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YULON MOTOR CO., LTD.

Investor Conference

2015/11/25

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Agenda

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Agenda	Time	Speaker
Opening	5 min	Chen Hsiang Yao -President
Financial Results & Future Prospects	20 min	Chen Hsiang Yao –President Wen Yi Lo –General Manager
Q&A	25 min	Chen Hsiang Yao –President Ming Hui Chiu –Vice President Wen Yi Lo –General Manager

Financial Results

2015/1~10 Sales Volume in Taiwan

2015/1~10	Domestic cars and Imported cars									
	Sales volume					Growth rate		Market share %		
	Domestic /Imported	2014/1~10		2015/1~10		2015/1~10	Total	2015/1~10	2014/1~10	%
		Units	Total	Units	Total					
YULON Nissan Co.	Domestic	35,706	39,775	32,889	35,540	-7.89%	-10.6%	10.6%	11.7%	-1.1%
	Imported	4,069		2,651		-34.85%				
LUXGEN	Domestic	14,574	14,574	12,847	12,847	-11.85%	-11.8%	3.8%	4.3%	-0.5%
	Imported									
MITSUBISHI	Domestic	36,070	36,973	35,034	35,516	-2.87%	-3.9%	10.6%	10.9%	-0.3%
	Imported	903		482		-46.62%				
YULON GROUP subtotal	Domestic	86,350	91,322	80,770	83,903	-6.46%	-8.1%	25.0%	26.9%	-1.9%
	Imported	4,972		3,133		-36.99%				
TOYOTA	Domestic	86,549	115,642	79,456	107,865	-8.20%	-6.7%	32.1%	34.0%	-1.9%
	Imported	29,093		28,409		-2.35%				
FORD	Domestic	17,760	19,870	16,220	18,418	-8.67%	-7.3%	5.5%	5.8%	-0.4%
	Imported	2,110		2,198		4.17%				
MAZDA	Domestic	8,823	13,147	2,800	17,019	-68.26%	29.5%	5.1%	3.9%	1.2%
	Imported	4,324		14,219		228.84%				
HONDA	Domestic	18,559	19,109	20,601	22,462	11.00%	17.5%	6.7%	5.6%	1.1%
	Imported	550		1,861		238.36%				
HYUNDAI	Domestic	11,835	13,069	9,840	10,949	-16.86%	-16.2%	3.3%	3.8%	-0.6%
	Imported	1,234		1,109		-10.13%				
Total market	Domestic	230,142	340,102	210,448	335,855	-8.56%	-1.2%			
	Imported	109,960		125,407		14.05%				

Notes:

The sales volume in 2015/1~10 decreased by 1.2% over the same period in the prior year, including 8.56% decrease of domestic cars and 14% increase of imported cars, accounting for domestic cars and imported cars of 63%:37%. The market shrinking reasons include (1) the price gap between domestic cars and imported cars is shrinking (2) there are more marketing resources in imported cars

Auto Sales in Taiwan Through the Years

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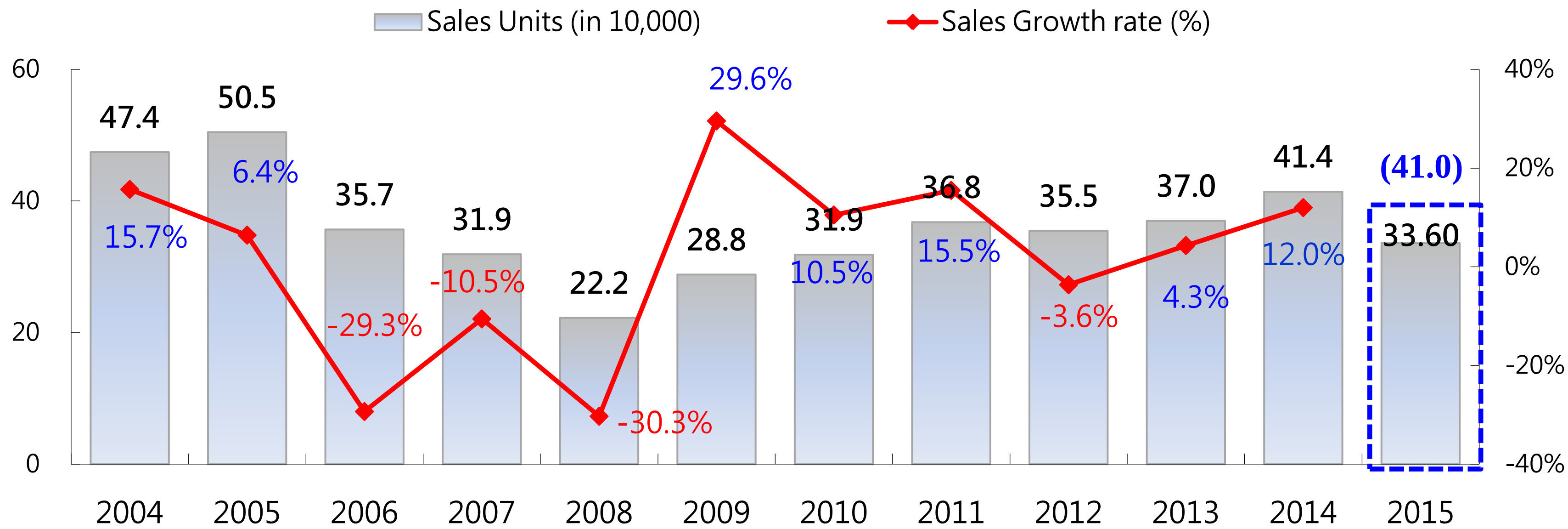
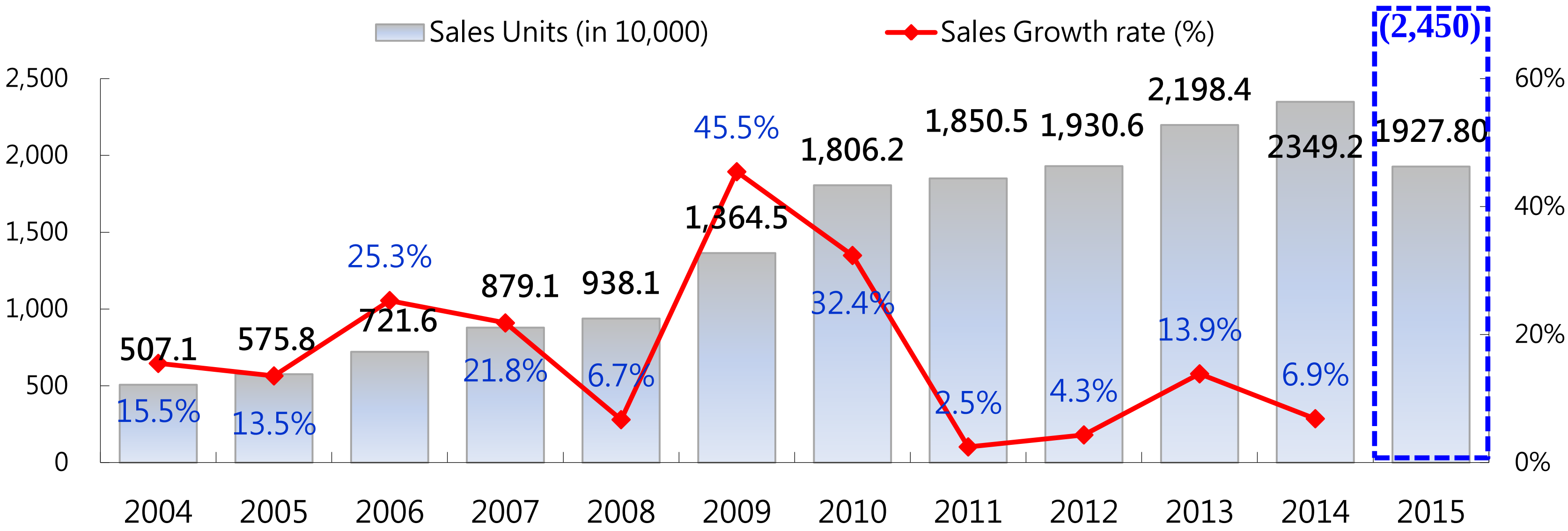


※Sales units include Passenger Cars and Commercial Vehicles (2015/1~2015/10)

1. According to several analysts and research results, the global economic situation is not optimistic. Except the U.S., Eurozone and Japan are expected to decline ; moreover, the underperforming of China has a negative impact on Japan, South Korea and Southeast Asia. It is indicated that the prospect of global economic and financial market are still uncertain. The growth rate of Taiwan was -1.01% in the third quarter of 2015.The "Chung-Hua Institution for Economic Research "and "Taiwan institute of Economic Research" predicted economic growth rate of Taiwan are 0.9% and 0.83% in 2015, and 2.27% and 1.84% in 2016 , respectively.

2. If the subsidy policy of commodity tax been announced, and going with the sales promotion from vehicle vendors in the end of year, Taiwan's overall auto market sales volume in 2015 are expected to reach 410,000 units, and estimate to increase in 2016 , benefited from the subsidy policy of commodity tax

Auto Sales in China Through the Years



(2015/1~2015/10)

※Sales units include Passenger Cars and Commercial Vehicles

Notes:

1. The sales volume in 2015/1~10 of China is 19,278K units, and 1.53% growth rate year on year.
2. Although economic growth rate of the third quarter in 2015 in China is 6.9%, being the lowest period since the global financial crisis. Recently, China released a modification for the regulation policy of exchange and interest rate, so it is still predicted to be stable in 2016.
3. According to China Association of Automobile Manufacturers (CAAM), in 2015 Continental overall auto market forecast is expected to reach 24.50 million units, increased by 1.01million compared to 2014 (23.49 million units), the growth rate is about 4.3%.

Consolidated Comprehensive Income Statements

(NT $ Million)

	2015 Q3		2014 Q3		Difference	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Operating revenue	89,730	100%	87,607	100%	2,123	2%
Gross profit	13,995	16%	13,915	16%	80	1%
Operating income	**1,174**	**1%**	**1,775**	**2%**	**(601)**	**-34%**
Nonoperating income and expense	2,380	3%	1,938	2%	442	23%
Consolidated income before income tax	3,554	4%	3,713	4%	(159)	-4%
Consolidated net income	**2,708**	**3%**	**3,008**	**3%**	(300)	**-10%**
Other comprehensive income, net	- 60	0%	312	0%	(372)	-119%
Total comprehensive income	**2,648**	**3%**	**3,320**	**4%**	**(672)**	**-20%**
EPS	1.57		1.73			

1. The operating income decreased 601 millions compared with last year, due to the increasing of promotion fee and impairment loss.

2. The non-operating net income increased 442 million compared with last year is mainly due to:
   A. Dongfeng Yulon: increased 216 million, because of the sales volume increase.
   B. TAI YUEN TEXTILE CO.: increased 176 million, because of gain on disposal of financial investments.

3. Other comprehensive loss 372 million compared with last year is mainly due to the unfavorable factors for the conversion of foreign exchange differences of financial statements of foreign operations 153 million and unrealized losses on available-for-sale financial assets 269 million.

Consolidated Balance Sheets

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(NT $ Million)

	2015 Q3		2014 Q4		Difference	
	Amount	%	Amount	%	Amount	%
Current assets	126,592	58%	108,806	54%	17,786	16%
Noncurrent assets	89,832	42%	94,037	46%	(4,205)	-4%
Total Assets	**216,424**	**100%**	**202,843**	**100%**	13,581	7%
Current liabilities	123,210	57%	112,689	56%	10,521	9%
Noncurrent liabilities	12,172	6%	10,005	5%	2,167	22%
Total Liabilities	**135,382**	**63%**	**122,694**	**60%**	**12,688**	**10%**
Total Equity	**81,042**	**37%**	**80,149**	**40%**	**893**	**1%**

1. The Debt to Assets ratio of the third quarter of 2015 is 63%, and would decrease to 30% with deduction of short-term borrowings and short-term bills payable for TAC and dealers. (Comparing with the fourth quarter of 2014, this ratio after deducting of debt mentioned above for TAC and dealers was 34%.)
2. The financial structure of Yulon Motor:
   A. The current debt ration is 13%, mainly for the payments for subcontractor's materials.
   B. The ratio of the stockholders equity to the total assets is 87% (71.1 billion to 82 billion).
   C. The book value per share is NT$ 45.2
   D. The company's financial structure is fairly good.

Luxgen Sales Volume in China and Taiwan

(in units)

Brand Company	14Y Actaual	15Y Actaual	15Y growth rate	16Y Forcast	16Y forcast volume increased	16Y forcast growth rate
Luxgen	16,687	15,500	-7.1%	20,000	4,500	29.0%
Dongfeng Yulon Motor	52,203	61,000	16.9%	70,000	9,000	14.8%
Total	68,890	76,500	11.0%	90,000	13,500	17.6%

1. Luxgen

   In 2015, Luxgen will continue improving fuel consumption and quality, fulfilling differentiated consumer demand, and continue constructing differentiated sales and service. In order to strengthen the brand image, the total sales volume estimated to reach annual sales of 15,500 units in 2015; Driven by the introduction of new models and enhancing customer satisfaction, Luxgen estimated to reach annual sales of 20,000 units in 2016.

2. Dongfeng Yulon Motor

   A. Driven by the introduction of new models, Dongfeng Yulon keep improving product and service quality in 2015, estimate to increase 16.9% compared with 2014.

   B. In 2016 ,Dongfeng Yulon will focus on introducing new models, improving quality, enhancing production and sales , strengthening dealer s' marketing and service force and promoting brand image, forecast to grow 14.8 % in 2016 compared with 2015.

Real Estate Development - Xindian

Items	Residential Dist.	Commercial Dist.
Scale	Three Buildings	Podium & Three Towers
Use	Condominiums	Shopping Malls, Cinemas, and Banquet Halls

Progress:

In September 2015, completed the schematic design and estimate to complete the design development in March 2016 , then contract out the construction design.

Q & A