fair value through profit or loss - current	-	1,708	-	1,708	-
	Yuanta Securities CLN - Center. 5th	-	Financial assets at fair value through profit or loss - current	-	10,026	-	10,026	-
	Yuanta Securities CLN - Singtex 2nd	-	Financial assets at fair value through profit or loss - current	-	18,214	-	18,214	-
	KGI Securities CLN-Yeong Guan. 3rd KY	-	Financial assets at fair value through profit or loss - current	1	50,049	-	50,049	-
	KGI Securities CLN - Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	1	50,137	-	50,137	-
	KGI Securities CLN - Material. 1st KY	-	Financial assets at fair value through profit or loss - current	-	25,012	-	25,012	-
	KGI Securities CLN - structured products	-	Financial assets at fair value through profit or loss - current	-	20,015	-	20,015	-
	KGI Securities CLN - Jin Hhan Dian 5	-	Financial assets at fair value through profit or loss - current	-	30,165	-	30,165	-
	KGI Securities CLN - Heng yao. 4th	-	Financial assets at fair value through profit or loss - current	1	50,037	-	50,037	-
	KGI Securities CLN - M.J. 1st KY	-	Financial assets at fair value through profit or loss - current	-	30,075	-	30,075	-
	KGI Securities CLN - Center 5	-	Financial assets at fair value through profit or loss - current	1	50,059	-	50,059	-
	KGI Securities CLN - structured products	-	Financial assets at fair value through profit or loss - current	-	28,530	-	28,530	-
	KGI Securities CLN - Hua Han. 3rd	-	Financial assets at fair value through profit or loss - current	-	20,015	-	20,015	-
	Yuanta Securities CLN - Singtex 2nd	-	Financial assets at fair value through profit or loss - current	-	7,034	-	7,034	-
The Company	<u>Beneficiary certificates</u>							
	Fuh Hwa Global Balanced	-	Financial assets at fair value through profit or loss - current	2,128	59,600	-	59,600	-
	Yuanta Global ETFs Stable Fund of Funds	-	Financial assets at fair value through profit or loss - current	1,721	28,424	-	28,424	-
	PGIM US Corporate Bond Fund USD T Distribution	-	Financial assets at fair value through profit or loss - current	15	49,531	-	49,531	-
	FSITC Global Wealthy Nations Bond Fund	-	Financial assets at fair value through profit or loss - current	1,982	19,674	-	19,674	-
	Cathay Smart ETF Conservative Fund of ETFs	-	Financial assets at fair value through profit or loss - current	1,929	21,427	-	21,427	-
	NN (L) US Credit - X Dis(M) USD	-	Financial assets at fair value through profit or loss - current	1	24,181	-	24,181	-
	KGI Taiwan Multi-Asset Income Fund	-	Financial assets at fair value through profit or loss - current	994	11,283	-	11,283	-
	THE RSIT Digital Fund	-	Financial assets at fair value through profit or loss - current	545	29,998	-	29,998	-
	Capital Global Abundant Income Fund Of Fund TWD.	-	Financial assets at fair value through profit or loss - current	3,969	53,218	-	53,218	-
	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss - current	1,092	15,758	-	15,758	-
	Nomura Global Multi-Asset Dynamically Balanced Fund	-	Financial assets at fair value through profit or loss - current	1,036	15,098	-	15,098	-
	Fuh Hwa Intelligence Fund	-	Financial assets at fair value through profit or loss - current	3,000	31,918	-	31,918	-
Taishin Dragon Fund	-	Financial assets at fair value through profit or loss - current	1,819	21,861	-	21,861	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Nomura Taiwan Dynamic Asset Allocation Fund	-	Financial assets at fair value through profit or loss - current	233	\$ 11,533	-	\$ 11,533	-
	Allianz Global Investors Taiwan Fund	-	Financial assets at fair value through profit or loss - current	143	11,676	-	11,676	-
	KGI Feng-Li Fund	-	Financial assets at fair value through profit or loss - current	739	12,122	-	12,122	-
	KGI Kifly Strategic Fund	-	Financial assets at fair value through profit or loss - current	2,349	35,435	-	35,435	-
	Future Technology Venture Capital Limited Partner	-	Financial assets at fair value through profit or loss - non-current	-	41,985	-	41,985	-
	<u>Common stocks</u>							
	Taiwan Stock Exchange	-	Financial assets at fair value through other comprehensive income - non-current	8,403	367,275	-	367,275	-
	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	36,604	1,881,445	36.60	1,881,445	-
	Mison - Century Technology, Ltd	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	752	4,601	1.25	4,601	-
TYC Brother Industrial Preferred Shares A	-	Financial assets at fair value through other comprehensive income - non-current	1,000	44,050	0.03	44,050	-	
Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at fair value through other comprehensive income - non-current	500	30,050	0.15	30,050	-	
YFC	<u>Bonds</u>							
	Government bonds	-	Financial assets at amortized cost - non-current	-	5,078	-	5,498	-
Shinshin	<u>Bonds</u>							
	Government bonds	-	Financial assets at amortized cost - non-current	-	2,400	-	3,030	-
H. K. Manpower	<u>Beneficiary certificates</u>							
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	129	2,097	-	2,097	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	235	3,130	-	3,130	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,065	-	3,065	-
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	206	3,083	-	3,083	-
Da Wei	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	172	2,585	-	2,585	-
Yu Ching	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	614	9,182	-	9,182	-
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	315,357	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yu Pong	<u>Structured finance products</u>							
	KGI Securities CLN-Jiaying. 3rd	-	Financial assets at fair value through profit or loss - current	-	\$ 12,850	-	\$ 12,850	-
	KGI Securities CLN-Taiwan Mask. 3rd	-	Financial assets at fair value through profit or loss - current	-	17,082	-	17,082	-
Yu Pong	<u>Beneficiary certificates</u>							
	FSITC US Top 100 Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000	9,667	-	9,667	-
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	2,021	31,263	-	31,263	-
	KGI Global ESG Sustainable High Yield Bond Fund	-	Financial assets at fair value through profit or loss - current	1,000	10,296	-	10,296	-
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	734	10,047	-	10,047	-
	KGI Feng-Li Fund	-	Financial assets at fair value through profit or loss - current	800	13,128	-	13,128	-
Yu Pong	<u>Common stocks</u>							
	Yulon Motor Company	The parent company	Financial assets at fair value through other comprehensive income - current	1	3	-	3	-
	Fubon Financial Company	-	Financial assets at fair value through other comprehensive income - current	2,661	203,006	-	203,006	-
Yung Hong	<u>Structured finance products</u>							
	Credit-linked structured finance products-Meizhe-KY	-	Financial assets at fair value through profit or loss - current	-	28,105	-	28,105	-
	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-Wonderful Hi-Tech Co., Ltd 5th	-	Financial assets at fair value through profit or loss - current	-	5,030	-	5,030	-
Yung Hong	<u>Beneficiary certificates</u>							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,186	18,354	-	18,354	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	1,564	25,018	-	25,018	-
	Capital Money Market Fund	-	Financial assets at fair value through profit or loss - current	307	5,008	-	5,008	-
	Allianz Gbl Investors Taiwan Money Mkt	-	Financial assets at fair value through profit or loss - current	1,582	20,020	-	20,020	-
	Nomura Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,212	19,964	-	19,964	-
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	415	5,005	-	5,005	-
	Fuh Hwa Money Market	-	Financial assets at fair value through profit or loss - current	515	7,497	-	7,497	-
	Nomura Taiwan Growth Fund	-	Financial assets at fair value through profit or loss - current	73	6,245	-	6,245	-
	Nomura Taiwan Small Cap Fund	-	Financial assets at fair value through profit or loss - current	52	6,756	-	6,756	-
	Fuh Hwa Global Balanced	-	Financial assets at fair value through profit or loss - current	198	5,547	-	5,547	-
	The RSIT Digital Fund	-	Financial assets at fair value through profit or loss - current	104	5,701	-	5,701	-
	Nomura Global Positive Change Fund	-	Financial assets at fair value through profit or loss - current	500	4,370	-	4,370	-
	Union Money Market Fund	-	Financial assets at fair value through profit or loss - current	750	10,005	-	10,005	-
	Fuh Hwa Taiwan Intelligence Fund	-	Financial assets at fair value through profit or loss - current	141	2,730	-	2,730	-
Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	607	10,002	-	10,002	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yung Hong	<u>Common stocks</u>							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	141	\$ 2,086	-	\$ 2,086	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,974	-	4,974	-
	Yulon Finance Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	12	2,015	-	2,015	-
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	411,265	-	411,265	-
	Orgchem Technology Company	-	Financial assets at fair value through other comprehensive income - non-current	291	5,085	-	5,085	-
	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	5,945	-	5,945	-
Yue Sheng	<u>Common stocks</u>							
	YUE KI INDUSTRIAL CO., LTD.	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	16	100	0.80	100	-
China Cast Iron Pipe	<u>Beneficiary certificates</u>							
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	153	1,604	-	1,604	-
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	42	510	-	510	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	313	5,010	-	5,010	-
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	2,231	3.52	2,231	-
	Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	1,688	6.96	1,688	-
Yushin	<u>Common stocks</u>							
	Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	781	6.96	781	-
Yulon Construction	<u>Common stocks</u>							
	Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,972	-	1,972	-
	Compal Electronics, INC.	-	Financial assets at fair value through profit or loss - current	14	341	-	341	-
Yufong Property Management	<u>Beneficiary certificates</u>							
	Jih Sun Money Market Fund	-	Financial assets at fair value through profit or loss - current	569	8,530	-	8,530	-
Yu-Jie	<u>Financial products</u>							
	Lidodo Public Structural Deposit	-	Financial assets at fair value through profit or loss - current	-	43,471	-	43,471	-
	7-Day Call Deposit	-	Financial assets at amortized cost - current	-	130,412	-	130,412	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Empower	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	\$ 1,477	6.67	\$ 1,477	-
	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	-
Sin Chi	<u>Beneficiary certificates</u> Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	7,690	80,388	-	80,388	-
Yu Sing	<u>Common stocks</u> Kai Xing Insurance Agency	-	Financial assets at fair value through other comprehensive income - non-current	43	842	6.97	842	-
Yulon China	<u>Common stocks</u> YUNG JEN INDUSTRIAL CO., LTD.	-	Financial assets at fair value through profit or loss - non-current	-	2,076	-	2,076	-
Yulon China	<u>Financial products</u> Wuhua Tianbao RMB Structured Deposit W	-	Financial assets at fair value through profit or loss - current	-	47,818	-	47,818	-
Su Zhou Feng Shen	<u>Common stocks</u> Guang Zhou Cheng Yi	-	Financial assets at fair value through other comprehensive income - non-current	660	4,136	2.70	4,136	-
Su Zhou Feng Shen	<u>Financial products</u> Bank of China Limited Structural Deposit	-	Financial assets at amortized cost - current	-	132,587	-	132,587	-
HangZhou Yu Zhong	<u>Financial products</u> Yuntong Wealth Term Structured Deposit	-	Financial assets at fair value through profit or loss - current	-	23,909	-	23,909	-
Sheng Qing	<u>Financial products</u> Bank Of Nanjing Call Deposit	-	Financial assets at amortized cost - current	-	899,850	-	899,850	-
	Bank Of Industrial Call Deposit	-	Financial assets at amortized cost - current	-	86,942	-	86,942	-
	Hua Xia Bank Structural Deposit	-	Financial assets at amortized cost - current	-	43,471	-	43,471	-
	Fubon Bank (China) Structured Deposit	-	Financial assets at amortized cost - current	-	239,091	-	239,091	-
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	411,200	8.00	411,200	-

(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, 2021

(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	Hua Nan Phoenix Money Market	Financial assets at fair value through profit or loss - current	-	-	18,309	\$ 300,007	-	\$ -	18,309	\$ 300,044	\$ 300,000	\$ 44	-	\$ -
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	30,786	409,748	-	-	30,786	409,812	409,739	73	-	-
	ASROCK Incorporation	Investments accounted for using equity method	-	-	32,000	154,861	40,900	552,150	8,446	114,021	82,272	31,749	72,900	616,420
	Haitec	Investments accounted for using equity method	-	-	747,400	(1,567,265)	73,500	735,000	-	-	-	-	820,900	(1,004,424)
	Yu Ching Business Co., Ltd.	Investments accounted for using equity method	-	-	72,691	522,967	-	-	30,031	300,313	300,313	-	42,660	214,485
Haitec	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	73,219	1,000,000	73,219	1,000,899	1,000,000	899	-	-
	Hua Nan Yung Chong Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	41,414	500,000	41,414	500,199	500,000	199	-	-
Luxgen	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	36,012	400,000	89,997	1,000,000	126,009	1,400,185	1,400,000	185	-	-
Yulon Construction	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	61,757	920,000	-	-	61,757	925,372	920,000	5,372	-	-
Yu-Jie	Lidodo Public Structural Deposit	Financial assets at fair value through profit or loss - current	-	-	-	144,038	-	825,949	-	925,932	925,932	-	-	43,471
Yulon Motor Investment	Wuhua Tianbao RMB Structured Deposit W	Financial assets at fair value through profit or loss - current	-	-	-	-	-	636,850	-	589,032	589,032	-	-	47,818

(Concluded)

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

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, 2021
(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. 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, 2021
(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, 2021
(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	\$ (19,480,901)	86	Within 45 days	-	3 days to 45 days	\$ 166,431	49	
	Luxgen	The Company's subsidiary	Sales	(3,065,300)	14	Within 10 days	-	3 days to 10 days	137,809	40	
YFC	Yu Chang	The same ultimate parent company	Sales	(3,133,969)	7	Receipt of payment on the day	-	-	7,535	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(2,388,746)	6	Receipt of payment on the day	-	-	7,320	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(2,642,065)	6	Receipt of payment on the day	-	-	15,907	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(1,034,097)	2	Receipt of payment on the day	-	-	12,378	-	
	Yu Sing	The same ultimate parent company	Sales	(2,967,008)	7	Receipt of payment on the day	-	-	14,221	-	
	Yushin	The same ultimate parent company	Sales	(1,799,163)	4	Receipt of payment on the day	-	-	10,125	-	
	Yu Tang	An investee accounted for by equity method	Sales	(1,543,807)	4	Receipt of payment on the day	-	-	7,598	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(513,107)	1	Receipt of payment on the day	-	-	8,263	-	
	Empower	The same ultimate parent company	Sales	(2,020,944)	5	Receipt of payment on the day	-	-	6,333	-	
	Cheng Long	An investee accounted for by equity method	Sales	(1,830,134)	4	Receipt of payment on the day	-	-	8,346	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(610,994)	1	Receipt of payment on the day	-	-	6,938	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(436,301)	1	Receipt of payment on the day	-	-	4,580	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(374,922)	1	Receipt of payment on the day	-	-	2,921	-	
	Ding Long	An investee accounted for by equity method	Sales	(506,740)	1	Receipt of payment on the day	-	-	67	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(445,791)	1	Receipt of payment on the day	-	-	837	-	
	Yuan Zhi	An investee accounted for by equity method	Sales	(369,966)	1	Receipt of payment on the day	-	-	1,995	-	
Sin Jang	YFC	The same ultimate parent company	Sales	(18,652,572)	98	Receipt of payment on the day	-	-	-	-	
Union & NKH Auto Parts	The Company	The Parent company	Sales	(594,670)	38	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	100,163	35	
	China Motor	An investee accounted for by equity method	Sales	(674,537)	43	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	125,986	44	
Yueki	The Company	The Parent company	Sales	(321,982)	40	45 days	Bargaining	45 days	67,891	34	
	China Motor	An investee accounted for by equity method	Sales	(188,875)	23	45 days	Bargaining	45 days	29,703	15	
	Kian-shen	A related party in substance	Sales	(180,954)	22	45 days	Bargaining	45 days	67,992	34	
Y-Teks	The Company	The Parent company	Sales	(190,470)	69	45 days	-	-	36,486	48	
Yue Sheng	The Company	The Parent company	Sales	(137,685)	44	At sight or a month	Bargaining	At sight or a month	22,342	46	
Luxgen	Hui-Fong	A related party in substance	Sales	(137,887)	4	At sight	-	At sight	-	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(154,108)	4	At sight	-	At sight	21,404	31	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(122,730)	3	At sight	-	At sight	479	1	
	Luxgen Taichung	The same ultimate parent company	Sales	(121,149)	3	At sight	-	At sight	439	1	
	YFC	The same ultimate parent company	Sales	(2,965,144)	79	Within 3 days	-	Within 3 days	43,563	63	
Singgual	The Company	The Parent company	Sales	(216,749)	33	At sight or a month	Bargaining	At sight or a month	48,107	41	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(122,346)	92	At sight or a month	Bargaining	At sight or a month	12,052	97	
Hang Zhou Haitec Company	The Company	The Parent company	Sales	(375,340)	91	25 days	-	-	7,368	71	
Fuzhou Lianghong	Hangchow Liangrun	The same ultimate parent company	Sales	(252,497)	16	45 days	-	-	64,126	18	

(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 Company	The same ultimate parent company	Sales	(436,904)	98	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	72,010	64	
The Company	Union & NKH Auto Parts	The Company's subsidiary	Purchase	594,670	3	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(100,163)	4	
	Yueki	The Company's subsidiary	Purchase	321,982	2	45 days	Bargaining	45 days	(67,891)	3	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	7,449,497	44	12 days after bill of lading	-	12 days after bill of lading	(612,382)	27	
	Y-Teks	The Company's subsidiary	Purchase	190,470	1	45 days	-	-	(36,486)	2	
	Yue Sheng	The Company's subsidiary	Purchase	137,685	1	At sight or a month	Bargaining	At sight or a month	(22,342)	1	
	Singgual	The Company's subsidiary	Purchase	216,749	1	At sight or a month	Bargaining	At sight or a month	(48,107)	2	
	China Ogihara	An investee accounted for by equity method	Purchase	259,516	2	45 days after monthly closing	Bargaining	45 days after monthly closing	(29,383)	1	
	China Engine	An investee accounted for by equity method	Purchase	168,638	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(27,361)	1	
	Taiway	A related party in substance	Purchase	116,264	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(18,430)	1	
	Hang Zhou Haitec Company	The Company's subsidiary	Purchase	375,340	2	25 days	-	-	(7,368)	-	
YFC	Yulon Nissan	An investee accounted for by equity method	Purchase	21,015,748	49	Within 3 days	-	-	(140,062)	42	
	Luxgen	The same ultimate parent company	Purchase	2,965,144	7	Within 3 days	-	-	(43,563)	13	
	Sin Jang	The same ultimate parent company	Purchase	18,652,572	44	Payment on the day	-	-	-	-	
Yu Sing	YFC	The same ultimate parent company	Purchase	2,967,008	84	Receipt of payment on the day	-	-	(14,221)	23	
	Yulon Nissan	An investee accounted for by equity method	Purchase	365,699	10	Receipt of payment on the day	-	-	(17,692)	29	
	Kuen You Trading	The same ultimate parent company	Purchase	122,346	3	60 days	-	-	(12,052)	20	
Yushin	YFC	The same ultimate parent company	Purchase	1,799,163	81	Receipt of payment on the day	-	-	(10,125)	20	
	Yulon Nissan	An investee accounted for by equity method	Purchase	276,911	12	Receipt of payment on the day	-	-	(5,242)	10	
Yu Chang	YFC	The same ultimate parent company	Purchase	3,133,969	84	Receipt of payment on the day	-	-	(7,535)	11	
	Yulon Nissan	An investee accounted for by equity method	Purchase	439,940	12	Receipt of payment on the day	-	-	(17,365)	26	
Empower	YFC	The same ultimate parent company	Purchase	2,020,944	87	Receipt of payment on the day	-	-	(6,333)	7	
	Yulon Nissan	An investee accounted for by equity method	Purchase	332,409	13	Receipt of payment on the day	-	-	(1,297)	1	
Luxgen	The Company	The Parent company	Purchase	3,065,300	95	Within 10 days	-	3 days to 10 days	(137,809)	31	
Luxgen Taipei	YFC	The same ultimate parent company	Purchase	1,034,097	75	Receipt of payment on the day	-	-	(12,378)	26	
	Luxgen	The same ultimate parent company	Purchase	154,108	11	At sight	-	-	(21,404)	45	
Luxgen Taoyuan	YFC	The same ultimate parent company	Purchase	513,107	74	Receipt of payment on the day	-	-	(8,263)	43	
	Luxgen	The same ultimate parent company	Purchase	122,730	18	At sight	-	-	(479)	2	
Luxgen Taichung	YFC	The same ultimate parent company	Purchase	610,994	78	Receipt of payment on the day	-	-	(6,938)	42	
	Luxgen	The same ultimate parent company	Purchase	121,149	16	At sight	-	-	(439)	3	
Luxgen Tainan	YFC	The same ultimate parent company	Purchase	374,922	76	Receipt of payment on the day	-	-	(2,921)	51	
Luxgen Kaohsiung	YFC	The same ultimate parent company	Purchase	436,301	79	Receipt of payment on the day	-	-	(4,580)	100	
Hangchow Liangrun	Fuzhou Lianghong	The same ultimate parent company	Purchase	252,497	86	45 days	-	-	(64,126)	27	
Hang Zhou Haitec Company	Chuang Jie	The same ultimate parent company	Purchase	436,904	83	60 days	Because the standard and characteristic of products are different, there is no base to compare.	60 days	(72,010)	47	

(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, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Yulon Nissan	An investee accounted for by equity method	\$ 235,063 (Note 1)	165.75	\$ -	-	\$ 173,788	\$ -
	Luxgen	The Company's subsidiary	188,830 (Note 2)	17.11	-	-	114,042	-
	Dongfeng Yulon	An investee accounted for by equity method	358,919 (Note 5)	-	-	-	-	358,919
Union & NKH Auto Parts	The Company	The parent company	100,163 (Note 5)	0.04	-	-	100,967	-
Hangchow Liangrun	Dongfeng Yulon	An investee accounted for by equity method	156,031 (Note 6)	-	-	-	-	156,031
Union & NKH Auto Parts	China Motor	An investee accounted for by equity method	125,986 (Note 5)	0.05	-	-	118,108	-
Luxgen	Dongfeng Yulon	An investee accounted for by equity method	172,800 (Note 5)	-	-	-	-	172,800
Haitec	Dongfeng Yulon	An investee accounted for by equity method	7,069,623 (Note 3)	-	-	-	-	7,069,623
	Luxgen	Subsidiary	167,965 (Note 5)	-	-	-	35,342	132,623
	Yulon Motor Investment	The same ultimate parent company	103,422 (Note 6)	-	-	-	-	103,422
TAC Leasing (Suzhou)	Dongfeng Yulon	Other related parties	284,647	-	-	Depends on status of fund	-	284,647
Yulon Motor Finance	Dong Feng Yulon Sales Company	Other related parties	135,978	-	-	Depends on status of fund	-	135,978
Shinshin	YES Energy Service	The same ultimate parent company	524,674	-	-	Depends on status of fund	2,225	2,635
Yu-Jie	Dongfeng Yulon	An investee accounted for by equity method	217,763 (Note 6)	-	-	-	-	217,763
Yulon China	Wen Yang	The same ultimate parent company	586,134 (Note 6)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	108,678 (Note 6)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	130,413 (Note 6)	-	-	-	-	-
Ke Yu	Tai Feng	The same ultimate parent company	206,366 (Note 6)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	212,138 (Note 6)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
LUXGEN (Hangzhou) Motor Sales	Dong Feng Yulon Sales Company	Other related parties	\$ 670,369 (Note 6)	-	\$ -	-	\$ -	\$ 670,369
	Dongfeng Yulon	An investee accounted for by equity method	6,446,747 (Note 4)	-	-	-	-	6,446,644
Yulon Motor Investment	Dongfeng Yulon	An investee accounted for by equity method	290,895 (Note 6)	-	-	-	-	290,895
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	117,902 (Note 6)	-	-	-	-	-
Sheng Qing	Yu-Jie	The same ultimate parent company	173,884 (Note 6)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	166,059 (Note 6)	-	-	-	-	-
	Yulon Motor Investment	The same ultimate parent company	886,343 (Note 6)	-	-	-	-	-
	Dongfeng Yulon	An investee accounted for by equity method	156,496 (Note 6)	-	-	-	-	156,496
Union & NKH Auto Parts	Hangchow Liangrun	The same ultimate parent company	186,362 (Note 6)	-	-	-	-	-
Hangchow Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	105,420 (Note 5)	-	-	-	-	105,420
Hang Zhou Haitec Company	Dongfeng Yulon	An investee accounted for by equity method	535,676 (Note 5)	-	-	-	-	535,676
Hangchow Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	105,086 (Note 5)	-	-	-	-	105,086

Note 1: The receivables comprised account and notes receivable of \$166,431 thousand and other receivables of \$68,632 thousand.

Note 2: The receivables comprised account and notes receivable of \$137,809 thousand and other receivables of \$51,021 thousand.

Note 3: The receivables comprised account and notes receivable of \$6,410,785 thousand and other receivables of \$658,838 thousand.

Note 4: The receivables comprised account and notes receivable of \$5,212 thousand and other receivables of \$6,441,535 thousand.

Note 5: The receivables comprised account receivable.

Note 6: The receivables comprised other receivables.

(Concluded)

TABLE 9

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 9,032,436	\$ 3,025,993	\$ 1,453,134	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	141,526	44,592	8.05	3,983,679	4,181,835	265,132	-
	YFC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	174,851	45.75	6,737,137	5,153,626	2,266,284	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	393,578	(21,574)	(8,317)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	238,994	238,872	23,069	80.10	361,053	9,971	8,436	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	42,030	12,364	9,602	-
	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	594,130	10,482	3,769	-
	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	134,825	46,278	14,263	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	114,713	55,857	34,910	-
	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	531,137	118,592	52,545	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	104,251	21,194	1,897	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	776,907	1,077,221	42,660	60.00	215,885	71,560	38,420	-
	Yu Pong	New Taipei City, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	28,470	100.00	735,170	29,604	23,954	-
	Yung Hong	New Taipei City, Taiwan	Investments	537,311	537,311	77,622	100.00	723,872	45,410	45,410	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	186,926	19,999	99.99	237,386	22,329	19,431	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	789,878	320,000	64,454	38.16	616,420	(25,601)	(10,065)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	12,065	27.00	238,926	80,858	22,189	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	115,736	27,856	6,008	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	210,793	167,283	34,367	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	3,254	3.46	72,755	286,750	9,922	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,999	20.00	72,547	14,693	1,701	-
	Chan Yun	Hsinchu, Taiwan	Wholesale and retail of information software	58,594	58,594	16,664	87.71	34,425	568	498	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	1,081,157	1,081,157	108,000	100.00	1,100,850	(37,992)	(37,992)	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	505,189	17,999	99.99	137,557	19,325	3,561	-
	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	300,143	103,460	37,642	-
	Yulon Overseas	B.V.I.	Investments	32,302,352	32,321,598	1,082,406	100.00	7,015,972	(464,753)	(465,084)	-
	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,919,970	1,237,752	215,245	-
	Haitec	New Taipei City, Taiwan	Product design	10,296,755	9,561,755	820,900	61.09	(1,004,424)	(396,515)	(127,172)	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	71,416	26,603	5,073	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	28,640,000	28,640,000	605,000	100.00	409,955	(241,656)	(247,068)	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	-	32,991	-	-	-	16,813	-	-
	Yulon Construction	Taipei, Taiwan	Construction industry	3,034,485	3,034,485	122,100	100.00	3,255,614	47,172	(19,661)	-
	Hong Kong-Spicer	Hong Kong	Investment	56,475	56,475	1,585	20.50	50,380	233	48	-
Advance Power Machinery	Miaoli, Taiwan	Sales and producing of cars and related parts	10,787	10,787	500	100.00	16,532	5,012	5,012	-	
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	757,288	757,288	64,570	68.57	1,447,336	286,750	-	-
	Shinshin	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	274,997	100.00	4,840,796	1,060,195	-	-
	TAC Global	Samoa	Shareholding company	3,342,688	3,342,688	108,833	100.00	4,917,872	571,254	-	-
	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	213,004	1,237,752	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	8,100	27.00	104,350	14,693	-	-
	Yu Rich	New Taipei City, Taiwan	Installment loans of consumer products	1,160,662	1,160,662	159,876	100.00	2,912,098	973,387	-	-
	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	149,474	(96,837)	-	-
	Singan	Taipei, Taiwan	Sales of automobile - related products	315,157	315,157	21,004	73.26	396,668	181,064	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	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	\$ 23,277	\$ 56,085	\$ -	-
				246,407	246,407	29,000	100.00	227,501	9,836	-	-
YES Energy Service	Power Engineering	New Taipei City, Taiwan	Wholesale and retail sale of batteries	2,000	2,000	200	100.00	(14,954)	(1,979)	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	119,290	8,563	-	-
	Car-Plus Samoa	Samoa	Shareholding company	941,992	941,992	31,200	100.00	694,387	(92,486)	-	-
	Da-Wei	Taipei, Taiwan	Brokerage of electric vehicles	40,000	40,000	4,000	100.00	43,797	378	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	11,881	11,881	4,050	100.00	15,989	628	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	5,473	(2,114)	-	-
	Da-Chuan	Taipei, Taiwan	Taxi service	1,125	1,125	300	100.00	2,284	172	-	-
	Da-Mu	Taipei, Taiwan	Taxi service	1,575	1,575	600	100.00	2,358	73	-	-
	Da-Chung	Taipei, Taiwan	Taxi service	900	900	300	100.00	1,861	95	-	-
	Yong-Xiang	Taipei, Taiwan	Taxi service	3,810	3,810	300	100.00	4,242	374	-	-
	Guo-Ma	Taipei, Taiwan	Taxi service	2,286	2,286	400	100.00	2,415	97	-	-
	Jin-Yu	Taipei, Taiwan	Taxi service	3,048	3,048	300	100.00	3,368	187	-	-
	Zhong-Xing	Taipei, Taiwan	Taxi service	3,810	3,810	350	100.00	4,076	165	-	-
	Li-Yang	Taipei, Taiwan	Taxi service	5,381	5,381	900	100.00	6,432	978	-	-
	He-Yang	Taipei, Taiwan	Taxi service	2,032	2,032	600	100.00	2,170	120	-	-
	Jia-Yu	Taipei, Taiwan	Taxi service	1,778	1,778	300	100.00	1,882	77	-	-
	Tian-Yang	Taipei, Taiwan	Taxi service	2,159	2,159	600	100.00	2,571	358	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	17,473	1,238	-	-
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	22,438	485	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	385,771	40,151	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	263,825	29,887	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	563,805	563,805	19,200	60.00	44,696	(224,110)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	257,180	40,151	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	175,884	29,887	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	375,906	375,906	12,800	40.00	29,797	(224,110)	-	-
	Yu Rong International	Samoa	Shareholding company	2,698,460	2,698,460	87,496	100.00	4,459,769	632,743	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	9,014	485	-	-
Yulon Finance Philippines Corporation	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	149,474	(96,837)	-	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Philippine	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	149,474	(96,837)	-	-
Singan	Hsiang Shuo	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	241,225	69,178	-	-
	Singgual	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	210,692	40,558	-	-
	Sin Jang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	218,754	518,754	12,824	100.00	239,522	70,846	-	-
	Ching-Tong	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	75,578	6,746	100.00	35,696	2,171	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	35,269	454	0.08	28,787	4,181,835	-	-
	Yu Ching	New Taipei City, Taiwan	Import and export and sale of cars and parts	472,511	682,685	28,440	40.00	367,157	71,560	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
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	\$ 108,884	\$ 103,460	\$ -	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	193,869	3,998	0.72	80,900	4,181,835	-	-
Yu Ching	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	55,467	55,467	3,500	1.17	123,825	1,237,752	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	226,296	3,025,993	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,403	9	3,300	33.00	35,789	16,813	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	243	11	-	695	4,181,835	-	-
	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	46,278	-	-
	Yue Ki Samoa	Samoa	Investment	123,058	123,058	4,126	100.00	445,138	(83)	-	-
	Yue Ki HK	Hong Kong	Investment	330,094	330,094	10,600	100.00	37,655	476	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	25,455	4,185	-	-
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	58,565	7,213	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	20,487	12,296	-	-
	Yu Shin Investment	Samoa	Investment	98,111	98,111	350	100.00	44,622	(13,628)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	12,969	1,602	-	-
	Hong Yen	Samoa	Investment	213,774	190,062	213,774	100.00	39,545	(5,296)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	5,000	5,000	500	100.00	4,707	117	-	-
	Minxiang Leasing Company	Taichung, Taiwan	Lease of cars and related services	30,000	30,000	3,000	100.00	30,629	625	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	197,102	3,025,993	-	-
	Yu Chia	New Taipei City, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	2,600	100.00	29,406	261	-	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	27,996	27,996	22,005	59.64	116,399	(173,984)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	27,394	(1,852)	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	15,715	1,903	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	881,685	138,439	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	265	11	-	717	4,181,835	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	344,983	13,072	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	-	256	-	-	-	4,181,835	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,895,742	7,049	-	-
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	184,999	184,999	18,499	99.99	133,325	1,411	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	61,452	12,296	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	103,599	10,359	97.73	130,276	14,176	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	98,897	9,889	94.18	104,760	2,129	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	65,998	6,599	92.94	58,883	9,521	-	-
	Singan	New Taipei City, Taiwan	Sales of automobile - related products	81,191	81,191	5,670	19.78	107,078	181,064	-	-
	Haitec	New Taipei City, Taiwan	Product design	5,227,000	5,227,000	522,700	38.90	173,104	(396,515)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Yulon Construction	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	\$ -	\$ 1,497	-	-	\$ -	\$ 4,181,835	\$ -	-
	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	56,934	6,978	-	-
Haitec	SinYi Co., Ltd.	New Taipei City, Taiwan	Wholesale and retail of cars and parts	-	500	-	-	-	140	-	-
	Hua-Chung Overseas Investment Co., Ltd	B.V.I.	Investments	490,393	490,393	5,465	100.00	(9,112)	(16,666)	-	-
	Foxtron Vehicle Technologies Corporation	New Taipei City, Taiwan	Product design	7,632,000	7,542,000	763,200	49.00	7,137,305	(784,587)	-	-
Hua-Chung Overseas Investment Co., Ltd	Haitec China Investment	Hong Kong	Investments	461,709	461,709	15,014	100.00	(9,398)	(16,666)	-	-
Yulon Overseas	Yulon Philippine	Cayman	Investments	989,138	1,017,726	35,741	100.00	90,847	(895)	-	-
	Yulon China	B.V.I.	Investments	29,353,088	30,221,151	1,057,380	100.00	7,048,600	(463,491)	-	-
Yulon Philippine	UMPI & SCIC NPI	Philippine	Manufacturing of cars and factory lease	808,090	831,445	10,914	100.00	89,310	(230)	-	-
			Sale, maintenance and repair of cars and parts	65,108	66,990	12	24.50	-	152,966	-	-
Yulon China	Qing Yi	Samoa	Investments	424,168	436,427	-	100.00	88,696	6,337	-	-
	Wen Yang	Samoa	Investments	820,712	844,432	31,450	100.00	750,482	6,591	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	7,536,318	7,754,130	-	100.00	14,683	178	-	-
	Yulon China Holding	Cayman	Investments	19,865,385	20,439,529	702,043	100.00	5,419,231	(491,320)	-	-
	Feng Hua	Hong Kong	Investments	77,504	79,744	-	40.00	155,795	35,789	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	19,865,385	20,439,529	-	100.00	5,419,226	(491,320)	-	-

(Concluded)

TABLE 10

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	\$ 67,265	b.	\$ 55,763	\$ -	\$ -	\$ 55,763	\$ (3,777)	100.00	\$ (3,777)	\$ 486,661	\$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	782,612	b.	723,154	-	-	723,154	4,107	100.00	4,107	657,133	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	496,499	b.	445,203	-	-	445,203	321	100.00	321	313,602	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	522,805	b.	460,193	-	-	460,193	2,362	100.00	2,362	361,950	-	2, b.
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,404,202	b.	7,969,003	-	-	7,969,003	(1,645,555)	50.00	-	-	-	2, c.
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	191,962	b.	83,944	-	-	83,944	35,790	40.00	14,315	389,487	-	2, b.
Yulon Motor Investment	Investment, shareholding and related business	8,214,047	b.	1,745,943	-	-	1,745,943	(122,735)	100.00	(122,735)	4,781,756	-	2, b.
LUXGEN (Hangzhou) Motor Sales	Sales of cars and car parts	13,092,868	b.	12,928,809	-	-	12,928,809	(367,000)	100.00	(367,000)	141,382	-	2, a.
Yulon Motor Finance (China)	Car purchases and loans to car dealers for car purchases	4,347,100	a.	2,191,725	-	-	2,191,725	80,886	73.42	59,384	3,042,331	-	2, b.
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chasses, connection arms, crossrails of engines and other stamping and welding parts	139,075	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	59,409	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Xian Bo	Manufacturing and design of fixtures and jigs of vehicles, mechanical and electrical products; inner and external fittings and furnishing	74,712	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	173,504	b.	2,249	-	-	2,249	2,786	2.59	-	2,076	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	344,722	b.	2,998	-	(2,998)	-	-	-	-	-	-	-
Hang Zhou Haitec Company	Product design	860,580	b.	-	-	-	-	(21,916)	99.94	(22,858)	(19,111)	-	2, a.

(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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	\$ 890,312	a.	\$ 228,152	\$ -	\$ -	\$ 228,152	\$ 404,665	20.50	\$ 82,956	\$ 249,792	\$ -	2, c.
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	373,532	a.	55,124	-	-	55,124	2,354	14.30	337	343,270	-	2, c.
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	652,065	b.	-	-	-	-	8,243	22.30	1,838	431,059	-	2, c.
Hangchow Yue Wan	Manufacturing of car parts	549,725	b.	267,362	-	-	267,362	851	80.75	687	81,192	-	2, c.
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	289,256	b.	44,327	-	-	44,327	(1,772)	29.06	56	91,582	-	2, c.
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	38,752	b.	-	-	-	-	2,094	14.82	310	66,342	-	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	138,400	b.	-	-	-	-	65,644	5.00	3,282	142,619	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	321,088	b.	-	-	-	-	594,428	6.00	35,666	875,102	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	451,942	b.	-	-	-	-	31,175	16.67	5,197	527,985	-	2, c.
Hangchow Liangrun	Manufacturing of car seats	644,443	b.	142,431	-	-	142,431	(4,065)	40.38	(1,860)	24,312	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	740,440	b.	-	-	-	-	(25,919)	10.00	(2,592)	1,231,032	-	2, c.
Yu-Jie	Construction industry	2,173,550	a.	-	-	-	-	(85,215)	100.00	(85,215)	1,921,929	-	2, b.
Car-Plus (Suzhou)	Lease of cars and related services	276,800	b.	-	-	-	-	40,151	39.20	15,738	641,896	-	2, b.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	276,800	b.	-	-	-	-	29,887	39.20	11,715	439,707	-	2, b.
Car-Plus Go Co., Ltd.	Lease of cars and related services	885,760	b.	-	-	-	-	(224,110)	37.12	(83,193)	74,492	-	2, b.
TAC Leasing (Suzhou)	Equipment and cars leasing business	2,089,729	b.	-	-	-	-	576,658	45.75	263,821	4,473,974	-	2, a.
TAC Finance Company	Equipment and cars leasing business	830,400	b.	-	-	-	-	140,213	56.60	79,361	8,764	-	2, b.
Zhe Jiang Cheng Yi Company	Equipment and cars leasing business	86,942	b.	-	-	-	-	(9,919)	56.60	(5,614)	(278)	-	2, c.
Hangzhou Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	6,521	b.	-	-	-	-	(310)	56.60	(175)	2,218	-	2, c.
Zhejiang Cheng-Yi Auction	Secondhand vehicle authentication and evaluation service	8,694	b.	-	-	-	-	3,407	56.60	1,928	6,674	-	2, c.
Shanghai Yu Guo	Sales of cars	-	b.	-	-	-	-	(112)	20.00	(22)	-	-	2, c.
Master Good Car (Wuhan)	Sales of cars	8,694	b.	-	-	-	-	(5,399)	56.60	(3,056)	(17,297)	-	2, c.
Genwise	Sales of car parts	49,031	b.	-	-	-	-	(225)	53.30	(120)	25,494	-	2, c.
Dong Yu Tech. Company	Sales of car parts	65,207	b.	-	-	-	-	-	17.99	(7,548)	-	-	2, c.
Fu Jian Yu Xin	Sales of cars	-	b.	-	-	-	-	(504)	100.00	(504)	-	-	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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Ning Bo Yu Cheng	Sales of cars	\$ -	b.	\$ -	\$ -	\$ -	\$ -	\$ (1,194)	100.00	\$ (1,194)	\$ -	\$ -	2, b.
Shanghai Yuming	Sales of cars	354,545	b.	-	-	-	-	(7,190)	32.62	(3,666)	(19)	-	2, b.
Ka Shing Yu Da	Sales of cars	116,359	b.	-	-	-	-	(5,431)	32.62	(2,814)	4,074	-	2, b.
Sheng Qing	Investments	5,388,974	b.	3,080,606	-	-	3,080,606	(13,911)	100.00	(13,911)	4,016,085	-	2, b.
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,434,209	b.	3,432,301	-	-	3,432,301	(172,409)	100.00	(172,409)	2,380,702	-	2, a.
Mei De	Computer software maintenance and computer system integration	345,594	b.	-	-	-	-	1,745	100.00	1,745	322,224	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	312,252	b.	-	-	-	-	1,936	100.00	1,936	148,970	-	2, b.
Jin Ce	Computer software maintenance and computer system integration	85,507	b.	-	-	-	-	(65)	100.00	(65)	65,189	-	2, b.
Yi Ding	Computer software maintenance and computer system integration	239,960	b.	-	-	-	-	(1,494)	100.00	(1,494)	138,585	-	2, b.
Dong Tai	Investments	318,208	b.	-	-	-	-	994	100.00	994	150,432	-	2, b.
Gao Te	Investments	252,132	b.	-	-	-	-	(2,017)	100.00	(2,017)	157,492	-	2, b.
Su Zhou Feng Shen	Sales of cars	208,661	b.	-	-	-	-	153,727	40.00	61,491	303,383	-	2, b.
Guang Zhou Yuan Du	Sales of cars	152,149	b.	-	-	-	-	(31,649)	51.00	(16,141)	77,534	-	2, b.
Zhu Hai Fu Te En	Sales of cars	153,018	b.	-	-	-	-	34,634	100.00	34,634	276,228	-	2, b.
Nanjing Hanhong	Sales of cars	569,470	b.	-	-	-	-	(12,148)	100.00	(12,148)	272,572	-	2, b.
Wuhan Yu Hsin	Sales of cars	434,710	b.	-	-	-	-	45,267	100.00	45,267	437,444	-	2, b.
HangZhou Yu Zhong	Trading	43,471	b.	-	-	-	-	(17,575)	100.00	(17,575)	50,026	-	2, b.
Qingdao Yuanhuang	Sales of cars	-	b.	-	-	-	-	(42,045)	51.00	(21,443)	-	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	86,942	b.	-	-	-	-	(7,568)	60.00	(4,541)	(217,059)	-	2, b.
Chang Sha Yu Lu	Sales of cars	138,238	b.	-	-	-	-	2,679	100.00	2,679	7,360	-	2, b.
Hang Zhou Tang Yu	Investments	43,471	b.	-	-	-	-	(131)	100.00	(131)	37,794	-	2, b.
Hang Zhou Chien Yu	Investments	43,471	b.	-	-	-	-	(910)	100.00	(910)	(9,353)	-	2, b.
Zhuhai Yuhsin	Sales of cars	-	b.	-	-	-	-	130	100.00	130	-	-	2, b.
Shenzhen Yu Zhi	Sales of cars	-	b.	-	-	-	-	(2,879)	100.00	(2,879)	-	-	2, b.
Xiao Gan Yu Feng	Sales of cars	139,107	b.	-	-	-	-	37,252	100.00	37,252	261,217	-	2, b.
Su Zhou Feng Shun	Sales of cars	108,678	b.	-	-	-	-	72,129	40.00	28,851	278,370	-	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, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Suzhou Yueshun	Sales of cars	\$ 43,471	b.	\$ -	\$ -	\$ -	\$ -	\$ 2,744	40.00	\$ 1,098	\$ 36,768	\$ -	2, b.
Su Chou Cheng Pin	Sales of cars	173,884	b.	-	-	-	-	6,044	40.00	2,417	198,220	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	43,471	b.	-	-	-	-	24,166	40.00	9,666	87,132	-	2, b.
Su Zhou Cheng Li	Sales of cars	65,207	b.	-	-	-	-	11,896	40.00	4,759	65,211	-	2, b.
Hang Zhou hsiao Yu	Investments	43,471	b.	-	-	-	-	(973)	99.00	(963)	(14,214)	-	2, b.
Nan Jing Yu Shang	Sales of cars	165,190	b.	-	-	-	-	(838)	100.00	(838)	4,856	-	2, b.
Hang Zhou Hua You	Sales of cars	34,777	b.	-	-	-	-	(3,738)	60.00	(2,243)	(222,493)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	43,471	b.	-	-	-	-	9,795	40.00	3,918	67,807	-	2, b.
Nan Jing Yu Hua	Sales of cars	191,272	b.	-	-	-	-	(13,746)	100.00	(13,746)	116,237	-	2, b.
Su Zhou Cheng Guo	Sales of cars	86,942	b.	-	-	-	-	(3,803)	40.00	(1,521)	33,955	-	2, b.
Su Zhou Cheng Hung	Sales of cars	43,471	b.	-	-	-	-	3,651	40.00	1,461	46,423	-	2, b.
Tai Chang Cheng Mau	Sales of cars	43,471	b.	-	-	-	-	15,066	40.00	6,026	88,760	-	2, b.
An Hui Min Tung	Sales of cars	-	b.	-	-	-	-	(6,005)	100.00	(6,005)	-	-	2, b.
An Ching Tsai Tung	Sales of cars	119,184	b.	-	-	-	-	265	100.00	265	116	-	2, b.
Tung Ling Kuo Tung	Sales of cars	73,523	b.	-	-	-	-	(508)	100.00	(508)	34,925	-	2, b.
Zi Bo Yu An	Sales of cars	67,119	b.	-	-	-	-	(221)	100.00	(221)	(2,326)	-	2, b.
Fu Zhou Yu Xin	Sales of cars	52,165	b.	-	-	-	-	(13,490)	100.00	(13,490)	29,332	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2021	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	\$33,856,289	\$35,394,116	\$42,419,714

Note 1: Method of investment have following type:

- 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 is no investment gains and losses, should be noted.

- b. The amounts 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 the net equity or consolidated net equity.

(Concluded)

TABLE 11

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES AND SUBSIDIARIES AND SUBSIDIARIES AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	\$ 137,809	Based on regular terms	-
		Luxgen	1	Other receivables from related parties	51,021	Based on regular terms	-
		Chuang Jie	1	Guarantee deposits	25,836	Based on regular terms	-
		YFC	1	Operating revenue, net	16,148	Based on regular terms	-
		Yu Ching	1	Operating revenue, net	14,768	Based on regular terms	-
		Yulon Construction	1	Operating revenue, net	66,228	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	16,365	Based on regular terms	-
		Union & NKH Auto Parts	1	Operating revenue, net	47,125	Based on regular terms	-
		Luxgen	1	Operating revenue, net	3,297,966	Based on regular terms	4
		Luxgen Taipei	1	Operating revenue, net	15,512	Based on regular terms	-
		Advance Power Machinery	1	Operating revenue, net	44,978	Based on regular terms	-
		Yushin	1	Operating revenue, net	1,595,261	Based on regular terms	2
		Yu Sing	1	Operating revenue, net	2,638,275	Based on regular terms	3
		Yu Chang	1	Operating revenue, net	2,726,982	Based on regular terms	3
		Empower	1	Operating revenue, net	1,603,306	Based on regular terms	2
		Yushin	1	Operating revenue, net	10,827	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	26,738	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	64,045	Based on regular terms	-
		Empower	1	Operating revenue, net	17,972	Based on regular terms	-
		Yushin	1	Operating revenue, net	222,373	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	283,609	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	338,985	Based on regular terms	-
		Empower	1	Operating revenue, net	241,271	Based on regular terms	-
		Yushin	1	Operating revenue, net	15,867	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	16,891	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	21,354	Based on regular terms	-
Empower	1	Operating revenue, net	16,745	Based on regular terms	-		
The Company	1	Long term investment	10,487	Based on regular terms	-		
The Company	1	Unrealized gain on transactions with associates	10,487	Based on regular terms	-		
The Company	1	Unrealized gain on transactions with associates	15,381	Based on regular terms	-		
1	YFC	Yushin	3	Notes and trade receivables, net	10,125	Based on regular terms	-
		Yu Sing	3	Notes and trade receivables, net	14,221	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	12,378	Based on regular terms	-
		Shinshin	3	Other receivables from related parties	29,914	Based on regular terms	-
		Yu Rich	3	Other receivables from related parties	21,951	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
2	Yue Sheng	The Company The Company	2 2	Notes and trade receivables, net	\$ 22,342	Based on regular terms	-
				Operating revenue, net	137,685	Based on regular terms	-
3	Yueki	The Company The Company Hangchow Yue Wan Hangchow Yue Wan Shinshin Hangchow Yue Wan	2 2 3 3 3 3	Notes and trade receivables, net	67,891	Based on regular terms	-
				Operating revenue, net	321,982	Based on regular terms	-
				Notes and trade receivables, net	17,634	Based on regular terms	-
				Other receivables from related parties	22,993	Based on regular terms	-
				Operating revenue, net	93,632	Based on regular terms	-
				Operating revenue, net	12,481	Based on regular terms	-
4	Yu Chang	Yushin Empower Tian Wang Car-plus Corporation	3 3 3 3	Operating revenue, net	11,029	Based on regular terms	-
				Operating revenue, net	23,923	Based on regular terms	-
				Operating revenue, net	27,782	Based on regular terms	-
				Operating revenue, net	29,136	Based on regular terms	-
5	Singan	Hsiang Shuo Singgual Sin Jang	3 3 3	Notes and trade receivables, net	10,888	Based on regular terms	-
				Operating revenue, net	10,127	Based on regular terms	-
				Operating revenue, net	18,555	Based on regular terms	-
6	Singgual	The Company The Company Ching-Tong Singan Ching-Tong Luxgen Luxgen Taipei	2 2 3 3 3 3 3	Notes and trade receivables, net	48,107	Based on regular terms	-
				Operating revenue, net	216,752	Based on regular terms	-
				Other receivables from related parties	10,064	Based on regular terms	-
				Operating revenue, net	43,661	Based on regular terms	-
				Operating revenue, net	16,024	Based on regular terms	-
				Operating revenue, net	15,951	Based on regular terms	-
				Operating revenue, net	14,328	Based on regular terms	-
7	Yu Pool	Yushin	3	Operating revenue, net	73,699	Based on regular terms	-
8	Yu Sing	YFC Kuen You Trading Car-plus Corporation Luxgen Taipei Kuen You Trading	3 3 3 3 3	Notes and trade receivables, net	10,750	Based on regular terms	-
				Notes and trade receivables, net	13,093	Based on regular terms	-
				Operating revenue, net	400,733	Based on regular terms	1
				Nonoperating revenue and expense	12,314	Based on regular terms	-
				Nonoperating revenue and expense	28,859	Based on regular terms	-
9	Y-Teks	The Company The Company Luxgen	2 2 3	Notes and trade receivables, net	36,486	Based on regular terms	-
				Operating revenue, net	190,470	Based on regular terms	-
				Notes and trade receivables, net	21,386	Based on regular terms	-
10	Union & NKH Auto Parts	The Company The Company The Company Uni Investment Fuzhou Lianghong Hangchow Liangrun Fuzhou Lianghong	2 2 2 3 3 3 3	Notes and trade receivables, net	100,163	Based on regular terms	-
				Other receivables from related parties	29,428	Based on regular terms	-
				Operating revenue, net	594,670	Based on regular terms	1
				Other receivables from related parties	22,483	Based on regular terms	-
				Other receivables from related parties	28,902	Based on regular terms	-
				Other receivables from related parties	186,362	Based on regular terms	-
				Operating revenue, net	37,649	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
11	Car-plus Corporation	Diamond Leasing	3	Notes and trade receivables, net	\$ 64,284	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	19,896	Based on regular terms	-
		Luxgen	3	Operating revenue, net	14,636	Based on regular terms	-
12	Luxgen	The Company	2	Other receivables from related parties	10,692	Based on regular terms	-
		The Company	2	Other current assets	427,552	Based on regular terms	-
		The Company	2	Guarantee deposits	25,536	Based on regular terms	-
		YFC	3	Notes and trade receivables, net	43,563	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	21,404	Based on regular terms	-
		YFC	3	Operating revenue, net	2,965,144	Based on regular terms	4
		Singual	3	Operating revenue, net	15,007	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	92,536	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	154,108	Based on regular terms	-
		Luxgen Taoyuan	3	Operating revenue, net	122,730	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	121,149	Based on regular terms	-
		Luxgen Tainan	3	Operating revenue, net	72,224	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	69,994	Based on regular terms	-
YFC	3	Nonoperating revenue and expense	16,000	Based on regular terms	-		
13	Luxgen Taipei	Luxgen	3	Notes and trade receivables, net	12,386	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	61,164	Based on regular terms	-
		Luxgen	3	Operating revenue, net	38,839	Based on regular terms	-
		Luxgen	3	Nonoperating revenue and expense	20,915	Based on regular terms	-
14	Luxgen Taoyuan	Car-plus Corporation	3	Operating revenue, net	18,038	Based on regular terms	-
		Luxgen	3	Operating revenue, net	13,916	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	33,430	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	11,958	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	12,088	Based on regular terms	-
15	Yulon Motor Investment	The Company	2	Other receivables from related parties	10,379	Based on regular terms	-
16	TAC Finance Company	Master Good Car (Wuhan) Automobile Sales Co., Ltd.	3	Notes and trade receivables, net	19,377	Based on regular terms	-
17	Yulon Motor Finance (China)	Zhe Jiang Cheng Yi Company	3	Other current assets	16,793	Based on regular terms	-
18	Kuen You Trading	Yu Sing	3	Notes and trade receivables, net	12,052	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	122,346	Based on regular terms	-
19	Chuang Jie	The Company	2	Notes and trade receivables, net	31,662	Based on regular terms	-
		The Company	2	Operating revenue, net	30,455	Based on regular terms	-
		Hang Zhou Haitec Company	3	Notes and trade receivables, net	72,010	Based on regular terms	-
		Hang Zhou Haitec Company	3	Operating revenue, net	438,016	Based on regular terms	1
20	Yu-Hsin Intl	Yu-Hsin Intl HK	3	Other receivables from related parties	27,680	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
21	Yulon China	Wen Yang	3	Other receivables from related parties	\$ 586,134	Based on regular terms	-
22	Yue Ki Samoa	Yue Ki HK	3	Other receivables from related parties	13,841	Based on regular terms	-
23	Ke Yu	Tai Feng	3	Other receivables from related parties	206,366	Based on regular terms	-
		Yi Ding	3	Other receivables from related parties	21,736	Based on regular terms	-
		Sheng Qing	3	Other receivables from related parties	212,138	Based on regular terms	-
24	Tai Feng	Yi Ding	3	Other receivables from related parties	13,041	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	21,736	Based on regular terms	-
25	Qing Tai	Shi Cheng	3	Other receivables from related parties	17,388	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	108,678	Based on regular terms	-
26	Mei De	Shi Cheng	3	Other receivables from related parties	130,413	Based on regular terms	-
27	Jin Ce	Yi Ding	3	Other receivables from related parties	17,388	Based on regular terms	-
28	Sheng Qing	Xiamen Young Chang	3	Other receivables from related parties	166,059	Based on regular terms	-
		Su Zhou Feng Shen	3	Other receivables from related parties	86,942	Based on regular terms	-
		Zhu Hai Fu Te En	3	Other receivables from related parties	22,810	Based on regular terms	-
		Nanjing Hanhong	3	Other receivables from related parties	39,124	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables from related parties	56,512	Based on regular terms	-
		Yulon Motor Investment	3	Other receivables from related parties	894,072	Based on regular terms	-
		Yu-Jie	3	Other receivables from related parties	174,034	Based on regular terms	-
		Yulon Motor Investment	3	Nonoperating revenue and expense	16,126	Based on regular terms	-
29	Guang Zhou Yuan Du	Qingdao Yuanhuang	3	Other receivables from related parties	32,538	Based on regular terms	-
30	HangZhou Yu Zhong	Hang Zhou hsiao Yu	3	Other receivables from related parties	13,476	Based on regular terms	-
		Yulon Motor Investment	3	Other receivables from related parties	11,737	Based on regular terms	-
31	Hang Zhou Tang Yu	Yulon Motor Investment	3	Other receivables from related parties	38,254	Based on regular terms	-
32	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	3	Other receivables from related parties	21,736	Based on regular terms	-
33	Hsiang Shuo	YFC	3	Operating revenue, net	25,753	Based on regular terms	-
		Luxgen	3	Operating revenue, net	12,859	Based on regular terms	-
		Sin Jang	3	Operating revenue, net	15,152	Based on regular terms	-
34	Yu-Hsin Intl HK	Hangchow Y-Teks	3	Other receivables from related parties	55,360	Based on regular terms	-
35	Sin Jang	YFC	3	Operating revenue, net	88,886	Based on regular terms	-
36	Nan Jing Yu Hua	Nanjing Hanhong	3	Other receivables from related parties	117,902	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
37	Yulon Construction	The Company	2	Notes and trade receivables, net	\$ 19,917	Based on regular terms	-
		The Company	2	Guarantee deposits	40,263	Based on regular terms	-
		The Company	2	Operating revenue, net	115,079	Based on regular terms	-
38	Luxgen Taichung	Car-plus Corporation	3	Operating revenue, net	16,371	Based on regular terms	-
39	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
40	Yushin	Yu Pool	3	Nonoperating revenue and expense	10,309	Based on regular terms	-
41	Empower	Shanghai Yuming	3	Other current assets	11,130	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	10,835	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	11,372	Based on regular terms	-
		Minxiang Leasing Company	3	Operating revenue, net	27,244	Based on regular terms	-
42	Tian Wang	Yu Chang	3	Notes and trade receivables, net	10,001	Based on regular terms	-
		Yu Chang	3	Operating revenue, net	83,155	Based on regular terms	-
43	Sin Chi	Yu Sing	3	Operating revenue, net	55,237	Based on regular terms	-
44	H. K. Manpower	Car-plus Corporation	3	Operating revenue, net	12,963	Based on regular terms	-
45	Luxgen Kaohsiung	Car-plus Corporation	3	Operating revenue, net	22,075	Based on regular terms	-
		Luxgen	3	Operating revenue, net	47,018	Based on regular terms	-
46	Hangchow Liangrun	Fuzhou Lianghong	3	Notes and trade receivables, net	31,518	Based on regular terms	-
		Union & NKH Auto Parts	3	Other receivables from related parties	13,934	Based on regular terms	-
		Fuzhou Lianghong	3	Operating revenue, net	75,294	Based on regular terms	-
47	Yufong Property Management	The Company	2	Operating revenue, net	16,191	Based on regular terms	-
48	Hangchow Y-Teks	Hang Zhou Haitec Company	3	Operating revenue, net	16,736	Based on regular terms	-
49	Car-Plus (Suzhou)	TAC Leasing (Suzhou)	3	Operating revenue, net	10,809	Based on regular terms	-
50	Suzhou Yueshun	Su Chou Cheng Pin	3	Other receivables from related parties	13,041	Based on regular terms	-
51	Hong Yen	Shanghai Yuming	3	Other current assets	11,130	Based on regular terms	-
52	Shinshin	Yes Energy	3	Notes and trade receivables, net	522,039	Based on regular terms	-
		Yes Energy	3	Other receivables from related parties	322,034	Based on regular terms	-
53	Fuzhou Lianghong	Hangchow Liangrun	3	Notes and trade receivables, net	64,126	Based on regular terms	-
		Union & NKH Auto Parts	3	Operating revenue, net	19,707	Based on regular terms	-
		Hangchow Liangrun	3	Operating revenue, net	254,864	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
54	Su Zhou Feng Shun	Wu Jiang Lian Cheng	3	Other receivables from related parties	\$ 21,736	Based on regular terms	-
55	Yu Rich	YFC	3	Operating revenue, net	19,628	Based on regular terms	-
56	Hangchow Yue Wan	LUXGEN (Hangzhou) Motor Sales	3	Operating revenue, net	71,254	Based on regular terms	-
57	Yes Energy	Shinshin	3	Operating revenue, net	45,954	Based on regular terms	-
58	Haitec	Luxgen	3	Notes and trade receivables, net	35,342	Based on regular terms	-
59	Hang Zhou Haitec Company	The Company	2	Operating revenue, net	375,340	Based on regular terms	-
60	Ching-Tong	Sin Jang	3	Operating revenue, net	18,175	Based on regular terms	-
61	Advance Power Machinery	The Company	2	Operating revenue, net	30,066	Based on regular terms	-
62	Zhe Jiang Cheng Yi Company	Yulon Motor Finance (China)	3	Operating revenue, net	30,396	Based on regular terms	-
63	Car-Plus Go Co., Ltd.	Car-Plus (Suzhou)	3	Notes and trade receivables, net	17,629	Based on regular terms	-
		Car-Plus (Suzhou)	3	Operating revenue, net	14,600	Based on regular terms	-
		LUXGEN (Hangzhou) Motor Sales	3	Nonoperating revenue and expense	13,271	Based on regular terms	-
64	Yulon TOBE	The Company	2	Other current assets	64,285	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 AND
SUBSIDIARIES AND SUBSIDIARIES AND SUBSIDIARIES**

**INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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.

VI. 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	2021	2020	Difference	
			Amount	%
Current assets	234,854,492	215,186,668	19,667,824	9.14%
Non-Current assets	89,008,287	86,136,078	2,872,209	3.33%
Total assets	323,862,779	301,322,746	22,540,033	7.48%
Current liabilities	226,995,138	201,009,483	25,985,655	12.93%
Non-current liabilities	26,168,118	35,437,943	(9,269,825)	(26.16%)
Total liabilities	253,163,256	236,447,426	16,715,830	7.07%
Capital stock	10,000,000	10,000,000	0	0.00%
Capital surplus	6,578,018	6,563,888	14,130	0.22%
Retained earnings	36,025,088	32,147,077	3,878,011	12.06%
Total shareholders' equity	70,699,523	64,875,320	5,824,203	8.98%

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 liabilities was mainly due to the increase in short-term bills payable and due to the corporate bonds due within one year reclassified to current liabilities.
2. 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	2021	2020	Difference	
			Amount	%
Current assets	12,048,474	13,430,414	(1,381,940)	(10.29%)
Non-Current assets	66,549,863	65,762,614	787,249	1.20%
Total assets	78,598,337	79,193,028	(594,691)	(0.75%)
Current liabilities	12,880,622	9,951,525	2,929,097	29.43%
Non-current liabilities	13,065,852	20,503,035	(7,437,183)	(36.27%)
Total liabilities	25,946,474	30,454,560	(4,508,086)	(14.80%)
Capital stock	10,000,000	10,000,000	0	0.00%
Capital surplus	6,578,018	6,563,888	14,130	0.22%
Retained earnings	36,025,088	32,147,077	3,878,011	12.06%
Total shareholders' equity	52,651,863	48,738,468	3,913,395	8.03%

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 liabilities was mainly due to the corporate bonds due within one year reclassified to current liabilities.
2. The decrease in non-current liabilities was mainly due to corporate bonds due within one year reclassified to current liabilities.

II. Financial Performance Analysis

Comparative Analysis of Consolidated Financial Performance

Unit: Thousands of NTD

Items	Year	2021		2020		Increase (decrease) amount	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			78,047,772		82,597,514	(4,549,742)	(5.51%)
Operating costs			54,626,814		63,979,927	(9,353,113)	(14.62%)
Gross profits			23,420,958		18,617,587	4,803,371	25.80%
Realized (unrealized) profits or losses on sales			2,576		12,018	(9,442)	(78.57%)
Net operating margin			23,423,534		18,629,605	4,793,929	25.73%
Operating expenses			16,287,749		19,848,067	(3,560,318)	(17.94%)
Net operating profits (losses)			7,135,785		(1,218,462)	8,354,247	685.64%
Non-operating income and expenses			2,562,023		6,942,010	(4,379,987)	(63.09%)
Other income		1,165,281		1,308,504		(143,223)	(10.95%)
Other profits and losses		(157,222)		2,423,204		(2,580,426)	(106.49%)
Financial costs		(478,043)		(821,441)		343,398	41.80%
Shareholding in the affiliated companies and joint ventures under the equity method		2,032,007		4,031,743		(1,999,736)	(49.60%)
Profit before income tax			9,697,808		5,723,548	3,974,260	69.44%
Income tax expense			1,955,493		883,986	1,071,507	121.21%
continuing operations			7,742,315		4,839,562	2,902,753	59.98%
Other comprehensive profit and loss (net)			149,839		240,989	(91,150)	(37.82%)
Titles not reclassified as profit and loss accounts:							
Reevaluation of determined benefit plan		148,721		(7,250)		155,971	2,151.32%
Unrealized valuation gains or losses on investments in equity instruments measured at fair value through other comprehensive income		88,795		7,373		81,422	1,104.33%
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		126,140		70,111		56,029	79.91%
Accounts to be reclassified to profit or loss subsequently:							
Exchange differences on the translation of financial statements of foreign operations		(120,315)		163,749		(284,064)	(173.48%)
Profit or loss on hedging instruments not subject to basis adjustment		111		61		50	81.97%
The share of other comprehensive income of affiliates and joint ventures recognized in equity method		(93,613)		6,945		(100,558)	(1,447.92%)
Total comprehensive income for the period			7,892,154		5,080,551	2,811,603	55.34%

Analysis of the change in the increase or decrease percentage:

1. The decrease in operating costs was mainly due to the impairment of vehicle models and tooling in 2020.
2. The decreased operating expense was mainly due to the gain on recovery of expected credit losses in 2021.
3. The decrease in other gains and losses was mainly due to the gain on disposal of subsidiary, Dong Feng Yulon Motor Sales Limited in 2020.
4. The decrease in finance costs was mainly due to the decrease in interest on bank loans in 2021.
5. The decrease in the shares of affiliates and joint ventures recognized under the equity method was mainly due to the decrease in investment income under the equity method in 2021.
6. The increase in the remeasurement of defined benefit plans is mainly due to the adjustment of actuarial reporting through experience.
7. The increase in unrealized gains and losses on equity instrument measured by fair value through other comprehensive gains and losses was mainly due to the gains from this account in 2021.
8. The decrease in the share of other comprehensive income of affiliates and joint ventures recognized under the equity method was mainly due to the unrealized loss on the fair value of the investment in equity instruments through other comprehensive income of subsidiaries in 2021.

Comparative Analysis of Standalone Financial Performance

Unit: Thousands of NTD

Items	Year	2021		2020		Amount increase (decrease)	Variation (%)
		Subtotal	Total	Subtotal	Total		
Operating revenues			24,310,315		28,271,894	(3,961,579)	(14.01%)
Operating costs			21,998,071		25,987,175	(3,989,104)	(15.35%)
Gross profits			2,312,244		2,284,719	27,525	1.20%
Realized (unrealized) profits or losses on sales			11,749		41,655	(29,906)	(71.79%)
Net operating margin			2,323,993		2,326,374	(2,381)	(0.10%)
Operating expenses			1,280,667		1,313,118	(32,451)	(2.47%)
Net operating profits (losses)			1,043,326		1,013,256	30,070	2.97%
Non-operating income and expenses			3,774,088		1,625,139	2,148,949	132.23%
Other income		43,633		60,249		(16,616)	(27.58%)
Other profits and losses		103,513		(560,798)		664,311	118.46%
Financial costs		(196,763)		(215,326)		18,563	8.62%
Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method		3,787,304		2,236,307		1,550,997	69.36%
Interest revenue		36,401		104,707		(68,306)	(65.24%)
Profit before income tax			4,817,414		2,638,395	2,179,019	82.59%
Income tax expense			101,898		(100,815)	202,713	201.07%
continuing operations			4,715,516		2,739,210	1,976,306	72.15%
Other comprehensive profit and loss (net)			183,750		210,291	(26,541)	(12.62%)
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		1,486		6,552		(5,066)	(77.32%)
Reevaluation of determined benefit plan		125,347		6,208		119,139	1919.12%
The share of other comprehensive income of subsidiaries, affiliates and joint ventures recognized in equity method		56,917		197,531		(140,614)	(71.19%)
Total comprehensive income in current period			4,899,266		2,949,501	1,949,765	66.10%

Analysis of the change in the increase or decrease percentage:

1. The increase in other benefits was mainly due to the decrease in impairment losses.
2. The increase in income tax expenses was mainly due to the tax return in 2020 and no tax return in 2021.
3. The increase in the remeasurements of defined benefit plans was mainly due to the decrease in the experience adjustment factor.

III. Cash flow analysis

(I) Liquidity analysis for the most recent 2 years

Items	Year		
	2021	2020	Increase (decrease) amount
Cash flow ratio	(8.09)	2.07	(490.82%)
Cash flow adequacy ratio	(297.22)	(274.67)	(8.21)
Cash reinvestment ratio	(19.52)	2.40	(913.33%)

Analysis of the change in the increase or decrease percentage:
The main reason was that subsidiaries' financing business continued to grow which resulted in continuously increased notes and account receivables, and led to higher 2021 net operating cash outflow than in 2020, making a lower cash flow ratio and fair cash flow ratio compared with 2020. In addition, the corporate bonds have gradually matured since 2022, with some long-term corporate bonds being transferred to current liabilities, leading to larger changes in the cash reinvestment ratio.

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 net cash flow from operating activities for the whole year ②	Estimated cash inflow (outflow) for the whole year ③	Estimated cash balance ①+②+③	Remedy for estimated cash shortage	
				Investing plan	Financing plan
2,095,830	4,068,485	(5,142,381)	1,021,934	-	-

Analysis of Changes in Cash Flow Scenarios for 2021:
Operating activities: The inflow of \$4,068,485 thousand was mainly due to the estimated profit for 2022 plus amortization of depreciation, sale of financial assets at fair value through profit or loss – current.
Investing activities: The outflow of \$9,127,085 thousand was mainly due to the acquisition of fixed assets, the development of Yulon City, external investments and the receipt of dividends in 2022.
Financing activities: The outflow of \$3,984,704 thousand was mainly due to the repayment of bank loans and cash dividends in 2022.
Remedy for estimated cash shortage and liquidity analysis: Not applicable.

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						
				2018	2019	2020	2021	2022	2023	2024
Expansion of machinery and equipment	Self-owned Capital	2024.12.31	\$803,337	\$9,784	\$152,714	\$77,310	\$48,588	\$198,907	\$144,387	\$171,647
Production equipment	Self-owned Capital	2024.12.31	\$1,810,502	\$433,705	\$188,641	\$147,237	\$468,886	\$258,064	\$234,006	\$79,963
Environmental protection equipment	Self-owned Capital	2024.12.31	\$17,192	\$1,806	\$2,518	\$2,143	\$3,085	\$2,951	\$2,142	\$2,547
IT Equipment	Self-owned Capital	2024.12.31	\$52,872	\$16,689	\$3,180	\$20,712	\$5,961	\$2,445	\$1,775	\$2,110
Quality assurance equipment	Self-owned Capital	2024.12.31	\$254,895	\$30,710	\$51,390	\$43,443	\$29,645	\$38,514	\$27,957	\$33,236
Construction and Maintenance	Self-owned Capital	2024.12.31	\$5,540,231	\$245,679	\$595,296	\$1,734,528	\$1,722,734	\$1,196,208	\$45,786	\$-

(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 "six phases of emissions" environmental protection policy, we will increase the use of pollution prevention and control equipment, and at the same time reduce the energy consumed in the production process.
4. In response to system integration and efficiency improvement, we invested in information equipment hardware and software to update production information systems, financial information systems, and management information systems to increase the accuracy of financial and management analysis reports.
5. By updating 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 residential and 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 2021, the main reasons for profit or loss, improvement plan and investment plan for the coming year:

The self-owned brands URX ADAS cruise model and URX gentleman model were launched in 2021, equipped with the most popular performance features including advanced driver assistance system (ADAS), augmented reality head-up display (ARD), automatic parking assistance (APA), AR VIEW and driving panoramic views, which are usually equipped with imported luxury vehicles, allowing consumers to completely experience the convenience and safety from technology. Meanwhile, the Company continued engaging in governmental energy conservation projects, collaborating with the government, building battery charging stations, and expanding the business in solar power generation and related financing. On the real estate development, the Xindian Yulong City having obtained the building use permit in the first quarter of 2022, scheduled to open in the first half of 2023.

In terms of overseas investments, (1) UMPI in the Philippines transformed into an asset management company, providing stable cash flow by revitalizing vacant plants (2) Auto Finance in China was affected by the decline in sales of the Group's brand companies, but it is growing steadily after actively exploring the financing of used cars.

In prospect of investment plan in 2022, the Company will focus on strengthening the competitiveness of existing vehicle platforms. The Company expects to promote the new business model of MIH open platform and cooperating new business models in the global automobile industry by establishing Foxtron Vehicle Technologies, a joint venture with Hon Hai Group, combining the complementary advantages of both companies in vehicle research and ICT industry resources to develop more competitive new vehicle platform, aiming at lower cost of future vehicles from the new platform, and providing customers with higher value vehicle choices to build a long-term brand value and increase market share. Regarding 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. Therefore, the Company has integrated the resources and experience in new energy vehicle research and development, assembly technology, and shared resources to build up new production line of energy storage products, striving for business opportunities in the energy storage market and developing solar power business. Eventually, we expect to continue generating profits to meet the expectations of our shareholders, while considering the principles of revenue generation and cost reduction.

VI. Risk management and assessment

(I) Organizational structure of risk management

The execution and the units of authority and responsibility for risk management of the Company are as follows.

Units of authority and responsibility	Content of execution
Internal Audit Office	Based on the risk assessment results, incorporate main audit items in the annual audit plan, audit the internal control system, disclose the audit results in the audit report, 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
Production Management and Logistics	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 2021 up to the publication date of the annual report, and future countermeasures.

1. 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 2021, if interest rates increase by 1%, with all other variables held constant, the Company's net profits before tax for 2021 will decrease by \$411,213 thousand.

2. 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 amount 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 2021, 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 \$3,602 thousand for 2021.

3. 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 2021 was 104.32, up 1.96% from the average of 102.31 for 2020. The total consumer price index increased to 106.33 in March 2022 from 105.41 in December 2021, a increase of 0.87%, and the average of 106.11 in January-March increased by 2.79% compared to 103.23 in the same period of 2021. Inflation showed a slight increase in 2022, 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 2021 up to the publication date of the annual report, main reasons for gain or loss, and future countermeasures:

1. Engagement in high-risk and high-leverage investments

The Company has never engaged in high-risk and high-leverage investments

2. 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.

3. 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 revalued 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 2021 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 2021 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 2021 intellectual property related agenda included: (1) 157 registered trademarks and 2 registered patents as of the report dated April 30, 2022; (2) 3 sessions of intellectual property seminars in 2021 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 2021 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 and a remuneration committee that meet regularly. In addition, the Company complies with the requirements of the competent authorities by making immediate announcements and disclosing significant information, and continues to pay attention to 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 and set a dedicated unit for handling customer feedback and shareholder suggestions to effectively sustain the reputation and our enterprise image.

In response to the COVID-19 epidemic, we set up a crisis management and emergency response team in accordance with the BCP contingency plan, which is responsible for handling and grasping the current situation of various emergencies, researching and judging the crisis situation, issuing decisions and speaking to the company internally and externally, and identifying the risks and recovery time of key business activities and operations to meet the needs of brand customers and implement countermeasures. The crisis management includes satisfying the continuous operation of the production line with the availability of direct contact personnel, ensuring the availability of overseas (mainland) imported parts for the number and timing of projects, real-time monitoring of production and sales profit and loss, financial flow, and work from home.

- (VIII) Expected benefits, possible risks and corresponding measures on mergers and acquisitions in 2021 and as of the report date: None.

- (IX) Expected benefits, possible risks and corresponding measures of the plant expansion in 2021 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 2021 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, has 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 increasing revenue.

- (XI) From 2021 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.

■ ■ The review and analysis of financial position and financial performance, and the risk matters

(XIII) For litigious and non-litigious matters from 2021 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.

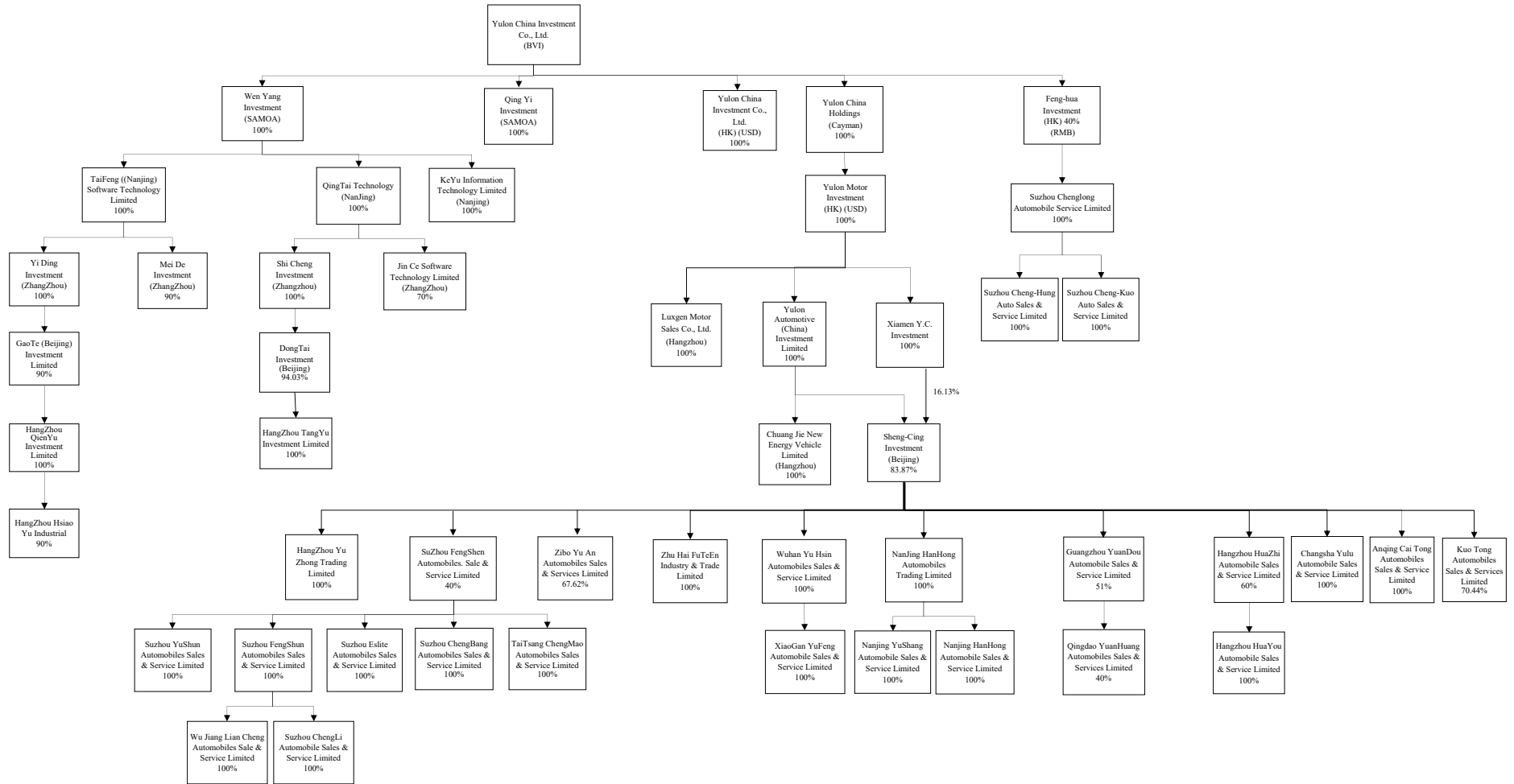
(XIV) Other major risks and corresponding measures: None.

VII. Other important matters:

The Company's personnel involved in the transparency of financial information obtain the relevant licenses specified by the competent authorities:

Type of license	Department	No. of People
Passed the Higher Examination for Specialized Occupational and Technical Personnel (HESPP) 2006 for CPAs. (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 & Management 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)	Internal Audit Office	1

Figure 1:



2. Basic information of affiliated enterprises:

As of 2021.12.31

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	4,821,465	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	2,749,973	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	941,618	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	1,598,765	Consumer goods installment business, auto parts wholesale and retail, etc.
	5	Yulon Motor Finance (China) Limited	2016.2.19	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 Global Investment (Samoa) Co., Ltd.	2015.8.24	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	Power Engineering Co., LTD.	2012.05.10	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	2,000	Electrical appliance wholesale and battery wholesale and retail, etc.
Taiwan Acceptance Corporation	9	Yulon Finance Overseas Investment (Samoa) Co., Ltd.	2018.1.31	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.	2018.2.1	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	2018.4.26	17 floor, Curve, 32nd Street corner 3rd Ave ,BGC ,Taguig City	PHP 750,000 thousand	Car purchase loan business and finance lease business.
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	Equipment and vehicle finance lease business
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 203-5, Bonded Building, West of Bonded Road, Hangzhou Airport Economic Zone, Xiaoshan District, Hangzhou, Hangzhou	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
	19	Wuhan TAC Auto Trade Co., Ltd.	2017.02.13	No. 3, 23rd Floor, Unit 1, Building 1, Fuxing City, Hejiadun Village, Jiangnan District, Wuhan	RMB 2,000 thousand	Automobile sales; motor vehicle trading and brokerage services; automobile leasing; sales of motorcycles, electrical and mechanical equipment and parts, automobile supplies, automobile parts and accessories; automobile technical consulting services; business information consulting (excluding business surveys); machinery and equipment leasing

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Carplus Auto Leasing Corporation	20	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.
	21	Da Wei Technology Co., Ltd	2016.09.19	No. 59, Jingmao 1st Rd., Nangang Dist., Taipei City	40,000	Electric car brokerage service
	22	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
	23	CAR-PLUS Global Investment (Samoa) Co., Ltd	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 31,200 thousand	Holding company
CAR-PLUS Global Investment (Samoa) Co., Ltd	24	CAR-PLUS China Investment (Samoa) Co., Ltd	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000 thousand	Holding company
	25	Car-Plus Shanghai Investment (Samoa) co., Ltd	2008.12.22	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000 thousand	Holding company
	26	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	2018.8.23	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 32,000 thousand	Holding company
CAR-PLUS China Investment (Samoa) Co., Ltd	27	CAR-PLUS Auto Leasing (Suzhou) Limited	2007.1.29	No. 8 Dongfu Road, Suzhou Industrial Park	USD 10,000 thousand	Vehicle leasing business and related ancillary services
Car-Plus Shanghai Investment (Samoa) Co., Ltd	28	CAR-PLUS Auto Leasing (Shanghai) Limited	2009.07.09	Block A, 3rd Floor, Building 1, No. 5179, Longdong Avenue, Pudong New Area, Shanghai	USD 10,000 thousand	Vehicle leasing business and related ancillary services
CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	29	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.	30	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	31	Ta Teng Transportation Co., Ltd.	1973.06.29	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
	32	Dachuan Transportation Co., Ltd.	1978.06.19	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	33	Damu Transportation Co., Ltd.	1976.07.01	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
	34	Dajun Transportation Co., Ltd.	1979.05.24	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	35	Yongxiang Transportation Co., Ltd.	1977.10.28	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	36	Guoma Transportation Co., Ltd.	1978.11.16	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	4,000	Taxicab Transportation Business
	37	Jinyu Transportation Enterprise Co., Ltd	1977.06.02	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	38	Zhongxing Automobile Co., Ltd.	1968.02.17	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,500	Taxicab Transportation Business
	39	Liyang Automobile Co., Ltd.	1977.12.08	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	9,000	Taxicab Transportation Business
	40	Heyang Transportation Co., Ltd.	1974.12.10	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	6,000	Taxicab Transportation Business
	41	Jiayu Transportation Enterprise Co., Ltd	1977.09.13	1F., No. 81, Dexing W. Rd., Shilin Dist., Taipei City	3,000	Taxicab Transportation Business
	42	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	43	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.	44	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.
	45	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
	46	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
	47	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	48	Sinjang Investment (Samoa) Co., Ltd.	2013.9.16	TMF Chambers P.O. Box3269. Apia. Samoa	USD 1,874 thousand	Holding company

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Sinqual Technology Co., Ltd.	49	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	50	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.
YULON MOTOR CO., LTD	51	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.	52	Hangzhou Yujie Real Estate Co., Ltd	2016.09.22	Room A-B102-548, No. 198, Qidi Road, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou	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)
	53	Yufong Property Management Co., Ltd.	2017.11.27	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	25,000	Condominium Buildings Management Service
YULON MOTOR CO., LTD	54	Sin Chi Co., Ltd.	2001.12.25	7F., No. 150, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City	1,080,000	Advertising services and business management consulting, etc.
Sin Chi Co., Ltd.	55	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.
	56	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	57	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.
	58	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
	59	Yulon It Solutions Inc.	2000.09.01	4F.-1, No. 30, Taiyuan St., Zhubei City, Hsinchu County	190,000	Information Software Services
	60	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.
	61	Yue Sheng Industrial Co., Ltd.	1969.04.29	No. 40-5, Bogongkeng, Sanyi Township, Miaoli County	288,000	Manufacture of automobiles and parts, etc.
	62	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.
	63	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.	64	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
	65	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.	66	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	67	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
	68	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
	69	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Yushin Motor Co., Ltd.	70	Yupu Enterprise Co., Ltd.	2000.05.16	No. 668, Guohua Rd., Neighborhood 3, Wensheng Vil., Miaoli City, Miaoli County	10,000	Information software service industry, electronic information supply service and automobile and motorcycle spare parts retail industry
	71	YU SHIN Investment Ltd.	2011.3.23	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	RMB 37,480 thousand	Holding company
YU SHIN Investment Ltd.	72	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	73	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.	74	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	75	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.	76	Yulon China Investment Co., Ltd.	2003.07.08	TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 1,057,380 thousand	Investment
	77	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.	78	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.	79	STA.CRUIZ ISLAND CORPORATION	1991.09.23	Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines	PHP 264,028 thousand	Housing Leasing
Yulon China Investment Co., Ltd.	80	Wen Yang Investment Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA	USD 29,650 thousand	Investment
	81	Qing Yi Investment Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA	USD 15,324 thousand	Investment
	82	Yulon China Investment Co., Ltd.	2008.02.13	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	USD 270,415 thousand	Investment
	83	Yulon China Holdings Co. Ltd.	2012.01.06	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box32052, Grand Cayman KY1-1208, Cayman Islands	USD 711,803 thousand	Investment
	84	Feng-hua Investment (HK) Co., Ltd.	2011.03.22	UNIT 706 HALESON BLDG1 JUBILEE ST, vHK.	USD 7,000 thousand	Holding company
Feng-hua Investment (HK) Co., Ltd.	85	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Suzhou Chenglong Auto Sales & Service Co.	86	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
	87	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 information consulting services; self-management and agency for the import and export of various commodities and technologies
Wen Yang Investment (Samoa) Co., Ltd.	88	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
	89	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
	90	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
TaiFeng ((Nanjing) Software Technology Limited	91	Zhangzhou Development Zone Yi Ding Investment Co., Ltd.	2005.12.09	Room 604-4, Building 6, Shanhuayan, 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
	92	Zhangzhou Development Zone Mei De Investment Co., Ltd.	2005.12.09	Room 604-2, Building 6, Shanhuayan, No. 8 Xiangjiang Road, Zhangzhou Development Zone	RMB 79,500 thousand	Investment management and investment consulting for the automotive industry and related industries; consulting services for the introduction of advanced international technologies, products and equipment; computer software and hardware development and technical services and consulting
QingTai (NanJing) Technology Limited	93	Zhangzhou Development Shi Cheng Investment Co., Ltd.	2005.12.09	Room 604-3, Building 6, Shanhuayan, 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
	94	Zhangzhou Development Zone Jin Ce Investment Co., Ltd.	2005.12.09	Room 604-1, Building 6, Shanhuayan, 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.	95	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	96	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	97	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.	98	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	99	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
Yulon China Holdings Co. Ltd.	100	Yulon Motor Investment (HK) Co., Ltd.	2012.01.30	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	USD 711,803 thousand	Investment

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
Yulon Motor Investment (HK) Co., Ltd.	101	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
	102	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
	103	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
Yulon Automotive (China) Investment Limited	104	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)
	105	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
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)
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
	109	Suzhou YuShun Automobiles Sales & Service Limited	2009.11.12	98 Fengrui Road, Mudu 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

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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
						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 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-hand 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
Sheng Qing (Beijing) Investment Limited	119	Wuhan Yu Hsin Automobiles Sales & Service Limited	2007.09.12	No. 1 Gongnong Road, Qiaokou District, Wuhan City, Hubei Province	RMB100,000 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 1502, Building 1, Huarui Center, Economic and Technological Development Zone, Xiaoshan District, Hangzhou City, Zhejiang Province	RMB 10,000 thousand	Wholesale, retail and design of automotive parts and molds; wholesale, retail and technical development of mechanical equipment and electronic products; import and export of goods and technologies (except for items prohibited by laws and administrative regulations; items restricted by laws and administrative regulations may be operated only after obtaining a permit); all other legal items not subject to approval
	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	RMB 8,000 thousand	Motor vehicle repair: Type II motor vehicle repair (small vehicle repair); Luxgen brand car sales; sales: nine seats and

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
				Building, No. 3 Fuye Lane, Ningwei Street, Xiaoshan District, Hangzhou City, Zhejiang Province		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
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	6,050,000	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

Investing Company	Item No.	Enterprise Name	Incorporation Date	Address	Paid-up Capital Unit: Thousands of NTD	Primary Business or Product
	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
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	Hong Yen Motor 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	Min Shiang Lease Co., Ltd.	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
Hong Yen Motor 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	Hna-Chuang Automobile Information Technical Center Co., Ltd.	2005.12.27	2F., No. 3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	13,436,001	Automobile product design business and parts manufacturing, wholesale and retail, and management consulting
Hna-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	490,393	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	461,709	Investment
Hua-chuang China Investment Co., Ltd.	153	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

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, 2021)

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
1	Taiwan Acceptance Corporation	Chairman	YULON MOTOR CO., LTD	174,851,112	45.75
		Director	Yen Chen Li-Lien		
		Director	Tso, Chi-Sen		
		Director	Zhen-Xiang Yao		
		Vice Chairman	Yulon-Administered Enterprises Company Limited	13,915	-
		Director (and President)	Chen-Cheng Li		
		Director	Kuo-Hsing Hsu		
		Director	Wen-Jung Tsai		
		Director	Liang Zhang		
		Independent Director	Jiqing Chen		
		Independent Director	Yi-Hong Hsieh		
		Independent Director	Zhongqi Zhou		
		Independent Director	Huang Gao-Qian		
2	Shinshin Credit Corporation	Chairman	Taiwan Acceptance Corporation	274,997,300	100.00
		Director	Kuo-Hsing Hsu		
		Director	Chun-Cheng Lin		
		Director	Heng-Yao Wang		
		Director	Wun-Kai Zhuang		
		Director (and President)	Yuan-Lung Chueh		
		Supervisor	Yuan-long Chen		
		Supervisor	Shu-hua Liao		
3	Carplus Auto Leasing Corporation	Chairman (and President)	Taiwan Acceptance Corporation	64,570,378	68.57
		Director	Jun Chen		
		Director	Chun-Cheng Lin		
		Director	Jian-Shun Liao		
		Director	Po-An Lai		
		Director	Jung-Fu Cheng		
		Supervisor	Ruiyi Investment Co., Ltd.	7,040,418	7.48
		Supervisor	Chen Zhi-Long		
		Supervisor	YULON MOTOR CO., LTD	3,254,036	3.46
		Supervisor	Shu-hua Liao		
4	Yu Rich Financial Services Co., Ltd.	Chairman	Taiwan Acceptance Corporation	159,876,450	100.00
		Director	Kuo-Hsing Hsu		
		Director	Zhuang Yi-Xue		
		Director	Heng-Yao Wang		
		Director	Wun-Kai Zhuang		
		Director	Chun-Cheng Lin		
		Supervisor	Yuan-long Chen		
		Supervisor	Shu-hua Liao		
5	Yulon Motor Finance (China) Limited	Director	YULON MOTOR CO., LTD	RMB 510,000 thousand*	51.00
		Director	Chin-Chuan Chen		
		Supervisors	Shi-hao Fang		
		Supervisors	Yuan-long Chen		
		Chairman	Taiwan Acceptance Corporation	RMB 490,000 thousand*	49.00
		Director (and President)	Fa-ke Chen		
		Director	Chun-Cheng Lin		
		Director	Kuo-Hsing Hsu		
		Supervisors	Shu-hua Liao		
6	Shin Shin Global Investment (Samoa) Co., Ltd.	Director	Shinshin Credit Corporation	USD 12,000 thousand*	100.00
		Director	Kuo-Hsing Hsu		
7	YES-Energy Service Co., LTD.	Chairman	Shinshin Credit Corporation	29,000,000	100.00
		Director	Yuan-Lung Chueh		
		Director	Shun-Yen Hung		
		Director	Po-An Lai		
		Director	Xiuzhi Gao		
		Director	Chien-Shun Liao		
		Supervisor	Yuan-long Chen		
		Supervisor	Shu-hua Liao		
8	Power Engineering Co., LTD.	Chairman	YES-Energy Service Co., LTD.	200,000	100.00
		Director	Xiuzhi Gao		
		Director	Wang-Bo Tang		
		Director	Jing-Wei Lin		
		Supervisor	Jian-Wen Wang		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
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. Kuo-Hsing Hsu Mingqi Hu Hsiang Tseng Shu-hua Liao Zhiling Zhan Charles Kohchet-Chua Rene K. Limcaoco	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	Yu Rong International Investment (SAMOA) Co., Ltd. Fu-Hsiung Liu Kuo-Hsing Hsu Yuan-Lung Chueh Fa-ke Chen Xiao Yong-Lin Shu-hua Liao	RMB 500,000 thousand*	100.00
15	Yu-Kuo Finance Leasing (Hangzhou) Limited	Chairman Director Director Supervisors Director Director	Yu Rong International Investment (SAMOA) Co., Ltd. Fa-ke Chen Chun-Cheng Lin Kuo-Hsing Hsu Shu-hua Liao Shin Shin Global Investment (Samoa) Co., Ltd. Wen-zheng Liao Yulon Automotive (China) Investment Limited Chin-Chuan Chen	USD 12,000 thousand* USD 12,000 thousand* USD 6,000 thousand*	40.00 40.00 20.00
16	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd	Chairman Director Director Supervisors	Yu-Kuo Finance Leasing (Hangzhou) Limited Fu-Hsiung Liu Fa-ke Chen Ching-Yu Tsai Hong Huang	RMB 20,000 thousand*	100.00
17	Hangzhou Cheng Yi second-hand car identification assessment Limited	Managing director Supervisors	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd Ching-Yu Tsai Hong Huang	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 Hong Huang	RMB 2,000 thousand*	100.00
19	Wuhan TAC Auto Trade Co., Ltd.	Director (and President) Supervisors	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd Ching-Yu Tsai Hong Huang	RMB 2,000 thousand*	100.00
20	Diamond Auto Service Co., Ltd.	Chairman	Carplus Auto Leasing Corporation Jun Chen	8,500,000	100.00
21	Da Wei Technology Co., Ltd	Chairman	Carplus Auto Leasing Corporation Jun Chen	4,000,000	100.00
22	Hong Shuo Cultural Enterprises Co., Ltd.	Chairman (and President)	Carplus Auto Leasing Corporation Jun Chen	4,050,000	100.00
23	CAR-PLUS Global Investment (Samoa) Co., Ltd.	Director	Carplus Auto Leasing Corporation Jun Chen	USD 31,200 thousand*	100.00
24	CAR-PLUS China Investment (Samoa) Co., Ltd	Director	CAR-PLUS Global Investment Jun Chen TAC Global Investment	USD 6,000 thousand* USD 4,000 thousand*	60.00 40.00
25	CAR-PLUS Shanghai Investment (Samoa) Co., Ltd.	Director	CAR-PLUS Global Investment Jun Chen TAC Global Investment	USD 6,000 thousand* USD 4,000 thousand*	60.00 40.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
26	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	Director	CAR-PLUS Global Investment Jun Chen TAC Global Investment	USD 19,200 thousand* USD 12,800 thousand*	60.00 40.00
27	CAR-PLUS Auto Leasing (Suzhou) Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	CAR-PLUS China Investment (Samoa) Co., Ltd Jun Chen Keyu Lin Guo Ting-Fei Fu-Hsiung Liu Chun-Cheng Lin Shu-hua Liao Xinzhen Lin	USD 10,000 thousand*	100.00
28	CAR-PLUS Auto Leasing (Shanghai) Limited	Chairman (and President) Director Director Director Director Supervisors Supervisors	CAR-PLUS Shanghai Investment (Samoa) Co., Ltd Jun Chen Guo Ting-Fei Keyu Lin Fu-Hsiung Liu Chun-Cheng Lin Xinzhen Lin Shu-hua Liao	USD 10,000 thousand*	100.00
29	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
30	Xie Guan Manpower Service Co., Ltd.	Chairman	Diamond Auto Service Co., Ltd. Jun Chen	1,000,000	100.00
31	Ta Teng Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
32	Dachuan Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
33	Damu Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
34	Dajun Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
35	Yongxiang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
36	Guoma Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 4,000 thousand*	100.00
37	Jinyu Transportation Enterprise Co., Ltd	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
38	Zhongxing Automobile Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 3,500 thousand*	100.00
39	Liyang Automobile Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 9,000 thousand*	100.00
40	Heyang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
41	Jiayu Transportation Enterprise Co., Ltd	Director	Da Wei Technology Co., Ltd	NTD 3,000 thousand*	100.00
42	Tianyang Transportation Co., Ltd.	Director	Da Wei Technology Co., Ltd	NTD 6,000 thousand*	100.00
43	Singan Co., Ltd.	Chairman Director Director Director Director (and President) Supervisor Supervisor	Taiwan Acceptance Corporation Wen-zheng Liao Jun Chen Chien-Shun Liao Po-An Lai Shun-Yen Hung Luxgen Motor Co., Ltd. Yuan-long Chen Shu-hua Liao	21,004,499 5,669,791	73.26 19.78
44	Sinqual Technology Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Wen-zheng Liao Yi-Yuan Huang Jo-Mei Fu	13,000,000	100.00
45	Hsiang Shou Enterprise Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Wen-zheng Liao Jian-Li Huang Jo-Mei Fu	10,000,000	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
46	Qinton Motor Co., Ltd.	Chairman (and President) Director Director Supervisor	Singan Co., Ltd. Shun-Yen Hung Wen-zheng Liao Liao Jin-Wei Jo-Mei Fu	6,745,947	100.00
47	Sinjang Co., Ltd	Chairman (and President) Director Director Supervisor	Sinjang Co., Ltd. Shun-Yen Hung Wen-zheng Liao Lin Chi-Wai Jo-Mei Fu	12,824,000	100.00
48	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
49	Jing-Hui (Shanghai) Motor Technology Limited	Chairman Director Director (and President) Supervisors	Sinqual Technology Co., Ltd. Wen-zheng Liao Keyu Lin Yu-Hsuan Wu Wan-Chin Li	USD 1,675 thousand*	100.00
50	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
51	Yulon Construction Co., Ltd.	Chairman Director Director Director Director Supervisor	YULON MOTOR CO., LTD Zhen-Xiang Yao Yen Chen Li-Lien Chen Bo-Yung Jack, J.T .Huang Wen-Yi Lo Qi-hong Tasi	122,100,000	100.00
52	Hangzhou Yujie Real Estate Co., Ltd	Chairman (and President) Director Director Supervisors	Yulon Construction Co., Ltd. Chin-Chuan Chen Wen-Yi Lo Shuqing Gao Qi-hong Tasi	RMB 500,000 thousand*	100.00
53	Yufong Property Management Co., Ltd.	Chairman Director Director Supervisor	Yulon Construction Co., Ltd. Wen-Yi Lo Chien Sik-Nin Shuqing Gao Yulon-Administered Enterprises Company Limited Qi-hong Tasi	2,499,000 1,000	99.96 0.04
54	Sin Chi Co., Ltd.	Chairman Director Director Supervisor	YULON MOTOR CO., LTD Zhen-Xiang Yao Jian-Hui Li Wen-Yi Lo Hong Yao Jian	108,000,000	100.00
55	Yu Chia Motor Co., Ltd.	Chairman Director Director Supervisor	Sin Chi Co., Ltd. Jian-Hui Li Li-Hua Wu Meng-Yue Jie Hsun-Kuei Hsieh	2,600,000	100.00
56	Yulon TOBE Motor Co., Ltd.	Chairman Director Director Supervisor Director Director Supervisor	Sin Chi Co., Ltd. Zhen-Xiang Yao Jian-Hui Li Li-Hua Wu Hsun-Kuei Hsieh Ellectrambilys SARL Damien Biro Axei Biro Wang,Qiang	22,005,453 14,890,400	60.00 40.00
57	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
58	Yu Pong Business Co., Ltd.	Chairman (and President) Director	YULON MOTOR CO., LTD Yen Chen Li-Lien Wen-Yi Lo	28,470,422	100.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director Supervisor	Qinghang Meng Youan Huang		
59	Yulon It Solutions Inc.	Chairman (and President) Director Director Supervisor	YULON MOTOR CO., LTD Binglin Chen Wen-Chuan Chung Hong-Zheng Chen Tai Yuen Textile Co., Ltd. Hong Yao Jian	16,663,998 2,336,002	87.71 12.29
60	China Cast Iron Pipe Co., Ltd.	Chairman Director Director Supervisor	YULON MOTOR CO., LTD Jian-Hui Li Li-Hua Wu Tai Yuen Textile Co., Ltd. Chien Sik-Nin Tai Yuen Textile Co., Ltd. Wen-Yi Lo	24,850 430 5,679	77.66 1.34 17.75
61	Yue Sheng Industrial Co., Ltd.	Chairman Director Director (and President) Director Director Supervisor Supervisor	YULON MOTOR CO., LTD Wen-Jung Tsai Jian-Hui Li Tseng Guo-Feng Meng-Yue Jie Japan Central Glass Co., Ltd. Gong Nei-Che Kawabe Morihiro Yulon-Administered Enterprises Company Limited Hsun-Kuei Hsieh	23,061,050 5,731,200 - 1,000	80.07 19.90 - -
62	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
63	Yueki Industrial Co., Ltd.	Chairman Director Director Director Director Director Director Supervisor Supervisor	YULON MOTOR CO., LTD Chun-Hung Chen Yan Zhou Li-Hua Wu Shih-Lin Wu Wen-Yuan Li Japan MARELLI CORPORATION Shanxi Zhengbo China Motor Corporation Chen-xing Zhu Yulon-Administered Enterprises Company Limited Yuan-long Chen Akiyama Toyohiko	12,766,887 3,698,000 2,936,222 1,000 0	65.58 19.00 15.08 0.01 -
64	Yue Ki Industrial (Samoa) Co., Ltd.	Director	Yueki Industrial Co., Ltd.	4,125,945	100.00
65	Hong Kong Yueki Holdings Co., Ltd.	Director	Yueki Industrial Co., Ltd.	10,600,000	100.00
66	Hangzhou Yuwan Auto Motive Parts Limited	Director Director Chairman Director (and President) Director Supervisor	Chun-Hung Chen Zhixiong Wu Hong Kong Yueki Holdings Co., Ltd. Shih-Lin Wu Shunxiong Fan Qing Yi Investment Co., Ltd. Huang Shi-Gu Yuming Zhuang	USD 11,100 thousand* USD 8,760 thousand* -	55.89 44.11 -
67	Esinn Co., Ltd	Chairman Director (and President) Director Director Director Supervisor	YULON MOTOR CO., LTD Jian-Hui Li Wen- Chiang Hsu Meng-Fen Hsiao Wen-Chuan Chung Wen-Jung Tsai Yulon-Administered Enterprises Company Limited Yuan-long Chen	17,999,000 1,000	99.99 0.01
68	Yushin Motor Co., Ltd.	Chairman Director Director Director Director Supervisor	YULON MOTOR CO., LTD Wen- Chiang Hsu Wen-Chuan Chung Wenxiu Zhu Meng-Fen Hsiao Jian-Hui Li Yulon-Administered Enterprises Company Limited Yuan-long Chen	19,999,000 1,000	99.99 0.01
69	Yu Chang Motor Co., Ltd.	Chairman	Yao-Hsin Kuo	2,920,400	13.56

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director	Yu-Hung Kuo	1,545,200	7.17
		Director	YULON MOTOR CO., LTD	13,998,500	64.99
		Director	Wen-Jung Tsai		
		Director	Chiu-Yueh Lo		
		Director	Meng-Fen Hsiao		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
			Yuan-long Chen		
		Supervisor	Chiu-Hua Chen	1,111,200	5.16
70	Yupu Enterprise Co., Ltd.	Chairman	Yushin Motor Co., Ltd.	1,000,000	100.00
		Director	Wenxiu Zhu		
		Director	Jian-Syong Liao		
		Director	Wentian Guo		
		Supervisor	I-Hsuan Lin		
71	YU SHIN Investment Ltd.	Chairman	Yushin Motor Co., Ltd.	RMB 37,480 thousand*	100.00
72	Fuzhou YuShin Automobile Technology Co.	Chairman	YU SHIN Investment Ltd.	RMB 12,000 thousand*	100.00
		Director	Shih-Hao Tseng		
		Director	Huang Jun-Quan		
		Director	Zhiqiang Yan		
		Supervisors	I-Hsuan Lin		
73	KUEN YOU TRADING CO., LTD.	Chairman	Esinn Co., Ltd	1,000,000	100.00
		Director	Wen- Chiang Hsu		
		Director	Wen-Chuan Chung		
		Director	Yung-Shun Li		
		Supervisor	Meng-Fen Hsiao		
74	Tian Wang Co., Ltd.	Chairman	Yu Chang Motor Co., Ltd.	1,700,000	100.00
		Director	Yao-Hsin Kuo		
		Director	Meng-Fen Hsiao		
		Director	Chiu-Yueh Lo		
		Supervisor	Qi-hong Tasi		
75	Yulon Overseas Investment Co., Ltd.	Director	YULON MOTOR CO., LTD	1,082,405,973.67	100.00
			Heng-Yao Wang		
76	Yulon China Investment Co., Ltd.	Director	Yulon Overseas Investment Co., Ltd.	1,057,379,545.56	100.00
			Heng-Yao Wang		
77	Yulon Philippines Investment Co., Ltd.	Director	Yulon Overseas Investment Co., Ltd.	35,740,966	100.00
			Zhen-Xiang Yao		
78	UNIVATION MOTOR PHILIPPINES, INC.	Chairman	Yulon Philippines Investment Co., Ltd.	4,365,527	40.00
		Director (and CEO)	Jian-Hui Li	1	-
		Director	Yu-Chueh Li	1	-
		Director	Mei-Man Hung	1	-
		Director	Wenxiu Zhu	1	-
		Director	I-Chen Chiu	1	-
			EASTERN CROWNE INDUSTRIES, INC.	350,000	3.21
			STA.CRUIZ ISLAND CORP.	6,198,296	56.79
79	STA.CRUIZ ISLAND CORROPATION	Director	Yulon Philippines Investment Co., Ltd.	749,370	14.04
		Chairman	Pacific Gem Corporation	3,202,793	60.00
			Reynaldo J. Concepcion	1	-
			William C. Yu	1	-
		Director	UNIVATION MOTOR PHILIPPINES, INC.	1,385,826	25.96
		Director	Nedia O. Sagun	1	-
		Director	Teresita D. Hamor	1	-
80	Wen Yang Investment Co., Ltd.	Director	Yulon China Investment Co., Ltd.	29,650,000	100.00
			Zhen-Xiang Yao		
81	Qing Yi Investment Co., Ltd.	Director	Yulon China Investment Co., Ltd.	15,323,977	100.00
			Zhen-Xiang Yao		
82	Yulon China Investment Co., Ltd.	Director	Yulon China Investment Co., Ltd.	270,415,153	100.00
			Zhen-Xiang Yao		
83	Yulon China Holdings Co. Ltd.	Director	Yulon China Investment Co., Ltd.	711,803,436	100.00
			Chin-Chuan Chen		
84	Feng-hua Investment (HK) Co., Ltd.	Director	Chenglong Limited.	USD 2,100 thousand*	30.00
		Director	I-Wei Wang		
		Director	Yulon China Investment Co., Ltd.	USD 2,800 thousand*	40.00
			Yuan-long Chen		
			Huamao International Investment Co., Ltd.	USD 2,100 thousand*	30.00
85	Suzhou Chenglong Auto Sales & Service Co.	Chairman (and President)	Feng-hua Investment (HK) Co., Ltd.	USD 7,000 thousand*	100.00
		Director	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Jhih-Ciang Yan		
		Director	Ching-Yi Wang		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director Supervisors Supervisors	Ming-Tsang Chao Liu Zong-Xin Yan Zhou		
86	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 Jhih-Ciang Yan Ching-Yi Wang Ming-Tsang Chao Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
87	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 Jhih-Ciang Yan Ching-Yi Wang Ming-Tsang Chao Liu Zong-Xin Yan Zhou	RMB 20,000 thousand*	100.00
88	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
89	TaiFeng (Nanjing) Software Technology Limited	Managing director	Wen Yang Investment (Samoa) Co., Ltd. Chin-Chuan Chen	USD 14,850 thousand*	100.00
90	QingTai (NanJing) Technology Limited	Managing director Supervisors	Wen Yang Investment (Samoa) Co., Ltd. Chin-Chuan Chen Wen-Yi Lo	USD 15,350 thousand*	100.00
91	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
92	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
93	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
94	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
95	GaoTe (Beijing) Investment Limited	Director (and President) Supervisors	Zhangzhou Development Zone Yi Ding Investment Co., Ltd. Zhangzhou Development Zone Jin Ce Investment Co., Ltd. I Liu Qi-hong Tasi	RMB 52,200 thousand* RMB 5,800 thousand*	90.00 10.00
96	HangZhou QienYu Investment Limited	Director (and President) Supervisors	GaoTe (Beijing) Investment Limited I Liu Ya-Ming Chen	RMB 10,000 thousand*	100.00
97	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
98	DongTai (Beijing) Investment Limited		Zhangzhou Development Shi Cheng Investment Co., Ltd.	RMB 68,830 thousand*	94.03

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director (and President) Supervisors	Zhangzhou Development Zone Jin Ce Investment Co., Ltd. Lai Liu Qi-hong Tasi	RMB 4,370 thousand*	5.97
99	HangZhou TangYu Investment Limited	Director (and President) Supervisors	DongTai (Beijing) Investment Limited Chi-Tsai Wen Ming Chen	RMB 10,000 thousand*	100.00
100	Yulon Motor Investment (HK) Co., Ltd.	Director	Yulon China Holdings Co. Ltd. Zhen-Xiang Yao	USD 711,803 thousand*	100.00
101	Yulon Automotive (China) Investment Limited	Chairman Director (and President) Director Supervisors	Yulon Motor Investment (HK) Co., Ltd. Zhen-Xiang Yao Chin-Chuan Chen Wen-Jung Tsai Yuan-long Chen	USD 274,940 thousand*	100.00
102	Xiamen Y.C. Invest. Consulting Limited	Managing director Supervisors	Yulon Motor Investment (HK) Co., Ltd. Chin-Chuan Chen Wen-Yi Lo	USD 1,860 thousand*	100.00
103	Luxgen (Hangzhou) Motor Sales Co., Ltd	Chairman Director (and President) Director Supervisors	Yulon Motor Investment (HK) Co., Ltd. Chong-Yuan Chen Chin-Chuan Chen Kuo-Rong Chen Heng-Yao Wang	USD 434,550 thousand*	100.00
104	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 Wen-Yi Lo	RMB 790,000 thousand*	100.00
105	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
106	SuZhou FengShen Automobiles. Sale & Service Limited	Director Director Director Supervisors Chairman (and President) Director Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Jhih-Ciang Yan 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
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 Zhiqiang Yan 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	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Chin-Chuan Chen Ming-Tsang Chao	RMB 40,000 thousand*	100.00
		Director Director	Ming-Tsang Chao Jhih-Ciang Yan		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director Supervisors Supervisors	Ching-Yi Wang Liu Zong-Xin Yan Zhou		
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 Jhih-Ciang Yan 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 Jhih-Ciang Yan 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 Jhih-Ciang Yan 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 Jhih-Ciang Yan Ming-Tsang Chao Ching-Yi Wang Liu Zong-Xin Yan Zhou	RMB 10,000 thousand*	100.00
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 Jhih-Ciang Yan 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-Cing (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	DongTai (Beijing) Investment Limited Sheng Qing (Beijing) Investment Limited Huang Yu-Zheng Chin-Chuan Chen Zhiqiang Yan	RMB 5,000 thousand* RMB 10,440 thousand*	32.38 67.62

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Supervisors	Yan Zhou		
117	Guangzhou YuanDou Automobile Sales & Service Limited	Chairman Director Supervisors	Yuanlong Automobile Co., Ltd. Chen-Fang Chang Ming-Jung Hsu Ming-Ching Chen	RMB 17,150 thousand*	49.00
		Vice Chairman Director Director President Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Zhiqiang Yan Tian-Shiang Su Chun-Pao Ho Yan Zhou	RMB 17,850 thousand*	51.00
118	Zhu Hai FuTeEn Industry & Trade Limited	Chairman Director Director President Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Chi-Ruei Chen Zhiqiang Yan Huang Xian-Wu Huang Shi-Gu	RMB 35,200 thousand*	100.00
119	Wuhan Yu Hsin Automobiles Sales & Service Limited	Chairman Vice Chairman Director President Supervisors	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Zhiqiang Yan Chi-Ruei Chen Chen Zu-Yin Huang Shi-Gu	RMB 100,000 thousand*	100.00
120	Xiaogan Yufeng Automobile Sales Service Co., Ltd.	Chairman Director Director Supervisors	Wuhan Yu Hsin Automobiles Sales & Service Limited Chin-Chuan Chen Zhiqiang Yan Chi-Ruei Chen 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 Zhiqiang Yan Chi-Ruei Chen 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	DengfengYulon Motor Co.Ltd Tsai Wei-Feng Shi-hao Fang	RMB 8,000 thousand*	40.00
		Director Director	Sheng Qing (Beijing) Investment Limited Chin-Chuan Chen Tian-Shiang Su	RMB 12,000 thousand*	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	YULON MOTOR CO., LTD Chun-Hung Chen	602,124	34.00

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director	Chin-Chu Lin	591,185	33.38
		Director	Kasai Kogyo Co., Ltd.		
		Director	Yasushi Ishii		
		Director	Sandou Shouichi	212,388	11.99
		Director	Yue Sheng Industrial Co., Ltd.		
		Director	Tseng Guo-Feng	93,948	5.30
		Director	Sanlong Asset Management Co., Ltd.		
		Director	Chung-Hsien Chen	213,299	12.04
		Director	Changyu Industrial Co., Ltd.		
		Director	Shang-Hui Chen		
		Supervisor	Chia-Ching Chen	-	-
		Supervisor	Li-Hsiung Cheng	-	-
129	YU HSIN INT'L INVESTMENT (BVI) CO., LTD.		Y-Teks Co., Ltd.	USD 2,231 thousand*	66.66
		Chairman	Chun-Hung Chen		
		Director	Sandou Shouichi		
			Chin-Chu Lin		
		Director	YU SL Investment Co., Ltd	USD 558 thousand*	16.67
		Director	Li-Hsiung Cheng		
		Director	SAMOA Fangbang Investment Co., Ltd.	USD 558 thousand*	16.67
		Director	Li-Tai Kuo		
130	YU HSIN INT'L INVESTMENT (HK) CO., LTD.		YU HSIN INT'L INVESTMENT (BVI) CO., LTD.	USD 13,071 thousand*	100.00
		Chairman	Chun-Hung Chen		
		Director	Sandou Shouichi		
		Director	Chin-Chu Lin		
		Director	Li-Hsiung Cheng		
		Director	Li-Tai Kuo		
131	Changzhou Y-Teks Automotive Trim Parts Limited		YU HSIN INT'L INVESTMENT (HK) CO., LTD.	USD 714 thousand*	51.00
		Director	Li-Sung Cheng		
		Director	Imamura Hitoshi		
		Director (and President)	Chung-Kun Hsueh		
		Director	Chin-Chu Lin		
		Director	Jiangsu Changbian Integration Technology Co., Ltd.	USD 462 thousand*	33.00
		Chairman	Pin-Gang Ruei		
		Director	Chien-Min Kuo		
		Director	China National Machinery International Cooperation Co., Ltd.	USD 224 thousand*	16.00
		Director	Jyun-Min Mao		
		Supervisors	Wun-Long Li		
		Supervisors	YU HSIN INT'L INVESTMENT (HK) CO., LTD.		
		Supervisors	Li-Tai Kuo		
132	Hangzhou Y-teks Automotive Trim Parts Lt		YU HSIN INT'L INVESTMENT (HK) CO., LTD.	USD 10,450 thousand*	100.00
		Chairman	Chin-Chu Lin		
		Director	Li-Tai Kuo		
		Director	Imamura Hitoshi		
		Director	Zhao-Zhi Lu		
		Director	Sun Dong-Yu		
		Supervisors	Li-Hsiung Cheng		
133	Uni Auto Parts Manufacture Co., Ltd		YULON MOTOR CO., LTD	21,728,516	25.01
		Chairman	Zhen-Xiang Yao		
		Director	Qiu Minhui		
		Director (and President)	Teng-Hung Yang		
		Managing 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
		Director	Chin-Huang Chang		
		Director	Quanxing Investment Development Co., Ltd.	5,211,979	6.00
		Managing 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
		Director	Chin-Pei Yang		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	-
		Supervisor	Hsun-Kuei Hsieh		
		Supervisor	Kuei-Fen Tien	-	-
134	Uni Investment Co., Ltd.		Uni Auto Parts Manufacture Co., Ltd	NTD 289,287 thousand*	100.00
		Director	Teng-Hung Yang		
		Director	Chih-Hsiung His		

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
135	Fuzhou Lianhong Motor Parts Limited	Chairman	Uni Investment Co., Ltd.	USD 69,313 thousand*	66.67
		Director	Teng-Hung Yang		
		Director	Deng Ji-Xiong		
		Director	Chih-Hsiung His		
		Director	Jin-Huang Zhang		
		Director	Chungsin-Wu		
		Director	Chin-Pei Yang		
		Supervisor	Chang Shun-Xian		
		Supervisor	Chiu Qiong-Kuan		
		Director	Namba Press Industry Co., Ltd.	USD 34,651 thousand*	33.33
		Director	Namba Chikako		
		Director	Junichi Namba		
		Director	Namba Kurihara		
136	HANG ZHOU LIAN RUN MOTOR PARTS CO., LTD	Chairman	Uni Investment Co., Ltd.	USD 117,842 thousand*	79.49
		Director	Teng-Hung Yang		
		Director	Deng Ji-Xiong		
		Director	Chang Shun-Xian		
		Director	Chih-Hsiung His		
		Director	Chungsin-Wu		
		Director	Chin-Pei Yang		
		Supervisor	Chiu Qiong-Kuan		
		Director	Qing Yi Investment Co., Ltd.	USD 30,405 thousand*	20.51
		Director	Yuming Zhuang		
137	Luxgen Motor Co., Ltd.	Chairman (and President)	YULON MOTOR CO., LTD	605,000,000	100.00
		Director	Zhen-Xiang Yao		
		Director	Shih-Hao Tseng		
		Director	Ching-Hsing Lin		
		Supervisor	Yuan-long Chen		
138	Luxgen Taipei Motor Co., Ltd.	Chairman	Luxgen Motor Co., Ltd.	18,499,000	99.99
		Director	Zhen-Xiang Yao		
		Director	Ching-Hsing Lin		
		Director	Meng-Fen Hsiao		
		Director	Wen-Yuan Li		
		Director	Shih-Hao Tseng		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
		Supervisor	Yuan-long Chen		
139	Luxgen Taoyuan Motor Co., Ltd.	Chairman	Luxgen Motor Co., Ltd.	6,299,000	59.99
		Director	Zhen-Xiang Yao		
		Director	Shih-Hao Tseng		
		Director	Meng-Fen Hsiao		
		Director	Yushin Motor Co., Ltd.	2,100,000	20.00
		Director	Wenxiu Zhu		
		Director	Huifeng Automobile Co., Ltd.	2,100,000	20.00
		Director	Chi-Feng Tsai		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
		Supervisor	Yuan-long Chen		
140	Luxgen Taichung Motor Co., Ltd.	Chairman	Luxgen Motor Co., Ltd.	10,359,000	97.73
		Director	Shih-Hao Tseng		
		Director	Ching-Hsing Lin		
		Director	Meng-Fen Hsiao		
		Director	EMPOWER MOTORS CO., LTD.	120,000	1.13
		Director	Chin-Feng Kao		
		Director	Huifeng Automobile Co., Ltd.	120,000	1.13
		Director	Zicheng Huang		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
		Supervisor	Yuan-long Chen		
141	Luxgen Tainan Motor Co., Ltd.	Chairman	Luxgen Motor Co., Ltd.	9,889,000	94.18
		Director	Zhen-Xiang Yao		
		Director	Ching-Hsing Lin		
		Director	Meng-Fen Hsiao		
		Director	Shih-Hao Tseng		
		Director	Huifeng Automobile Co., Ltd.	610,000	5.81
		Director	Chi-Feng Tsai		
		Supervisor	Yulon-Administered Enterprises Company Limited	1,000	0.01
		Supervisor	Yuan-long Chen		
142	Luxgen Kaohsiung Motor Co., Ltd.	Chairman	Luxgen Motor Co., Ltd.	6,599,000	92.944
		Director	Shih-Hao Tseng		
		Director	Ching-Hsing Lin		
		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

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Director Supervisor	Kelong Bi Yulon-Administered Enterprises Company Limited Yuan-long Chen	1,000	0.014
143	EMPOWER MOTORS CO., LTD.	Chairman Director Director Director Director Director Director Director Director Supervisor Supervisor Supervisor	EUNITON ENTERPRISE CO., LTD. Chin-Feng Kao His-Kun Liu Kuo-Lung Lai Mei-Chang Hsu YULON MOTOR CO., LTD Fang-Zhong Lai Yu-Cho Hsieh Meng-Fen Hsiao Taiwan Acceptance Corporation Pei-Chin Tsou Ching-Yu Tung Yulon-Administered Enterprises Company Limited Yuan-long Chen Nan-Cheng Pan Shu-hua Liao	15,900,000 5,998,780 8,100,000 1,220 - -	53.000 19.996 27.000 0.004 - -
144	Chi Min Business Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor	EMPOWER MOTORS CO., LTD. Chin-Feng Kao His-Kun Liu Fang-Zhong Lai Meng-Fen Hsiao Pei-Chin Tsou Mei-Chang Hsu Qi-hong Tasi	800,000	100.00
145	Hong Yen Motor Ltd.	Chairman	EMPOWER MOTORS CO., LTD. Chin-Feng Kao	NTD 213,774 thousand*	100.00
146	Yumin Insurance Broker Co., Ltd	Chairman Director Director Director Director Supervisor Supervisor	EMPOWER MOTORS CO., LTD. Chin-Feng Kao Meng-Fen Hsiao Fang-Zhong Lai His-Kun Liu Pei-Chin Tsou Qi-hong Tasi Mei-Chang Hsu	500,000	100.00
147	Min Shiang Lease Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor	EMPOWER MOTORS CO., LTD. Chin-Feng Kao His-Kun Liu Fang-Zhong Lai Meng-Fen Hsiao Pei-Chin Tsou Mei-Chang Hsu Qi-hong Tasi	3,000,000	100.00
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 Supervisor	Shanghai Yumin Automobiles Sales & Service Limited Chin-Feng Kao Ya-Wen Yang	RMB 26,767 thousand*	100.00
150	Hna-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 Luxgen Motor Co., Ltd. Yuan-long Chen	820,900,107 522,700,000	61.09 38.90
151	Hua-Chuang Overseas Investment Co., Ltd.	Institutional representative	Hna-Chuang Automobile Information Technical Center Co., Ltd. Chin-Chuan Chen	490,393,020	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 461,709 thousand*	100.00
153	Hangzhou Hua-chuang Automobile Information	Chairman Director Director	Hua-chuang China Investment Co., Ltd. Qiu Minhui Huang Shi-Gu Yulon Automotive (China) Investment Limited Chin-Chuan Chen	USD 15,000 thousand* USD 13,076 thousand*	50.1773 43.7412

Item No.	Enterprise Name	Title	Name or Representative	Shareholding (shares) (Investment amount, thousands of NTD*)	Shareholdings (%)
		Supervisors	HangZhou Hsiao Yu Investment Limited Hong Yao Jian	USD 1,818 thousand*	6.0815

6. Operating overview of affiliated companies (as of December 31, 2021)

(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	4,821,465	112,822,987	90,213,588	22,609,399	8,483,852	2,922,889	5,153,626	8.85
22010002	Yu Ching Business Co., Ltd.	711,000	916,363	3,186	913,177	14,084	(1,625)	71,560	1.01
22010004	Yu Pong Business Co., Ltd.	284,704	754,186	28,002	726,184	45,462	(12,395)	29,604	1.04
22010005	Yung Hang Investment Co., Ltd.	776,220	919,560	2,183	917,377	56,926	54,529	45,410	0.73
22010008	Yue Sheng Industrial Co., Ltd.	288,000	534,118	80,457	453,661	333,211	118	9,971	0.35
22010010	Yueki Industrial Co., Ltd.	194,670	1,508,706	853,985	654,721	975,051	(12,871)	(21,574)	(1.11)
22010012	China Cast Iron Pipe Co., Ltd.	32,000	87,951	33,841	54,110	19,381	15,254	12,364	3.86
22010014	Yu Chang Motor Co., Ltd.	215,385	1,190,690	1,015,177	175,513	4,263,508	(55,118)	55,857	2.59
22010017	Yushin Motor Co., Ltd.	200,000	928,736	690,363	238,373	2,418,625	(75,851)	22,329	1.12
22010020	Yu Chia Motor Co., Ltd.	26,000	29,777	371	29,406	151	(768)	261	0.10
22010023	Singan Co., Ltd.	286,700	775,393	233,941	541,452	37,028	3,610	181,064	6.32
22010024	Sinqual Technology Co., Ltd.	130,000	348,517	137,825	210,692	668,083	54,072	40,558	3.12
22010027	Yulon Construction Co., Ltd.	1,221,000	4,534,945	878,683	3,656,262	294,913	162,190	47,172	0.39
22010034	EMPOWER MOTORS CO., LTD.	300,000	1,281,565	895,083	386,482	3,080,345	(94,471)	14,693	0.49
22010035	Tian Wang Co., Ltd.	17,000	52,915	27,461	25,454	116,547	3,775	4,185	2.46
22010036	Yupu Enterprise Co., Ltd.	10,000	70,677	12,112	58,565	126,841	5,169	7,213	7.21
22010042	Yulon It Solutions Inc.	190,000	45,803	6,600	39,203	31,118	466	568	0.03
22010047	STA. CRUZ ISLAND CORPORATION	141,255	308,009	3,730	304,279	7,272	5,503	2,723	0.18
22010051	Xiamen Y.C. Invest. Consulting Limited	67,265	656,853	170,192	486,661	0	(558)	(3,777)	Note
22010053	Sin Chi Co., Ltd.	1,080,000	1,157,593	32,000	1,125,593	56,887	34,784	(37,992)	(0.35)
22010054	Esinn Co., Ltd.	180,000	1,019,934	855,211	164,723	3,996,109	(176,492)	19,325	1.07
22010055	Y-Teks Co., Ltd.	177,100	1,226,346	318,221	908,125	285,044	22,712	103,460	5.84
22010060	YU HSIN INTL INVESTMENT (BVI) CO., LTD.	92,645	1,322,762	301	1,322,461	0	(9,160)	138,439	Note
22010063	Yulon Overseas Investment Co., Ltd.	29,960,998	7,157,580	94	7,157,486	0	(394)	(464,753)	(4.29)
22010067	Yulon China Investment Co., Ltd.	29,268,278	7,048,987	388	7,048,599	0	(1,134)	(463,491)	(4.38)
22010068	Yulon Philippines Investment Co., Ltd.	989,311	91,107	260	90,847	0	(668)	(895)	(0.25)
22010070	Uni Auto Parts Manufacture Co., Ltd.	868,892	3,240,162	848,436	2,391,726	1,575,835	8,196	10,482	0.12
22010073	Shinshin Credit Corporation	2,749,973	51,412,752	46,571,956	4,840,796	2,770,012	1,270,766	1,060,195	3.86
22010076	Carplus Auto Leasing Corporation	941,618	21,990,172	19,879,430	2,110,742	10,445,144	448,588	286,750	3.05
22010077	Chi Min Business Co., Ltd.	8,000	32,003	19,034	12,969	94,880	1,503	1,602	2.00
22010079	Diamond Auto Service Co., Ltd.	85,000	427,401	308,111	119,290	227,007	10,497	8,563	1.01
22010081	Yu Rich Financial Services Co., Ltd.	1,598,765	22,150,887	19,238,789	2,912,098	2,788,989	1,201,388	973,387	6.09
22010085	Uni Investment Co., Ltd.	289,287	1,915,041	19,298	1,895,743	0	(3,378)	7,049	Note
22010086	Fuzhou Lianhong Motor Parts Limited	451,942	1,303,984	512,046	791,938	1,719,976	5,627	31,175	Note
22010087	Yue Ki Industrial (Samoa) Co., Ltd.	142,811	445,138	0	445,138	0	0	(83)	(0.01)
22010093	Qinton Motor Co., Ltd.	67,459	135,531	99,835	35,696	210,008	2,719	2,171	0.32
22010096	Hua-Chuang Automobile Information Technical Center Co., Ltd.	13,436,001	10,432,181	9,987,217	444,964	153,965	201,715	(396,515)	(0.30)
22010098	Wen Yang Investment (Samoa) Co., Ltd.	820,712	1,336,617	586,134	750,483	0	(205)	6,591	2.22
22010099	Qing Yi Investment (Samoa) Co., Ltd.	424,168	88,701	5	88,696	0	(194)	6,337	4.14
22010100	KeYu (Nanjing) Information Technology Limited	782,612	657,133	0	657,133	0	(156)	4,107	Note
22010101	TaiFeng (Nanjing) Software Technology Limited	496,499	519,968	206,366	313,602	0	(238)	321	Note
22010102	QingTai (NanJing) Technology Limited	522,805	362,020	70	361,950	0	(186)	2,362	Note
22010104	Xie Guan Manpower Service Co., Ltd.	10,000	22,287	4,813	17,474	37,016	1,521	1,238	1.24
22010105	Zhangzhou Development Zone Yi Ding Investment Co., Ltd.	239,960	190,756	52,171	138,585	0	(194)	(1,494)	Note
22010106	Zhangzhou Development Zone Mei De Investment Co., Ltd.	345,594	322,689	465	322,224	0	(845)	1,745	Note
22010107	Zhangzhou Development Shi Cheng Investment Co., Ltd.	312,252	296,899	147,929	148,970	0	(159)	1,936	Note
22010108	Zhangzhou Development Zone Jin Ce Investment Co., Ltd.	85,507	65,190	1	65,189	0	(121)	(65)	Note
22010109	GaoTe (Beijing) Investment Limited	252,132	158,980	1,488	157,492	0	(3,271)	(2,017)	Note
22010111	DongTai (Beijing) Investment Limited	318,208	284,526	134,094	150,432	5,266	244	994	Note
22010112	SuZhou FengShen Automobiles. Sale & Service Limited	208,661	1,082,711	324,246	758,465	1,304,942	57,886	153,727	Note

Company code	Company name	Paid-up Capital	Total assets	Total liabilities	Net Worth	Operating revenues	Operating profits	Gain or loss in current period	Earnings per share
22010113	Suzhou FengShun Automobiles Sales & Service Limited	108,678	483,588	205,218	278,370	1,481,525	52,591	72,129	Note
22010114	Guangzhou YuanDou Automobile Sales & Service Limited	152,149	229,299	77,284	152,015	424,625	12,820	(31,649)	Note
22010116	Zhu Hai FuTeEn Industry & Trade Limited	153,018	339,333	63,105	276,228	1,210,825	37,048	34,634	Note
22010117	TAC Global Investment (Samoa)Co., Ltd	3,012,497	4,931,685	0	4,931,685	0	0	571,254	Note
22010118	CAR-PLUS China Investment (Samoa) Co., Ltd	276,800	642,951	0	642,951	0	0	40,151	Note
22010119	CAR-PLUS Auto Leasing (Suzhou) Limited	276,800	2,611,245	1,969,349	641,896	1,300,420	43,703	40,151	Note
22010121	CAR-PLUS Global Investment (Samoa)Co., Ltd	863,616	694,387	0	694,387	0	(43)	(92,486)	Note
22010122	Changzhou Y-Teks Automotive Trim Parts Limited	38,752	156,552	26,465	130,087	53,816	(1,428)	2,094	Note
22010123	NanJing HanHong Automobiles Trading Limited	569,470	584,772	312,200	272,572	926,847	9,987	(12,148)	Note
22010124	HangZhou Yu Zhong Trading Limited	43,471	50,028	2	50,026	0	(17,841)	(17,575)	Note
22010125	HangZhou TangYu Investment Limited	43,471	39,085	1,291	37,794	0	(46)	(131)	Note
22010126	HangZhou QienYu Investment Limited	43,471	3,561	12,914	(9,353)	0	(33)	(910)	Note
22010127	Wuhan Yu Hsin Automobiles Sales & Service Limited	434,710	580,046	142,602	437,444	1,496,884	15,145	45,267	Note
22010128	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	43,471	148,934	61,802	87,132	713,016	32,791	24,166	Note
22010129	HangZhou Hsiao Yu Investment Limited	43,471	681	15,029	(14,348)	0	(39)	(973)	Note
22010130	Hong Shuo Cultural Enterprises Co., Ltd.	40,500	19,985	3,997	15,988	29,851	305	628	0.16
22010131	Hsiang Shou Enterprise Co., Ltd.	100,000	368,920	127,696	241,224	568,643	84,507	69,178	6.92
22010138	Yulon China Investment (HK) Co., Ltd.	7,485,087	14,802	118	14,684	0	(348)	178	Note
22010143	Luxgen Motor Co., Ltd.	6,050,000	3,177,189	2,715,069	462,120	3,792,242	(52,890)	(241,656)	(0.40)
22010146	YU HSN INTL INVESTMENT (HK) CO., LTD.	361,805	372,915	27,939	344,976	0	(627)	13,072	Note
22010147	Luxgen Taipei Motor Co., Ltd.	185,000	594,587	460,461	134,126	1,681,207	(64,119)	1,411	0.08
22010148	Luxgen Taoyuan Motor Co., Ltd.	105,000	250,838	148,402	102,436	814,034	(4,784)	12,296	1.17
22010149	Luxgen Taichung Motor Co., Ltd.	106,000	282,850	149,543	133,307	879,893	(7,894)	14,176	1.34
22010150	Luxgen Tainan Motor Co., Ltd.	105,000	185,190	73,958	111,232	626,709	(15,467)	2,129	0.20
22010151	Luxgen Kaohsiung Motor Co., Ltd.	71,000	125,692	62,338	63,354	680,600	(6,015)	9,521	1.34
22010152	Car-Plus Shanghai Investment (Samoa) co., Ltd	276,800	439,709	0	439,709	0	0	29,887	Note
22010153	CAR-PLUS Auto Leasing (Shanghai) Limited	276,800	764,655	324,948	439,707	263,698	34,226	29,887	Note
22010154	Yulon TOBE Motor Co., Ltd.	368,959	195,305	150	195,155	0	(174,035)	(173,984)	(4.72)
22010157	Suzhou YuShun Automobiles Sales & Service Limited	43,471	43,621	6,853	36,768	6,812	634	2,744	Note
22010163	Hangzhou Y-teks Automotive Trim Parts Lt	289,256	159,153	67,571	91,582	67,516	1,433	(1,772)	Note
22010164	YES-Energy Service Co., LTD.	290,000	1,308,117	1,077,747	230,370	181,656	16,720	9,836	0.34
22010165	Hangzhou Yuwan Auto Motive Parts Limited	549,725	154,725	63,278	91,447	106,255	(23,985)	851	Note
22010166	Hong Kong Yueki Holdings Co., Ltd.	293,408	41,421	13,844	27,577	0	0	476	0.45
22010167	Yu Rong International Investment (SAMOA) Co., Ltd.	2,421,889	4,459,769	0	4,459,769	0	0	632,743	Note
22010169	Yu-Rong Leasing (Suzhou) Limited	2,089,729	22,563,269	18,089,295	4,473,974	2,380,965	775,329	576,658	Note
22010170	Sinjang Co., Ltd	128,240	875,021	635,499	239,522	419,477	86,696	70,846	5.52
22010174	Hangzhou HuaZhi Automobile Sales & Service Limited	86,942	546	362,314	(361,768)	0	(2,362)	(7,568)	Note
22010175	Feng-hua Investment (HK) Co., Ltd.	191,964	389,482	0	389,482	0	0	35,789	Note
22010177	Hangzhou HuaYou Automobile Sales & Service Limited	34,777	8	222,501	(222,493)	0	(307)	(3,738)	Note
22010179	Xiaogan Yufeng Automobile Sales Service Co., Ltd.	139,107	405,253	144,036	261,217	1,356,985	51,076	37,252	Note
22010181	Shanghai Yumin Automobiles Sales & Service Limited	354,545	84,935	84,994	(59)	14,170	(3,975)	(7,190)	Note
22010183	Suzhou Chenglong Auto Sales & Service Co.	191,962	451,798	62,311	389,487	1,369,901	42,436	35,790	Note
22010184	Suzhou ChengLi Automobile Sales & Service Limited	65,207	69,063	3,852	65,211	202,333	7,865	11,896	Note
22010186	Nanjing YuShang Automobile Sales & Service Limited	165,190	6,904	2,048	4,856	0	(2,385)	(838)	Note
22010188	Yulon China Holdings Co. Ltd.	19,702,707	5,419,231	0	5,419,231	0	0	(491,320)	(6.90)

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
22010189	Yulon Motor Investment (HK) Co., Ltd.	19,702,707	5,419,298	72	5,419,226	0	(355)	(491,320)	Note
22010190	Yulon Automotive (China) Investment Limited	8,214,047	5,892,929	1,111,173	4,781,756	41,456	53,307	(122,735)	Note
22010192	Power Engineering Co., LTD.	2,000	10,435	8,909	1,526	20,810	(2,220)	(1,979)	(9.90)
22010194	Changsha Yulu Automobile Sales & Service Limited	138,238	30,781	23,421	7,360	9,894	2,953	2,679	Note
22010198	Hongyan Automobile Co., Ltd.	213,774	39,545	0	39,545	0	(1)	(5,296)	(0.25)
22010199	YU SHIN Investment Ltd.	157,305	44,622	0	44,622	0	(4)	(13,628)	Note
22010201	Hangzhou Hua-chuang Automobile Informati	860,580	176,470	195,581	(19,111)	413,164	(5,468)	(21,916)	Note
22010202	Hua-chuang China Investment Co., Ltd.	461,709	(9,398)	0	(9,398)	0	0	(16,666)	Note
22010203	Hua-Chuang Overseas Investment Co., Ltd.	490,393	(9,112)	0	(9,112)	0	0	(16,666)	(0.34)
22010205	Suzhou Eslite Automobiles Sales & Service Limited	173,884	271,600	73,380	198,220	341,215	8,676	6,044	Note
22010206	Suzhou ChengBang Automobiles Sales & Service Limited	43,471	186,487	118,680	67,807	803,793	15,716	9,795	Note
22010207	Nanjing HanHong Automobile Sales & Service Limited	191,272	132,117	15,880	116,237	2	(13,391)	(13,746)	Note
22010208	Yumin Insurance Broker Co., Ltd	5,000	4,987	280	4,707	518	121	117	0.23
22010210	Yu-Kuo Finance Leasing (Hangzhou) Limited	830,400	232,316	221,001	11,315	112,286	163,586	140,213	Note
22010211	Sinjang Investment (Samoa) Co., Ltd.	51,872	31,455	3	31,452	0	(33)	485	Note
22010212	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd	86,942	8,330	2,853	5,477	34,542	(7,971)	(9,919)	Note
22010213	ChiaHsing YuTa Automobiles Sales & Service Limited	116,359	26,326	13,831	12,495	997	(7,270)	(5,431)	Note
22010214	Suzhou Cheng-Hung Auto Sales & Service Limited	43,471	127,767	81,344	46,423	227,979	3,817	3,651	Note
22010215	Suzhou Cheng-Kuo Auto Sales & Service Limited	86,942	45,431	11,476	33,955	162,103	(3,229)	(3,803)	Note
22010216	TaiTsang ChengMao Automobiles Sales & Service Limited	43,471	178,028	89,268	88,760	591,314	22,772	15,066	Note
22010219	Anqing Cai Tong Automobiles Sales & Service Limited	119,184	116	0	116	273	214	265	Note
22010222	Tongling Kuo Tong Automobiles Sales & Services Limited	73,523	8,252	2,718	5,534	98	(568)	(508)	Note
22010223	Zibo Yu An Automobiles Sales & Services Limited	67,119	266	2,592	(2,326)	61	(195)	(221)	Note
22010224	UNIVATION MOTOR PHILIPPINES, INC.	583,890	445,365	287,315	158,049	50,853	16,963	(18,455)	(0.30)
22010225	Sheng Qing (Beijing) Investment Limited	5,388,974	4,485,104	469,019	4,016,085	4,956	(117,685)	(13,911)	Note
22010226	Jing-Hui (Shanghai) Motor Technology Limited	49,031	39,508	14,014	25,494	23,576	(396)	(225)	Note
22010228	HANG ZHOU LIAN RUN MOTOR PARTS CO., LTD	644,443	392,600	362,992	29,608	397,543	17,985	(4,065)	Note
22010229	Shin Shin Global Investment (Samoa) Co., Ltd.	332,160	23,276	0	23,276	0	0	56,085	Note
22010230	Yulon Motor Finance (China) Limited	4,347,100	12,069,855	7,925,978	4,143,877	1,254,910	42,083	80,886	Note
22010232	Da Wei Technology Co., Ltd	40,000	43,797	0	43,797	0	(14)	378	0.09
22010233	Hangzhou Cheng Yi second - hand car identification assessment Limited	6,521	2,336	118	2,218	1,544	(228)	(310)	Note
22010235	Zhejiang Cheng Yi auction Ltd.	8,694	10,089	3,415	6,674	8,127	3,279	3,407	Note
22010236	Hangzhou Yujie Real Estate Co., Ltd	2,173,550	2,951,938	1,030,008	1,921,930	0	(88,493)	(85,215)	Note
22010237	Ta Teng Transportation Co., Ltd.	6,000	5,951	1,713	4,238	7,040	(2,102)	(2,114)	Note
22010239	Luxgen (Hangzhou) Motor Sales Co., Ltd	13,092,868	768,007	626,625	141,382	34,192	(316,323)	(367,000)	Note
22010240	Yufong Property Management Co., Ltd.	25,000	75,575	18,618	56,957	64,462	9,765	6,978	2.79
22010241	Yulon Finance Overseas Investment (Samoa) Co., Ltd.	415,200	149,474	0	149,474	0	0	(96,837)	Note
22010242	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	415,200	149,474	0	149,474	0	0	(96,837)	Note
22010243	KUEN YOU TRADING CO., LTD.	10,000	46,593	30,878	15,715	139,490	(2,888)	1,903	1.90
22010246	Yulon Finance Philippines Co., Ltd	401,250	732,947	583,473	149,474	105,161	(96,683)	(96,837)	Note
22010247	Chuang Jie New Energy Vehicle (HZ) Limited	3,434,209	2,541,302	160,600	2,380,702	479,913	(233,786)	(172,409)	Note
22010248	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	885,760	74,493	0	74,493	0	0	(224,110)	Note
22010249	CAR-PLUS GO Co., Ltd.	885,760	75,112	620	74,492	31,726	(224,112)	(224,110)	Note
22010250	Wuhan TAC Auto Trade Co., Ltd.	8,694	2,381	19,678	(17,297)	0	(5,597)	(5,399)	Note
22010252	Dachuan Transportation Co., Ltd.	3,000	1,242	83	1,159	1,226	200	172	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
22010253	Damu Transportation Co., Ltd.	6,000	915	132	783	459	84	73	Note
22010254	Dajun Transportation Co., Ltd.	3,000	1,112	151	961	547	116	95	Note
22010260	Fuzhou YuShin Automobile Technology Co.	52,165	170,315	140,983	29,332	439,816	(8,933)	(13,490)	Note
22010261	Yongxiang Transportation Co., Ltd.	3,000	678	246	432	1,018	434	374	Note
22010262	Guoma Transportation Co., Ltd.	4,000	175	46	129	643	147	97	Note
22010263	Jinyu Transportation Enterprise Co., Ltd	3,000	626	306	320	670	202	187	Note
22010264	Zhongxing Automobile Co., Ltd.	3,500	395	130	265	525	170	165	Note
22010265	Liyang Automobile Co., Ltd.	9,000	7,179	1,127	6,052	3,054	1,198	978	Note
22010266	Heyang Transportation Co., Ltd.	6,000	440	302	138	828	117	120	Note
22010267	Jiayu Transportation Enterprise Co., Ltd	3,000	283	179	104	330	75	77	Note
22010268	Tianyang Transportation Co., Ltd.	6,000	776	365	411	718	417	358	Note
22010269	MINXIANG LEASING CO., LTD	30,000	43,701	13,072	30,629	10,667	111	625	Note
22010270	Advance Power Machinery Co., Ltd.	5,000	49,181	33,788	15,393	119,239	6,303	5,012	10.02

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 required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Hereby declare

Company name: YULON MOTOR CO., LTD

Responsible Person: Yen Chen-Li-Lien

March 10, 2022

(III) Relations Report: Not applicable

II. From 2021 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 (2021) or during the current year up to the date of publication of the annual report:

Unit: Thousands of NTD; shares; %
As of 2022.04.30

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	100.00	2004.7.28	-	-	-	-	-	7,526,431	298,047	-	-	-
Yu Pong	284,704	Operating revenues	100.00	2004.7.28	-	-	-	-	-	76	3	-	-	-

Note: 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 2021 or during the current year up to the date of publication of the annual report: No such matter.

Innovation



Teamwork



Speed



Yulon Motor Co., Ltd.

No. 39-1, Bir-Gong-Kong, Shi-Fu Village, Sanyi Town,
Miaoli County