YULON

Stock Code: 2201

Annual Report 2019

Printed on April 30, 2020
SEC:mops.twse.com.tw
official Website:www.yulon-motor.com.tw

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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. Letter to Shareholders

Dear Shareholders:

We sincerely appreciate to all the support and companionship from every shareholder. The results of our operating performance in 2019 and business plan for 2020 are illustrated as follows:

Operating Performance in 2019

A total of 439,800 vehicles were sold in Taiwan last year, a small increase of 1.1% compared to the 435,000 vehicles sold last year. However, the market share of imported cars has reached 47.7%, which has exerted certain impacts to domestic cars.

In 2019, the Company sold 42,823 cars, the total operating income last year was NT$30.262 billion, the net loss before tax was NT$24.465 billion. The main reason for such loss is that the sales performance of the brands owned by the Company does not reach the expected level. Therefore, the Company, based on the Conservatism Principle, has recognized the impairment loss of technology assets of motor models development and the impairment loss of molds.

To make up for the loss, it is planned to utilize the special reserve of NT$15.145 billion and conduct the capital reduction of NT$5.729 billion. After the capital reduction, the Paid-in Capital is reduced to NT$10 billion, the financial structure will be improved, and the net value per share would be increased.

In terms of domestic car market, Yulon-Nissan Kicks continued to be in high demand, and Luxgen had introduced the URX model in Q4 of 2019. As to the imported car market, Yulon-Nissan separately introduced a new generation of Leaf EV and Altima in Q3 of 2019. Yulon Motor will continue to optimize its manufacturing capabilities, introduce the new technology of smart factories, and increase customer satisfaction to further enhance brand value.

Business Plan for 2020

In response to changes in the industrial environment and future development opportunities, Yulon Group has initiated a strategic transformation of its self-owned brands since 2019, and made the vehicle model platform and R&D capacity of the automotive R&D value chain fully available to the public to attract diversified clients, and create the scale of economy and reduce costs via resource sharing. The Company has, with the strategic transformation of the open platform, obtained the OEM business from overseas brands such as French commercial electric vehicle manufacturer (MUSE) and Italian tricycle motorcycle manufacturer (ADIVA), and is actively expanding the diversified client markets to create the solid niche.

In .2020, the Company will establish a joint venture company with HAITEC and Foxconn. In the future, the Company will promote a new business model of open platform and sharing in the global automotive industry with such joint venture company. By combining the complementary advantages of each other in the vehicle R&D and ICT industry resources, the Company would be able to provide an overall solution service for global target

clients.

For the outlook for the year 2020, a wide range of impact and chain effect has been generated due to the US-China trade negotiations, the highly globalized market environment, and the COVID-19 epidemic, which would bring various adverse factors against the industrial development. In such a challenging external environment, the Company already has a clear future development vision, and the re-invested companies would also formulate respective development plans. We hereby expect all our shareholders, clients, suppliers and partners to continue supporting us, and we hereby wish all our shareholders good health, good luck and prosperous!

Chairman: Yen Chen Li-Lien

II Company Introduction

2.1 Company Introduction

2.1.1 Establishing Date

September 10 1953.

2.1.2 Highlights of Development

Sep 1953	The Company was founded by Mr. Yen Tjing-Ling under the name of "Yulon Machinery Manufacturing Co., Ltd." with a capital of NT$2 million.
Oct 1956	Trial of the first pilot 4WD jeep was successful and publicly exhibited on the "Double Tenth" National Day.
Apr 1957	Hold a long journey road test of the made-in-house jeep from Taipei to Kaohsiung and delivered vehicle to Bangkok Thailand for international commodity exhibition.
Dec 1957	Signed a technical cooperation contract with Nissan Motor Co., Ltd.
Mar 1959	Officially started making 5-ton gasoline truck chassis coded as YLN-101.
Mar 1960	Launched YLN-701 1200C.C Bluebird sedan, which was the pioneer of Taiwan's sedan manufacturing.
Sep 1960	Officially changed The Company name to "Yulon Motor Company Ltd."
Apr 1962	Signed a technical cooperation contract with Innocenti Italy, started to produce 2-wheel motorcycle.
Oct 1964	Late President Chiang Kai-Shek visited the plant.
Oct 1964	Established the expansion plan to increase the annual production volume to 20,000 units.
Dec 1968	Installed semi-automated production line in the casting plant.
Mar 1970	The first large plating facility in Taiwan and a full capacity production line were completed and started operation
Dec 1972	The accumulated vehicle production reached 50,000 units.
Mar 1973	Established Xindian stamping plant.
Nov 1973	Started the construction work for the expansion of office building in Xindian plant.
Aug 1976	Stocks turned public and traded in Taiwan Stock Exchange.
Jul 1977	The department in charge of the construction of San-Yi Plant was established to start construction work.
Apr 1979	Established the MIS center. The Company started to computerize its operation.
May 1981	The Phase I construction work of San-Yi Plant was completed. Mass production started.
Aug 1981	The Engineering Center at Kuishan Industrial Zone in Taoyuan was established for automobile design and development works.
May 1983	Passenger sedan 'SUNNY' was exported to Middle East and Caribbean areas, the first local made sedan being exported.
May 1986	Established 'Vivian Wu Journalism Award Foundation.'
Oct 1986	The first locally designed and developed model – Feeling 101 made it's debut.
Apr 1988	Established new production/sales network.
Dec 1990	Sedan 'NEW SENTRA' launched.
Sep 1991	Awarded with the "Golden Tower" award in the manufacturing group category and "Sliver Tower" award in the non-manufacturing group of the National QCC Contest. The first private company obtained certificate as a QCC group model.
Dec 1991	The accumulated vehicle production reached 1 million units.
Sep 1992	Yulon changed its corporate identification system (CIS).
Sep 1992	"Ching Pin" - another model developed by our own R&D team launched.

Jun 1993	MARCH mini-car launched.
Jul 1994	All models began to be identified and sold under NISSAN brand name.
Nov 1995	Centralization of plants and office implemented.
Feb 1996	CEFIRO sedan launched.
Nov 1996	Obtained ISO 9002 quality certificate.
Oct 1997	The Company's VERITA Launched.
Oct 1997	Held the first "Wood Carving Golden Award" event.
Oct 1998	Awarded with the "National Quality Award" by the Executive Yuan, the highest quality award in the country.
Nov 1998	R&D engineering center was upgraded as Yulon Asia Technical Center (YATC).
Mar 1999	Obtained ISO 14001 certificate for Environment Management System.
Oct 1999	Invested in Nissan Motor Philippines Inc. (NMPI) and entered the Southeast Asian market.
Nov 1999	Obtained ISO 9001 certificate.
Nov 1999	Launched commercial vehicle 'Cabstar,' a milestone of commercial vehicles.
Dec 1999	Won the 2nd "National Public Welfare Award."
May 2000	Signed a join-venture contract with Dongfeng Motor Corporation in China and entered the Chinese market.
Jun 2000	New e-smart car SENTRA 180 launched.
Nov 2000	Obtained exclusive agency in Taiwan from Renault, France.
Sep 2001	First recreation vehicle (RV) QRV model launched.
Oct 2001	Awarded with the "Outstanding Factory on Industrial Waste Minimization" by the Ministry of Economic Affairs.
Nov 2002	Received the 11th "Annual Environmental Protection Award for Enterprise" from the Environment Protection Administrtion of the Executive Yuan.
Dec 2002	The Company's first sport utility vehicle (SUV) X-TRAIL launched.
Aug 2003	The specimen of the elephant Lin-Wang was exclusively sponsored by Yulon Motor Company Ltd.
Oct 2003	Celebrating the 50th Anniversary of Yulon Motor Company Ltd.
Oct 2003	Yulon was spun off and become two separate companies " YULON and YULON NISSAN."
Nov 2003	Forming a strategic alliance with IBM to develop the new version of TOBE service system.
Dec 2003	Opening ceremony of "Auto Mall" construction.
Sep 2004	Initially issued unsecured convertible bonds for NT$5.5 billion.
Jan 2005	Yulon Motor and General Motor had officially signed a joint venture contract.
May 2005	The grand opening of the "Auto Mall" provided citizens with a variety of city lives, such as, spherical square and spherical theater.
Jul 2005	Formed "Yulon GM Co., Ltd." with GM Motor to deal with new cars and services parts merchandise of BUICK, CADILLAC, and OPEL.
Jul 2005	Invested in establishing dealerships of Yulon GM Datong Motor Co., Ltd., Zhitong Motor Co., Ltd., Zhongtong Motors Corporation, Qingtong Motor Co., Ltd., and Yingtong Motor Co., Ltd. to expand and handle channels of GM cars.
Oct 2005	Stamping factory of San-Yi Plant received certification of ISO TS/16949.
Nov 2005	Held the "9th Yulon Golden Award of Woodcarving" and "International Woodcarving Festival."
Dec 2005	Awarded with the 1st "Green Accounting Prize of the R.O.C." by the Commerce Department, MOEA.
Dec 2005	Participated in the investment in establishing "Hwa-chuan Auto Technology Center Co., Ltd." to engage in the research and development of various electric modules for innovative automobiles.
Aug 2006	Renault Modus 1.6 launched

Sep 2006	Held the “10th Yulon Golden Award of Woodcarving”
Nov 2006	The five-door Megane 1.6/2.0 launched.
Dec 2006	Awarded with the “TPM Special Prize” for San-Yi Plant by the Japan Institute of Plant Maintenance and received the worldwide affirmation of the standard quality of production and management.
Dec 2006	Exclusively sponsored the documentary film “Gift” for disseminating the beauty of the wood sculpture.
Dec 2006	Holding the “Public Facilities Ground Breaking Ceremony” at the Xindian Plant B; the development of the “South Area of the Grand Taipei Core Project” was officially launched.
Dec 2006	Completed signing the Letter of Intent for Cooperation with China Academy of Transportation Sciences in Beijing to jointly set up The Company entitled “China Transportation Science and Information Technology Co., Ltd.” for providing differentiated service.
Dec 2006	Subsidized for NT$14,000,000 by the Department of Commerce, Ministry of Economic Affairs for the “Construction of International Logistics Hub for Automobile Industry” Project.
Aug 2007	The “2007 Yulon Woodcarving Award Series Exhibition” was introduced at Taoyuan International Airport.
Sep 2007	Awarded for the industrial innovation achievement by the Technology Division MOEA.
Oct 2007	NISSAN LIVINA 1.8/1.6 vehicle launched.
Nov 2007	NISSAN CABSTAR launched.
Nov 2007	Awarded with the 2007 Social and Education Public Welfare Award by the Ministry of Education.
Nov 2007	Yulon Nisson Design Center ceremony held for grand opening.
Feb 2008	The Xindian Plant with 2,525-pings land lot was sold to HTC for expanding and realizing land development profit.
Mar 2008	NISSAN TIIDA was awarded with the 2008 Environment-friendly car by the EPA.
Mar 2008	OPEL ASTRA Sri launched.
Apr 2008	Won the “Fourth Global Views Magazine Corporate Social Responsibility Award” Traditional Production Category First Prize.
May 2008	Luxgen Motor Co., Ltd. was incorporated for branding business.
Jun 2008	Renault MEGANE dci series launched.
Sep 2008	Issued the 2008 Yulon Motor perpetual operation report.
Nov 2008	Renault GRAND SCENIC dissel RV launched.
Dec 2008	Awarded with the “2008 Enterprises Sponsoring Athlete Group or Athletes Award” by the Sports Affairs Council, Executive Yuan,
Feb 2009	NISSA TIIDA was awarded with the “2009 Environment-Friendly Vehicle” by the EPA.
Mar 2009	Awarded with the “5th Global Views Monthly Magazine Corporate Social Responsibility Award” traditional industry manufacturing category 1st prize.
Aug 2009	Luxgen Motor Co., Ltd. presented the first LUXGEN 7 MPV 7-passenger RV.
Sep 2009	Yulon Tobe Motor Co., Ltd. was incorporated for marketing branding vehicles.
Oct 2009	NISSAN TIDA / LIVINA “2010 advanced model launched.”
Nov 2009	Issued the 2009 Yulon Motor corporate responsibility report.
Nov 2009	NISSAN BLUEBIRD “2010 advanced model launched.”
Nov 2009	NISSAN ROGUE received the recognition of the “2009 Car of the Year Award” the Best Imported car Crossover.
Dec 2009	Yulon Tobe Motor Co., Ltd. presented the first tobe M’car and exported to Vietnam.
Apr 2010	The LUXGEN 7 MPV of Luxgen Motor Co., Ltd. was awarded with the honour of the 18th “Excellence Award” and “Most Popular Car.”
May 2010	Luxgen Motor Co., Ltd. had LUXGEN 7 SUV luxury RV launched.
Jun 2010	NISSAN launched LIVINA 1.6L “FUN Board.”

Jul 2010	Yulon Tobe Motor Co., Ltd. launched tobe m'car "Diamond Version."
Jul 2010	The LUXGEN EV electric car of Luxgen Motor Co., Ltd. launched.
Sep 2010	Yulon Tobe Motor Co., Ltd. had tobe m'car "cool bear version" launched.
Oct 2010	Luxgen Motor Co., Ltd. had LUXGEN 7 CEO Model launched.
Nov 2010	NISSAN ALL NEW TEANA "2011 advanced model launched."
Jan 2011	Yulon Tobe Motor Co., Ltd. had m'car 1.5L launched.
Apr 2011	The LUXGEN 7 MPV of Luxgen Motor Co., Ltd. was awarded with the honour of the 19th "Excellence Award" and "Most Popular Car."
May 2011	The LUXGEN 7 SUV EV+Electric car of Luxgen Motor Co., Ltd. was awarded with the "2011 Environment-Friendly car" by the EPA.
Jul 2011	The LUXGEN 7 SUV of Dongfeng Yulon Motor Co., Ltd. was officially off-line in Hangzhou.
Sep 2011	Yulon Tobe Motor Co., Ltd. had tobe W'car 1.5L launched.
Oct 2011	NISSAN NEW MARCH launched.
Nov 2011	Luxgen Motor Co., Ltd. was awarded with the "2011 Taiwan Innovation Enterprises" by the Ministry of Economic Affairs.
Dec 2011	Luxgen Motor Co., Ltd. had launched LUXGEN 5 Sedan model.
May 2012	TOBE first 4-door sedan M'way 1.8L launched.
Jul 2012	TOBE first 5-door hunch-back Q'way 1.8L launched.
Aug 2012	Luxgen Motor Co., Ltd. had the first LUXGEN 5 Sedan launched.
Aug 2012	The LUXGEN CEO EV+ of Luxgen Motor Co., Ltd. was awarded with the 20th "Excellence Award."
Dec 2012	NISSAN BIG TIDDA launched.
Jun 2013	NISSAN JUKE imported from England launched.
Sep 2013	LUXGEN U7 TURBO launched.
Oct 2013	NISSAN SUPER SENTRA, the most powerful mid- and large sedan launched.
Nov 2013	LUXGEN U6 TURBE launched.
Dec 2013	LUXGEN S5 TURBO 1.8/2.0 launched.
Mar 2014	NISSAN ALL NEW LIVINA launched.
Apr 2014	LUXGEN M7 TURBO was launched.
Sep 2014	Yulon Motor Co., Ltd. was awarded with Three Stars in "Fourth Business of Happiness" by Taipei City Government.
Mar 2015	NISSAN Super Perfect X-TRAIL was launched.
Jun 2015	Yulon Motor Co., Ltd. was awarded with Top 5% of the 1st Corporate Governance Evaluation System
Jun 2015	LUXGEN M7 TURBO ECO HYPER was launched.
Jun 2015	The Company announced the voluntary purchase of 1.89 million kWh green enerагy and became the first automobile industry in Taiwan to purchase green power.
Jul 2015	LUXGEN U7 TURBO ECO HYPER was launched.
Sep 2015	2016 NISSAN ALL NEW JUKE was launched.
Oct 2015	LUXGEN S5 TURBO ECO HYPER was launched.
Dec 2015	2016 NISSAN ALL NEW SUPER SENTRA was launched.
Mar 2016	LUXGEN U6 TURBO ECO HYPER SPORTS+ launched.
Mar 2016	NISSAN SUPER SENTRA launched.
May 2016	LUXGEN V7 TURBO ECO HYPER launched.
May 2016	LUXGEN S3 CROSS SEDAN launched.
Jun 2016	NISSAN X-TRAIL launched.

Sep 2016	The Company was awarded with the “Balanced Work and Life Award” by the Ministry of Labor, which is the only domestic auto industry to obtain a dual recognition.
Sep 2016	NISSAN MURANO HYBRID launched.
Oct 2016	LUXGEN S5 TURBO ECO HYPER 3D launched.
Apr 2017	NISSAN iTIIDA World Premiere was released.
Aug 2017	LUXGEN’s 100,000th U5 SUV was offically released (10-year journey and 100,000 car owners’ support).
Sep 2017	A Ltd. production of NISSAN Platinum Special Edition was launched.
Sep 2017	LUXGEN U5 underwent crash tests at the IDIADA Lab in Spain.
Sep 2017	LUXGEN U5 SUV was officilally launched (the world's first vehicle equipped with AR imaging system).
Nov 2017	The redesigned Nissan compact sedan Sentra was launched.
Nov 2017	LUXGEN U6 GT/GT220 revolutionary model was launched.
Mar 2018	Created by me U5 two-color passenger car was launched
May 2018	NISSAN X-TRAIL launched
Nov 2018	NISSAN global strategic car model KICKS was launched.
Dec 2018	Included in FTSE4Good TIP Taiwan ESG Index.

2.1.3 Achievement in 2019

Sep 2019	Received No. 11 "Excellence in Corporate Social Responsibility Award - Large Enterprises" of "CommonWealth" Magazine
Sep 2019	NISSAN LEAF and all-new AWD sedan Altima were launched.
Sep 2019	Entered an agreement with ADIVA to assemble three-wheel vehicles for export to Europe, Japan and Southeast Asia.
Sep 2019	Business development plans turned to be conservative and prudent. Received credit ratings to be long-term “twA-”, short-term “twA-2” and outlook “stable” from Taiwan Ratings, an S&P Global company.
Oct 2019	Entered an agreement with Muse to assemble EV logistics vehicles for export to France, continuing to expand customer services in global markets.
Oct 2019	LUXGEN all-new “5+2” URX SUV was launched.

2.1.4 Others:

(1) In order to improve its financial structure and enrich its working capital, Luxgen Motor Co., Ltd. reduced its capital by NT$4 billion, and then increased it to NT$7.8 billion. After the capital increase, The Company's shareholding is maintained at 100%.

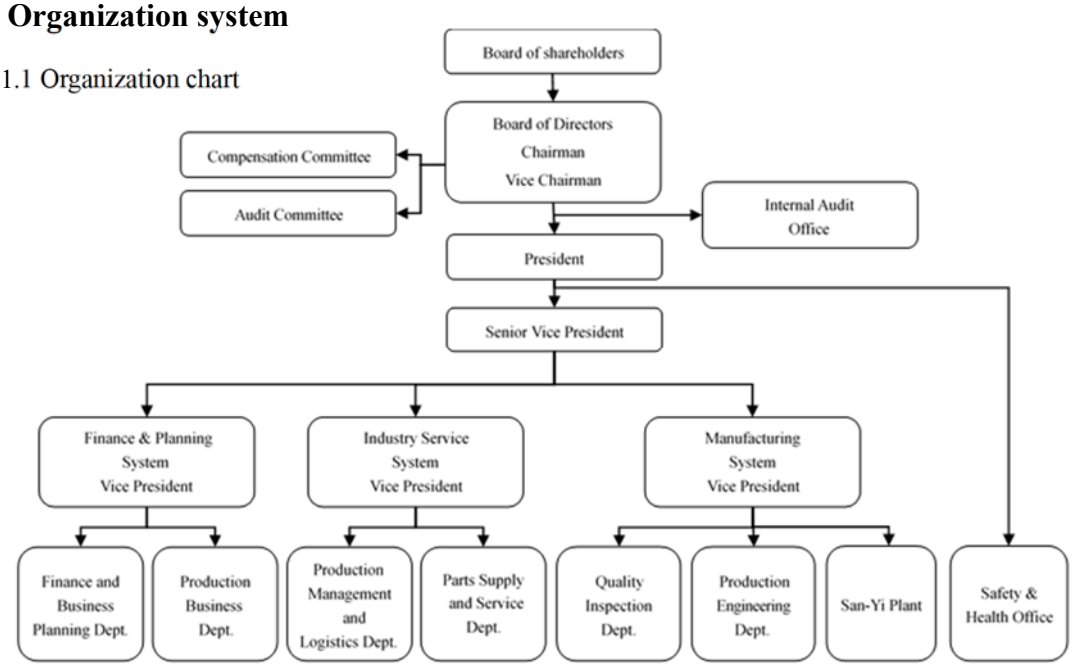
(2) In order to integrate cross-shareholding, focus on the automotive industry and reduce the management scope, The Company found Yuen Wen Investment Co., Ltd., which held the equity of the textile business from Tai Yuen Textile Co., Ltd. and Diamond Hosiery & Thread Co., Ltd.. Yuen Wen Investment Co., Ltd. incorporated and merged with ShinWei Investment Co., Ltd., which is also a textile system. The transaction amounted to approximately NT$11.55 billion

(3) For the development of the operation, The Company increased RMB$614 million cash inject into the capital of 100% owned subsidiary, Sheng Qing (Beijing) Investment Ltd., whose original capital amount was RMB$552 million, and its capital was RMB$1.166 billion after the transanction.

III Corporate Governance Report

3.1 Organization system

3.1.1 Organization chart



3.1.2 Primary Functions of Departments

Dept.	Job responsibility
Internal Auditing Office	Responsible for planning and performing the audits and improvement follow-up of internal control system.
Safety & Health Office	Regular inspection and supervision of labor working environment, implementation of industrial safety and health-related services, prevention of occupational hazards, and guiding the responsible units to implement the related projects according to company regulations.
Production Engineering Dept.	Planning and implementing the whole Company's manufacturing equipment; research, production, and promotion of the improvement options for production technology, and the management of new vehicle production, development, and pilot test. Management and Issuance of Technical data Drawing: New car components, and the planning and execution of new car color development.
San-Yi Plant	Managing and maintaining the planning and supervision of the matters related to the whole Company's power facilities, water, labor safety and health, and environmental protection; producing sedan (cargo truck), parts and jigs, tooling, and measuring tools; and implementing the policy and management by objective for the quality, cost, and delivery of the above-mentioned products.
Quality Inspection Dept.	Planning and deploying quality assurance strategy and quality assurance system of the entire company; product inspection, the deployment and monitoring of the intelligent system; and deployment of quality awareness and improvement activities.
Finance & Business Planning Dept	Responsible for The Company's operating strategy planning, objectives, and operating plan control, managing operation funds and providing financial analysis information, handling accounting, stock affaires, taxation, and various human resources management affairs, promoting computerization of all business operations, and establishing the corporate management information and decision-making system.
Supply Dept	Replenishing productivity and warehouse cost control. Component and material supply planning and control. Planning and establishment of logistics supply application system. Planning and promotion of component export sales. Assistance and support for replenishment in overseas production sites. Supporting brand sales and service, component warehousing and distribution.
Production Management Dept	Coordination, planning and control of multiple producing plan. Evaluation and management of new car series and supplier D&C. Planning and control of demand for components and materials. Outsourcing delivery control and follow-up. Planning and establishment of production control and logistics application system. Assistance and support for replenishment in overseas production sites.
Production Business Dept.	Short-term and mid-term production plan and system planning for each brand, preparation for the production of each brand new car before ET, the cross-strait fixed asset investment and overseas factories performance management, and new customer development, negotiation, cost of production, and OEM performance management.

3.2 Directors, Supervisors, President, Senior Vice President, Vice President, and the respective departments and branch officers

3.2.1 Directors and Supervisors' Information

April 20, 2020

Title (Note 1)	Nationality / Country of Origin	Name	SEX	Elected (inauguration) Date	Term	First Elected Date (Note 2)	Shareholdings when Elected		Current Shareholdings		Including current shareholding of spouse and minor children		Shareholdings in the names of others		Main Experience (Education) (Note 3)	Positions concurrently held in this company and other company (Note 4)	Other competent Officer, Director, or Supervisor who is the spouse or the second-degree relative		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	R.O.C	Tai-Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	Female	07.01.2019	3 years	07.01.1992	284,901,045 * 377,924	18.11 0.024	28,901,045 * 377,924	18.11 0.024	0 160,126,140	0 10.18	0	0	Degree of Bachelor of Physical, Chinese Culture University, Chinese Culture University	Chairman, China Motor Corporation: Chairman, Yulon Nissan Motor Co., Ltd. Director, Taiwan Acceptance Corporation Chairman, Tai-Yuen Textile Co., Ltd. Chairman, Winsom Development Co., Ltd Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Vice Chairman	R.O.C	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	Male	07.01.2019	3 years	07.01.2004	284,901,045 * 11,901	18.11 0.0008	284,901,045 * 11,901	18.11 0.0008	0 0	0 0	0	0	Master in Advanced Management, National Chaio Tung University President, Yulon Motor Co., Ltd. Executive Vice President, Yulon Motor Co., Ltd.	Director, China Motor Corporation Director and Executive Assistant to the Chairman, Yulon Nissan Motor Co., Ltd. Director, Tai-Yuen Textile Co., Ltd Vice Chairman, Taiwan Acceptance Corporation Chairman, Hua-chuang Automobile Information Technical Center Co., Ltd. Vice Chairman, Dongfeng Yulon Motor Ltd. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Director	R.O.C	China Motor Corporation Representative: Shin-I Lin	Male	07.01.2019	3 years	07.13.2007	262,228,166 * 0	16.67 0	262,228,166 * 0	16.67 0	0 0	0 0	0	0	Department of Mechanical Engineering, National, Cheng Kung University Vice Chairman and President, China Motor Corporation Chairman of the Taiwan Vehicle Industry Association Vice premier of Executive Yuan and Chairperson of CEPD Minister of Ministry of Economic Affairs	Director, China Motor Corporation Independent Director, E.Sun Financial Holding Co., Ltd. Independent Director, Shihlin Electric & Engineering Corporation.	-	-	-

April 20, 2020

Title (Note 1)	Nationality / Country of Origin	Name	SEX	Elected (inauguration) Date	Term	First Elected Date (Note 2)	Shareholdings when Elected		Current Shareholdings		Including current shareholding of spouse and minor children		Shareholdings in the names of others		Main Experience (Education) (Note 3)	Positions concurrently held in this company and other company (Note 4)	Other competent Officer, Director, or Supervisor who is the spouse or the second-degree relative		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director	R.O.C	China Motor Corporation Representative: Liang Zhang	Male	07.01.2019	3 years	08.27.2008	262,228,166 *0	16.67 0	262,228,166 *0	16.67 0	0 3,000	0 0.0002	0	0	State University of New York at Albany Ph.D. in economics	Director, Taiwan Acceptance Corporation Director, Maxigen Biotech Inc. Independent Director, My Humble House Hospitality Management Consulting Co., Ltd. Independent Director, Ho-Ping Power Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Director	R.O.C	Yen Tjing-Ling Industrial Development Foundation Representative: Jack, J.T .Huang	Male	07.01.2019	3 years	07.01.1992 (Note 5)	17,287,844 *0	1.09 0	17,287,844 0	1.09 0	0 0	0 0	0	0	Harvard University (S.J.D.)	Director, Tai-Yuen Textile Co., Ltd. Independent Director,WPG Holdings Ltd. Independent Director,SYSTEX Corporation Independent Director,CTCI Corporation Director, Taishan Shuiyu Investment Co., Ltd. Director, Taishan Biotechnology Co., Ltd. Independent Director, Taiwan Mobile Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Director	R.O.C	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	Male	07.01.2019	3 years	07.01.2004	17,287,844 *15,412	1.09 0.001	17,287,844 *15,412	1.09 0.001	0 0	0 0	0	0	MIB, Curtin University, Australia Senior V.P., Yulon Motor Co., Ltd.	Director, Yulon Nissan Motor Co., Ltd. Director, Taiwan Acceptance Corporation Director, Luxgen Motor Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-

April 20, 2020

Title (Note 1)	Nationality / Country of Origin	Name	SEX	Elected (inauguration) Date	Term	First Elected Date (Note 2)	Shareholdings when Elected		Current Shareholdings		Including current shareholding of spouse and minor children		Shareholdings in the names of others		Main Experience (Education) (Note 3)	Positions concurrently held in this company and other company (Note 4)	Other competent Officer, Director, or Supervisor who is the spouse or the second-degree relative		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Indepen-dent Director	R.O.C	Yi-Hong Hsieh	Male	07.01.2019	3 years	07.01.2013	*0	0	*0	0	0	0	0	0	Ph.D. of Stanford University Law School Visiting professor, School of Law, City University of Hong Kong Adjunct Professor, College of Management, National Taiwan University Adjunct Professor, EMBA, National Central University Adjunct Professor, School of Law, Soochow University Member of the Board of Examiners, Senior Civil Service Examination of the Examination Yuan of ROC	Compensation Committee member, Yulon Motor Co., Ltd. Audit Committee member, Yulon Motor Co., Ltd. Independent Director, Fubon Media Co., Ltd. Compensation Committee member, Fubon Media Co., Ltd. Audit Committee member, Fubon Media Co., Ltd. Independent Director,Taiwan Acceptance Corporation Audit Committee member, Taiwan Acceptance Corporation. Compensation Committee member, Taiwan Acceptance Corporation.	-	-	-
Indepen-dent Director	R.O.C	Zhongqi Zhou	Male	07.01.2019	3 years	07.01.2016	*0	0	*0	0	0	0	0	0	Master of Mathematics, Colorado State University General Manager of Siemens Nixdorf Informationssysteme Taiwan Branch Senior Consultant of Board of Directors of China Telecom General Manager of Weibao Telecommunications Co., Ltd.	Compensation Committee member, Yulon Motor Co., Ltd. Audit Committee member, Yulon Motor Co., Ltd. Independent Director,Taiwan Acceptance Corporation Compensation Committee member, Taiwan Acceptance Corporation. Audit Committee member, Taiwan Acceptance Corporation. Independent Director, Jiage Foods (Stock) Company Compensation Committee member, Jiage Foods (Stock) Company Independent Director, Fubon Life Insurance Co., Ltd. Representative of legal person director, Kino Biotech Co., Ltd Director, Easycard Investment Holding Co., Ltd. Director, Easycard Corporation.	-	-	-

April 20, 2020

Title (Note 1)	Nationality / Country of Origin	Name	SEX	Elected (inauguration) Date	Term	First Elected Date (Note 2)	Shareholdings when Elected		Current Shareholdings		Including current shareholding of spouse and minor children		Shareholdings in the names of others		Main Experience (Education) (Note 3)	Positions concurrently held in this company and other company (Note 4)	Other competent Officer, Director, or Supervisor who is the spouse or the second-degree relative		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Independent Director	R.O.C	Yen-Chin, Tsai,	Male	07.01.2019	3 years	07.01.2018	*0	0	*0	0	0	0	0	0	Doctor in Accounting, University of California, LosAngeles Chairperson, Department of Accounting, National Taiwan University Chairman and Consultant of Taiwan Financial Reporting Standards Committee of Accounting Research and Development Foundation External Advisor, Listing Department of Taiwan Stock Exchange	Compensation Committee member, Yulon Motor Co., Ltd. Audit Committee member, Yulon Motor Co., Ltd. Independent Director, Nan Shan Life Insurance Co., Ltd. Compensation Committee member, Nan Shan Life Insurance Co., Ltd. Audit Committee member, Nan Shan Life Insurance Co., Ltd. Independent Director, Genesylogic, Inc. Compensation Committee member, Genesylogic, Inc. Independent Director, Cowealth Medical Science & Biotechnology Co., Ltd. Compensation Committee member, Cowealth Medical Science & Biotechnology Co., Ltd. Audit Committee member, Cowealth Medical Science & Biotechnology Co., Ltd.	-	-	-

Note 1: Institutional shareholders are to have the name of institutional shareholders and representatives presented separately (for the representative of institutional shareholders, the name of the institutional shareholders should be indicated) and fill in Table 1 below.

Note 2: Fill in the date of being elected as the director or supervisor for the first time and with the discontinuity stated, if any.

Note 3: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 4: It meant for the position held with The Company and the other companies.

Note 5: Mr. Huang had acted as a member of board of directors of The Company from 07.01.1992 to 06.30.2016, discharged since 07.01.2016. He was appointed as a member for the 15th board of directors of The Company on 01.02.2019.

* It meant for personal shareholding.

3.2.2 Major Shareholders of Institutional Shareholders

April 20 2020

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)
1. Tai-Yuen Textile Co., Ltd.	1. ShinWei Investment Co., Ltd. (22.15%) 2. Yen Tjing-Ling Industrial Development Foundation (14.24%) 3. British Virgin Islands Hoffman Brother Investment Company (9.80%) 4. British Virgin Islands Evans Corporation (9.71%) 5. Cayman Islands West Bridge Investment Company (9.13%) 6. Li Yuan Investment Co., Ltd. (7.17%) 7. Yong Shun Investment Corporation (6.82%) 8. Li Peng Investment Co., Ltd. (5.61%) 9. Diamond Hosiery & Thread Co., Ltd. (4.55%) 10. Yuan Wei Investment Co., Ltd. (3.10%)
2. China Motor Corporation	1. Tai-Yuen Textile Co., Ltd. (25.18%) 2. Mitsubishi Motors Corporation (14.00%) 3. Yulon Motor Company Ltd. (8.05%) 4. Diamond Hosiery & Thread Co., Ltd. (6.76%) 5. Mitsubishi Corporation (4.79%) 6. Cathay Life Insurance Co., Ltd. (3.04%) 7. Mercuries Life Insurance Co., Ltd(1.87%) 8. Kenneth, K.T. Yen (1.20%) 9. Taiwan Life Insurance Co., Ltd. (1.18%) 10. Citigroup Commercial Bank Hosted Norwegian Central Bank Investment Specialist (1.09%)
3. Yen Tjing-Ling Industrial Development Foundation	Non-Profit organization

Note 1: If the director or supervisor is the representative of the institutional shareholders, the name of the institutional shareholders should be indicated.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table 2 below.

3.2.3 Major shareholder of the major institutional shareholders:

April 20, 2020

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
1. ShinWei Investment Co., Ltd.	1. Tai-Yuen Textile Co., Ltd. (90.60%) 2. Diamond Hosiery & Thread Co., Ltd. (9.40%)
2. British Virgin Islands Hoffman Brother Investment Company	Cannot be provided due to the restriction of local practices.
3. British Virgin Islands Evans Corporation	Cannot be provided due to the restriction of local practices.
4. Cayman Islands West Bridge Investment Company	Cannot be provided due to the restriction of local practices.
5. Li Yuan Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (99.126%) 2. Diamond Hosiery & Thread Co., Ltd. (0.869%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Lowin Industrial Co, Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Corp. (0.001%)
6. Yong Shun Investment Corporation	1. Vivian Wu Industry and Commerce ECCC Foundation (99.083%) 2. Diamond Hosiery & Thread Co., Ltd. (0.912%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Lowin Industrial Co., Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Corp. (0.001%)
7. Li Peng Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (98.993%) 2. Diamond Hosiery & Thread Co., Ltd. (1.002%) 3. Fan-Terh Investment Co., Ltd. (0.001%) 4. Wei Tai Investment Co., Ltd. (0.001%) 5. Lowin Industrial Col, Ltd. (0.001%) 6. Vincent Investment Co., Ltd. (0.001%) 7. Wavin Investment Corp. (0.001%)
8. Diamond Hosiery & Thread Co., Ltd.	1. British Virgin Islands Wanda Company (72.51%) 2. Tai-Yuen Textile Co., Ltd. (21.97%) 3. ShinWei Investment Co., Ltd. (5.09%)

April 20, 2020

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
	4. Vivian Wu Industry and Commerce ECCC Foundation (0.1684%) 5. Lowin Industrial Col, Ltd. (0.13%) 6. Wavin Investment Corp. (0.13%) 7. Kenneth, K.T. Yen (0.0006%)
9. Yuan Wei Investment Co., Ltd.	1. Vivian Wu Industry and Commerce ECCC Foundation (91.513%) 2. Diamond Hosiery & Thread Co., Ltd. (8.477%) 3. Fan-Terh Investment Co., Ltd. (0.002%) 4. Wei Tai Investment Co., Ltd. (0.002%) 5. Lowin Industrial Co., Ltd. (0.002%) 6. Vincent Investment Co., Ltd. (0.002%) 7. Wavin Investment Corp. (0.002%)
10. Mitsubishi Motors Corporation	1. Nissan Motor Co., Ltd. (34.03%) 2. Mitsubishi Corporation (20.02%) 3. Master Trust Bank of Japan, Ltd. (Trust Account) (2.61%) 4. Japan Trustee Services Bank, Ltd. (Trust Account) (2.10%) 5. Mitsubishi Heavy Industries, Ltd. (1.44%) 6. Japan Trustee Services Bank, Ltd. (Trust Account 9) (1.28%) 7. Bank of Tokyo-Mitsubishi UFJ (0.99%) 8. Japan Trustee Services Bank, Ltd. (Trust Account 5) (0.99%) 9. BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY1 (0.92%) 10. JP Morgan Chase Bank 385632 (0.77%)
11. Yulon Motor Company Ltd.	1. Tai-Yuen Textile Co., Ltd. (18.11%) 2. China Motor Corporation (16.67%) 3. Kenneth, K.T. Yen (10.18%) 4. Mercuries Life Insurance Co., Ltd. (5.12%) 5. Fande Investment Co., Ltd. (1.58%) 6. JP Morgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.13%) 7. Yen Ching Ling Industrial Development Foundation (1.09%) 8. Allianz Global Investors Taiwan Technology Fund (0.93%) 9. Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds (0.81%) 10. Paolyta Investment Co., Ltd. (0.79%)
12. Mitsubishi Corporation	1. Japan Trustee Services Bank, Ltd. (Trust Account) (7.15%) 2. Master Trust Bank of Japan, Ltd. (Trust Account) (7.05%) 2. Meiji Yasuda Life Insurance Company (4.23%) 4. Tokyo Marine & Nichido Fire Insurance Co., Ltd. (4.18%) 5. Ichigo Trust Pte. Ltd. (2.51%) 6. Japan Trustee Services Bank, Ltd. (Trust Account 9) (2.41%) 7. Master Trust Bank of Japan, Ltd. (Mitsubishi Heavy Industries, Ltd. Retirement Benefit Trust account) (2.10%) 8. Japan Trustee Services Bank, Ltd. (Trust Account 5) (1.80%) 9. BNYM RE NORWEST / WELLS FARGO OMNIBUS (1.45%) 10. JP Morgan Chase Bank 385151 (1.31%)
13. Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100%)
14. Mercuries Life Insurance Co., Ltd.	1. Mercuries & Associates Holding, Ltd. (41.51%) 2. Shanglin Investment Co., Ltd. (6.02%) 3. Shuren Investment Co., Ltd. (5.36%) 4. Sanshang Haobao Co., Ltd. (2.69%) 5. New Labor Pension Fund (1.15%) 6. JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (0.75%) 7. Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (0.73%) 8. First Bank in custody for Ya-Fei Co., Ltd. (0.67%) 9. Ming-Rung Hsu (0.67%) 10. Mercuries F&B Co., Ltd. (0.58%)
15. Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd. (100%)
16. Citigroup Commercial Bank Hosted by the Norwegian central bank	Due to local practice restrictions, it can not provide.

Note 1: If the major shareholders in Table 1 are institutional shareholders, please state the name of the institutional shareholders.
Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

3.2.4 Expertise and independence of directors and Independent director

March 31, 2020

Conditions / Name (Note 1)	Whether the person has work experience over five years and possesses any of the following qualifications			Conformed to the requirements of Independence (Note 2)												The number of public companies that the independent director also serves as independent director concurrently
	Lecturer or higher level qualification of a public/private university or college for teaching the relevant departments in relation to the business, legal, finance, accounting or other business requirement	Judge, prosecutor, lawyer, certified public accountant or other professional/technician who has acquired certificates or operation qualifications through the national examinations	Work experiences required for commercial, legal, financial, accounting or corporate business	1	2	3	4	5	6	7	8	9	10	11	12	
Yen Chen Li-Lien			✓	✓			✓		✓			✓	✓	✓		0
Kuo-Rong Chen			✓	✓		✓	✓		✓	✓		✓	✓	✓		0
Shin-I Lin			✓	✓		✓	✓		✓	✓		✓	✓	✓		2
Liang Zhang			✓	✓		✓	✓		✓	✓		✓	✓	✓		2
Jack J.T .Huang	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓		4
Zhen-Xiang Yao			✓			✓		✓	✓			✓	✓	✓		0
Yi-Hong Hsieh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Zhongqi Zhou			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Yen-Chin, Tsai	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3

Note 1: The number of columns is adjusted depending on the actual needs.

Note 2: If the respective director or Independent director meets any of the following conditions within 2 years prior to his/her service and during the service period, please put a check mark ("✓") in the blank space under the code representing the respective condition.

(1) Neither an employee of The Company nor the affiliated companies.

(2) Neither a director/supervisor of The Company nor the affiliated company (unless he/she serves as an independent director of The Company/parent company which is set up in accordance with this Law or the laws of the local state).

(3) The outstanding shares of The Company held under the names of the director/supervisor, their spouses, minor children, and those held under the name of other parties are less than 1% of the total outstanding shares of The Company or not a member listed as one of the top 10 individual shareholders of The Company.

(4) Not the spouse, relative(s) within the second degree of kinship or the relative(s) by blood within the fifth degree of consanguinity of any person indicated in the foregoing three categories.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of The Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of The Company under Article 27, paragraph 1 or 2 of The Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(6) If a majority of The Company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(7) If the chairperson, general manager, or person holding an equivalent position of The Company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with The Company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, 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 past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply 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 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 Law.

(12) Not a governmental, juridical person or its representative as defined in Article 27 of The Company Law.

3.2.5 Information on President, Senior Vice President, Vice President, and each department head

Title (Note 1)	Nationality/ Country of Origin	Name	SEX	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Main experience (education) (Note 2)	Positions concurrently held in this company and other company (Note 3)	Manager who is the spouse or the second-degree relative		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
President	R.O.C	Zhen-Xiang Yao	Male	08.08.2013	15,412	0.001	0	0	0	0	MIB, Curtin University, Australia Senior Vice President, Yulon Motor Co., Ltd.	Director, Yulon Nissan Motor Co., Ltd. Director, Taiwan Acceptance Corporation Chairman, Luxgen Motor Co., Ltd. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Vice President	R.O.C	Jian-Hui Li	Male	12.17.2018	60	0	0	0	0	0	MIB, Curtin University, Australia Vice President of Industry Service System, Yulon Motor Co., Ltd	Director, Yu Ching Business Co., Ltd. Director, China Engine Corporation Chairman, China Cast Iron Pipe Co., Ltd. Director, Sin Chi Co., Ltd. Director, Yushin Motor Co., Ltd. Director, Roc-Spicer Ltd. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Vice President	R.O.C	Wen-Yi Lo	Male	10.17.2019	1,136	0	0	0	0	0	Master of Accounting and Finance, University of Southampton General Manager of Finance & Business Planning Dept., Yulon Motor Co., Ltd	Supervisor ,China Cast Iron Pipe Co., Ltd Supervisor, Car-Plus Auto Leasing Co., Ltd. Supervisor, Uni Auto Parts Manicer Ltd. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Manager	R.O.C	Shi-Ting Chen	Male	07.09.2010	3,261	0.0002	0	0	0	0	Master of Industrial Engineering, National Yunlin University of Science and Technology General Manager of Production Management and Logistics Dept., Yulon Motor Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality/ Country of Origin	Name	SEX	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Main experience (education) (Note 2)	Positions concurrently held in this company and other company (Note 3)	Manager who is the spouse or the second-degree relative		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Manager	R.O.C	Li-Hua Wu	Male	03.22.2011	8,811	0.0006	0	0	0	0	Department of Electronic Communication, National United University General Manager of San-Yi Plant,Yulon Motor Co., Ltd.	Director, China Cast Iron Pipe Co., Ltd Director, Yueki Industrial Co., Ltd. Chairman, Advance Power Machinery Co., Ltd.	-	-	-
Manager	R.O.C	Wen-Yuan Li	Male	05.11.2015	75	0	0	0	0	0	MIB, Curtin University, Australia General Manager of Production Management and Logistics Dept., Yulon Motor Co., Ltd.	Director, Luxgen Taipei Motor Co., Ltd.	-	-	-
Manager	R.O.C	Hong-Zheng Chen	Male	11.16.2016	29	0	0	0	0	0	MIB, Curtin University, Australia General Manager of Production Management and Logistics Dept., Yulon Motor Co., Ltd.	Director, China Engine Corporation Director, Yulon IT Solutions Inc.	-	-	-
Manager	R.O.C	Chong-Yuan Chen	Male	08.16.2017	0	0	0	0	0	0	Master of Mechanical Engineering ,National Cheng Kung University General Manager of Quality Inspection Dept., Yulon Motor Co., Ltd.	Director, Coc Tooling & Stamping Co., Ltd. Director, Roc-Spicer Ltd. Director, Myson Century, Inc.	-	-	-
Manager	R.O.C	Meng-Yue Jie	Female	04.01.2018	0	0	510	0	0	0	Master of Human Resource Management, National Sun Yat-sen University Senior Manager of Internal Audit Office, Yulon Motor Co., Ltd	-	-	-	-
Manager	R.O.C	Shen-Guo Wang	Male	12.17.2018	0	0	0	0	0	0	Master of Aeronautics and Astronautics National Cheng Kung University General Manager of Production Engineering Dept., Yulon Motor Co., Ltd.	Director, Yue Sheng Industrial Co., Ltd.			
Manager	R.O.C	Shih-Lin Wu	Male	10.17.2019	0	0	0	0	0	0	MIB, Curtin University, Australia Senior Manager of Production Management and Logistics Dept., Yulon Motor Co., Ltd.	-			

Note 1: It should include the information disclosure of the president, senior vice president, vice president, department heads, and branch officers; also, the position equivalent to president, senior vice president, or vice president.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 3: It meant for the position held with the other companies.

3.2.6 Compensation paid to Directors, Supervisors, President, and Senior Vice President for the Year 2019

1. Payment of Remuneration to Director (including independent director) (The name of directors should be disclosed in accordance with the respective remuneration bracket)

Currency Unit: NT$

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 8)		Compensation Paid to Directors from an Invested Company Other than The Company's Subsidiary (Note 9)
		Base Compensation (A) (Note 2)		Severance Pay (B)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note5)		Severance Pay (F)		Profit Sharing- Employee Remuneration (G) (Note 6)						
																The Company		Companies in the consolidated financial statements (Note 7)				
		The Company	All 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)	
Chairman	Tai-Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	13,000,000	18,833,123	0	0	0	0	960,000	1,104,000	(0.0571%)	(0.0815%)	0	0	0	0	0	0	0	0	(0.0571%)	(0.0815%)	31,983,171
Vice Chairman	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	1,547,400	7,585,364	0	0	0	0	120,000	264,000	(0.0068%)	(0.0321%)	0	0	0	0	0	0	0	0	(0.0068%)	(0.0321%)	11,154,840
Director	China Motor Corporation Representative: Shin-I Lin	4,507,200	4,507,200	0	0	0	0	120,000	120,000	(0.0189%)	(0.0189%)	0	0	0	0	0	0	0	0	(0.0189%)	(0.0189%)	4,660,365
Director	China Motor Corporation Representative: Liang Zhang	0	0	0	0	0	0	120,000	216,000	(0.0005%)	(0.0009%)	0	0	0	0	0	0	0	0	(0.0005%)	(0.0009%)	0
Director	Tai-Yuen Textile Co., Ltd. Representative: Jack J.T .Huang	0	0	0	0	0	0	120,000	120,000	(0.0005%)	(0.0005%)	0	0	0	0	0	0	0	0	(0.0005%)	(0.0005%)	0
Director	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	0	508,000	0	0	0	0	120,000	385,000	(0.0005%)	(0.0037%)	7,544,252	7,544,252	454,159	454,159	0	0	0	0	(0.0332%)	(0.0363%)	1,796,158
Independent Director	Yi-Hong Hsieh	0	0	0	0	0	0	1,060,000	2,100,000	(0.0043%)	(0.0086%)	0	0	0	0	0	0	0	0	(0.0043%)	(0.0086%)	0
Independent Director	Yen-Chin, Tsai	0	0	0	0	0	0	550,000	550,000	(0.0022%)	(0.0022%)	0	0	0	0	0	0	0	0	(0.0022%)	(0.0022%)	0
Independent Director	Zhongqi Zhou	0	0	0	0	0	0	1,060,000	2,100,000	(0.0043%)	(0.0086%)	0	0	0	0	0	0	0	0	(0.0043%)	(0.0086%)	0
1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Note 10 2. In addition to the above table, the directors of The Company in the last year have provided services to all companies in the financial report (such as advisers who are not employees)																						

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form (3-1) and Form (3-2) must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not yet been submitted to the Shareholders' Meeting for approval.

Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.).When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including The Company).

Note 8: It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 9: a. It is required to specify in this column the relevant remuneration amount the directors of The Company received from the reinvested companies other than the subsidiaries.

b. If The Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column J. In addition, the column title shall be revised as "All reinvested companies."

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to The Company's director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

Note 10: According to the Company's articles of association, Independent Directors are not qualified for the distribution of Directors' remuneration; and the amount of remuneration for performing business is reviewed from time to time based on the actual operating conditions and relevant laws and regulations. The payment standard for each current individual Independent Director is based on the determination by the Remuneration Committee by taking reference to the standards of the same trade concerned, as well as taking into account factors such as the participation in the Board of Directors and other functional Committees, the value of the contributions, etc. Upon the resolution of the Board is made, a monthly remuneration of NT$38,350-80,000 may be granted to each current Independent Director. An additional traveling expense with an amount of NT$10,000 shall be paid to each current Independent Director according to his/her actual attendance at the functional Committees' meetings.

2. Remuneration of the President and the Senior Vice President (The name of managerial officers should be disclosed in accordance with the respective remuneration bracket)

Currency Unit: NT$

Title	Name	Salary (A) (Note 2)		Severance pay and Pension (B)		Bonus and special allowance (C) (Note 3)		Employee Remuneration Amount from Earnings Distribution (D) (Note 4)				The total of A+B+C+D / Net income ratio (%) (Note 6)		Receiving or not receiving remuneration from the reinvested companies other than The Company's subsidiaries (Note 7)
		The Company	All the companies included in this financial statement (Note 5)	The Company	All the companies included in this financial statement (Note 5)	The Company	All the companies included in this financial statement (Note 5)	The Company		All the companies included in this consolidated statement (Note 5)		The Company	All the companies included in this financial statement (Note 5)	
								Amount of Cash	Amount of stock	Amount of Cash	Amount of stock			
President	Zhen-Xiang Yao	3,511,680	3,511,680	454,159	454,159	4,032,572	4,032,572	0	0	0	0	(0.0327%)	(0.0327%)	1,796,158
Vice President	Jian-Hui Li	1,381,680	1,381,680	175,703	175,703	1,718,770	1,718,770	0	0	0	0	(0.0134%)	(0.0134%)	45,000
Vice President	Wen-Yi Lo	1,312,840	1,312,840	161,801	161,801	1,594,675	1,594,675	0	0	0	0	(0.0125%)	(0.0125%)	180,000

＊The information should be exposed nomatter the title but the position is equivalent to President, Vice President (such as: president, chief executive, director…)

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form (3-2) and Form (3-1) must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.).When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.

Note 4: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 5: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including The Company).

Note 6: It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 7: a. It is required to specify in this column the relevant remuneration amount the directors of The Company received from the reinvested companies other than the subsidiaries.

b. If The Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column J. In addition, the column title shall be revised as "All reinvested companies."

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to The Company's director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

＊The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

3. Manager's Name of the allocated employee remuneration and allocation situation

March 31, 2020
Currency Unit: NT$

	Title	Name	Amount of stock dividend	Amount of cash dividend	Total	% of Total Amount against Net Income
Managerial Officers	President	Zhen-Xiang Yao	-	-	-	0.00%
	Vice President	Jian-Hui Li				
	Vice President	Wen-Yi Lo				
	Manager	Shi-Ting Chen				
	Manager	Li-Hua Wu				
	Manager	Wen-Yuan Li				
	Manager	Hong-Zheng Chen				
	Manager	Chong-Yuan Chen				
	Manager	Meng-Yue Jie				
	Manager	Shen-Guo Wang				
	Manager	Shih-Lin Wu				

Note 1: Names and job title of each individual should be separately disclosed. The amount of remunerations can be disclosed in summary.

Note 2: It refers to the employee remuneration (including stock and cash) received by the managerial officers that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 3: The scope of application for managers is defined in accordance with the Tai.Chai.Chen (III) No. 0920001301 Letter dated March 27, 2003 by the SEC as follows:

(1) President and the equals

(2) Senior Vice President and the equals

(3) Vice President and the equals

(4) General Manager of Finance

(5) General Manager of Accounting

(6) Managerial officers and the individuals authorized to sign

Note 4: If Directors, President, and Senior Vice President have collected employee remuneration (including stock and cash), in addition to filling out Form 1, please fill out this Form too.

4. Managerial officers with the top five highest remuneration amounts (disclose their names and remuneration method) (Note 1)

Currency Unit: NT$

Title	Name	Salary (A) (Note 2)		Severance pay and Pension (B)		Bonus and special allowance (C) (Note 3)		Employee Remuneration Amount from Earnings Distribution (D) (Note 4)				The total of A+B+C+D / Net income ratio (%) (Note 6)		Receiving or not receiving remuneration from the reinvested companies other than The Company's subsidiaries (Note 7)
		The Company	All the companies included in this financial statement (Note 5)	The Company	All the companies included in this financial statement (Note 5)	The Company	All the companies included in this financial statement (Note 5)	The Company		All the companies included in this consolidated statement (Note 5)		The Company	All the companies included in this financial statement (Note 5)	
								Amount of Cash	Amount of stock	Amount of Cash	Amount of stock			
President	Zhen-Xiang Yao	3,511,680	3,511,680	454,159	454,159	4,032,572	4,032,572	0	0	0	0	(0.0327%)	(0.0327%)	1,796,158
Vice President	Jian-Hui Li	1,381,680	1,381,680	175,703	175,703	1,718,770	1,718,770	0	0	0	0	(0.0134%)	(0.0134%)	45,000
Vice President	Wen-Yi Lo	1,312,840	1,312,840	161,801	161,801	1,594,675	1,594,675	0	0	0	0	(0.0125%)	(0.0125%)	180,000
Manager	Li-Hua Wu	1,398,720	1,398,720	181,004	181,004	1,424,014	1,424,014	0	0	0	0	(0.0123%)	(0.0123%)	0
Manager	Shi-Ting Chen	1,364,880	1,364,880	176,938	176,938	1,201,442	1,201,442	0	0	0	0	(0.0112%)	(0.0112%)	0

Note 1: Managerial officers with the top five highest remuneration amounts refers to managers at The Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note 2: Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note 3: Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by The Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 4: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note 5: The total remuneration paid by all companies in the consolidated statements (including The Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6: The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

Note 7: a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

3.2.7 Analysis of the ratio of total remuneration paid by The Company and by all companies included in consolidated financial repport to Directors, Supervisors, President, and Vice President / Net income (%) for the most recent two years, and explanation of remuneration policy, standard, and combination, the procedure of remuneration determination, and the relation between business performance and future risk:

1. The ratio of total remuneration paid by The Company to Directors, Supervisors, President, and Vice President / Net income (%)

Currency Unit: NT$

	2019			2018		
	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)
Director	23,284,600	(24,465,407,975)	(0.0952%)	34,255,123	2,037,031,756	1.68%
President and Associate Vice President	14,343,880	(24,465,407,975)	(0.0586%)	14,565,668	2,037,031,756	0.72%

Note : Except for the employees who hold permanent positions and assume defined missions and responsibilities with a monthly salary collected, the other employees are to be handled in accordance with Article 27 and Article 28 of the Articles of Incorporation.

2. The ratio of total remuneration paid by all companies included in consolidated financial report to Directors, Supervisors, President, and Vice President / Net income (%)

Currency Unit: NT$

	2019			2018		
	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)
Director	38,392,687	(24,465,407,975)	(0.1569%)	50,855,856	2,037,031,756	2.50%
President and Senior Vice President	14,343,880	(24,465,407,975)	(0.0586%)	14,565,668	2,037,031,756	0.72%

Note : Except for the employees who hold permanent positions and assume defined missions and responsibilities with a monthly salary collected, the other employees are to be handled in accordance with Article 27 and Article 28 of the Articles of Incorporation.

3. Explanation of remuneration policy, standard, and combination, the procedure of remuneration determination, and the relation between business performance and future risk:

The remuneration paid by The Company to directors and managers is determined by the Salary Remuneration Committee with routine review on the annual and long-term performance goals of directors and managers as well as the policy, system, standards and structure of salary remuneration. Moreover, The Company routinely evaluates the achievement of performance goals of directors and managers with consideration of the amount, payment method and future operational risks of salary for submission to the Board of the Directors for approval before implementation. Items distributed under Profit Distribution Table shall be reported to the Shareholders' Meeting for approval before implementation.

In 2019, The Company evaluated the performance of its board members in accordance with the "Board of the Directors Performance Appraisal Procedures". There were no significant differences in the assessment scores of all the board members, who all reached more than 90 points. Therefore, aside from the Chairman, Directors' remuneration was allocated equally to the remaining Directors based on seats for allocation.

3.3 Operation of Corporate Governance

3.3.1 Information of the Board Function

A total of 8 meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name (Note 1)	Number of times attending in person	Number of times attending by proxy	Actual attendance rates (%)	Remark (Note 2)
Chairman	Tai-Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	8	0	100%	
Vice Chairman	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	8	0	100%	
Director	China Motor Corporation Representative: Shin-I Lin	8	0	100%	
Director	China Motor Corporation Representative: Liang Zhang	6	2	75%	
Director	Yen Tjing-Ling Industrial Development Foundation Representative: Jack, J.T .Huang	7	1	88%	
Director	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	8	0	100%	
Independent Director	Yi-Hong Hsieh	8	0	100%	
Independent Director	Zhongqi Zhou	8	0	100%	
Independent Director	Yen-Chin, Tsai	8	0	100%	

Other matters to be disclosed:

1. For the followings shall state the date of the Board meeting, the term, the contents of the motions, the opinions of all independent directors, and The Company's handling the opinions of all independent directors:

(1) The matters described in Article 14.3 of the Securities and Exchange Act

Board meeting date	Board meeting term	Summary of motions	Independent director's opinions	Response to the independent director's opinions
1/21/2019	The 9 th provisional meeting of the 15th term	Sell Singan Co., Ltd. to Singan Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
1/21/2019	The 9 th provisional meeting of the 15th term	Sell Qinton Motor Co., Ltd. to Singan Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
1/21/2019	The 9 th provisional meeting of the 15th term	Sell Yu Rich Financial Services Co., Ltd. to Taiwan Acceptance Corporation	Approved as proposed	To be executed in accordance with the resolution reached
1/21/2019	The 9 th provisional meeting of the 15th term	Found YuenWen Investment Co., Ltd. with stock payment	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14 th meeting of the 15th term	Sell Yulon Energy Co., Ltd. to Shinshin Credit Corporation	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14 th meeting of the 15th term	Sell Singan Co., Ltd. to Taiwan Acceptance Corporation	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14 th meeting of the 15th term	The LOS issued for the financing RMB$51 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14 th meeting of the 15th term	The 2018 Financial Statements	Approved as proposed	To be executed in accordance with the resolution reached

Board meeting date	Board meeting term	Summary of motions	Independent director's opinions	Response to the independent director's opinions
3/25/2019	The 14th meeting of the 15th term	The 2018 Earnings Distribution	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The 2018 Distribution of Employees' and Directors' Remuneration	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The 2019 Status of Endorsement and Guarantee	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The amendments to The Company's "Procedures for Acquisition or Disposal of Assets" and "Enforcement Rules for Internal Audit of Procedures for Acquisition or Disposal of Assets"	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The amendments to The Company's "Policies and Procedures for Financial Derivatives Transactions"	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The amendments to The Company's "Procedures for Endorsements and Guarantees"	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The amendments to The Company's "Fund Lending to Others Operation Procedures"	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The LOS issued for the financing amount of 2019	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	Assessing the independence and competence of accountants	Approved as proposed	To be executed in accordance with the resolution reached
3/25/2019	The 14th meeting of the 15th term	The 2018 Statement on Internal Control	Approved as proposed	To be executed in accordance with the resolution reached
5/10/2019	The 15th meeting of the 15th term	The merger of YuenWen Investment Co., Ltd.into ShinWei Investment Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
5/10/2019	The 15th meeting of the 15th term	The increase of paid-in capital for liquidation of vehicle dealers: Hefei Chun Hui Automobiles Sales & Services Ltd., Anqing Cai Tong Automobiles Sales & Service Ltd., and Anqing Ling Tong Automobiles Sales & Services Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
5/10/2019	The 15th meeting of the 15th term	The LOS issued for the financing RMB$51 million to Yulon Motor Finance (China) Ltd., and the loan amount arrangment application of The Company of 8 banks	Approved as proposed	To be executed in accordance with the resolution reached
7/8/2019	The 1st meeting of the 16th term	The LOS issued for the financing USD$2.55 million and RMB$255 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
7/8/2019	The 1st meeting of the 16th term	The LOS issued for the financing RMB$408 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/8/2019	The 2nd meeting of the 16th term	Capital increase of Hangchow Y-Teks Automotive Trim Parts Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/8/2019	The 2nd meeting of the 16th term	Capital increase of ESINN Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/8/2019	The 2nd meeting of the 16th term	Sell Yulon TOBE Motor Co., Ltd. to Sin Chi Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached

Board meeting date	Board meeting term	Summary of motions	Independent director's opinions	Response to the independent director's opinions
8/8/2019	The 2nd meeting of the 16th term	Sin Chi Co., Ltd. and Ellectramobilys SARL formed a joint venture	Approved as proposed	To be executed in accordance with the resolution reached
8/8/2019	The 2nd meeting of the 16th term	The LOS issued for the financing USD$510 million and RMB$56.1 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/8/2019	The 2nd meeting of the 16th term	The LOS issued for the financing USD$10 million to Sheng Qing (Beijing) Investment Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
10/17/2019	The 1st provisional meeting of the 16th term	Capital increase of Sheng Qing (Beijing) Investment Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
10/17/2019	The 1st provisional meeting of the 16th term	The making of endorsements / guarantees for subsidiaries	Approved as proposed	To be executed in accordance with the resolution reached
11/11/2019	The 3rd meeting of the 16th term	Capital Loans of NT$0.6 billion to Luxgen Motor Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/16/2019	The 4th meeting of the 16th term	Capital increase of Luxgen Motor Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/16/2019	The 4th meeting of the 16th term	The LOS issued for the financing NT$1 billion to Hua Chuang Automobile Information Technical Center Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/16/2019	The 4th meeting of the 16th term	The LOS issued for the financing RMB$105 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached

(2)The matters resolved in the Board meeting with the objections or reservations of the independent directors recorded or declared in writing: None

2. The recusal of directors with a conflict of interest from discussing the respective motions (shall state the name of the directors, the contents of the motions, the reasons for recusal, and the participation in voting):
The Company adopted the "Rules of Procedure for Board of Directors Meetings" which was included the recusal system for directors. While processing the meeting, the procedure is in compliance with this rule.
3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."
4. The goals (such as, setting Auditing Committee, improving information transparency, etc.) of strengthening the functions of the Board of Directors of the year and in recent years by objectives and the performance evaluation:

(1) Apart from establishing the Salary Remuneration Committee with approval from the Board of the Directors on August 26th, 2011, The Company implemented the 14th Supervisor and Director Reelection during the 2013 annual meeting of shareholders. Two independent directors have been selected to strengthen the function of Board of the Directors and improve the effectiveness of corporate governance.
(2) Moreover, to meet the trends in the development of international corporate governance and in response to the development of Taiwan's attention in social issues recently, The Company amended the "Rules of Procedure for Board of Directors Meetings," "Rules of Procedure for Audit Committee" on March 6, 2019 in attempt to constantly improve the corporate governance standards.
(3) To enhance information transparency, The Company has important resolutions reached in the Board meeting announced immediately on the MOPS. Also, update the relevant organization regulations on The Company's website in order to protect shareholders' equity and improve investors' understanding and recognition of The Company.
(4) The Company adopted "Board of Director and Director Member Performance Appraisal Guidelines" on November 9, 2015 and amended for the second time on May 10, 2019 in addition to completing the Board of Director evaluation in March 2019. This evaluation result complies with Board of Director operations, level of director participation, and operations of Remuneration Committee and Audit Committee, falling between 94.59 points and 100 points. The overall operation of the Board of Directors is deemed well in accordance with the results of 2019 Board of Director Performance Appraisal.

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and Independent Director are corporate organizations.

Note 2: (1) In case any director or supervisor resigns before the end of the year, mark the date of resignation on the remarks and the actual attendance rate (%) is calculated by the number of meeting attended during his/her term at the Board of the Directors and the number of actual attendance for calculation.

(2) In case of any director and supervisor reelection before the end of the year, fill in the new and former directors and supervisors in addition to marking the director and supervisor as new or former term, and date of reelection. The actual attendance rate (%) is calculated by the number of meeting attended during his/her term at the Board of the Directors and the number of actual attendance for calculation.

Note 3: Implementation Status of Board Evaluations

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Evaluation method (Note 4)	Evaluation items (Note 5)
Once a year	1/1/2019-12/31/2019	1. Board of directors 2. Directors 3. Audit Committee 4. Remuneration Committee	Self-assessment	1. Board performance evaluation: (1) Company operations (2) The quality of Board decisions (3) Board composition and structure (4) Appointment of directors and their continued development 2. Individual director performance evaluation: (1) Company operations (2) Appointment of directors and their continued development (3) Internal controls (4) Grasp of company targets and missions 3. Functional committee performance evaluation: (1) Company operations (2) The quality of Board decisions (3) Board composition and structure (4) Appointment of committees

Note 1: Refers to the cycle of Board evaluations, such as: Once a year.

Note 2: Refers to the period covered by the Board evaluation, such as: evaluation of Board performance between January 1, 2019 and December 31, 2019.

Note 3: The scope of performance evaluations includes the Board of Directors, individual directors, and functional committees.

Note 4: The evaluation method includes internal self-evaluation by the Board of Directors, self-assessment by directors, peer evaluation, and entrusting external professional institutions and experts or using other appropriate methods for performance evaluation.

Note 5: According to the scope of evaluation, evaluation items must at least include the following items:

(1) Board performance evaluation: At least includes level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.

(2) Individual director performance evaluation: At least includes grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.

(3) Functional committee performance evaluation: Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees, and member selection and internal control.

3.3.2 Function of Audit Committee:

The Company has already established the committee in July, 2016. The primary purpose of The Company's audit committee is to provide oversight of the financial reporting process, The Company's system of internal controls, appointment and discharge of the auditors, independence and evaluation, and compliance with laws and regulations.

Information of the Audit Committee Function

The meeting of Audit Committee has been held for 8 times in the current year and the attendance status of the Independent Directors is listed below:

Title	Name	Number of times attending in person(B)	Number of times attending by proxy	Actual attendance rates (%)(B/A)(note)	Remark
Independent Director	Yi-Hong Hsieh	8	0	100%	Re-elected on 2019/07/01. Has legal expertise
Independent Director	Zhongqi Zhou	7	1	88%	Re-elected on 2019/07/01 Has finance and management expertise
Independent Director	Yen-Chin, Tsai	8	0	100%	Re-elected on 2019/07/01. Has finance expertise

1. Other matters to be disclosed: 1. For the followings shall state the date of the Audit Committee meeting, the term, the contents of the motions, the opinions and the handlings of all committee members:

(1) The matters described in Article 14.5 of the Securities and Exchange Act.

Board meeting date	Board meeting term	Summary of motions	Committee members' opinions	Response to the Committee members' opinions
1/17/2019	The 13th provisional meeting of the 1st term	Sell Sin Jiang Co., Ltd. to Singan Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
1/17/2019	The 13tht provisional meeting of the 1st term	Sell Qinton Motor Co., Ltd. to Singan Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
1/17/2019	The 13tht provisional meeting of the 1st term	Sell Yu Rich Financial Services Co., Ltd. to Taiwan Acceptance Corporation	Approved as proposed	To be executed in accordance with the resolution reached
1/17/2019	The 13th provisional meeting of the 1st term	Found YuenWen Investment Co., Ltd. with stock payment	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The de/incapitalization of Yulon Energy Co., Ltd. and selling to Shinshin Credit Corporation	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	Sell Singan Co., Ltd.to Taiwan Acceptance Corporation	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The LOS issued for the financing RMB$51 million to Yulon Motor Finance	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The 2018 Financial Statements.	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The 2018 Earnings Distribution.	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The 2018 Distribution of Employees' and Directors' Remuneration	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The 2019 Status of Endorsement and Guarantee.	Approved as proposed	To be executed in accordance with the resolution reached

Board meeting date	Board meeting term	Summary of motions	Committee members' opinions	Response to the Committee members' opinions
3/20/2019	The 14th meeting of the 1st term	The amendments to The Company's "Procedures for Acquisition or Disposal of Assets" and "Implementation Rules of Internal Audit Procedures for Acquisition or Disposal of Assets"	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The amendments to The Company's "Policies and Procedures for Financial Derivatives Transactions"	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The amendments to The Company's "Procedures for Endorsement and Guarantee"	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The amendments to The Company's "Management of Loans to Others"	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The LOS issued for financing The Company for year 2019	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	Assessing CPA's appointment and compensation, and given thereto in 2018	Approved as proposed	To be executed in accordance with the resolution reached
3/20/2019	The 14th meeting of the 1st term	The 2018 Statement on Internal Control	Approved as proposed	To be executed in accordance with the resolution reached
5/8/2019	The 15th meeting of the 1st term	The merger of YuenWen Investment Co., Ltd.into ShinWei Investment Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
5/8/2019	The 15th meeting of the 1st term	The increase of paid-in capital for liquidation of vehicle dealers: Hefei Chun Hui Automobiles Sales & Services Ltd., Anqing Cai Tong Automobiles Sales & Service Ltd., and Anqing Ling Tong Automobiles Sales & Services Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
5/8/2019	The 15th meeting of the 1st term	The LOS issued for the financing RMB$51 million to Yulon Motor Finance (China) Ltd., and the loan amount arrangment application of The Company of 8 banks	Approved as proposed	To be executed in accordance with the resolution reached
7/4/2019	The 1st meeting of the 2nd term	The LOS issued for the financing USD$2.55 million and RMB$255 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
7/4/2019	The 1st meeting of the 2nd term	The LOS issued for the financing RMB$408 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/7/2019	The 2nd meeting of the 2nd term	Capital increase of Hangchow Y-Teks Automotive Trim Parts Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/7/2019	The 2nd meeting of the 2nd term	Capital increase of Yu Sing Motor Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/7/2019	The 2nd meeting of the 2nd term	Sell Yulon TOBE Motor Co., Ltd. to Sin Chi Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/7/2019	The 2nd meeting of the 2nd term	Sin Chi Co., Ltd. and Ellectramobilys SARL formed a joint venture	Approved as proposed	To be executed in accordance with the resolution reached

Board meeting date	Board meeting term	Summary of motions	Committee members' opinions	Response to the Committee members' opinions
8/7/2019	The 2nd meeting of the 2nd term	The LOS issued for the financing USD$510 million and RMB$56.1 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
8/7/2019	The 2nd meeting of the 2nd term	The LOS issued for the financing USD$10 million to Sheng Qing (Beijing) Investment Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
10/16/2019	The 1st provisional meeting of the 2nd term	Capital increase of Sheng Qing (Beijing) Investment Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
10/16/2019	The 1st provisional meeting of the 2nd term	The making of endorsements / guarantees for subsidiaries	Approved as proposed	To be executed in accordance with the resolution reached
11/7/2019	The 3rd meeting of the 2nd term	Capital Loans of NT$0.6 billion to Luxgen Motor Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/12/2019	The 4th meeting of the 2nd term	Capital increase of Luxgen Motor Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/12/2019	The 4th meeting of the 2nd term	The LOS issued for the financing NT$1 billion to Hua Chuang Automobile Information Technical Center Co., Ltd.	Approved as proposed	To be executed in accordance with the resolution reached
12/12/2019	The 4th meeting of the 2nd term	The LOS issued for the financing RMB$105 million to Yulon Motor Finance (China) Ltd.	Approved as proposed	To be executed in accordance with the resolution reached

(2) Except for the aforementioned matters, the matters that are not approved by the Audit Committee but resolved with the consent of two thirds of the Board members:

2. For the independent directors having themselves excused from attending the meeting due to a conflict of interest, the name of the independent directors, the content of the motion, the reason for the conflict of interest, and the participation in voting should be detailed:
The Company adopted the "Rules of Procedure for Audit Committee" which was included the recusal system for independent directors. While processing the meeting, the procedure is in compliance with this rule.

3. The communication among the independent directors, the internal audit manager, and the independent auditors (including the material communication matters related to The Company's financial and business conditions, the communication methods, and the results of communication).

(1) Summary of communication between independent directors and internal audit supervisors

Date	Summary of communication highlights
3/20/2019	1. Internal audit performance report from Dec. 2018 to Feb. 2019 2. Audit report from TWSE 3. Communication between independent directors and internal audit supervisors
5/8/2019	1. Internal audit report from Feb. to Mar., 2019 2. Communication between independent directors and internal audit supervisors
7/4/2019	1. Internal audit report from Apr. to May., 2019 2. Communication between independent directors and internal audit supervisors
8/7/2019	1. Internal audit report from Jun. to Jul., 2019 2. Stock affairs audit report 3. Communication between independent directors and internal audit supervisors
11/7/2019	1. Internal audit report from Aug. to Sep., 2019 2. Communication between independent directors and internal audit supervisors
12/12/2019	1. Internal audit report from Oct. to Nov., 2019 2. Communication between independent directors and internal audit supervisors

(2) Summary of communication between independent directors and accountants

Date	Summary of communication highlights
3/25/2019	1. CPAs expressed their opinions on The Company's 2018 individual and consolidated audit results and discuss with the independent directors 2. CPAs expressed their opinions on The Company's statement on internal control and discuss with the independent directors 3. CPAs expressed their opinions for the key audit matters of The Company and discuss with the independent directors 4. CPAs explained the IFRS16 impact assessment of company lease contracts and discuss with the independent directors 5. CPAs explained the amendments to Income tax law regarding to tax haven and discuss with the independent directors 6. CPAs discussed other questions with the independent directors
5/8/2019	1. CPAs expressed their opinions on the first quarter 2019 consolidated audit results and discuss with the independent director 2. CPAs explained the impact of the latest laws/letters on The Company and the recommendations and discuss with the independent directors 3. CPAs discussed other questions with the independent directors
8/7/2019	1. CPAs expressed their opinions on the second quarter 2019 consolidated audit results and discuss with the independent director 2. CPAs explained the impact of the “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” and discuss with the independent directors 3. CPAs discussed other questions with the independent directors
11/7/2019	1. CPAs expressed their opinions on the third quarter 2019 consolidated audit results and discuss with the independent director 2. CPAs explained the 2020 financial audit planning and discuss with the independent director 3. CPAs discussed other questions with the independent directors

Notes：

＊The day the independent directors resigned, if any, before the end of the year should be detailed in the Remark column with the date specified. The actual attendance rate (%) shall be stated in the remarks column. The actual attendance rate (%) of the independent directors is calculated according to the number of meetings held by the Audit Committee during their term of office and their actual attendance.

＊The new independent directors elected, if any, before the end of the year, should be illustrated separately from the incumbent independent directors; the incumbent independent directors, newly elected independent directors, or the re-elected independent directors should be identified clearly with the re-election date specified in the Remark column. The actual attendance rate (%) of the independent directors is calculated according to the number of meetings held by the Audit Committee during their term of office and their actual attendance.

3.3.3 The operation of corporate governance and its differing from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies," and the reasons:

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
1. Does The Company develop and disclose corporate governance practice principles in accordance with "Governance Best Practice Principles for TWSE/GTSM Listed Companies."	V		The Company has developed shareholders' meeting regulations related to corporate governance, Board of the Directors meeting regulations, regulations governing classified document management operation, regulations governing classified information press and processing operation, announcement process standard operations, internal control system, acquisition or disposition of asset processing procedures, fund lending to others operation procedures, and other corporate governance related standard regulations. The execution of the operation system has complied with the requirement of the principles. As of the print date of this annual report, The Company has prepared the "Corporate Governance Principles" which was in accordance with "Governance Best Practice Principles for TWSE/GTSM Listed Companies" and disclosed on the official website.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
2. Corporate shareholding structure and shareholders' equity				
(1) Does The Company develop internal operation procedures to process shareholders' suggestions, doubts, disputes, and complaints with implementation according to the procedures?	V		(1) The Company calls for shareholders' meeting according to the Compact Law and relevant laws/regulation in addition to preparing complete agenda principles. For matters to be resolved by the shareholders' meeting, the agenda will be executed accordingly. Moreover The Company also set up spokesperson who will provide explanation for the suggestions and problems from the shareholders. There will also be special registrar department that will serve as service window for processing relevant affairs.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(2) Does The Company actually control the main shareholders and the final control list of major shareholders of The Company?	V		(2) The Company controls the shareholding of directors, supervisors, managers, and major shareholders with 10% shareholding in addition to declare the change of shareholding and share collateralization and de-collateralization of stocks according to the regulations.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(3) Does The Company establish and execute the risk control and firewall mechanism with the affiliated enterprise?	V		(3) The operation and finance between The Company and affiliated companies are governed by the "Affiliated Person Transaction Processing Guidelines," "fund lending to others operation procedures," "Endorsement and guarantee management regulations" and other regulations as well as preparing the "Classified document management operation guide" and "Public Process Standard Operations" in order to establish excellent internal major information processing the disclosing mechanism, thereby to avoid improper leak of consistency. The Company shall follow laws and regulations to establish risk control and firewall mechanism.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(4) Does The Company develop internal specification to prohibit insiders from using undisclosed information from the market to buy or sell securities?	V		(4) The Company has developed the "Prevention of Insider Trading Management Regulations" that offer explicit specification for insider trading targets, internal data archival and declaration announcement major information open, and the processing of internal major information." The regulations should be maintained in step in The Company website.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
3. Composition and function of Board of Directors				
(1) Does the Board of Directors develop diversified guidelines and implement execution in terms of member composition?	V		(1) The Company has developed the Board of Directors with members composition considered with diversity(Basic conditions and values, expertise and skills ...), proper diverse guidelines and implementation based on the operations, business model and development requirement, thereby to attain the ideal target of corporate governance. In addition to a female Director Yen Chen Li-Lien, the members made up for the Compay's 16th Board of Directors possess respectively the following professional skills: The ones who are good at leadership, operational judgment, business management, crisis management, and have an international market vision are chairman Yen Chen Li-Lien, vice chairman Kuo-Rong Chen, and directors Zhen-Xiang Yao and Shin-I Lin; having expertise in industry knowledge and administration are director Yi-Hong Hsieh and independent director Jack, J.T .Huang are skilled in legal affairs; independent directors, Liang Zhang and Zhongqi Zhou, are excel in economy & finance. (2) The Company cares about member diversification in expertise and technique of the directors. To meet the member diversification, the ones should have expertise in vehicle industry and management, and at least 20% of the Board members are excel in finance and legal. The Compay's 16th Board of Directors have 33% of composition expertise in finance, 22% of the expertise in law after the election of the director, Jack, J.T .Huang.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
(2) Does The Company also voluntarily establish other functional committee apart from the salary remuneration committee and audit committee?		V	(2) In consideration of the scale of the Board of Directors and the number of independent people, The Company has established the remuneration committee according to the laws and regulations. All operations are regulated by internal control mechanism with projects and major meetings undergoing such meeting evaluation for important issues to provide reference for the Board of Directors in the execution of supervision function. The Company has set up an audit committee to replace the supervisor system on July 1, 2016, and the remaining functional committees are set up in accordance with the business plan.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(3) Does The Company develop Board of Directors Performance Assessment Guidelines and Evaluation Method in addition to conduct annual performance assessment?	V		(3) The Company's through the "Board Evaluation Method" on 11/9/2015, agenda department shall divide the evaluation indicators in compliance with the relevant laws and regulations. Another indicator will conduct routine evaluation on the level of participation in corporate operations with specific indicators at least every three year. The Company completed the 2019 assessment of the board of directors, directors and functional committees in March 2020, among which the evaluation of the board of directors was commissioned by the external unit every year end to assess the effectiveness of the directors and the external and internal evaluation. The Company completed the amendments to The Company's "Board Evaluation Method" in May 2019, and the amendments had been approved by the Board. The assessment was performed as an internal questionnaire based on the four segments of the operation of the board of directors, the involvement of directors, the operation of the audit committee and the compensation committee. The directors assess on the operation of the board of directors, the directors perform the self-assessment on his/her involvement and assess on the operation of the audit committee and compensation committee members asses on the operation of the compensation committee. The assessment result is between 98.36 and 100 In accordance with the results of the 2018 internal and external performance evaluation of the Board of Directors, the overall operation of the Board of Directors is still good.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(4) Does The Company routinely assess the independence of attesting CPA?	V		(4) The Company refers to the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity and Independence" to develop the CPA independence evaluation form and also asks the CPA firm to issue the independence statement. The Board of Directors evaluates the independence of the attesting CPA through the Statement of Independence presented by the Accounting Firm each year. The 2019 independent evaluation was completed, approved and adopted at the Board of Directors meeting held in March 2019	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
4. Does the listing/ OTC Company have a full-time (or part-time) corporate governance unit or person responsible for corporate governance related matters (Including but not Ltd. to providing directors and supervisors with the necessary business operation data, processing the Board meeting and shareholders' meeting relevant matters, handling The Company registration and change registration, preparing the minutes of Board meeting and shareholders' meeting, etc.) designated?	V		The Company's manager of Corporate Governance Department was approved by the Board of Directors on 5/10/2019, who served as the manager of Finance and Planning Department and has a public distribution company engaged in financial experience for more than 3 years, in line with the set specifications. The specialized unit and the full-time official for corporate governance related matters,protecting the interests of shareholders and strengthening the functions of the Board of Directors (Including but not Ltd. to providing directors and supervisors with the necessary business operation data, processing the Board meeting and shareholders' meeting relevant matters, handling The Company registration and change registration, preparing the minutes of Board meeting and shareholders' meeting, etc.). 2019 annual business implementation status: 1. Assist the independent directors and the directors in performing their duties, providing all required information and arranging the on-job training for directors. 2. Assist the compliance matters for the procedures and resolutions of the board of directors and the shareholders' meeting. 3. Procure 2019 director liability insurance. 4. In order to deeply implement corporate governance, the performance evaluation of the 2019 board of directors and directors has been carried out and submitted to the board of directors held in March 2020. 5. In 2019, regard to the business performance, the four investor conferences were shown, and the regular public announcement was made to disclose necessary information to market investors so that shareholders' rights and interests were well maintained.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
			6. In June 2019, the registration for the date of shareholders' general meeting, and the notice, manual, minutes for the shareholders' meeting were made within the statuary limitation in accordance with the law. 7. The proposed agenda of the board of directors shall be notified to the directors at least seven days in advance to convene the meeting and to provide the meeting materials, and the minutes of the board of directors shall be recorded and delivered after meeting. The performance of continuing education: 1. Corporate Governance of Company Groups (3 hours) 2. Innovation, Digital Technology and Competitive Advantage(3 hours) 3. Regulations Governing the Qualification Requirements and Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges Programs(12 hours)	
5. Does The Company establish communication channel with the stakeholders (Including but not Ltd. to shareholders, employees, customers, suppliers, etc.), , establish stakeholder section on The Company website, and properly respond to the key corporate social responsibility issues concerned by the stakeholders?	V		The stakeholders may use sales department or spokesperson as communication channel in addition to providing investor relations (shareholders, employees, customers, suppliers, dealer, community etc.) contact window on The Company website for readily available communication channel via phone, fax or email contact.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
6. Does The Company commission professional registrar for handling of shareholder meeting affairs?		V	The Company adopts independent registrar operations to timely control the primary shareholders of actually controlled company and the final control list of primary shareholders. To call for shareholders' meeting under legitimate, effective and safe premise; The Company has established internal control system and registrar internal audit operations for registrar operations.	The Company adopts independent registrar operations to timely control the primary shareholders of actually controlled company and the final control list of primary shareholders.
7. Public information				
(1) Does The Company establish website to disclose information on the financial operations and corporate governance?	V		(1) The Company has established the website to disclose financial and operational information according to relevant laws and regulations. The Company website is: http://www.yulon-motor.com.tw	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(2) Does The Company adopt other information disclosure methods (i.e. establishing English website, assigning specialist to collect and disclose the corporate information, implement spokesperson system and displaying corporate website at investor meeting?	V		(2) The Company assigns specialist in charge of collecting company information and disclosing significant events in addition to implementing executing spokesperson and agent spokesperson system. The website also shows items of corporate information conference.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	(3) The Company announced and reported its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline.	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
8. Does The Company hold significant information that helps understand the operation of corporate governance (including but not Ltd. to employees' rights, care for employees, investor relations, vendor relations, stakeholders' equity, advanced study of directors and supervisor, execution of risk management policy and risk measurement standards, execution of customer policy, and company buying liability insurance for directors and supervisors)?	V		(1) Employees' equity: The Company interacts with labor representative routinely communication, employee care cart events, and improvement on employee satisfaction as well as other approaches to strengthen the partnership with employees and assure harmony in labor and employer. (2) Care for employees: The Company establishes a series of regulation and events to care for emplyees' physical and mental health, welfare and career, such as employee welfare area, employee health check, insuring group insurance for all employees, arranging diverse leisure activity after work, holding family day for employees and health season events, assisting with employee travel, subsidying on club activity funds, and providing employees with diverse learning channels. Please refer to Chapter 5, of this report "description between the labors." (3) Investor Relations: The Company offers service department as communication between The Company and shareholders. The Company also offers spokesperson system to provide contact window between shareholders and corporate investment institutes. (4) Vendor Relations: The Company transacts with vendors on the concept of co-existence and co-prosperity with internal special department executing vendor supervision and counseling as well as the establishment of outstanding vendor incentive system for a	The Company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
			diverse and effective communication channel with vendors. Moreover, The Company has developed "Contractor Undertaking Work Safety and Health Management Operation Standards," "Contractor Plant Operation Management Regulations" and others to request cooperation with vendor in compliance with regulations regarding environmental protection, safety or health issues, jointly committing to the improvement on corporate social responsibility. (5) Stakeholders' Rights: Our company respects and maintains the due legitimate equity in addition to establishing different communication methods to facilitate all stakeholders to immediately and effectively convey the opinion.	

(6) Directors' and supervisors' training records (from 2019/01/01 to 2019/12/31):

Title	Name	Organizer	Course Name	Hours	Note
Chairman	Yen Chen Li-Lien	China Corporate Governance Association	Innovation, Digital Technology and Competitive Advantage Corporate Governance of Company Groups	6	
Vice Chairman	Kuo-Rong Chen	China Corporate Governance Association	Innovation, Digital Technology and Competitive Advantage Corporate Governance of Company Groups	6	
Director	Shin-I Lin	China Corporate Governance Association	Innovation, Digital Technology and Competitive Advantage Corporate Governance of Company Groups	6	
Director	Li-Lien Chen	China Corporate Governance Association	Impacts of latest Company Act Amendments on Governance, Internal Audit and Responsibilities of Directors A Brief Overview of IFRS 16－Leases	6	
Director	Liang Zhang	China Corporate Governance Association	The Complete Guide to the Information Security of Directors and Supervisors Big Data Analysis and Corporate Fraud Detection and Prevention	6	
Director	Zheng-Xiang Yao	China Corporate Governance Association	Innovation, Digital Technology and Competitive Advantage Corporate Governance of Company Groups	6	
Independent Director	Yi-Hong Hsieh	Central China Securities and Futures Market Development Foundation	The Impact of and Response to the Amendment of the Company Act on Corporate Responsibilities from the Perspective of Economic Crimes The Impact of Global Trends on Taiwanese Companies and Related Analysis	6	
Independent Director	Zhong-Qi, Zhou	China Corporate Governance Association	Innovation, Digital Technology and Competitive Advantage Corporate Governance of Company Groups	6	
Independent Director	Yen-Chin, Tsai	Taiwan Depository&Clearing Corporation	Anti-Money Laundering and Counter-Terrorism Financing Regulatory Analysis The Analysis of Financial Consumer Protection Act and the Principles of Fair Hospitality IFRS Transformation and the Adaptive Strategies of the Insurance Industry	7.5	

(7) Execution of risk management policy and risk measurement standards:
Refer to Chapter 7, Section 6 on "Risk Management and Evaluation" of this report.

(8)Execution of consumer protection or customer policy:
The Company establishes 24-hour 0800 toll-free hotline for consultation and free, providing distributors with operation and service office query, new car information notice, hoisting assistance, customer demand for requirement, suggestions and complaint case processing, providing consumers with comprehensive equity query channel and demand services.

(9)The Company purchased liability insurance for director and monitors.
The Company directors and supervisors uphold to loyalty and integrity principles, attention to obligation and execution of functions, who have not been discovered with litigation incidents or violation of acts. Nonetheless to more comprehensively protect the stakeholders' equity, The Company has commissioned Tokio Marine Newa Insurance Co., Ltd. to carry out liability insurance planning and undertaking for directors and supervisors.

9. Please indicate the improvement of the results of the corporate governance evaluation issued by the Corporate Governance Center of the Taiwan Stock Exchange in the last year; also, please provide the prioritized matters and measures for those yet to be improved matters (the companies not included in the assessment need not to fill out this form).
For the corporate governance evaluation: the Corporate Social Responsibility Report developed by The Company has revealed non-financial information of The Company, but failed to meet the scoring standards due to the absence of the third-party verification.
The Company will continue to follow the Global Reporting Initiative (GRI) Guidelines to prepare corporate social responsibility reports and fully disclose information on environmental sustainability, workplace environment, corporate governance, and public welfare. The Company will also actively integrate third-party audit verification in 2020 to improve the management structure and communication mechanism of the corporate social responsibility report.

Note 1: Provide description on the summary and description column regardless of "yes" or "no" for the operations

3.3.4 The Company that has set up a Compensation Committee shall disclose its composition, responsibilities, and operation:

1. The composition and responsibilities of Compensation Committee

The Company had the Compensation Committee setup with the approval of the Board of Directors on August 26, 2011. The Compensation Committee is responsible for regulating and regularly reviewing the annual and long-term performance objectives of The Company's directorsand managers, and the policies, systems, standards, and structures of remuneration. Periodically assesses the achievement of performance objectives of The Company's directors and managers and defines the content and amount of each individual's remuneration.

Identity (Note 1)	Conditions / Name	Whether the person has work experience over five years and possesses any of the following qualifications			Conformed to the requirements of Independence (Note 2)										The number of public companies that the members also serves as Compensation Committee Member	Remark
		Lecturer or higher level qualification of a public/private university or college for teaching the relevant departments in relation to the business, legal, finance, accounting or other business requirement.	Judge, prosecutor, lawyer, certified public accountant or other professional/technician who has acquired certificates or operation qualifications through the national examinations	Work experiences required for commercial, legal, financial, accounting or corporate business	1	2	3	4	5	6	7	8	9	10		
Independent director	Yi-Hong Hsieh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent director	Zhongqi Zhou			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	
Independent director	Yen-Chin, Tsai	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3	

Note 1: Please specify the identity of director, independent director, or others.

Note 2: If the respective member meets any of the following conditions within 2 years prior to his/her service and during the service period, please put a check mark (✓) in the blank space under the code representing the respective condition.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(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 the preceding two subparagraphs.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: **not** a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: **not** a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, 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 past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply 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 Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not been a person of any conditions defined in Article 30 of the Company Law.

2. Operation of the Compensation Committee

(1) The Company's Compensation Committee is composed of with 3 members.

(2) The tenure for the members of the 3rd Compensation Committee was from July 1, 2016 to June 30, 2019. The tenure for the members of the 4th Compensation Committee is from July 1, 2019 to June 30, 2022. As of March 31, 2020, 9 meetings had been held and attendances illustrated as follows:

Title	Name	Number of times attending in person (B)	Number of times attending by proxy	Actual attendance rates (%) (B/A) (Note 1)	Remark (Note 2)
Convener	Yi-Hong Hsieh	9	0	100%	Re-elected on 2019/07/01. Has legal expertise
Committee member	Zhongqi Zhou	9	0	100%	Re-elected on 2019/07/01 Has finance and management expertise
Committee member	Yen-Chin, Tsai	9	0	100%	Re-elected on 2019/07/01. Has finance expertise

Other matters to be disclosed:

(1) If the Board does not accept or amend the suggestions of the Compensation Committee, shall state the Board meeting date, the term, the contents of the motions, the resolution of the Board, and The Company's handling the opinions of the Compensation Committee (such as, when the remuneration resolved in the Board meeting is better than the remuneration recommended by the Compensation Committee, shall state the differences and the reasons for the differences):

None.

(2) If there is any opposition or reservation against the resolutions of the Compensation Committee recorded or documented in writing, shall state the meeting date of the Compensation Committee, the term, the contents of the motions, the opinions of all members, and handling the opinions of the members:

None.

(3) The date of the 2019 Compensation Committee, the content of the proposal, the results of the remuneration committee resolution and The Company's handling of the remuneration committee's opinions:

Date	Meeting term	Summary of motions	Committee members' opinions	Response to the Committee members' opinions
3/20/2019	The 7th meeting of the 3rd term	The 2018 distribution of employees' and directors' remuneration	Approved as proposed	To be executed in accordance with the resolution reached
11/7/2019	The 1st meeting of the 4th term	The 2019 arrangement of managers' remuneration	Approved as proposed	To be executed in accordance with the resolution reached
		The 2020 compensation committee calendar	Approved as proposed	Execution in accordance with the resolution

Note: 1: If any of the Compensation Committee members has resigned before the end of the fiscal year, state the date of resignation in the remark column. The actual attendance rate (%) is based on the number of committee meetings held during the tenure and the actual number of attendance.

Note: 2: If any of the Compensation Committee members is elected before the end of the fiscal year, the incumbent members and the newly elected members should be stated and with the status of incumbent, newly elected, and reelected stated in the remark column, including the election date. The actual attendance rate (%) is based on the number of committee meetings held during the tenure and the actual number of attendance.

3.3.5 Performance of Corportate Social responsibility

The Company's system and measure adopted for environmental protection, community involvement, social contributions, social services, social charity, consumer rights, human rights, security and health, and other social responsibility activities, and its performance:

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	
1. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		The Company focused on governance, environment safety, social participation, and activities in account of management. In pursuit of corporate sustainability and profit, the Company considered stakeholders and implementation of CSR. Refer to the description "Risk Management" and "Operate and Communicate with the Stakeholders" in the Company's CSR report.	None
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		The Company established the CSR committee in July 2018, and the president serves as the chairman. The bureau is established to assist the chairman in promoting the CSR task, and the six working groups in three aspects: sustainable environment/social participation/corporate governance are established. The head at the department level will be assigned as the leader of the group to promote the CSR tasks mission according to the division of works and a monthly CSR management committee meeting is held to review, track and share the promotion progress and results of the CSR tasks. The results of the annual work implementation and the follow-up CSR work promotion direction and plan shall be submitted to the board of directors at least once a year on a regular basis.	None
3. Environmental issues				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) The automobile industry is a technology and capital intense industry with considerably massive industry chain that triggers a wide range of related industries. To cooperate with the characteristics of this industry, The Company establishes material flow costs accounting to extend from environmental accounting and develop green management system using environmental material investment and output as the main objects of collection.	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) To increase the utilization efficiency of all resources and use recycled materials with low environmental impact, The Company establishes the material flow cost accounting (MFCA) to carry out material flow cost analysis in order to use more complete green management information as the overall planning and basis of promotion for environmental protection issues. Consequently The Company will be able to verify the effectiveness, if the environmental impact issue is serious and how the evaluation tool can make improvement.	None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) The Company pays attention to the impact of climate change on operating activities. Starting 2006, The Company has held independent corporate inventory and established the "Green Energy Project" in 2008, on a mission of reducing greenhouse gas emissions, water consumption, and total weight of waste annually. It is an objective for continuous implementation of energy saving. To use renewable energy more efficiently, the Company planned to establish solar power plants in steps: i. Introducing 10 solar-powered streep lamps in 2011, with a reduction of 12 thousand KWh of energy per year. ii. Establishing a 499KW solar-powered system in 2017, which can generate 528 thousand KWh of energy per year. iii. Establishing a 2330KW solar-powered system in 2018, 2829KW in accumulation, which can generate 2.99 million KWh of energy per year. iv. Establishing a 2780KW solar-powered system in 2019, 5609KW in accumulation, which can generate 6 million KWh of energy per year. v. Expecting to establish a 2300KW solar-powered system in 2020, 7909KW in accumulation, which will generate 8.37 million KWh of energy per year.	None

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		(4) The Company took inventory of greenhouse gas in 2006 and established the "Green Energy Project" in 2008, on a mission of reducing greenhouse gas emissions, water consumption, and total weight of waste annually, continuing to implement policies on energy efficiency and carbon dioxide reduction with PDCA strategy. For the recent greenhouse gas emissions, water consumption, and total weight of waste in the last two years, please refer to p.65 of this report.	None
4. Social issues (1) Does The Company develop relevant management policy and procedures in accordance with relevant laws and regulations and International Bill of Human Rights?	V		(1) The Company HR department follows existing labor related laws to develop relevant management policy and procedures with implementation. In compliance with the "Corporate Social Responsibility Practice Principles" and "International Bill of Human Rights "developed by The Company, it will comply with relevant labor laws and regulations, protect the legitimate rights and interests of its employees, respect the internationally recognized principles of basic labor and human rights, and allow no circumstances that endanger the basic rights of labor. Specific policies in human rights: i. Providing safe and healthy work environment: On a weekly basis, the Safety and Health Section organizes health promotion activities and offers "group insurance" for all employees, their spouses and children, etc. For further details, please refer to Section 5 of Chapter 5 of "Protection Measures for Working Environment and Employees' Personal Safety" of Industrial Relations. ii. Assist employees to maintain physical and mental health and work-life balance, implement prohibition on forced labor. An announcement has been made to inform all employees to have one day off work every month and two days off from meeting days, and the regular family day is held on an annual basis. iii. Supporting employees to build union following labor law and other regulations, and to exercise their labor rights: encouraging employees to join industrial union	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		(2) According to the Company's articles of association, in addition to the employees' compensation required upon the Company makes any profit, the Company also provides the three Chinese festival grants paying based and the additional year-end bonuses, and the growth performance incentives for management teams would be granted based on the factors such as operating performance and personal working performance of individual worker to encourage the employees to achieve better performance for the Company and its shareholders. For more information, please refer to "Labor-Employer Relationship in Chapter 5	None
(3) Does The Company routinely provide safe and healthy work environment for employees in addition to implementing safety and health education?	V		(3) The Company cares about employees' health by setting the safe and health. The safe and health office also provides education and training sessions for new employees. For more information, please refer to "Labor-Employer Relationship" in Chapter 5.	None
(4) Does The Company establish effective career competence development training program for employees?	V		(4) The Company establishes technical curriculum architecture for employees to improve professional skills. For more information, please refer to "Labor-Employer Relationship" in Chapter 5.	None
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of	V		(5) The Company adheres to the principles of green design and green manufacturing, and provides clients with fuel-efficient and multiple types of environmentally friendly vehicle products. After the product is sold, all processes must carry out product liability prevention works, which shall be completed by all employees and the distribution systems to avoid damage to any consumer rights due to	None

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	
products and services, and are relevant consumer protection and grievance procedure policies implemented?			product defects. For the guarantee specifications for after-sale usage of products, the guarantee warranty clauses are formulated, which are clearly listed in the vehicle owner's manual for clearly informing consumers of their rights and benefits and assisting with the processing system. The Company regularly reviews and revises the relevant standards and operating procedures for all product guarantees in accordance with ISO standards to provide a rigorous and complete product guarantee system. As for the principles of handling product liability accidents, consumers' rights and interests shall be given the top priority consideration, and the handling shall comply with official laws and regulations. To quickly and properly handle product liability accidents, the Company has formulated relevant handling guidelines such as "Customer Complaint Handling Operation Standards", "After-sales Service Compensation Operation Standards", and "Guidelines for Vehicles Recall and Remedy Management" to assist consumers to resolve the related problems occur in a timely manner to protect consumers' rights and interests. The Company provides the "0800" toll-free telephone live customer service system available for 7/24 to provide transparent and effective consumer complaint handling procedures for the Company's products and services. Prior to the mass production, the Company has obtained the safety verification certificates from the Ministry of Transportation and Communication, passed the sewage discharge and noise emission testing by from the Environmental Protection Agency, and passed the fuel consumption testing by the Energy Bureau of the Ministry of Economy Affairs to ensure that the product quality complies with relevant laws and regulations.	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		(6) The Company routinely audit and evaluate vendor as well as requesting improvement program from vendor having had poor records in attempt to meet the philosophy in green purchase. The Company views green purchase as vital index of evaluation of vendors, and collaborates with qulified subcontractors that follows purchasing policies of Yilon-Nissan. If any dealing vendor is involved in illegal or ethical affairs, the Company has the rights to terminate the engagement.	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		Apart from disclosing relevance and reliability related CSR information on the annual report, the Company announces CSR reports on the Company website for stakeholders Theses CSR reports were verified by third party facilities and were reviewed as A+ level.	None

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The Company has developed shareholding meeting regulations related to corporate governance, board of director meeting regualtions, classififed document management operation regulations, classififed information spokesperson and processing operation regulations, announcement process standard operations, internal control system, acquisition or disposition of asset processing procedure, funds lending to others operation process and other standards and regulatsion related to corporate governance. Moreover The Company also developed relevant management regulations regarding air pollution, waste water and toxic chemicals. The Company also develops "Environmental Consideration Management Procedure," "Environmental Objective and Management Program," "Yulon Environmental and Safety Health Manual," energy-saving and carbon reduction, greenhouse gas reduction, water use reduction, or other waste policy. Under the impact of company's processing, activity, product and suervice to sustainability, the Coimpany promotes the different stage of environmental objectives and target. Currently the various related operation process have been developed, which complies with the requirement for "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" in terms of corporate governnace, development of sustainable environment, maintenance of social welfare, and strengthening informaiton disclosure. The Company has established the "Corporate Social Responsibility Practice Principles," approved by the Board in May 2014, and has requested all group subsidiaries join and comply with the regulations.				
7. Other critical information that helps understand the operation of corporate social responsibility: (1) The Company's CSR operations for environmental protection (1.1) The Company applies ISO 14001 as the main architecture to develop "Environment, Safety and Health Manual" as reference for The Company's environmental policy and safety and health policy, in addition to developing relevant management guidelines over air pollution, waste water, and toxic chemicals. (1.2) The production process of The Company relies on the raw materials and components provided by all associate vendors. The finished products of assembled cars can strengthen the green partnership with the associate vendors. The work plan applies carbon footprint and energy saving and carbon reduction as one of the items for evaluation at the site. (1.3) The Company founded Hua-chuang Automobile Information Technical Center Co., Ltd. (HAITEC) in December 2005 with commitment in the R&D of electric vehicles. The Company has successfully launched electric vehicles under Taiwanese brand. Electric vehicles are the most specific contribution made by Yulon Motors to cope with changes in global climate and realization of low-carbon economic society. (1.4) Moreover to promote the concept of environmental safety, improve environment pollution prevention work, and protect the safety and health of company employees, The Company has established different promotional teams such as the labor safety and health committee, greenhouse gas inventory and other promotional team in charge of various safety, health and environmental protection projects The Company has developed energy-saving and carbon reduction, greenhouse gas reduction, water use reduction, or other waste policies. (1.5) Please refer to The Company's Corporate Social Responsibility Report for the latest achievement in environmental protection performance, greenhouse gas reduction, and waste treatment. (2) The Company's CSR operations on community participation and community welfare. ➢Promotion for woodcarving culture in long period of time The Company has held the "Yulon Woodcarving Innovation Award" for 17 consecutive years from 1996 to 2013 that every year, the high total prizes (about NT$2 million) are rewarded to the woodcarving art creators in Taiwan, and build a platform for them to connect with the international and improve the visibility. In addition, in order to inherit the gradual decline of Taiwanese woodcarving art, we involve the campus deeply and encourage young students to participate in the competition, so that the woodcarving art in Taiwan can last forever with more new blood injected. The Company has injected massive corporate funding to the locality since 2014 by expanding the organization of "Taiwan International Wooden Sculpture Competition" to raise the common calling for works. The Company offers two special Yulon wooden sculpture awards, namely "Yulon Wooden Sculpture Legacy Award" and "Yulon Wooden Sculpture Innovation Award" to increase the international visibility of Sanyi wooden sculpture art culture.				

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	

➢Caring for the weak

The Company has constantly cared about the temporary workers of Taipei City Government Department of Health by sponsoring the accidental insurance premium to reduce the injury and burden in life once the workers encounter accidents. The "Employer accident liability insurance" offers protection for several thousands of temporary workers employed by Taipei City Government to have a protection once encountering accidents. In 2018, The Company also donated NT$200,000 to customize 200 LED reflective vests to provide cleaning team members to improve their safety.

To give feedback to the people, The Company has also donated the insurance premium of "employee accident liability insurance" for the cleaning squad of Sanyi since 2014, providing protection for work and life.

➢Contribute to the locals

【Yulong Sanyi Scholarship】

To contribute to the locals, the Company offers scholarships to all levels of schools in Sanyi Township, which encourages students to study with more efforts. Each year the Company helps over 420 Sanyi Township students with scholarships. In 2019, the amount of scholarships awarded is NT$940,000, widely benefiting 567 students.

【Yulon Sanyi Children's Basketball Summer Camp】

The Company promotes long-term domestic basketball sports and has held the "Yulon Sanyi Children's Basketball Summer Camp" since 2015. Elementary school students from third graders and above in Sanyi Township are free to register the camp in summer vacation. The "Yulon LUXGEN Basketball Team" players serve as the summer camp coaches to teach students basketball knowledge and skills, providing healthy and educational leisure time.

【Yulon Car Design Camp】

To make children of Sanyi Township have a better understanding in vehicle design and development procedures, the Company has held the "Yulon Car Design Camp" since 2016, inviting senior grades elementary school students to participate this activity during the winter vacation. By showing them the automotive modelling researches, developing and manufacturing procedures, the Company help these students discover the automotive industry. In 2019, a brand new 3D car printing design course was added to the event, which would expand their vision.

【Other contributes to the community】

i. To bridge the gap between the urban and rural, and to help children in Sanyi town receive diversity of artistic aesthetics, the Company donated Paperwindmill Theatre to put on a show in Sanyi township in 2016. The local residents were free to participant the show, feeling the Company's endeavor in regional contribution.

ii. The activities of Chongyang Senior Citizesn for the seven communities including Longteng, Guangsheng, Shengxing, Shuangtan, Shuanghu, Xihu and Liyu in Sanyi township are funded

iii. The Company has adopt for maitainence of street lights in Sanyi township since 2005.

(3) The corporate social responsibility operations of The Company to social contribution and community services

【Yen Tjing Ling Industrial Research Institute】

The Company established Yen Tjing Ling Industrial Research Institute by combining the academic and human resource from National Taiwan University and National Cheng Kung University to promote forward-looking engineering technology R&D and industry-academic cooperation so that industrial technology will build solid foundation and advance.

【Yen Tjing Ling Medical Foundation】

The Company established the Yen Tjing Ling Medical Foundation to provide scholarships for outstanding physicians to study overseas and conduct research and prevention on rare diseases.

【Vivian Wu Journalism Award Foundation】

The Company established the Vivian Wu Journalism Award Foundation to present outstanding journalists who will become the invisible power to correct social customs and mind cleansing.

【Vivian Wu Industrial and Commercial Development Association】

The Company established the Vivian Wu Industrial and Commercial Development Association to promote information exchange between domestic and foreign government agencies, academia and industries, assisting the promotion of industrial and commercial companies, advocating domestic industrial manufacturing capacity, improving product quality, and upgrading domestic brand image. In 2017, a total of 100 elementary school children from Sanyi participated in the event, and the number of registrants was quite high. The two-day event was personally led by the players of Yulon Luxgen Basketball Team.

【Long-term promotion of domestic basketball sports】

The Company spares no effort in long-term promotion of domestic basketball sports. In 1964, Yulon Motor founded the first Class A basketball team constituted by domestic private enterprises, driving the domestic basketball movement. In 1992, the "Yulon Professional Basketball Team" was officially founded and each year The Company provides funding with substantial corporate resources without interruption. Consequently Yulon Basketball Team has been able to participate in domestic games with outstanding performance.In 2019, the funding of NT$21.6 million is sponsored as previous years.

【Yulon Motor and Yulon Nissan Volunteer Club】

The Company founded the "Yulon Motor and Yulon Nissan Volunteer Club" in 2015, upholding to the mission of /"local care, and themed service" to dedicate care for the community neighbours and local underprivileged groups. The employees have realized the true meaning of "it is more blessed to give than to receive" in the process of dedication to care services. Yulon Motor and Yulon Nissan Volunteer Club devoted and completed the "Care Charity Fundraising Activity" in 2015 to deliver the results to three children's homes in Miaoli while accompanying the children at the children's homes with group entertainment activities. Several charity activities have been arranged since the establishment of Yulon Volunteer Society, such as collecting charity materials, Christmas gifts to nursery children, helping Sanyi Township low-income family clean up the home environment, inviting colleagues to woven wool hat for the home-alone senior citizens in Sanyi Township, arranging painting and recreational activities on the weekend for the children in the orphanage, etc.

Items	Operations (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Summary and Description (Note 2)	
Description of the 2019 events: ※Collection of Volunteer Materials for Charity Institutes in Miaoli Region Since 2019, the volunteers have launched a "warm new year donation" voluntary donations campaign on the eve of the Chinese New Year by managers and employees. In the first year, all colleagues and The Company donated a total of NT$360,000 to the Charity Institutes in Mianli region, such as the YuAn Retarded Children's Home, Kuangai Home for Disable, Huashan Social Welfare, and the St. Francis Xavier Home for Children and Juvenile, etc. ※Inviting children sponsored by Family Support Center to visit Yulon Experience Center The volunteers invited children sponsored by Family Support Center to visit Yulon Experience Center in April. By tourism, These children grasped a concept of car manufacturing process, experiened the AR games, and DIY courses, expanding their life experiences. ※The assistance in cleaning the home environment for the low-income families in Sanyi Township In June, to the low-income households in Sanyi Township, the home environment was performed. The members went to help thoroughly clean the house and reappear the clean home environment. ※Beach Cleaning Activity in Houlong, Miaoli In order to encourage employees to contribute to environmental protection, The Company held a beach-cleaning activity at the Waipu Fishing Port in Houlong, Miaoli in October. The event was led by the General Manager, who called on The Company's executives and colleagues to jointly take part in it. Everyone worked together to clean up plastic bags, various types of containers, PET bottles, glass bottles, Styrofoam, etc. that were buried on the beach. A total of 1,167 kilograms of garbage was cleared out, then sorted out and removed with the help of Houlong Township Cleaning Team to make Houlong beach clean again. (4) The Corporate Social Responsibility operations of The Company for consumers' equity (4.1) The Company has developed "Yulon Quality Manual" according to the architecture of ISO 9001 in the production process, rigorously requiring product quality from raw material feeding of the foremost front-end production to the production of finished cars. (4.2) During the initial launch of the new car, The Company also develops "New Car Quality Mobility Team Operation Standard" to quickly control the initial quality upon release to the market by immediately reacting to relevant department for immediate response and countermeasures so that The Company will improve service level. (4.3) For the processing mechanism of after-sales service, The Company develops "After-sales market processing standards," "market products feedback processing guidelines" and other system to control the information on market vehicle quality and give feedback to the responsible department as reference on quality improvement. (4.4) For consumers, The Company develops "after-sales service market returning car for repair operation standards, "after-sales service compensation operation standards" to take time and successfully complete the various service compensation program and provide service to customers with completion. (4.5) The Company also set up 0800 toll-free service hotline with 24-hours of service system, providing transparent and valid consumer complaint procedures for The Company product and services. (4.6) Since The Company adopts one series of consumer protection measures and treatment for consumers from the production to the sales backend, the investigation conducted by J.D. Power, an international credible investigation institute, shows that regardless of Sales Satisfaction Index (SII) for new car sales customer satisfaction or Customer Service Index (CSI) automobile after-sales service customer satisfaction, The Company has received excellence and recognition for both.				
(5) The Company's CSR operations for human right, safety and health Please refer to the description under Chapter 5, Section 2 on "Labour Employer Relation" for CSR operations on human right, safety and health. (6) The Company's CSR operations for vendor execution (6.1) The Company has incorporated green material purchase as reference index for important appraisal. Vendor of non-conforming green materials shall be advised, deducted and order reduction to boost relevant CSR to all coordinating vendors. (6.2) The Company actively promotes associate vendors to receive certification for ISO 14001 and the vendors must be selected in compliance with provisions prescribed in Labour Standard Act and appeal in protection of human rights. (6.3) Launch the supplier sustainable development projects, conduct the questionnaire survey on the three major aspects of green supply chain, safety and health, and labor rights, and implement classification to manufacturers to accordingly assist and audit the suppliers. (6.4) The Company has developed "Contractor undertaking work safety and health management operation standards," "contractor plant operation management guidelines" and "safety and health operation standards" to request vendors to comply with environmental protection, safety and health related regulation with commitment in improving the corporate social responsibility. (6.5) The actual operations have gradually draw attention from the vendors and please refer to the Corporate Social Responsibility Report of The Company for detailed execution effectiveness. (7) Other CSR operations of The Company (7.1) The Company has acquired "ISO 14001 International Environmental Management System Certification" since 1999. (7.2) The Company has received multiple awards of "Energy-Saving and Carbone Reduction Action Mark" presented by the EPA of Executive Yuan since the promotion by EPA on the program in 2009. (7.3) The Company has upheld to environmental protection and corporate competitiveness with dual emphasis. The Company has also explicitly declare and express its policy for shareholders, customers, vendors, communities, and employees as well as other stakeholders on The Company's sustainability report, combining environmental protection with management philosophy and preparing the annual items and objectives for each department as the execution guidelines for daily work items. (7.4) Please refer to The Company's corporate social responsibility report for the effectiveness of corporate social responsibility execution.				

Note 1: Provide description on the summary and description column regardless of checking on "yes" or "no" for the operations.

Note 2: For companies having prepared the Social Corporate Responsibility Report, provide remarks on the summary and description to check through the Corporate Social Responsibility Report or index page.

3.3.6 Company's Ethical Corporate Management and the adopted measures

Implementation of Ethical Corporate Management

Items	Operations (Note 1)			Discretions with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The Company has established a Board-approved ethical corporate management policy and developed departmental manual according to the organizational structure of The Company and requested all employees, including the Board of Directors and management to actively implement ethical management, treating shareholders with care and loyalty, using professionalism and diligent management for investment to shareholders in order to provide fair, sustainable and competitive return that will create the optimal benefits for shareholders.	None
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(2) To explicitly specify the rights and obligations of labour and employers, improvement the organization and establish management system, The Company develops the various internal work standards according to the relevant laws, providing action outlines for the corporation and employees. In case The Company staff encounters third-party engaging in unethical behaviour towards The Company but such behaviour violates the law, The Company shall notify the judicial department and prosecutors according to the relevant facts. In the event public service officials or agencies involved in such occasion, The Company shall notify the anti-corruption agency of the Government.	None
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The Company develops "Regulations Governing the Management of Insider Trading," "Regulations Governing Management Review Operations" "Management Meeting Operation Standards" , "Regulations Governing the Announcing and Handling of the Confidential Information", "Management Regulations Governing the Handling of Confidential Documents"as the relevant standards of executing integral management principles.	None
2. Implementation ethical management				
(1) Does The Company evaluate the ethical records of transacting targets and specify the ethical behaviour clauses in the contract signed with the transacting targets?	V		(1) Any contracts signed by the Comapany should be reviewed by the profession in law. If any contractor breaches of good faith, the Company reserves the right to terminate or cancel the contract.	None
(2) Does The Company establish a full-time (part-time) organization promoting corporate ethical management under the Board of Directors in addition to routinely report to the Board of the Directors for execution?	V		(2) The Company' ethical management is planned and established by the vice president of Financial & Business Dept. The group of corporate governance is responsible for execution the ehical management followed by the policies. Following the manual designed by the departments, all the employees and the directors should implement ethical management actively. The company should submit to the performance report to Board at least one time per quarter. The performance of ethical management in 2019: i. Propagate the ethical management policies and implement trainings to new employees ii. Propagate the ethical management policies and implement trainings to new directors and managers iii. Nominate independent directors as mail administrators, who inspect the accusation toward unethical issues, in sure that the anonymous reporting system could be executed. iv. Director were arranged for courses, accumulation of 6 hours A. Corporate Governance of Company Groups B. Innovation, Digital Technology and Competitive Advantage	None
(3) Does The Company develop conflict of interest policy, provide proper petition channel and implement the execution?	V		(3) Apart from developing "Board of Directors Agenda Specification," The Company shall develop standards for avoidance of conflict of interests and provide proper channel to initiate in explaining the incident of conflict of interests.	None
(4) Has The Company established valid accounting system and internal control system to implement ethical management with the internal audit department routinely audit or the CPA executes inspection?	V		(4) Apart from developing ethical management principles and standards, The Company also formulates internal control system such as stakeholder transaction and insider transaction, which not only routinely audits the daily internal auditing operations but also will immediately report to the members of Board of Directors and relevant competent authority in the even illegitimate issues have been reported. Moreover the operations will be readily inspected to assure the sustainability and validity of system design and execution.	None
(5) Does The Company routinely hold domestic and external educational training for ethical management?	V		(5) The Company upgrades the organization of education and training according to the Board of Directors resolution and promulgation of relevant laws and regulations to declare ethical	None

Items	Operations (Note 1)			Discretions with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
			management. Relevant courses have been held in 2019: i. Ethical Management from a Director's prospective: the number of participants were 46, for a total of 3 hours. ii. The Impacts on Human Resources Practices toward Labor Incident Act: the number of participants were 9, for a total of 3 hours. iii. Obligations and Legal Responsibilities of the Directors: the number of participants were 14, for a total of 1.5 hours. iv. Internal Controls and Internal Audits: the number of participants were 13, for a total of 1.5 hours.	
3. Operations of company reporting system				
(1) Does The Company develop specific reporting and incentive system and establishing convenient reporting channel in addition to assigning proper handling specialist for the target reported?	V		(1) The Company develops "work conducts" and "employee complaints solution guidelines." For those proved from the investigation conducted by the complaint committee to violate the standards shall be executed according to work conducts and may subject to claims for indemnification through legal procedures to maintain the reputation and equity of The Company.	None
(2) Does The Company develop investigation standard operation process and relevant confidential mechanism for accepting reported matters?	V		(2) The Company has developed reporting system and established internal independent reporting mailbox, hotline and assigning exclusive acceptance department for reporting, receiving reporting case, investigation process with results and documents containing records and preservation of production.	None
(3) Does The Company adopt measures that protect the informer without facing improper treatment due to reporting?	V		(3) The Company has developed measures that will keep the identity of informer and the content of reporting confidential, and protect the informer not to receive improper treatment and incentives due to reporting.	None
4. Strengthen information disclosure (1) Does The Company disclose the content of ethical management practice developed and promote the effectiveness on The Company website and Market Observation Post System?	V		(1) The Company shall announce the relevant corporate governance on The Company website for investors to download. The information disclosed by The Company to competent authority or public shall be processed through integral, acceptable, correct, timely, and comprehensible means with the establishment of company spokesperson and agent spokesperson. The speaking procedures must be prepared collectively while the management and employees may be requested to keep confidentiality of the finance and operation without unauthorized distribution of information. Moreover, The Company shall disclose relevance and reliable information in the annual report and CSR report.	None
V. If The Company has instituted ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe its operation differing from the Principles: The Company has instituted related regulations and specifications, including the Rules Governing the Conduct of Shareholders Meetings, Regulations Governing Procedures for Board of Directors Meeting, Rules Governing Managing Confidential Documents, Rules Governing Speaking and Handling Confidential Information, Standard Operating Procedure for Announcements, Internal Control System, and Prevention of Insider Trades. The implementation of the operating system is in conformity with the requirements of the Principles. The Company has established the "Ethical Corporate Management Best Practice Principles" and requires each subsidiary to comply with the requirement in order to fully implement this Principle.				
VI. Other helpful information for better understanding The Company's operation of the Ethical Corporate Management Best Practice Principles (such as, The Company's declaring its determination for ethical corporate management to the associated vendors, policies, inviting them to participate in education and training, and reviewing and amending The Company's Ethical Corporate Management Best Practice Principles): The Company has the Ethical Corporate Management disclosed in the internal articles of incorporation, annual report, and The Company's Website; also, declared in a timely manner at the product launch seminar and investor conference to help suppliers, customers, shareholders, and other relevant institutions and personnel clearly understand the ethical corporate management philosophy and specifications of The Company.				

Note 1: Provide description on the summary and description column regardless of checking on "yes" or "no" for the operations

3.3.7 Corporate governance best-practice principles and related bylaws adopted by The Company and the inquiry methods:

The corporate governance and ethical corporate management regulations are disclosed in the "About Us" category of the "Investor Relations" Section on The Company's Website; also, it is updated from time to time. Investors may have information downloaded discretionally. Significant events resolved by the board of directors and other significant information are uploaded to the MOPS in a timely manner.

3.3.8 Any other material information that would afford a better understanding of the status of The Company's implementation of corporate governance may also be disclosed:

The Company was ranked top 5% from the 1st to 6th Corporate Governance Evaluation System, co-developed by the TWSE and GTSM.

3.3.9 Internal Control System Execution Status

1. Statement of Internal Control System

Yulon Motor Company Ltd.
Statement of Internal Control System

March 6, 2020

Yulon Motor Co., Ltd. has conducted a self-check of internal control for the year of 2019. The results are as follows:

1. Yulon acknowledges that the Board of Directors and management personnel are responsible for establishing, performing, and maintaining an Internal Control System. The said system has already been duly established at Yulon. The purposes of the Internal Control System are to provide a reasonable assurance for The Company's efficient and effective operations (including profit, performance, safeguard of assets, etc.), the reliability of financial reports, and the compliance with applicable laws and regulations.
2. Yulon also acknowledges that the Internal Control System possesses inherent constraints irrespective of the intended impeccability of the system design and therefore could only provide a reasonable assurance of the three goals referred to above. Due to the changes in environment and circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Internal Control System is equipped with self-monitoring mechanisms. Should any flaws be recognized, The Company would enforce corrective measures immediately.
3. The Company evaluates the effectiveness of the design and implementation of its Internal Control System in accordance with the "Guidelines for the Establishment of Internal Control System by Public Companies" (referred to as the "Guidelines" hereinafter). The evaluation of the internal control system adopted by the said Guidelines has the internal control system divided into the following five factors based on the process of the management control: 1. Environment control, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each component comprises certain factors. Please refer to the Guidelines for preceding items.
4. Yulon has assessed and evaluated the effectiveness of the internal control system design and implementation in accordance with the internal control system criteria referred to above.
5. Based on the evaluation of the aforementioned system, Yulon considered the Internal Control System as of December 31, 2019 (including supervision and management of subsidiaries), which included the Design and performance of the known operation effectiveness and the degree of reaching the efficiency goals, reliability of financial reporting and obeying the related internal control system of the relevant laws, are all effective, and it can ensure that the aforementioned goals to be reasonably reached.
6. This Statement of Internal Control System is the main content of the annual report and prospectus, and will be publicly disclosed. Upon any unlawful acts like pretense and concealment involved in the above-mentioned statement, Yulon will assume the legal responsibilities according to Article 20, 32, 171, and 174 of the Securities Exchange Act.
7. This Statement of Internal Control System had been approved by Yulon's Board of Directors at the meeting of March 6, 2020 with directors presented at the meeting and none disagreeing with this Statement of Internal Control System.

Yulon Motor Company Ltd.

Chairman: Yen Chen Li-Lien

President: Zhen-Xiang Yao

2. If the internal control system is audited by the commissioned independent auditor, the independent auditor's report should be disclosed: None

3.3.10 Company or employees been penalized by law or employees received penalties from company for violating the Internal Control regulations in fiscal year 2019 and as of the publication date of the annual report, major nonconformities, and status of improvements:

None

3.3.11 Major resolutions reached in the Shareholders' Meeting and Board meeting in fiscal year 2019 and as of the publication date of the annual report

1. Key Resolutions made by Shareholders' Meeting and Board of Directors

Meeting: Date	Types of Meetings	Important Resolutions Adopted at Meetings	Resolution outcome
01/21/2019	Board of Directors	1. Adopted the business objectives of the Company for the 2019. 2. Sell Singan Co., Ltd. to Singan Co., Ltd. 3. Sell Qinton Motor Co., Ltd. to Singan Co., Ltd. 4. Sell Yu Rich Financial Services Co., Ltd. to Taiwan Acceptance Corporation 5. Found YuenWen Investment Co., Ltd. with stock payment	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
03/25/2019	Board of Directors	1. Recognition the proposals resolved in the 5th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 2. Recognition the proposals resolved in the 6th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 3. Arrangements for business objectives of the Company in 2019 4. Sell Yulon Energy Co., Ltd. to Shinshin Credit Corporation 5. Sell Singan Co., Ltd. to Taiwan Acceptance Corporation 6. The LOS issued for the financing RMB$51 million to Yulon Motor Finance (China) Ltd. 7. The 2018 Financial Statements 8. The 2018 Earnings Distribution 9. The 2018 Distribution of Employees' and Directors' Remuneration 10. The 2019 Status of Endorsement and Guarantee 11. The amendments to corporate charter of the Company 12. The amendments to the Company's "Procedures for Acquisition or Disposal of Assets" and "Enforcement Rules for Internal Audit of Procedures for Acquisition or Disposal of Assets" 13. The amendments to the Company's "Policies and Procedures for Financial Derivatives Transactions" 14. The amendments to the Company's "Procedures for Endorsements and Guarantees" 15. The amendments to the Company's "Fund Lending to Others Operation Procedures" 16. The re-election of the 16th board of directors 17. Lift the prohibition of competition for the 16th board of directors 18. Discussion for holding for the 2019 meeting of shareholders 19. The LOS issued for the financing amount of 2019 20. The 2019 application for lines of credit(LOC) 21. Assessing the independence and competence of accountants 22. The 2018 Statement on Internal Control 23. Sublease of a right to use asset with subsidiaries 24. The amendments to the Company's "Corporate Governance Practices Policies" 25. The dismissal of managers	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
05/10/2019	Board of Directors	1. Recognition the proposals resolved in the 7th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 2. The merger of YuenWen Investment Co., Ltd.into ShinWei Investment Co., Ltd. 3. The increase of paid-in capital for liquidation of vehicle dealers: Hefei Chun Hui Automobiles Sales & Services Ltd., Anqing Cai Tong Automobiles Sales & Service Ltd., and Anqing Ling Tong Automobiles Sales & Services Ltd. 4. The LOS issued for the financing RMB$51 million to Yulon Motor Finance (China) Ltd., and the loan amount arrangment application of The Company of 8 banks 5. The list of 16th board of directors nominees 6. Sublease of a right to use asset with subsidiaries 7. The amendments to the Company's "Internal Controls of Stock Affairs and Internal Audit Implementation Rules" 8. The amendments to the Company's "Performance Appraisal of the Board of Directors" 9. The Company established "Handling Requests made by Directors Procedures" 10. The Company set the supervisor for corporate governance	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
06/21/2019	Shareholders' meeting	1. Admit the 2018 Financial Statements 2. Admit The 2018 Earnings Distribution 3. Adopt The Company's "Articles of Incorporation." 4. Amendments to The Company's "Procedures for Endorsements and Guarantees." 5. Amendments to The Company's "Procedures for Loaning of Funds." 6. Amendments to The Company's "Procedures for Derivatives Trading." 7. Amendments to The Company's "Procedures for Acquisition and Disposal of Assets."	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.

Meeting: Date	Types of Meetings	Important Resolutions Adopted at Meetings	Resolution outcome
		8. Nominate the 16th board of directors of the Company 9. Lift the prohibition of competition for the 16th board of directors	
07/08/2019	Board of Directors	1. Election of the 16th president of the Company 2. Recognition the proposals resolved in the 8th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 3. The LOS issued for the financing USD$2.55 million and RMB$255 million to Yulon Motor Finance (China) Ltd. 4. The LOS issued for the financing RMB$408 million to Yulon Motor Finance (China) Ltd. 5. Nomination of the 4th Compensation Committees 6. Amendments of the Company's "Audit Committee Organization Rules"	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
08/08/2019	Board of Directors	1. Recognition the proposals resolved in the 9th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 2. Capital increase of Hangchow Y-Teks Automotive Trim Parts Ltd. 3. Capital increase of ESINN Co., Ltd. 4. Sell Yulon TOBE Motor Co., Ltd. to Sin Chi Co., Ltd. 5. Sin Chi Co., Ltd. and Ellectramobilys SARL formed a joint venture 6. The LOS issued for the financing USD$510 million and RMB$56.1 million to Yulon Motor Finance (China) Ltd. 7. The LOS issued for the financing USD$10 million to Sheng Qing (Beijing) Investment Ltd. 8. Sublease of a right to use asset with subsidiaries	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
10/17/2019	Board of Directors	1. Change the development mode and design of the Yulon City Business District 2. Capital increase of Sheng Qing (Beijing) Investment Ltd. 3. The making of endorsements / guarantees for subsidiaries 4. Adopt the appointment of managers of the Company	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
11/11/2019	Board of Directors	1. Recognition the proposals resolved in the 10th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 2. Capital Loans of NT$0.6 billion to Luxgen Motor Co., Ltd. 3. Arrangement compensation of the managers 2019 4. Sublease of a right to use asset with subsidiaries	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
12/16/2019	Board of Directors	1. Change design of the Yulon City Business District 2. The Company terminated the contract with Yu Yuen Development Co., Ltd. and resigned the contract of the Yulon City Business District 3. Capital increase of Luxgen Motor Co., Ltd. 4. The LOS issued for the financing NT$1 billion to Hua Chuang Automobile Information Technical Center Co., Ltd. 5. The LOS issued for the financing RMB$105 million to Yulon Motor Finance (China) Ltd. 6. Plan to invest with 2019 unappropriated earnings 7. Donate to VivianWu Journalism Award Foundation 8. 2020 Internal Audit Plan	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
01/16/2020	Board of Directors	1. Adopted the business objectives of the Company for the 2019. 2. The LOS issued for the financing to Hua-Chuang Automobile Information Technical Center Co., Ltd. 3. Sublease of a right to use asset with subsidiaries	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
02/07/2020	Board of Directors	4. Yulon Motor signs strategic cooperation agreement with Hon Hai Precision Ind. Co., Ltd.	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.
03/06/2020	Board of Directors	1. The Company, Hua Chuang Automobile Information Technical Center Co., Ltd.and Hon Hai Precision Ind. Co., Ltd sign joint venture agreement. 2. Capital increase of Hua Chuang Automobile Information Technical Center Co., Ltd. 3. Capital Loans of RMB$1 billion to Luxgen (hangzhou) Motor Sales Co., Ltd 4. The 2020 application for lines of credit(LOC) 5. Assessing the independence and competence of accountants 6. The 2019 Statement on Internal Control	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were

Meeting: Date	Types of Meetings	Important Resolutions Adopted at Meetings	Resolution outcome
		7. Amendments of the Company's "Audit Committee Organization Rules" 8. Amendments of the Company's "Board Meeting Rules"	approved as proposed.
03/30/2020	Board of Directors	1. Recognition the proposals resolved in the 11th meeting of the 7th term of the board of directors of Yulon Nissan Motor Co., Ltd. 2. Sell place numver of No. 274, Bogongkeng, Sanyi Township 3. The application for lines of credit(LOC) 4. Capital increase of Luxgen (hangzhou) Motor Sales Co., Ltd 5. The 2019 Financial Statements 6. Announce of the accumulaed losses reach one-half of paid-in capital 7. The 2019 Loss allowance 8. Resolution to reduce capital to make up losses 9. Not to distribute employee compensation and directors and supervisors compensation 10. The 2019 Status of Endorsement and Guarantee 11. Amendments of the Company's articles of association 12. Amendments of the Company's rules of the hareholders' meeting 13. Discussion for holding for the 2020 meeting of shareholders 14. The LOS issued for the financing amount of 2020 15. Amendments of the Company's "Audit Committee Organization Rules" 16. Sublease of a right to use asset with subsidiaries	Chairman requested for any opinions or suggestion from all attending directors and independent directors before resolution. The proposals were approved as proposed.

2. Review on the Execution of Resolutions made by the 2019 Annual Meeting of Shareholders:

Resolutions	Review on Execution
Admit the 2018 Financial Statements	The number of approving votes from the outcome of ballot voting met regulations and the proposition was recognized.
Admit the 2018 Earnings Distribution	The number of approving votes from the outcome of ballot voting met regulations and the proposition was recognized. Statutory reserves of NT$ 203,703,176 and special surplus reserve of NT$ 1,000,000,000 were appropriated and adjusted into account on June 21, 2019, which was also disclosed on the 2019 Q2 financial report.Csah dividend to stockholders of NT$ 1,053,856,339 was distributed. The base date was set to July 29, 2019 and the reserve distributed on August 28, 2019.
To be revised the Company's articles of association	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.
To be revised the Company's "Procedures for Endorsements and Guarantees"	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.
To be revised the Company's "Procedures for Loaning of Funds"	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.
To be revised the Company's "Procedures for Derivatives Trading"	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.
To be revised the Company's "Procedures for Acquisition and Disposal of Assets"	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.
Election of the 16th boar of directors	As the result of voting, Yen-Chin, Tsai was elected as the fifteenth independent director of The Company. ◦
Lift the prohibition of competition for the 16th board of directors	Based on the results of voting, the case passed, in favor of the power to meet the statutory requirements. The Company had finished the amendments and announced on the officail website.

3.3.12 The objections of the directors or supervisors against the major resolutions reached in the Board meeting recorded or documented in writing in fiscal year 2019 and as of the publication date of the annual report: Director or independent Director had no objection to the resolutions reached in the Board meeting.

3.3.13 Table of resignation and dismissal of the Chairman, President, Accounting Officer, Finance Officer, Internal Chief Auditor, and R&D Director in fiscal year 2019 and as of the publication date of the annual report: None.

3.3.14 Other disclosures: None.

3.4 Information on auditing fees

Amounts of auditing and non-auditing fees (please indicate the corresponding fee bracket or amount):

Accounting Firm	Names of CPAs		Auditing period	Remark
Deliotte & Touche Taiwan	Hsin-Wei Tai	You-Wei Fan	January 1, 2019 ~ December 31, 2019	

Note: If The Company has the CPAs or CPA Firm changed during the year, shall state the respective audit period and the reason for the change in the remark column.

Unit: NT$ Thousand

Amount bracket / Fee items		Auditing fees	Non-auditing fees	Total
1	Less than NT$2,000			
2	NT$2,000 (inclusive) ~ NT$4,000		✓	
3	NT$4,000 (inclusive) ~ NT$6,000			
4	NT$6,000 (inclusive) ~ NT$8,000			
5	NT$8,000 (inclusive) ~ NT$10,000			
6	Over NT$10,000 (inclusive)	✓		✓

3.4.1 When the non-auditing fee paid to the independent auditors, the CPA firm, and the affiliated companies is more than one fourths of the auditing fee, shall disclose the amount of auditing and non-auditing fee and the content of non-auditing services

Information on auditing fees

Unit: NT$ Thousand

CPA Firm	Name of CPAs	Auditing fee	Non-auditing fee					Auditing period	Remark
			System design	Industrial and commercial registration	Human resources	Others (Note 2)	Subtotal		
Deliotte & Touche Taiwan	Hsin-Wei TAI	18,718	0	937	0	2,417	3,354	1/1/2019 ~ 12/31/2019	Others are advances, travel expenses, and reports by nation
	You-Wei FAN							1/1/2019~ 12/31/2019	

Note 1: If The Company has the CPAs or CPA Firm changed during the year, shall state the respective audit period and the reason for the change in the remark column. Also, sequentially disclose the auditing fees and non-auditing fees.
Note 2: Non-auditing fees are illustrated by service items. If the "Other" item of non-auditing fee is more than 25% of the audting fees, the content of service should be detailed in the remark column.

3.4.2 If the auditing fee paid in the year of changing to another CPA firm is less than the auditing fee paid in the prior year, shall state the amount of reduction and reasons

None

3.4.3 When the auditing fee is decreased by over 15% from the prior year, shall state the amount of auditing fee reduced, ratio, and reasons

None

3.5 Information on change of CPA: If the CPAs were changed in the last two years and thereafter, the following matters should be disclosed

(1) The predecessor CPA: Not applicable

(2) Successor CPA: Not applicable

(3) Written reply of the predecessor CPA: Not applicable

3.6 When The Company's Chairman, President, or Financial/Accounting Manager employed by the underlying CPA firm or its affiliates within the year, shall disclose the name, the position, and working period in the underlying CPA firm or its affiliates:

None

3.7 Equity transfer and equity change of the directors, supervisors, managers, and shareholders with over 10% shareholding in fiscal year 2019 and as of the publication date of the annual report

3.7.1 Changes in Shareholding of the Directors, Supervisors, Managers, and Major Shareholders

Unit: Shares

Title	Name	2019		Up to April 20 of the year	
		Number of Holding Shares Increased (Decreased)	Increase (Decreased) Number of Shares Collateralized	Number of Holding Shares Increased (Decreased)	Increase (Decreased) Number of Shares Collateralized
Legal Director	Tai-Yuen Textile Co., Ltd.	-	-	-	-
Legal Director	China Motor Corporation	-	-	-	-
Legal Director	Yen Tjing-Ling Industrial Development Foundation	-	-	-	-
Chairman	Yen Chen Li-Lien	-	-	-	-
Vice Chairman	Kuo-Rong Chen	-	-	-	-
Director	Shin-I Lin	-	-	-	-
Director	Liang Zhang	-	-	-	-
Director	Jack J.T. Huang	-	-	-	-
Director	Zhen-Xiang Yao	-	-	-	-
Independent Directors	Yi-Hong Hsieh	-	-	-	-
Independent Directors	Zhong-Qi Zhou	-	-	-	-
Independent Directors	Yen-Chin Tsai	-	-	-	-
President	Zhen-Xiang Yao	-	-	-	-
Vice President	Jian Hui Li	-	-	-	-
Manager	Wen Yi Lo	-	-	-	-
Manager	Shi Ting Chen	-	-	-	-
Manager	Lihua Wu	-	-	-	-
Manager	Wen Yuan Li	-	-	-	-
Manager	Hongzheng Chen	-	-	-	-
Manager	Chong Yuan Chen	-	-	-	-
Manager	Meng Yue Jie	-	-	-	-
Manager	Shen Guo Wang	-	-	-	-
Manager	Shih Lin Wu	-	-	-	-
Major shareholder	Tai-Yuen Textile Co., Ltd.	-	-	-	-
Major shareholder	China Motor Corporation	-	-	-	-
Major shareholder	Kenneth K. T. Yen	-	-	-	-

3.7.2 Equity Transferred Information: None.

3.7.3 Shares Pledged Information: None.

3.8 Information on the top-10 shareholders who are affiliates or related as spouse or second cousins:

April 20, 2020

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding (Note 2)		Shareholding by Nominee Arrangement (Note 2)		Name and Relationship Between The Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remark
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationship	
Tai-Yuen Textile Co., Ltd. Representative: Yen Chen Li-Lien	284,901,045 377,924	18.11 0.024	- 160,126,140	- 10.18	- -	- -	China Motor Corporation	Same chairman	
							Fan-Terh Investment Co., Ltd.	General Manager of Tai-Yuen Textile Co., Ltd. is the Chairman of Fande Investment Co., Ltd.	
							Yen Ching Ling Industrial Development Foundation	Same chairman	
China Motor Corporation Representative: Yen Chen Li-Lien	262,228,166 377,924	16.67 10.18	- 160,126,140	- 10.18	- -	- -	Tai-Yuen Textile Co., Ltd.	Same chairman	
							Yen Ching Ling Industrial Development Foundation	Same chairman	
Kenneth K. T. Yen	160,126,140	10.18	377,924	0.024	-	-	-	-	
Mercuries Life Insurance Co., Ltd. Representative: Siang-Jie Chen	80,554,000	5.12	-	-	-	-	-	-	
Fande Investment Co., Ltd. Representative: Wei-Kung Chi	24,980,566 237	1.58 0.00002	- -	- -	- -	- -	Tai-Yuen Textile Co., Ltd.	Manager of Tai-Yuen Textile Co., Ltd. is the Chairman of Fande Investment Co., Ltd.	
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	17,865,491	1.13	-	-	-	-	-	-	
Yen Ching Ling Industrial Development Foundation	17,287,844 377,924	1.09 0.024	- 160,126,140	- 10.18	-	-	China Motor Corporation	Same chairman	
							Tai-Yuen Textile Co., Ltd.	Same chairman	
Allianz Global Investors Taiwan Technology Fund	14,637,000	0.93	-	-	-	-	-	-	
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds.	12,818,544	0.81	-	-	-	-	-	-	
Paolyta Investment Co., Ltd.	12,574,000	0.79	-	-	-	-	-	-	

Note 1: Name of the top-10 shareholders must be listed respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed respectively.

Note 2: The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.

Note 3: For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

3.9 The shareholding of The Company and The Company's Directors, Supervisors, Managers, and the enterprises directly or indirectly controlled by The Company in the same invested company, and the consolidated shareholding ratio

April 20, 20120

Unit: Share; %

Reinvested Companies	Investment of Yulon Motor Co., Ltd.		Investment of the directors, supervisors, managers, and companies that are directly or indirectly controlled by Yulon		Total investment	
	Shares (Investment amount*)	%	Shares (Investment amount*)	%	Shares (Investment amount*)	%
China Motor Corporation	44,592,177	8.05%	184,000,688	33.24%	228,592,865	41.29%
Taiwan Acceptance Corporation	138,222,224	45.75%	5,133,077	1.70%	143,355,301	47.45%
Yulon Finance Corporation, Preferred Shares A	36,603,992	36.60%	16,308,588	16.31%	52,912,580	52.91%
Yueki Industrial Co., Ltd.	12,766,887	65.58%	2,985,888	15.34%	15,752,775	80.92%
Yue Sheng Industrial Co., Ltd.	23,061,050	80.07%	7,750	0.03%	23,068,800	80.10%
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 Corporation	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	100,00%
Yuan Long Motor Co., Ltd.	7,999,000	20.00%	1,000	0.00%	8,000,000	20.00%
Yu Ching Business Co., Ltd.	72,691,327	60.00%	48,460,885	40.00%	121,152,212	100.00%
Yu Pong Business Co., Ltd.	27,169,703	100.00%	0	0.00%	27,169,703	100.00%
Yung Hong Investment Co., Ltd.	77,622,000	100.00%	0	0.00%	77,622,000	100.00%
Yushin Motor Co., Ltd.	19,999,000	99.99%	1,000	0.01%	20,000,000	100.00%
China Engine Corporation	32,000,000	18.95%	87,999,000	52.10%	64,000,000	37.89%
Cheng Long Motor Co., Ltd.	10,943,528	27.00%	1,347	0.00%	10,944,875	27.00%
ROC Spicer Co., Ltd.	102,302	20.46%	145,096	29.02%	247,398	49.48%
Yu Tang Motor Co., Ltd.	7,117,075	20.33%	1,675	0.00%	7,118,750	20.34%
CARPLUS AUTO LEASING CO., LTD.	3,254,036	3.46%	64,570,378	68.57%	67,824,414	72.03%
Yumin Motor Co., Ltd.	5,800,420	20.00%	7,833,340	27.00%	13,633,760	47.00%
B-WIZ Technology Co., Ltd.	16,663,998	87.71%	2,336,002	68.57%	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.	872,197,900	100.00%	0	0.00%	872,197,900	100.00%
Yulon Nissan Motors 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%
Newa Insurance Co., Ltd.	52,009,524	17.39%	70,817,524	23.68%	122,827,048	41.08%
Hua-Chuang Automobile Information Technical Center Co., Ltd.	116,369,600	35.46%	101,800,000	31.02%	218,169,600	66.47%
Hue-Lian Motor Co., Ltd.	6,116,138	20.34%	1,000	0.00%	6,117,138	20.35%
Luxgen Motor Co., Ltd.	980,000,000	100.00%	0	0.00%	980,000,000	100.00%
Yulon Business Management Company	3,299,000	32.99%	6,701,000	67.01%	10,000,000	100.00%
dX Media	400,000	20.00%	0	0.00%	400,000	20.00%
Yulon Construction Company	122,100,000	100.00%	0	0.00%	122,100,000	100.00%
Taiya Investment (HK) Co., Ltd.	1,584,917	20.50%	2,242,077	29.00%	3,826,994	49.50%
Fujian Spicer drivetrain System Co., Ltd.	US$5,166(thousand)*	20.50%	US$7,308(thousand)	29.00%	US$12,474(thousand)	49.50%

*Investments accounted for using equity method

IV Status of Fund Raising

4.1 Capital and Shares:

4.1.1 Source of stock capital

April 20, 2020
Unit: NT$

Year Month	Par Value	Authorized Capital		Paid-in Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Invested with Assets Other than Cash	Other
86.09	10	1,300,000,000	13,000,000,000	1,186,800,000	11,868,000,000	Paid-in Capital	-	MOF SFC Ruling (86)(1) No. 70410 dated 09/22/1997
87.06	10	1,780,000,000	17,800,000,000	1,424,160,000	14,241,600,000	Earnings capitalization	-	MOF SFC Ruling (87)(1) No. 48031 dated 06/02/1998
88.05	10	1,780,000,000	17,800,000,000	1,566,576,000	15,665,760,000	Earnings capitalization	-	MOF SFC Ruling (88)(1) No. 49148 dated 05/26/1999
89.12	10	2,000,000,000	20,000,000,000	1,644,904,800	16,449,048,000	Earnings capitalization	-	MOF SFC Ruling (89)(1) No. 102246 dated 12/26/2000
90.06	10	2,000,000,000	20,000,000,000	1,726,300,040	17,263,000,400	Earnings capitalization	-	MOF SFC Ruling (90)(1) No. 136949 dated 06/11/2001
91.09	10	2,000,000,000	20,000,000,000	1,829,146,403	18,291,464,030	Earnings capitalization	-	MOEA So.Sun.Zi No. 09101377780 dated 09/16/2002
93.01	10	2,000,000,000	20,000,000,000	1,371,216,258	13,712,162,580	Capital Decrease	-	MOEA So.Sun.Zi No. 09301008840 dated 01/20/2004
93.08	10	2,000,000,000	20,000,000,000	1,391,784,501	13,917,845,010	Earnings capitalization	-	MOEA So.Sun.Zi No. 09301155140 dated 08/26/2004
94.09	10	2,000,000,000	20,000,000,000	1,412,603,608	14,126,036,080	Earnings capitalization	-	MOEA So.Sun.Zi No. 09401173740 dated 09/06/2005
95.09	10	2,000,000,000	20,000,000,000	1,433,760,592	14,337,605,920	Earnings capitalization	-	MOEA So.Sun.Zi No. 09501198260 dated 09/04/2006
96.03	10	2,000,000,000	20,000,000,000	1,445,538,359	14,455,383,590	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09601052210 dated 03/19/2007
96.08	10	2,000,000,000	20,000,000,000	1,449,897,329	14,498,973,290	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09601201720 dated 08/21/2007
96.12	10	2,000,000,000	20,000,000,000	1,477,262,657	14,772,626,570	Conversion of Corporate Bonds & earnings capitalization	-	MOEA So.Sun.Zi No. 09601304650 dated 12/12/2007
97.04	10	2,000,000,000	20,000,000,000	1,537,426,961	15,374,269,610	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 0970109062 dated 04/18/2008
97.08	10	2,000,000,000	20,000,000,000	1,547,343,087	15,473,430,870	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09701194450 dated 08/11/2008
97.09	10	2,000,000,000	20,000,000,000	1,570,404,491	15,704,044,910	Earnings capitalization	-	MOEA So.Sun.Zi No. 09701249270 dated 08/11/2008
98.09	10	2,000,000,000	20,000,000,000	1,570,435,418	15,704,354,180	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09801203160 dated 09/07/2009
99.01	10	2,000,000,000	20,000,000,000	1,570,686,264	15,706,862,640	Conversion of Corporate Bonds Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09901006830 dated 01/18/2010
99.04	10	2,000,000,000	20,000,000,000	1,572,919,909	15,729,199,090	Conversion of Corporate Bonds	-	MOEA So.Sun.Zi No. 09901069120 dated 04/12/2010

Note 1: Fill up to the current-year data as of the print date of the annual report.

Note 2: Note the validity (approval) date and literature for fund increase.

Note 3: Shares issued in value lower than the par value shall be labelled through visible means.

Note 4: Monetary liabilities and technology offsetting shares shall be described with the type and amount of offset indicated.

Note 5: Private fundraising requires visible marking.

Unit: Shares

Type of Shares	Authorized Capital			Remark
	Issued (listed)	Unissued Capital	Total	
Common Stock	1,572,919,909	427,080,091	2,000,000,000	

Information on lump-sum reporting: Not applicable.

4.1.2 Structure of Shareholders

April 20, 2020

Structure of Shareholders / Quantity (Qty)	Governmental Institution	Financial Institution	Other legal persons	Natural Person	Foreign Institutions and Foreign Individuals	Total
Number of persons	7	16	221	114,203	296	114,743
Shareholding	13,178,217	85,816,211	738,970,445	632,149,107	102,805,929	1,572,919,909
Shareholding ratio	0.84	5.45	46.98	40.19	6.54	100.00
Shareholding ratio of Chinese investors：0						

Note: The initial listed (OTC) companies and emerging companies should disclose the shareholding ratio of Chinese investors. Chinese investors meant for the citizens, legal persons, groups, institutions of Mainland China or the companies invested in third countries that have invested in Taiwan in accordance with Article 3 of the “Rules Governing the Investment Permits Issued to Chinese Investors.”

4.1.3 Status of Ownership Dispersion

April 20, 2020

(Par value per share: NT$10)

Shareholding class	No. of shareholders	Shareholding	Shareholding ratio (%)
1 to 999	56,925	11,190,559	0.71
1,000 to 5,000	43,292	93,038,227	5.91
5,001 to 10,000	7,218	57,524,056	3.66
10,001 to 15,000	2,162	27,451,268	1.75
15,001 to 20,000	1,492	27,987,287	1.78
20,001 to 30,000	1,271	33,057,081	2.10
30,001 to 50,000	1,000	40,675,425	2.59
50,001 to 100,000	762	56,147,643	3.57
100,001 to 200,000	322	45,876,855	2.92
200,001 to 400,000	162	46,208,128	2.94
400,001 to 600,000	47	22,718,896	1.44
600,001 to 800,000	19	13,566,843	0.86
800,001 to 1,000,000	6	5,554,259	0.35
More than 1,000,001	65	1,091,923,382	69.42
Total	114,743	1,572,919,909	100.00

Preferred stock: None

4.1.4 List of Major Shareholders

Major Shareholders (shareholders hold more than 5% of the outstanding shares or the top ten shareholders)

April 220, 2020

Shares / Names of major shareholders	Shareholding	Shareholding ratio
Tai-Yuen Textile Co., Ltd.	284,901,045	18.11%
China Motor Corporation	262,228,166	16.67%
Kenneth K. T. Yen	160,126,140	10.18%
Mercuries Life Insurance Co., Ltd.	80,544,000	5.12%
Fande Investment Co., Ltd.	24,980,566	1.58%
JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	17,865,491	1.13%
Yen Ching Ling Industrial Development Foundation	17,287,844	1.09%
Allianz Global Investors Taiwan Technology Fund	14,637,000	0.93%
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds.	12,818,544	0.81%
Paolyta Investment Co., Ltd.	12,574,000	0.79%
Total	887,962,796	56.46%

4.1.5 Data on Market Price, Net Value, Earning, and Dividend per Share in the last two years

Item / Fiscal Year			2018	2019	Current Fiscal Year and before April 30, 2020 (Note 8)
Market value per share (Note 1)	Highest		24.55	24.95	21.75
	Lowest		17.45	17.55	14.40
	Average		21.39	20.31	18.37
Net Value per share (Note 2)	Before distribution		45.61	29.14	29.11
	After distribution		-	-	-
EPS (Earning Per Share)	Weighted average number of shares		1,462,765,000 shares	1,506,567,000 shares	1,537,851,000 shares
	EPS (Earning Per Share) (Note 3)		0.67	-	-
Dividend per share (Note 2)	Cash Dividend		1.39	(16.61)	0.13
	Stock Dividend	-	-	-	-
		-	-	-	-
	Cumulative un-paid dividend (Note 4)		-	-	-
Analysis on ROI (Return on Investment)	Price-Earnings (P/E) Ratio (Note 5)		15.39	(1.22)	-
	Price-Dividend Ratio (Note 6)		31.93	-	-
	Dividend Yield (Note 7)		3.13%	-	-

* In case of surplus or capital reserve reinvested to allotment of shares, the number of shares to be distrusted should be disclosed with traced adjustment of market value and cash dividend information.

Note 1: Denotes the highest common shares and lowest market value for each year, calculated for the average annual market value for the trading value of each year and the trading volume.

Note 2: Please use the number of share outstanding by the end of the year and filled out by the distribution of the resolutions made by the Shareholders' meeting the second year.

Note 3: In the event of free allotment and requires tracing for adjustment, each EPS shall be listed before and after adjustment.

Note 4: In case the condition of outstanding equity security is distributed according to the undistributed dividends of that year accumulated to the year with surplus, the cumulative unpaid dividends of that year shall be disclosed respectively.

Note 5: Price-Earnings Ratio = Current average closing price per share ／EPS

Note 6: Price-Earnings Ratio = Current average closing price per share ／Cash dividend

Note 7: Cash Dividend Yield = Cash dividend／Current average closing price per share

Note 8: Each net value and EPS shall be filled to the print date of annual report with the data attested (reviewed) by the CPA in last quarter. The other columns should also be filled up to the current year data as of the print date of the annual report

4.1.6 Dividend Policy and Execution Status

1. The Company's Dividend Policy

The Company's operating environment is a mature and stable industry. The Company's dividend distribution is planned with the consideration of The Company's profitability, future working capital needs and industrial environmental change; also, taking into account the long-term shareholder's equity and long-term financial planning. The Company's dividend is paid with cash dividend or stock dividend. The Board of Directors shall draft distribution of surprise proposition and prioritize in distribution of cash dividends.

The distribution of dividends is related to shareholder's equity, The Company shall follow the dividend policy:

If The Company makes surplus for the fiscal year, apart from making up for the cumulative loss in the past and taxation according to the law, 10% of the legal reserve and special reserve according to the regulations of competent authority shall be appropriated. The balance together with the remaining amount as of the beginning unappropriated earnings shall be the available reserve for distribution.

The Company engages in an industry with stable maturity. In consideration of the profit status, funding requirement for future operational plan and changes in industry environment of The Company in addition to taking account of long-term shareholders' equity and long-term financial planning of The Company, the dividend distribution of The Company should not fall below 10% of the available reserve. Dividends are distributed in cash or stock. In particular, the proportion of cash dividend distribution may not fall below 20% of total dividend amount. Finally the Board of Directors proposes the distribution statement to reach resolution at the Shareholder Meeting.

2. The proposal to this Shareholders Meeting for dividend distribution is as follows:

The Company's 2019 annual financial statements have shown after-tax losses, and there would be no surplus available for distribution at the end 2019. According to the resolution made by the Board of Directors on March 30, 2020, there would be no distribution of dividends for the fiscal year of 2019 and this resolution would be submitted to the 2020 general meeting of shareholders for recognition.

3. Description of significant changes in expected dividend policies:

The dividend policy of The Company in future three years shall follow the aforementioned distribution policy for execution without significant changes.

4.1.7 The impact of the distribution of stock dividend as proposed in this Shareholders Meeting on operation performance and earning per share:

It is not applicable since there is no stock dividends distributed this year.

4.1.8 Employee Bonus and Remuneration to Directors and Supervisors

1. If The Company makes profits for the fiscal year, the profits shall be appropriated for remuneration in the follows:

(1) The remuneration for directors may not exceed 0.5% while independent directors may not participate in the distribution of the preceding remuneration.

(2) The remuneration for employees may not fall below 0.1%. The preceding remuneration for employees is resolved by the Board of Directors and distributed in the form of stocks or cash. The distribution of remuneration for employees and directors shall be reported to the Shareholder's Meeting.

(3) If the Company has cumulative loss, the amount to make up the loss shall be withheld beforehand, and then the remuneration is distributed in accordance with the previous proportions. The 14th supervisors could still acquire remuneration upon the expiration of term, dismissal or resignation in accordance with the 51st revision on June 11, 2013. The remuneration proportion, remuneration distribution procedure and distribution conditions shall comply with the regulations related to the remuneration for directors.

In addition to the aforementioned employee remuneration, The Company has incentives distributed, including three festival bonuses, annual bonus, and the management performance bonus according to the operating performance and personal performance in order to inspire employees to create better performance for the benefits of the Company and shareholders.

2. Information about Proposed Distribution of Employee Bonus as Approved by the Board of Director

The Company's 2019 annual financial statements have shown after-tax losses, and there would be no surplus available for distribution at the end 2019. According to the resolution made by the Board of Directors on March 30, 2020, there would be no distribution of dividends for the fiscal year of 2019 and this resolution would be submitted to the 2020 general meeting of shareholders for recognition.

3. The employee's bonus and directors/supervisors' remuneration paid from last fiscal year's earnings is:

Proposed to distribute employee bonus in the amount of NT$ 2,170,000 and remuneration to directors/supervisors in the amount of NT$ 10,870,000 that is no difference from the estimated expense amount in 2018 and has been distributed in 11/5/2019.

4.1.9 Situations of The Company's buy back stocks

It is not applicable since The Company did not buy back treasury stock.

4.2 Corporate Bonds issued

Issuance		First 2017 Unsecured corporate bonds.	First 2018 Unsecured corporate bonds.
Issuing Date		2017.12.12	2018.12.25
Denomination		NT$ 1,000,000	NT$ 1,000,000
Place of issuance and exchange		R.O.C	R.O.C
Offering Price		The bond is issued at full facc value	The bond is issued at full facc value
Total Amount		NT$ 10,000,000,000	NT$ 5,300,000,000
Coupon		Tranche A: 1.04% p.a. Tranche B: 1.17% p.a.	Tranche A: 1.18% p.a. Tranche B: 1.8% p.a.
Tenor and Maturity Date		Tranche A: 5 years, NT$7 billion maturity: 12/12/2022 Tranche B: 7 years, NT$3 billion's Maturity: 12/12/2024	Tranche A: 5 years, NT$3.6 billion Maturity: 12/25/2023 Tranche B: 7 years, NT$1.7 billion Maturity: 12/25/2028
Guarantor		None	None
Trustee		Mega International Commercial Bank	Mega International Commercial Bank
Underwriter		KGI Securities Co. LTD.	Yuanta Securities Co. LTD.
Legal Counsel		Yicheng United Law HUI-JI GUO,Attorney-at-law	Jones Day's Law Huai-yu Wang,Attorney-at-law
Auditor		Deloitte & Touche Taiwan CPA Hsin-Wei TAI and CPA Yu-Wei FAN	Deloitte & Touche Taiwan CPA Hsin-Wei TAI and CPA Yu-Wei FAN
Repayment		Bullet	Bullet
Outstanding		NT$ 10,000,000,000	NT$ 5,300,000,000
Redemption or Early Repayment Clause		None	None
Covenants		None	None
Credit Rating		Not Applicable	Not Applicable
Other Rights of Bondholders	**Amount of Converted or Exchanged Common Shares, ADRs or Other Securities**	Not Applicable	Not Applicable
	Conversion Right	Not Applicable	Not Applicable
Dilution Effect and Other Adverse Effects on Existing Shareholders		Not Applicable	Not Applicable
Custodian		None	None

4.3 Preferred Stock issued

None

4.4 Global depositary receipts issued

None

4.5 Employee Stock Options issued

None

4.6 New shares issued for merger or acquisition or acceptance of new shares from other companies

None

4.7 Content of Funds Utilization Plan

(1) The Plan (for the issuance or private placement of marketable securities that is not yet completed, or that was completed within the three years but without conspicuous effects generated yet, please detail the content of the plan)

Not applicable.

(2) The plan execution (If the progress or the expected effect of each plan is not fulfilled, the root causes should be specified

Not applicable.

V. Highlights of Operations

5.1 Business Content

5.1.1 Business Scope

1. Major Business

(1) The manufacturing, sales, design, testing, inspection, processing, and maintenance of various vehicles and its related raw materials, components, molds, fixtures, tools and other equipment.. Class A car service garages, sales of automobile parts and accessories, remodeling and sales of automobile body, automobile inspection services, and automobile dealership;

(2) All car raw materials and spare parts provided to Nissan Motor Co., Ltd. and overseas car related business;

(3) The installation, sales, import/export business of low capacity radio-frequency electric devices and materials for automobiles;

(4) The wholesales of telecommunication equipment;

(5) The retails of telecommunication equipment;

(6) The general import/export business (Except for those that require a permit);

(7) Technical consultation services for the above business items;

(8) General Business Management Consultation Services (Except for the CPA business and the securities investment consultation services);

(9) Development, sale, and lease of residential premises and high-rise buildings;

(10) Leasing of plant site;

(11) Leasing of warehouse;

(12) Leasing of office building;

(13) Except for business that requires a permit, other business that is not forbidden or restricted by laws.

2. Major business categories and their percentages

The production and sales of automobiles and related parts and equipment, constituted 95.5% of the total business sales.

3. Main products

(1) NISSAN passenger vehicle:

370Z series: 7-speed automatic sports car
GT-R series: 3-mode 6-speed Automatic/ Manual Sports Car
JUKE 1.6 series: XTRONIC-CVT
TIIDA series: Electronic Smart 4-speed Automatic Transmission / XTRONIC-CVT Sedan
LIVINA series: X-CVT sedan / SUV
SENTRA series: X-CVT sedan
X-TRIL series: CTV SUV
KICKS series: X-CVT sedan / SUV

(2) INFINITI:

Q50 series: 7-speed automatic/manual sedan/sports car
Q60 series: 7-speed automatic/manual sedan/sports car
QX50 series: 7-speed automatic/manual SUV
QX60: XTRONIC CTV SUV 7-speed automatic

(3) LUXGEN:

Luxgen URX series: 6-speed automatic/manual SUV
Luxgen S5 GT/GT220 series: 6-speed automatic/manual sedan
Luxgen S3 series: CTV sedan (7-speed manual SUV)
Luxgen U5 series: CTV sedan (7-speed manual SUV)
Luxgen U6 GT/GT220 series: 6-speed automatic/manual SUV
Luxgen U7 Turbo ECO series: 6-speed automatic/manual SUV
Luxgen M7 Turbo ECO series: 6-speed automatic/manual SUV
Luxgen V7 Turbo ECO series: 6-speed automatic/manual Welcab

5.1.2 Industry Summary

1. Macroeconomy environment analysis:

(1) International situation:

In 2019, the global economic growth rate had hit the least increase of 2.9% since the financial crisis. However, international trade disputes were ongoing and abetted by COVID-19 pandemic. It is estimated that the global economic growth rate will drop sharply in 2020. According to the data of Global Insight in March 2020, the global economic growth rate in 2020 was cut significantly from 2.5% in January to 0.7%. International Monetary Fund also estimated that it would be the worst recession since the Great Depression, the global economic growth rate will shrink to -3% this year. Among the situations, the economic growth of US begins to experience widespread chaos due to the COVID-19 pandemic, despite trade disputes between US and China was mitigating. Due to COVID-19 pandemic, the unemployment rate has climbed sharply and there is no sign of lifting suspension of work. The Federal Reserve System has cut interest rates twice, the Federal funds rate fell to nearly zero and returned to the level in 1997, when the year burst of the financial crisis. Subsequently, the Fed announced that it would acquire an unLtd. amount of US Treasury bonds and mortgage-backed securities, and restart the quantitative easing (QE) assets acquisition program. As for the Eurozone, which was originally affected by the European debt, the COVID-19 pandemic adds insult to injury. Italy announced the national blockade to suspend all work and daily activities in March, so that the growth rate in Eurozone is expected to remain grim. China, regarding as the storm cell of the COVID-19 pandemic, estimates that the GDP will slow down to 4.8% this year, though the epidemic is seemed under control and the authority continuously releases favorable policies.

The 2020 global economic growth forecast is as follows:

	Global Insight	IMF	The World Bank
Global economic growth rate	0.7% (‘20/03)	-3.0% (‘20/04)	2.8% (‘20/01)

Note: ( ) as expecting dates

(2) Domestic economy:

Due to the impact of COVID-19, the economic growth rate in Taiwan has slowed down in 2020. Directorate-General of Budget, Accounting and Statistics, Executive Yuan predicted the 2020 economic growth rate in Taiwan is 2.37% in February, and may still be revise down. The monitoring indicator continues to be blue light (Feb 2020), it shows stable but still need to follow-up the subsequent changes.

According to International Monetary Fund’s latest forecast, the economic growth rate in Taiwan will revised down from 2.% in October 2019 to -4% in April 2020. However, Directorate-General of Budget, Accounting and Statistics, Executive Yuan suggests that it would be barely happened in Taiwan. It is estimated that Taiwan’s GDP will fall between 1.3% and 1.8% this year.

The 2020 Taiwan economic growth forecast of each major research institution is as follows:

	Directorate-General of Budget, Accounting and Statistics	HIS Global Insight	IMF
Taiwan economic growth rate	2.37% (‘20/02)	1.0% (‘20/03)	-4.0% (‘20/04)

2. Industry Current Status and Development

The vehicle industry in Taiwan has been developed for more than sixty years. Its R&D, manufacturing quality, and management capabilities have reached the level of advanced countries. In recent years, due to the unfavorable factors of international oil price fluctuations, global economic growth sluggish, real income growth become stagnant, extended car useful life cycle, and domestic market saturation, vehicle manufacturers are facing business difficulties with low utilization of car plant capacity and rising production cost. Moreover, the drastic increase of demand for imported cars in the last two years has aggravated the management predicament year by year. Looking to the future, Taiwan's auto market is gradually maturing with Ltd. space for significant growth; therefore, each motor manufacturer is committed to strengthening R&D capabilities and technical standards, to increase the added value of products, and to expand export markets in order to break through the bottleneck of survival and development. The Company has recently been devoted in the management of self-brand, LUXGEN. We rely on independent R&D and cope with market trends, taking actions in expanding Taiwan and overseas market. Relationships of the industry's upper, middle, and down streams

3. The automotive industry is a technology-intensive and capital-intensive industry. The value chain process includes the industry of steel, plastics, rubber, glass, machinery, electric engineering, electronics, finance, and services. Also, the professional talents include the skills of R&D, manufacturing, procurement, marketing, management, repair and maintenance in order to build up a comprehensive automotive industry. In addition, the automotive industry creates an annual output value of hundreds of billions. The vehicle and component exports will generate many trade surpluses for the country and promote economic growth and provide hundreds of thousands of jobs that can be deemed as the locomotion of the economy.

4. Product development trends and competition

In response to changes in the industrial environment and future development opportunities, the Yulon Group has initiated a transformation strategy in its own brands since 2019. In order to acquire multiple customers, Yulon fully opened the vehicle model platform and R&D energy in the automotive R&D value chain and through resource sharing to create scale and reduce costs. Under the transformation strategy in opening platform, Yulon also strives for the production and OEM business of overseas brands such as French electric commercial vehicle MUSE and Italian three-wheel heavy machinery brand ADIVA. Yulon actively expands the diversified customer market, and hopes to exert its first-come-first-strength strength on the road of transformation to create a solid niche for the Company.

Yulon established a joint venture with Foxconn Technology Group in 2020. Foxconn Technology Group invested 7.944 billion in cash, accounting for 51% of the shares, and Yulon invested 7.632 billion in open platform assets at a price of 49%. In the future, the joint venture will combine the complementary advantages in vehicle research and development and ICT industry resources of both companies which promote a new business model of open platform and sharing in the global automotive industry, and provide overall solution services to global target customers.

5.1.3 Technology and Research & Development

1. Technology, Research and Development (R&D) expense invested in 2019 and as of the publication date of the annual report

Unit: NT$ Thousand

Fiscal Year	R&D expenditure	Operating income	R&D expenditure/total income ratio (%)
2019	803,572	85,800,574	0.937%
2020Q1	213,726	17,572,356	1.216%

2. Achievement in recent 3 years

(1) April 2017: NISSAN iTIID was redesigned and entering mass production stage.

(2) Sep 2017: NISSAN JUKE platinum Special Edition in Ltd. production.

(3) Sep 2017: LUXGEN U5 completed development, pilot-run and entering mass production stage.

(4) Oct 2017: NISSAN iTIIDA SR Special Edition and entering mass production stage.

(5) Oct 2017: NISSAN X-TRAIL Hybrid Special Edition in Ltd. production.

(6) Nov 2017: NISSAN SENTRA was redesigned and entering mass production stage.

(7) Nov 2017: LUXGEN U6 GT/U6 GT220 was redesigned and entering mass production stage.

(8) Dec 2017: LUXGEN S3 was redesigned and entering mass production stage.

(9) May 2018: NISSAN X-TRAIL was redesigned and entering mass production stage.

(10) Sep 2018: NISSAN iTIID was redesigned and entering mass production stage.

(11) Sep 2018: NISSAN SENTRA was redesigned and entering mass production stage.

(12) Sep 2018: NISSAN JUKE was redesigned and entering mass production stage.

(13) Nov 2018: NISSAN KICKS new models entering mass production stage.

(14) Feb 2019: LUXGEN M7/U5/U6 GT was redesigned and entering mass production stage.

(15) May 2019: LUXGEN S5 GT/GT225 was redesigned and entering mass production stage.

(16) Oct 2019: NISSAN KICKS was redesigned and entering mass production stage.

(17) Nov 2019: NISSAN X-TRAIL was redesigned and entering mass production stage.

(18) Dec 2019: NISSAN Tiida was redesigned and entering mass production stage.

(19) Dec 2019: LUXGEN URX new models entering mass production stage.

3. Future R&D plan and amount

(1) Building electric vehicles with stable mass production capacity.

(2) Establishing electric vehicle recovery and component testing capacity.

(3) Developing the software system.

(4) Manufacturing and developing the core technology products.

The for capital expenditure and expense investment required for the abovementioned R&D program, the Company has prepared about NT$254 million in budget and in particular the professional technician personnel expense in 2020, labour expense and other affairs expense of the R&D program accounted for NT$123 million alone.

5.1.4 Long-term and short-term business development plan

1. Short-term business development plan

(2) Transformation strategy in automotive value chain:

i. Asset-light and Efficiency：To acquire multiple customers, Yulon open up the vehicle model platform and R&D energy and through resource sharing to create scale and reduce R&D and operation costs. Luxgen operates in an asset-light mode, integrates value chain functional units, and improves operational efficiency.

ii. Fully opened and multiple OEM production：In response to market demand and the benefits of scale, Yulon actively carries out transformation strategy in value chain, fully opening up for multiple customers, as well as customers at home and abroad, to enhance professional OEM services.

(3) Multiple brands business operation:

In addition to continuing to focus on OEM production and sale of NISSAN and INFINITI brands, the Company has been introducing the own-brand of LUXGEN M7 ECO HYPER/U7 ECO HYPER /S5 ECO HYPER /U6 ECO HYPER/S3 CROSS SEDAN/V7 TURBO ECO HYPER since 2009, and introduced ALL NEW SUV LUXGEN U5 in 2017. In 2019, new vehicle Luxgen URX has been introduced, with large space and high-tech safety equipment, as well as the seven-seat ARD smart model and extended car model to make the product line more complete and mature, which will effectively increase the utilization rate of the production capacity and reduce the manufacturing cost. Through Yulong Group's comprehensive value-chain resource sharing, consumers will be provided with diverse and unexpected choices.

(5) Enhancing production and service satisfaction:

Yulon is a professional manufacturer of multi-brand. In response to the demand of multi-brand business operation, the Company strives to enhance the manufacturing quality, cost, delivery, and service satisfaction. Yulon also provide customized service and most competitive manufacturing quality for each brand in order to achieve a multi-wins situation for the brand, Yulon and customers, and to become the best and cross-strait professional automobile factory in the mainland Taiwan and Hong Kong.

(6) Activating assets implementation:

With regard to the development project of Yulong Town in Xindian, the second phase of the commercial district base has successfully started construction in October 2017. In October 2019, the design was changed, the residential part was cancelled, only the mall was reserved, and the main floor lease was completed. It is expected to be delivered to the customer for construction in 2021 and will be officially put into operation after completion.

(7) Internal procedure improvement:

The Company continues to improve risk management, control, and effectiveness of the monitoring process through internal processes improvement and internal audits; also, utilizes Kernel Objectives Management (KOM) to control the objective fulfillment of each department, aggressively strives to reduce cost, upgrades quality, and promotes work safety and health and environmental protection in order to effectively improve the Company's operating management performance and quality.

(8) Integrate the quality resource:

The Company uses the plant as the center to connect with supply chain, take initiative to implement quality management with associate suppliers, implement total quality management system, break the constraints in traditional quality ideology, and gradually introduce the production system, sales system, inbound and inventorying system & customer service system, thereby forming a quality value chain operation mechanism. The bilateral management control model is adopted to drive the overall industry value chain.

2. Long-term business development plan:

(1) Align ICT industry, provide solutions and ecosystem services:

i. In the future, through establishing a joint venture with Foxconn Technology Group, the Company will promote a new business model of open platform and sharing in the global automotive industry. Yulon will provides overall solution services to global target customers via combine the complementary advantages of both companies in vehicle research and development and ICT industry resources.

ii. Luxgen will continue to cultivate its own-brand with the help of the open platform and shared resources of the joint venture, focus on sales and channels, and launch new products that are competitive and meet market demand.

(2) Transformation strategy in automotive value chain and multiple manufacturing services:

Yulon strives for other cooperation opportunities of four-wheel passenger cars, expands the acquisition of professional manufacturing commission of French electric commercial vehicle MUSE and Italian three-wheel heavy machinery brand ADIV, and continue to evaluate and strive for other manufacturing service opportunities.

5.2 Market, Production and Sales Review

5.2.1 Market Analysis

1. Main product and main market

The Company's products are: Medium/small size sedans, recreational vehicles, commercial vehicles, and heavy-duty vehicles that are mainly sold in Taiwan.

The total 2019 sales in Taiwan market for the Company reached 42,721 vehicle (including Nissan & Luxgen), decrease 9.6% compared with 2019, and the market share was 9.7%.

The 2019 overall sales of Taiwan car market is shown below:

Year of Sales	2018	2019
Total Sales Volume	435,135	439,836
Domestic Cars	237,854	229,887
Import Cars	197,281	209,949

2. Supply and Demand situations in the market

(1)Market overview and prospects

A total of 439,000 vehicles (excluding heavy vehicles) were sold in 2019, representing increase 1.1% with 2018. For the domestic automobile sales in 2019, 229,000 vehicles were made in Taiwan and 209,000 vehicles were imported, the imported vehicles sold that was 6.4% growth from the same period in 2018.

Looking forward to 2020, faced with the challenges of the global economy and affected by COVID-19, it is estimated that the cross-strait automobile market will still maintain a stable trend this year. Taiwan auto market is expected with a total of 432,000(Without heavy truck) vehicles sold. The total sales volume of the mainland automobile market reached 25.76 million units last year. It is estimated that the total automobile market in mainland China will be about 20 million this year. Yulon will strengthen management effectiveness, constantly innovate cooperation models, create opportunities in the challenge, pursue steady growth, and maintain a stable auto market.

(2)Competitiveness niche

Yulon owns Nissan joint venture brand and LUXGEN, professional OEM factory, and model development team; it is the most competitive automobile group in Cross Straits with complete value chain in automobile R&D, production and sales. In Taiwan market, Yulon will incorporate the sales of NISSAN and LUXGEN brand in the car market to create stable income. For Chinese market, due to the sales of own-brand are not as expect in recent years, leads to adverse effects on Luxgen. Yulon will carefully evaluate the development and adjustment strategies of the mainland market.

Facing with the continuous rising market share of import cars in Taiwan and the M-type society car purchase behaviour provoking growth in luxury cars as well as other adverse factors, the advantage of domestic brand lie on high C/P value in spite of the better brand image of import cars from the consumers' viewpoints. In midst of the threat from import cars, LUGXEN owns the advantage of independent R&D and with the support of local partners from Nissan brand, Yulon will continue to meet consumer demand and provide differentiated products.

3. Favorable and Unfavorable factors for the development prospect

Favorable factors:

(1) Development of new energy technologies

Taiwan is highly urbanized with high population density and sufficient power supply that is especially suitable for the development of electric vehicles. The Company's vehicle manufacturing technology is mature. Work with the operation demonstrated by the government and cooperate with power companies to develop new energy technologies. In addition, Yulon is also actively investing in the research and development of pure-electric and plug-in hybrid electric car models to create a friendly environment for the use of electric vehicles, and to construct competitive advantage with environmental protection and forward-looking technology.

(2) Continuous innovation, enhancing differentiated added-value

Innovation has always been the Company's corporate culture. In order to respond to market change as early as possible, the Company will adhere to the innovative technology, innovative product design, and innovative thinking in response to customer demand; also, enhance competitiveness and product added-value with innovation so to help the Company transformed into a creative manufacturing service industry.

(3) Manufacturing capacity and production quality are on par with international manufacturers

The Company has accumulated decades of automotive manufacturing craftsmanship with the manufacturing capability and quality reached international standards, and has a small variety of flexible production capacity. In terms of production management, the Company is good at various process improvement techniques to enhance product stability and has won numerous international outstanding quality awards.

(4) Government's preferential policies

Although the domestic auto market has entered the late stage of the ten-year car change wave, but there are favorable factors, such as the on-going old-for-new commodity tax subsidy policy, and the loosening restrictions imposed by the Ministry of Transportation and Communications on the body model of taxis, as well as the introduction of new models, price reductions and sales promotion. Demand for purchasing in the auto market is still be expected in 2020.

Unfavorable factors:

(1) International situation uncertainty

Due to the COVID-19, 2020 global economic growth has slowed down, the potential impact risks, such as the potential rise of trade protectionism, the US-China trade dispute, and regional economic integration. The trend of fiscal policies in major countries and the changes in the exchange rate in emerging market countries will all affect the pace of global economic growth. The attention will be paid for the future development herein.

(2) Domestic market saturation, difficult high growth

Consumers' spending habits could be affected by high fluctuation in international oil prices, the increasing popularity of mass transportation systems, the extending useful life of car, the impact of declining birthrate / aging society structure, and other factors.

(3) Related regulations and policies causing operating cost to go up

The Government promotes energy-saving and carbon reduction policies and related regulations, such as: sewage regulations, the implementation of formality security certification, scrap car disposal fees, air pollution fee, and luxury taxes that cause business operating cost to go up.

(4) The price of high-ranking sedan become popularization

In recent years, international manufacturers have successfully entered the domestic mid-level car market through the introduction of premium car entry models and the friendly price. A new consumer group has been reorganized, which has gradually affected the sales of domestic cars.

(5)Enthusiastic second-hand market transactions

In 2019, nearly 700,000 vehicles are traded in the second-hand market in Taiwan which directly affects the sales of new car market.

4. Countermeasures:

Facing with the increasingly intense domestic car market expectation, the Company continues to upgrade and respond to the various strategies and core policies to cope with the globalized market and industry changes through the following table of adaptation:

Strengths:	**Weaknesses:**
1. Multi-brand professional manufacturing capacity, flexible production technology 2. High-quality & international automakers' level of full-vehicle automotive technology 3. The development of core technology in autonomy/mass production capacity of electric vehicles	1. The synchronization with the value chain company and the upgrade of digital integration 2. A large number of customization and new technology directed into the car that requires more effective quality control program 3. Due to the large amount of IT, the emergence of new energy vehicles and the advance of production technology, quality inspections need to constantly improve.
Opportunities:	**Threats:**
1. AI and Big Data will Improve the Group's value-chain competitiveness 2. The open architecture of industrial chain can be shared in the platform. 3. The data transmission accelerated by the prevailing of handheld smart devices	1. Taiwan's auto market has matured and the growth is Ltd.. 2. The major car makers competing to enter the digital / smart production 3. Product development time to market shortened

The following challenges faced by Yulon:

(1) To set up relevant indicators such as smart production lines/intelligent warehouses in line with the trend of the Internet.

(2) To shorten the trial time schedule through design review verification and digital simulation.

(3) To set up an enhanced supplier guidance and tour system to ensure the quality of parts development.

(4) To create a comprehensive solution for industrial development by combining the integration of physical and virtual networks, smart networking technology, Smart Auto and huge amounts of information.

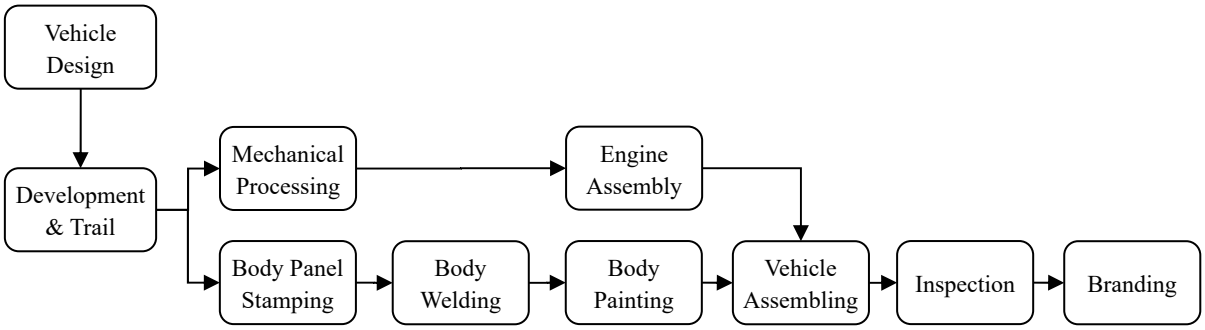
(5) To improve the efficiency of vehicle manufacturing with the open architecture of industrial chain.

5.2.2 Main Applications of Major Products and Their Manufacturing Processes

1. Main applications of major products

The Company designs, develops and pilot run, and manufactures various sedans, recreational vehicles, and commercial vehicles, mainly for passengers, cargo delivery, and leisure traveling. The Company also manufactures parts for car assembling and repair and maintenance service.

2. The production process of main products



5.2.3 The Supply of Major Materials

The supply sources of major materials are from NISSAN in Japan and other domestic vendors. The material price and supply is very stable due to the long-term supply relationship and agreements signed with the suppliers.

5.2.4 The name, purchase (sale) amount, and ratio of the customers accounted for over 10% of the total purchase (sale) in one of the last two years, and the reason for the changes in purchase (sales)

1. List of Major Suppliers in the Last 2 Fiscal Years

Unit: NT$ Thousand

	2018				2019				2020Q1(Note 2)			
Item	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer
1	Yulon-Nissan Motor Co., Ltd.	17,700,214	19.1	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	17,108,780	19.2	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	3,455,348	17.5	Invested company under the equity method
2	Dengfeng Yulon Motor Co.Ltd	4,110,806	4.4	Invested company under the equity method	Dengfeng Yulon Motor Co.Ltd	815,129	0.9	Invested company under the equity method	Dengfeng Yulon Motor Co.Ltd	70,642	0.4	Invested company under the equity method
3	Other	71,143,535	76.5		Other	71,273,474	79.9		Other	16,166,015	82.1	
	Net purchase amount	92,954,555	100		Net purchase amount	89,197,383	100		Net purchase amount	19,692,005	100	

Note 1: List the name of the suppliers with more than 10% of the total purchase amount, purchase amount, and purchase ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract or the counterparty of the transaction is an unrelated individual.

2：Financial data have been audited by the CPA.

Analysis of change in purchase ratio: Dongfeng Yulon purchase amount fell is due to the sale in Chinese market not what it used to be; therefore, the seller has purchased less from the suppliers.

2. List of Major Clients in the Last 2 Fiscal Years

Unit: NT$ Thousand

	2018				2019				2020Q1(Note 2)			
Item	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer
1	Yulon-Nissan Motor Co., Ltd.	12,619,983	19.9	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	12,928,433	22.2	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	2,453,386	23.2	Invested company under the equity method
2	Others	50,725,342	80.1		Others	45,222,107	77.8		Others	8,111,350	76.8	
	Net sales	63,345,325	100.0		Net sales	58,150,540	100		Net sales	10,564,736	100	

Note 1: List the name of the suppliers with more than 10% of the total purchase amount, purchase amount, and purchase ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract or the counterparty of the transaction is an unrelated individual.

2：Financial data have been audited by the CPA.

Analysis of change in purchase ratio: No significant change in the major suppliers and the increase or decrease ratio is adequate.

5.2.5Production Volume and Value of Recent Two Years

Unit: Volume - unit

Value – in NT$ Thousand

Fiscal year / Production Capacity / Main Products (or by Department)	2018			2019		
	Production capacity	Production quantity	Production Value	Production capacity	Production quantity	Production Value
Vehicle	80,000	42,430	16,633,956	80,000	37,737	15,613,144
Total	80,000	42,430	16,633,956	80,000	37,727	15,613,144

Note: Above information is based on the individual financial data.

5.2.6 Sales Volume and Value of Recent Two Years

Unit: Volume - unit

Value – in NT$ Thousand

Fiscal Year / Selling Volume/ value / Main Products (or by Department)	2018				2019			
	Local Sales		Export Sales		Local Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Vehicle	47,269	26,516,726	0	0	42,721	25,283,799	0	0
Parts	0	3,687,404	0	168,299	0	3,788,424	0	137,975
Total	58,186	30,204,130	0	168,299	42,721	29,072,223	0	137,975

Note: Above information is based on the individual financial data.

5.3 Employees

April 30, 2020

Fiscal Year		2018	2019	Data as of ending data on April 30, 2020
No. of Employee	Staff	297	295	305
	Technicians	781	778	741
	Administration Assistants	20	20	17
	Total	1,098	1,093	1,063
Average age		42.5	42.1	42.1
Average years of service		17.0	16.36	16.2
Academy Ratio	Doctor	0.1%	0.1%	0.2%
	Master	17.5.%	17.9.%	18.7%
	College	24.8%	27.1%	27.7%
	Senior High School	53.2%	51.1%	49.9%
	Below Senior High School	4.4%	3.8%	3.5%

Note: The information cut-off date is on December 31, 2018 and 2019.

Year	2018	2019	As of March 31, 2020
Number of employees of the Company and subsidiaries	12,402	11,286	11,458

Note: The information cut-off date is on December 31, 2018 and 2019.

5.4 Expenditures on Environment Pollution Control

5.4.1 From the last 2 years and as of the print date of the annual report, the aggregate disposition amount fined by eco-friendly agency was:

None

5.4.2 The countermeasures and the potential expense

1. Estimated Future Expenditures on Pollution Control:

Fiscal Year / Item	2020	2021	2022
·Plans and expenditures in buying pollution control equipment	Investment on pollution control equipment	Investment on pollution control equipment	Investment on pollution control equipment
·Expected effect of improvement	To meet the environmental requirements and international practices	To meet the environmental requirements and international practices	To meet the environmental requirements and international practices
·Estimated Expenditures	NT$35,000 thousand	NT$35,000 thousand	NT$35,000 thousand

2. Other expense:

Fiscal year / Item	2020	2021	2022
·Content of Expense	1. Environment dues NT$14,000 thousand 2. Management expense NT$13,500 thousand	1. Environment dues NT$14,000 thousand 2. Management expense NT$13,500 thousand	1. Environment dues NT$14,000 thousand 2. Management expense NT$13,500 thousand
·Expected effect of improvement	To meet the environmental requirements and international practices	To meet the environmental requirements and international practices	To meet the environmental requirements and international practices
·Estimated Expenditures (1+2)	NT$27,500 thousand	NT$27,500 thousand	NT$27,500 thousand

5.4.3 Effects of improvement performed:

Item \ Fiscal year	2020	2021	2022
·Effects on Net income	Depreciation Expense increased by NT$7,500,000 each year	Depreciation Expense increased by NT$7,500,000 each year	Depreciation Expense increased by NT$7,500,000 each year
·Effects on Competing Positioning	Enhancing corporate reputation, reducing environmental pollution, and contributing to social welfare.	Enhancing corporate reputation, reducing environmental pollution, and contributing to social welfare.	Enhancing corporate reputation, reducing environmental pollution, and contributing to social welfare.

5.4.4 Whether the Company has developed energy-saving and carbon reduction, greenhouse gas emissions reduction, water usage reduction, or other waste policy:

1. GHG reductions: Since 2007, the "Energy Conservation and Carbon Reduction Project" has been set up, carbon emissions has been reduced by 44.1%, from 580 kg-CO2 each car to 2019 324 kg-CO2 each car. Every year, the goal is to reduce carbon emissions by 4% to reduce the rate of global warming. The annual total emissions are 15,911 metric tons-CO2 in 2017, 15,672 metric tons-CO2 in 2018, and 12,283 metric tons-CO2 in 2019.

2. Water consumption reduction: The water consumption in 2019 is reduced by 680 metric tons (348,912→348,232 metric tons) compared with 2018, and continue to reduce every year to slow down the consumption of global water resources. All the wastewater in the manufacturing process is discharged from the wastewater treatment plant (43.4 mg/L), which is better than the regulations (below 100 mg/L) to reduce the environmental loading.

2. Waste reduction: The general waste output in 2019 is 17.55% lower than 2017 (179 → 147.59 tons), with a 1% reduction in output per year for our goal, resource recycling 100% recycling.

3. Continuous Environmental Goals of Yulon Motor

(1)Greenhouse gas emissions per unit: Reduced by more than 4% annually

(2)Volatile organic compounds emissions per unit: Reduced by more than 4% annually

(3)Water consumption per unit: Reduced by more than 1% annually

(4)Recycle waste: 100% recycling and reuse

(5)General waste: The annual total volume is reduced by more than 1%

(6)Toxic chemical substance: No use

(7) Noise control: Introduce the new noise control equipment with average noise exposure level less than 80 dB

Please refer to the “Performance of Social Responsibility” in Chapter Three for the Company’s environmental protection policy.

5.5 Labor-Employer Relation

5.5.1 Current Prominent Labor-Employer Agreement, employee benefits, and the Implementation

1. Status of Labor-employers Agreements

(1) The Company holds a scheduled meeting with the labor representatives for proper communication of problems and improvements between the proprietor and the laborers.

(2) Send personnel to attend union board meetings, to understand and respond to the demands of the union, and promote harmonious labor relations.

(3) Ask for the opinions from the officials of the labor authorities, scholars, or lawyers on relevant issues and hold seminars of relevant topics regularly.

(4) Continue to strengthen our effort in educating the employees to enhance convergence.

(5) Assist colleagues to solve work problems through the Worker’s Complaint Handling System and to protect the rights and privileges of the colleagues.

(6) Strengthen supervisors to conform to the management ideas of corporate culture by collecting consensus, organizing supervisor consensus camp and had meals with union officials for discussion.

2. Employee Benefits

(1) Provide uniform, safety shoes, commuter's transportation, and scheduled home-returning transportation.

(2) Provide safe, convenient, and quiet dormitory environment.

(3) Establish employee welfares zone, which includes the recreational and leisure facilities of tennis court, badminton court, leisure garden, swimming pool, indoor and outdoor tennis court, basketball court, power walk track, sauna, video/audio center, library, restaurant, concessionary, and gymnasium.

(4) There are two staff restaurants serving buffet, pasta, special meals and provide night snacks for employees who work overtime.

(5) Hold large-scale sports activities such as basketball leagues, badminton competitions, and road running in the factory area, as well as diverse community activities such as yoga, aerobics, jogging, guitars, and photography to promote employees' physical and mental health and cultivate diverse interests.

(6) Every year, it handles employee care activities such as new employee orientation party, summer camps for employees' children, year-end party, and reunion with fellow employees.

(7) Establish volunteer clubs, every year arrange volunteer activities such as beach cleaning, blood donation, support for orphans, care for vulnerable children, community services, and end-of-year donations.

(8) Setup Employee Welfare Committee and manage children and colleagues education grants, Family travel allowances, subsidy for car purchase, festivals benefits, May 1st Labor Day activities, domestic and international tourism, Dragon Boat Festival and Mid-Autumn Festival activities.

(9) Provide group insurance including colleagues and dependents.

(10) In addition to complying with law and regulations, leave with pay is granted in accordance with the customs, such as, children first day in school, children wedding day, brothers and sisters' wedding day, etc.

(11) Adjust the off day in response to the production equipment maintenance that will take some time, so that employees can take a long vacation in spring and summer with their family to enhance parent-child interaction and relieve work pressure.

(12) In order to promote the balance of work and life of colleagues, the "get off work on-time day" activities monthly is implemented monthly. The production line is arranged for an 8-hour production day without any overtime scheduled. The idea is to encourage the colleagues to arrange family activities, to attend self-growth courses, and to enjoy sports activities.(10) Provide pregnant workers with the designated parking spaces in the plant to help them get to work conveniently.

(13) To implement maternal protection, provide parking spaces for pregnant colleagues in considering their inconvenience.

(14) Comply with the promulgation of revised articles of Act of Gender Equality in Employment, the Company announces to provide 5 days of maternity check during the pregnancy of the employed while the maternal employee may take off as a unit of 30 minutes for each maternity check with pay.

(15) Comply with "Act of Gender Equality in Employment" to set up breastfeeding room in the plant and sign contract with special contracted kindergartens in Fengyuan and Sanyi to recue burden on employees.

(16) The employees may take "paternity leave" in 15 days before and after the day of delivery, choosing 5 days for leave with pay.

(17) Employees are given 8 days of marital leave when they get married. The employees must take the aforementioned marital leave starting from10 days prior to marriage registration and finish in 3 months, in leave units of days. Employees will be paid the same during the marital leave.

(18) The Company cooperates with Lifeline Association for free psychological consultation and promotion of Employee Assistance Program (EAP).

(19) The Company promotes package nurturing care (pregnancy-delivery-nurturing) by providing relevant care activities for novice parents. For example, preparing maternal mother care manual, subsidized self-paid

examination, holding nurturing seminar, president distributing newborn gifts, and organizing “baby’s day” sharing activities.

(20) Encourage single colleagues to participate in the social activities arranged for single men and women by the Ministry of Interior with the enrollment service and sponsorship fees provided by the Company.

(21) Arrange happiness series lecture and invite experts to talk about the topics of interest to employees including workplace, parenting, and traveling, and promote work-life balance.

(22) Employees in case of marriage celebration and ceremony may apply to the Company for providing limo (town car) services.

3. Retirement System

(1) Retired workers are to comply with the following provisions:

A. Employees who have reported to work after July 1, 2005 are subject to the Labor Pension Act.

B. 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.

(2) The retirement of employees is to be processed in accordance with the following requirements:

A. After the Rules of the Labor Pension Act were implemented on July 1, 2005, employees may choose to adopt either the pension provisions of Labor Standard Act (Old Mechanism) or the pension system of Labor Pension Act (New Mechanism) while retaining their years of service in Old Mechanism, and their pensions for years of service in Old Mechanism will be processed according to the regulations of Labor Standard Act.

B. In accordance with the provisions of Article 56 (1) of the Labor Standards Act, the Company contributes 7% of the employee’s monthly salary to his/ her personal labor retirement reserve fund account for the one adhering to Old Mechanism. It is a dedicated account for the exclusive use. The ownership belongs to the Company, and the Bank of Taiwan (Trust Department) is in charge of handling the receipt, maintenance, and use of the fund. When the employee adopting Old Mechanism meets the retirement pension requirements and applies for pensions from the Company. The Company will draw the fund from this special account and pays the retiree.

C. In accordance with the provisions of Article 56 (2) of the Labor Standards Act and the rules of IAS19 (International Accounting Standard Nineteen), the Company will check before the end of the year whether the balance of the labor retirement reserve fund account is sufficient for the Old-Mechanism pension applicant of the following year and submits the application to the “Labor Retirement Reserve Fund Supervision Committee” of the Company for deliberation. If the balance is insufficient, the Company will make contributions to the differences at a time by the end of March of the following year.

D. The Company has set up the "Labor Retirement Reserve Fund Supervision Committee," which consists of 3 representatives of the enterprise and 6 employee representatives. They meet quarterly to jointly monitor the use of retirement reserves.

E.The pension of employees is calculated in accordance with the Labor Standards Law as follows:

a. Two pension points are given for each service year and one pension point for each service year beyond the 15-year seniority with maximum 45 points granted. The service time for less than six months is counted as six months; also, the service time for less than one year is counted as one year.

b. Workers who have retired due to mental or physical disability as a result of work are entitled to additional 20% benefits in accordance with the provision in preceding paragraph.

c. Standard pension base meant for the average monthly salary at the time of retirement approval.

(3) The retirement of employees is to be processed in accordance with the following requirements:

A. Employees in one of the following circumstances may apply for retirement voluntarily:

a. Employees who have worked for the Company for over 15 years and at an age of 55 years old;

b. Employees who have worked for the Company for over 25 years;

c. Employees who have worked for the Company for over 10 years and at an age of 60 years old;

B. The Company may not force any employee into retirement unless in any of the following circumstances:

a. Employees who are at an age of 65 years old;

b. Insanity or physically disabled and incapable workers;

4. Employee code of conduct or ethics

The Company has internal work rules regulated in accordance with the relevant law and regulations to expressly define the rights and obligations of both employers and employees and to substantiate the organization and establish a management system in order to provide the Company and employees with a program of action. According to the above purposes, the Company has:

(1) Promotion, performance evaluation, attendance, and remuneration management related rules and internal control operation regulated for the full understanding and compliance of the employees;

(2) Employees work rules: The operating rules for the Company's employment, salaries, vacations, overtime, incentive and punishments, and related office regulations are regulated to discipline employee behavior.

(3) To effectively manage the resources of internal network and Internet, respect intellectual property rights, and maintain corporate image, employees are required to sign the "Affidavit for not using illegal software" and "Intellectual property rights ownership and confidential agreement;" also, arrange the course of "The legal issues related to the Impact of Internet on the Company" as guidelines to employees. The new recruits shall sign the letter of consent for the use of personal data by the Company at the time of reporting to duty in compliance with the requirement of the Personal Information Protection Act.

(4) For the reference of regulating and reviewing the Company's internal document management and data and internal operating procedures and regulations, the "Rules Governing Document Management" is regulated to have the Company's internal operations improved continuously and the management system improved.

5. Employee safety and health

(1) The Company has acquired labor and health insurance for each employee in accordance with the provisions of the Labor Standards Act.

(2) The Company has acquired group insurance for employees and their spouses and children at the expense of The Company.

(3) Setup a "Staff Clinic" as the contracted clinic of the National Health Insurance to benefit employees, providing medical and surgical diagnosis and stop-smoking clinics, and healthcare services, including health education and counseling to improve medical convenience and enhance the health of employees and their dependents.

(4) The Company has arranged annual physical checkup for employees in accordance with the rules of labor protection.

(5) The Company has hired occupational medicine specialists to watch out for the occupational safety and health of the employees.

(6) Provide a good and safe working environment:

· Establish comprehensive protective equipment, the regional automatic fire monitoring reporting system, the annual firefighter organization and training, and implementing fire drills to strengthen staff responsive capacity in an emergency in accordance with fire regulations.

· Access is controlled and patrolled by security guards around the clock with the monitoring system network installed at the main intersections to ensure the movement of the security personnel and vehicles for safety purpose.

(7) For the mental and physical health of employees, arrange anger management and stress relief and disease prevention and health seminars from time to time. Extend care to the family of the employees with parenting seminars arranged to provide employees with a full range of health management.

6. Staff development: Education, training, and advanced study

The Company has based on the "Lifetime learning, diversified development, dedication spirit, and people-oriented" four guidelines to conduct talents incubation and development, and to actively provide staff with a learning and developing environment. A training system has been developed through the Talent Quality-management System (TTQS), and education and training programs have been planned and organized based on the Company's vision to implement strategies for medium and long-term goals. According to the demands of job category, the Company provides diversified learning channels including on-job training, coaching system, job rotation, project

implementation, digital learning, and on-job advanced study to improve employees' professional skills. Four-Level Training Evaluations Model, including L1-reaction level, L2-learning level, L3- behaviour level, and L4- result level, is used to ensure that employees can learn before and after training and apply what is learned to work.

Provide a common class, professional class, and management training courses in accordance with the skills required for work. The total training cost amounted to NT$3,278,000 in 2019 that was an average of NT$2,999 per employee; also, a total of 13,989 training hours that was an average of 12.6 hours per employee per year. The Company provides the following training courses:

(1) Common Training: A common training curriculum held for all employees, including "excel computer operation courses, ISO regulations courses, "encountering" happiness series lectures and Labor Insurance Annuity and National Annuity lectures.

(2) Professional training: To strengthen the training curriculum of professional competency, including CATIA 3D drawing techniques, MSA measurement system analysis, FTA flaw tree analysis, Taguchi method, why why analysis, work flowchart management, statistics processing control and engineering capacity analysis and finance, HR management, production and manufacturing, production and management, and labour safety and health curriculum.

(3) Management Training: Plan the management training classes in accordance with the management ability required of different levels of managers, including the training courses of the executives incentive consensus camp; career planning and self-growth of the middle level managers, job distribution and authorization, logical thinking style courses, such as, issue tracking and resolution; and entry-level staff's QC seven tools.

(4)Recruits training: To allow new recruits quickly to get familiar with the corporate culture and work environment, arrange an orientation for all new recruits and arrange car dismantling and assembly courses for the new recruits of R&D Department, Production Department, and Quality Management Department so to allow the new recruits to better understand the overall structure of the car and the correlation between the various components.

(5) Language training: To develop international business, language skill has been one of the conditions for promotion. Yulon hold language courses to enhance employee's language proficiency, including TOEIC English, Japanese, French classes.

5.5.2 Labor/employer dispute loss in 2019 and as of the publication date of the annual report:

None

5.5.3 Employee communication channels:

The Company is committed to provide executives and staff with open and clear diversified communication channels in order to promote harmonious labor relations and create a win-win for the Company and employees. The multiple communication channels include:

1. Arrange care for employee seminars and new employee symposium, to understand and appreciate the needs and aspirations of employees in order to promote harmonious labor relations every quarter.
2. Hold employee satisfaction surveys and improve the categories with low satisfaction every year.
3. Employees may have any identified severe negligent, illegal, and unethical events reported directly to the President Mailbox or Personnel Office. The complaints will be investigated by the Personnel Office or a task force by the nature of the complaint; also, an ad hoc meeting will be convened.
4. Provide care-train mailbox and care-service hotline to employees for them to share their work, environment, and living assistance matters.
5. Sexual harassment prevention operation management guidelines:

   The Company has specifically developed the "Workplace Sexual Harassment Prevention Measures, Complaint and Punishment" and "Sexual Harassment Prevention Complaint and Investigation Guidelines" to protect employees' rights, maintain gender equality, prevent workplace sexual harassment incidents and sexual

discrimination, therefore protecting the basic rights of employees.

In case the staff encounters the aforementioned situations from the plant, the staff can follow the Company's complaint guidelines and file complaint to complaint committee.

5.5.4 Work environment and employees' personal security protection measures

Under the consideration of work environment and employees' personal security measures, the Company has based on ISO 14001 & 45001 management system to expand the significant environmental aspects of occupational safety and health risk control and to make improvement with the use of objectives and program management. Apply operating control methods to control lower risk, which has been improved and controlled effectively. The major goals and management solutions of the Company are summarized as follows:

Objective / Subject	Proposal	Status description	Implementation
Low CO2 emissions reduced to 306(kg/-co2/unit)	Electricity – Use inverter motor, LED or Electrodeless Fluorescent lamp, frequency conversion air compressor, induction running conveyor belt, and the compressor does not run below 25°C. Gas - Regenerative Thermal Oxidizer (RTO) uses high-efficiency thermal material. Heavy oil: Import the natural gas boiler, Shortened warming up time.	1. The original motors were without inverter control, so, the inverter frequency control is added in accordance with the needs. 2. Traditional fluorescent and mercury lights are changed to the low power LED or Electrodeless Fluorescent Lamp. 3. The ratio of Regenerative Thermal Oxidizer (RTO) introducing fresh air was reduced. 4. Shortened warming-up time for oven, RTO and boiler, and Shutdown in advance	324 (kg/unit)
Garbage reduction to 179 (ton / year)	Garbage sorting and recycling, periodic inspection of the sorting	Advocate by Environmental Safety meetings and inspect the classification regularly. The environmental committee keeps on management and promotion.	147.6 (ton / year)
Work-related injury event 5 (pieces / year)	Regularly conduct 5S inspection, TOP inspection and improvement of false alarm events	Reduce the occurrence of hazard with a variety of routine inspection and optimization.	1 (pc/year)
The effectiveness of equipment security and function 100 (%)	Formulate an automatic check method to perform equipment safety and function check daily throughout the operation process	The operating unit onsite is to perform equipment safety function test at work in order to ensure normal function and reduce the risk of harm.	100 %
Plant effluent inspection(Water quality) COD <100 mg / L Total chromium <2.0 mg / L Copper <3.0mg / L Zinc <5.0mg / L Cadmium <0.03mg / L Nickel <1.0mg / L	Analysis of effluent COD (1 ~ 2 times / day), Total chromium, copper, zinc, cadmium, nickel heavy metals (2 times / week)	Regularly analyze and analyze water quality to ensure that effluent water meets and exceeds regulations.	COD 43.39 mg / L Total Chromium ND Copper ND Zinc ND Cadmium Nickel 0.14 mg / L

Employee personal safety protection measure management programs are as follows:

1. Access security: Hire security companies to maintain plant safety, staff dormitory safety, and surveillance system setup around the clock for day, night, and holiday.
2. Equipment maintenance and inspection: According to the provisions of the Fire Fighting Act, the operating unit onsite is to inspect fire-fighting facilities monthly, then contract firefighting agencies to perform repair and maintenance service and reporting on a quarterly basis. The machinery (crane, lifts, presses ... etc.) or equipment (boilers, high and low voltage electric equipment ... etc.) is to be maintained and inspected on a regular basis (daily, weekly, monthly, quarterly, semi-annually, and annually).
3. Disaster prevention measures and response: Stipulates responsibilities of all relevant units, contingency measures, reporting procedures, tasks, content ... etc. in accordance with the "Rules Governing Emergency Preparation and Contingency." Arrange a drill twice a year, form a group in accordance with the provisions of civil defense, and arrange disaster prevention workshops annually.

4. Health care:

(1) Health Check: Physical checkup of the new recruits. General labor health check is arranged periodically in accordance with the frequency defined in the labor safety and health protection rules. One specific health check is arranged annually for the personnel of special operations.

(2) Health education propaganda: Hire plant physicians and occupational physicians onsite at least twice a month (content: prevention of occupational injuries and diseases and general injuries and diseases, health advice and first aid and emergency treatment, health education, health promotion and health guidance ... etc).

(3) Implement pest and mosquito prevention and disinfection at the plant every six months.

(4) Prohibit indoor smoking and define the smoking areas (20 locations within the plant).

5.6 Prominent Contracts

Contract	Counter party	Contract Period	Highlights of Provisions	Restrictive Terms
Vehicle OEM Agreement	Yulon Nissan Motors Co., Ltd.	From May 1st 2015 to April 30th 2020, the agreement will be renewed for 1 year automatically if there is not a written notice to have the agreement terminated 6 months in advance and likewise thereafter.	Assembly services of Nissan vehicles and parts	1. Confidentiality 2. Restrictions on Rights and Obligations transfer
Vehicle OEM Agreement	Luxgen Motor Co., Ltd.	From May 1st 2015 to April 30th 2020, the agreement will be renewed for 1 year automatically if there is not a written notice to have the agreement terminated 3 months in advance and likewise thereafter.	Assembly services of Luxgen vehicles and parts	1. Confidentiality 2. Restrictions on Rights and Obligations transfer

5.7 Litigation/Non-Litigation Events:

None

VI Financial Information

6.1 Condensed Financial Statements for recent 5 fiscal years

6.1.1 Condensed Balance Sheet and comprehensive Income Statement - IFRS

Consolidated Condensed Balance Sheets

Unit: NT$ Thousand

Item \ Fiscal Year		Financial Data in recent 5 years (Note 1)					Financial data up to March 31, 2020 (Note 3)
		2019	2018 (Restatement)	2017	2016	2015	
Current Assets		231,944,241	221,698,791	169,428,441	131,584,835	122,157,795	229,623,407
Property, plant, and equipment (Note 2)		36,381,174	37,984,471	35,764,145	33,663,144	33,217,023	36,454,963
Intangible assets		6,770,533	11,577,481	6,880,839	6,131,053	6,504,954	6,502,153
Other assets (Note 2)		38,795,595	48,599,816	46,343,082	49,892,609	50,122,318	38,123,930
Total assets		313,891,543	319,860,559	258,416,507	221,271,641	212,002,090	310,704,453
Current Liabilities	Before distribution	230,603,249	207,661,949	158,832,963	132,381,417	118,623,293	227,773,310
	After distribution (Note 4)	-	208,715,805	159,745,257	134,396,668	121,072,579	-
Noncurrent liabilities		26,207,143	27,774,636	20,462,405	9,827,404	12,197,154	25,577,387
Total liabilities	Before distribution	256,810,392	235,436,585	179,295,368	142,208,821	130,820,447	253,350,697
	After distribution (Note 4)	-	236,490,441	180,207,662	144,224,072	133,269,733	-
Shareholder's equity attributable to parent company		45,836,408	71,737,128	70,432,153	69,714,546	71,477,924	45,789,272
Capital stock		15,729,199	15,729,199	15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital		6,566,495	6,597,972	6,665,705	6,664,910	6,650,489	6,566,638
Retailed earnings	Before distribution	23,775,185	49,238,886	47,916,002	46,464,540	46,911,456	24,001,745
	After distribution (Note 4)	-	48,185,030	47,003,708	44,449,289	44,462,170	-
Other equity		141,833	547,375	497,551	1,232,201	2,563,084	(132,006)
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Common control of predecessor rights (Note 6)		-	564,712	-	-	-	-
Non-controlling interests		11,244,743	12,122,134	8,688,986	9,348,274	9,703,719	11,564,484
Total equity	Before distribution	57,081,151	84,423,974	79,121,139	79,062,820	81,181,643	57,353,756
	After distribution (Note 4)	-	83,370,118	78,208,845	78,208,845	77,047,569	-

* Ifindividualfinancial statements are prepared, The Company shall have the Condensed Balance Sheet and Comprehensive Income Statement for recent 5 fiscal years prepared

* For the financial data with the IFRS adopted for less than fiveyears, the financial data in Table (2) should be prepared in accordance with the FinancialAccounting Standards of the R.O.C.

Note 1: It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2: If in the current year there is revaluation of assets, it is required to specify the revaluation date and the revaluation value.

Note 3: Financial data of Q1 are reviewed by the CPA with the adoption of IFRS.

Note 4: For the financial data after distribution, please fill out in accordance with the resolutions approved in the shareholders meeting held next year.

Note 5: For those who have been notified by the competent authorities to revise or recomposed their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Note 6: The Company has signed a joint venture agreement with HAITEC and Foxconn on March 6, 2020. The Company has considered its control power over the material activities with HAITEC in accordance with the IFRS 10 consolidated financial statements, and since December 31, 2019, the Company has the control power over HAITEC. Considering that both HAITEC is jointly controlled by both the Company and Taiyuen Textile, the comparative consolidated financial statements shall be prepared as the consolidated balance sheet and consolidated sheet for changes of equity of December 31, 2018 which have been merged and re-compiled.

Individual Condensed Balance Sheet

Unit: NT$ Thousand

Item \ Fiscal year		Financial Data in recent 5 years (Note 1)				
		2019	2018 (Restatement)	2017	2016	2015
Current assets		27,778,211	21,588,727	28,407,784	16,408,827	18,857,280
Property, plant, and equipment (Note 2)		6,711,446	6,461,658	6,361,945	6,238,698	6,225,143
Intangible assets		1,263,090	1,275,678	1,277,490	68,642	85,860
Other assets (Note 2)		44,166,602	68,285,190	56,969,652	56,340,968	55,462,721
Total assets		79,919,349	97,611,253	93,016,871	79,057,135	80,631,004
Current liabilities	Before distribution	6,082,477	4,665,156	7,288,443	5,275,141	4,345,927
	After distribution (Note 3)	—	5,719,012	8,200,737	6,061,601	5,761,555
Noncurrent liabilities		28,000,464	20,644,257	15,296,275	4,256,396	4,807,153
Total liabilities	Before distribution	34,082,941	25,309,413	22,584,718	9,531,537	9,153,080
	After distribution (Note 3)	—	26,363,269	23,497,012	10,317,997	10,568,708
Shareholder's equity attributable to parent company		45,836,408	72,301,840	70,432,153	69,714,546	71,477,924
Capital stock		15,729,199	15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital		6,566,495	6,597,972	6,665,705	6,664,910	6,650,489
Retained earnings	Before distribution	23,775,185	49,238,886	47,916,002	46,464,540	46,911,456
	After distribution (Note 3)	—	48,185,030	47,003,708	45,678,080	45,495,828
Other equity		141,833	547,375	497,551	1,232,201	2,563,084
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Common control of predecessor rights(Note 5)		-	564,712	-	-	-
Total equity	Before distribution	45,836,408	72,301,840	70,432,153	69,714,546	71,477,924
	After distribution (Note 3)	—	71,247,984	69,519,859	68,928,086	70,062,296

* Ifindividualfinancial statements are prepared, The Company shall have the Condensed Balance Sheet and Comprehensive Income Statement for recent 5 fiscal years prepared.

* For the financial data with the IFRS adopted for less than fiveyears, the financial data in Table (2) should be prepared in accordance with the FinancialAccounting Standards of the R.O.C.

Note 1: It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2: If in the current year there is revaluation of assets, it is required to specify the revaluation date and the revaluation value

Note 3: For the financial data after distribution, please fill out in accordance with the resolutions approved in the shareholders meeting held next year.

Note 4: For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Note 5: The Company has signed a joint venture agreement with HAITEC and Foxconn on March 6, 2020. The Company has considered its control power over the material activities with HAITEC in accordance with the IFRS 10 consolidated financial statements, and since December 31, 2019, the Company has the control power over HAITEC. Considering that both HAITEC is jointly controlled by both the Company and Taiyuen Textile, the comparative consolidated financial statements shall be prepared as the consolidated balance sheet and consolidated sheet for changes of equity of December 31, 2018 which have been merged and re-compiled.

Consolidated Condensed Income Statement

Unit: NT$ Thousand

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)					Financial data up to March 31, 2020 (Note 2)
	2019	2018	2017	2016	2015	
Operating income	85,800,574	88,115,701	94,111,028	112,166,685	122,525,821	17,572,356
Gross Profit - net	5,877,156	18,965,226	20,001,414	19,199,975	17,961,166	5,070,884
Operating profit or loss	(30,738,700)	2,018,343	1,897,027	2,223,895	279,956	615,995
Non-Operating income and expense	7,301,552	3,366,719	2,241,421	840,000	4,457,921	159,657
Net income before tax	(23,437,148)	5,385,062	4,138,448	3,063,895	4,737,877	775,652
Net income of continuing operations	(24,533,477)	3,847,036	3,078,421	1,779,223	3,919,292	547,251
Loss of discontinued operation(Note 3)	—	—	—	—	—	—
Net income (loss)	(24,533,477)	3,847,036	3,078,421	1,779,223	3,919,292	547,251
Other comprehensive profit and loss (net)	(304,732)	(687,796)	(870,238)	(1,928,172)	(907,689)	(273,067)
Total current comprehensive profit and loss	(24,838,209)	3,159,240	2,208,183	(148,949)	3,011,603	274,184
Net income attributable to parent company's shareholders	(24,465,408)	2,037,032	2,288,306	1,334,703	3,352,078	197,230
Common control of predecessor rights	(564,712)	—	—	—	—	—
Non-controlling interests	496,643	1,810,004	790,115	444,520	567,214	350,021
Total comprehensive profit and loss attributable to parent company's shareholders	(24,603,974)	1,490,742	1,508,187	(275,544)	2,575,361	(47,279)
Common control of predecessor rights	(564,712)	—	—	—	—	—
Non-controlling interests	330,477	1,668,498	699,996	126,595	436,242	321,463
Earnings per share	(16.61)	1.39	1.56	0.91	2.29	0.13

* Ifindividualfinancial statements are prepared, The Company shall have the Condensed Balance Sheet and Comprehensive Income Statement for recent 5 fiscal years prepared

* For the financial data with the IFRS adopted for less than fiveyears, the financial data in Table (2) should be prepared in accordance with the FinancialAccounting Standards of the R.O.C.

Note 1: It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2: If in the current year there is revaluation of assets, it is required to specify the revaluation date and the revaluation value

Note 3: For the financial data after distribution, please fill out in accordance with the resolutions approved in the shareholders meeting held next year.

Note 4: For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

Individual Condensed Income Statement

Unit: NT$ Thousand

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)				
	2019	2018	2017	2016	2015
Operating income	30,261,929	31,808,738	36,092,796	39,998,024	38,826,117
Gross profit – net	2,637,334	2,846,516	2,941,489	2,998,922	2,988,547
Operating profit or loss	1,047,888	1,672,619	1,847,150	1,802,855	1,784,862
Non-Operating income and expense	(26,084,898)	489,167	472,753	6,787	1,730,638
Net income before tax	(25,037,010)	2,161,786	2,319,903	1,809,642	3,515,500
Net income of continuing operations	(25,030,120)	2,037,032	2,288,306	1,334,703	3,352,078
Loss of discontinued operation (Note 2)	-	-	-	-	-
Net income (loss)	(25,030,120)	2,037,032	2,288,306	1,334,703	3,352,078
Other comprehensive profit and loss (net)	(138,566)	(546,290)	(780,119)	(1,610,247)	(776,717)
Total current comprehensive profit and loss	(25,168,686)	1,490,742	1,508,187	(275,544)	2,575,361

* Ifindividual financial statements are prepared, The Company shall have the Condensed Balance Sheet and Comprehensive Income Statement for recent 5 fiscal years prepared.

* For the financial data with the IFRS adopted for less than fiveyears, the financial data in Table (2) should be prepared in accordance with the FinancialAccounting Standards of the R.O.C.

Note 1: It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2: The net loss from discontinued operations is an amount net of income tax.

Note 3: For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

6.1.2 The name and opinion of the independent auditor in recent 5 years

Fiscal year	2019	2018	2017	2016	2015
CPA (Certified public accountant)	Hsin-Wei Tai You-Wei Fan	Hsin-Wei Tai You-Wei Fan	Hsin-Wei Tai You-Wei Fan	Li-Wen Kuo Hsin-Wei Tai	Li-Wen Kuo Win-Chin Lin
Audit opinions	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

6.2 Financial Analysis for recent 5 Fiscal Years

6.2.1 Consolidated Financial Ratio Analysis complying with IFRS

Analysis items (Note 3) \ Fiscal year (Note 1)			Financial analysis in recent 5 years					Up to March 31, 2020(Note 2)
			2019	2018 (Restatement)	2017	2016	2015	
Finance structure (%)	Debt to assets ratio		81.82	72.83	69.38	64.27	61.71	81.54
	Long term funds to property, plant, and equipment ratio		164.54	230.65	257.45	237.62	249.38	163.73
Solvency(%)	Current ratio (%)		100.58	106.79	106.67	99.4	102.98	100.81
	Quick ratio (%)		91.97	96.32	96.07	90.79	93.34	92.5
	Interest coverage ratio		(19.88)	11.49	15.15	10.78	12.68	4.19
Operating ability	Receivables turnover (times)		0.68	0.83	1.08	1.53	1.94	0.51
	Accounts receivable collecting days		539.49	437.23	337.96	238.55	188.14	713.03
	Inventory turnover (times)		4.57	4.52	6.77	9.96	10.13	2.99
	Payables turnover (times)		5.74	4.78	5.28	7.49	9.68	3.81
	Average inventory turnover on sales		79.86	80.81	53.91	36.64	36.03	122.07
	Property, plant, and property turnover (times)		2.32	2.40	2.71	3.35	3.61	1.93
	Total asset turnover (times)		0.28	0.31	0.39	0.52	0.59	0.23
Profitability	Return on assets (%)		(7.63)	1.51	1.38	0.94	2.05	0.95
	Return on equity (%)		(35.01)	4.74	3.89	2.22	4.86	3.83
	Percentage to paid-in capital (%)	Operating net income (losses)	(195.42)	12.83	12.06	14.14	1.78	15.67
		Income before tax (losses)	(149)	34.24	26.31	19.48	30.12	19.73
	Profit margin (%)		(28.59)	4.37	3.27	1.59	3.2	3.11
	Earnings per share (NT$)		(16.61)	1.39	1.56	0.91	2.29	0.13
Cash flow	Cash flow from operations ratio (%)		(10.8)	(20.75)	(13.47)	(6.47)	(7.78)	(2.41)
	Cash flow adequacy ratio (%)		(242.58)	(182.65)	(84.73)	(46.55)	(35.18)	(354.73)
	Cash Flow re-investment ratio (%)		(25.13)	(33.36)	(20.35)	(10.60)	(10.61)	(1.27)
Leverage	Operating leverage		0.67	5.42	4.95	4.41	27.24	5.24
	Financial leverage		0.96	1.34	1.18	1.16	(2.23)	1.65

Reasons for changes of financial ratios for the last two years(analysis is exempted for any change less than 20%):

1. The decrease in long term funds to property, plant, and equipment ratio was mainly attributable to the decrease in net income in 2019 compared to 2018.
2. The decrease in interest coverage ratio was mainly due to the decrease in income before tax in 2019 compared to 2018.
3. The decrease in accounts receivable turnover and the increase in the average number of days of acquisition was due to the increase of accounts receivables at the end of the 2019 compared to the previous year.
4. The decrease in return on equity was due to the net income of the 2019 decreased compared to the previous year.
5. The main reason for profitability-related ratio decreased is net profit less than 2018.
6. Cash flow -related ratio decreased mainly due to the decrease in cash inflows from operating activities over the previous year.

6.2.2 Individual Financial Ratio Analysis complying with IFRS

Analysis item (Note 3) \ Fiscal year (Note 1)			Financial analysis in recent 5 years				
			2019	2018 (Restatement)	2017	2016	2015
Finance structure	Debt to assets ratio		42.65	25.93	24.28	12.06	11.37
	Long term funds to property, plant, and equipment ratio		682.96	1,141.84	1,107.09	1,114.42	1,148.21
Solvency	Current ratio		456.69	462.77	389.76	311.06	433.91
	Quick ratio		383.62	363.88	327.21	230.16	334.45
	Interest coverage ratio		(114.41)	15.57	146.37	937.18	2,289.74
Operating ability	Receivables turnover (times)		42.11	40.71	46.97	60.15	55.98
	Average accounts receivable turnover days		8.67	8.97	7.77	6.07	6.52
	Inventory turnover (times)		6.10	6.52	7.46	8.62	7.72
	Payables turnover (times)		9.35	9.05	8.98	11.66	11.61
	Average inventory turnover on sale		59.84	55.97	48.95	42.36	47.27
	Property, plant, and property turnover (times)		4.59	5.01	5.73	6.42	5.95
	Total asset turnover (times)		0.34	0.36	0.42	0.50	0.49
Profitability	Return on assets (%)		(28.09)	2.27	2.65	1.67	4.19
	Return on shareholder's equity (%)		(42.58)	2.85	3.27	1.89	4.74
	Percentage to paid-in capital (%)	Operating Net Income (losses)	6.66	10.63	11.74	11.46	11.35
		Income before tax (losses)	(159.18)	13.74	14.75	11.50	22.35
	Profit margin (%)		(82.71)	6.40	6.34	3.34	8.63
	Earnings Per Share (NT$)		(16.61)	1.39	1.56	0.91	2.29
Cash flow	Cash flow from operations ratio (%)		(2.04)	(61.50)	32.97	98.75	(9.32)
	Cash Flow Adequacy Ratio (%)		16.18	19.35	35.21	44.97	29.62
	Cash Flow Re-investment Ratio (%)		(1.76)	(4.50)	2.09	5.61	(2.16)
Leverage	Operating leverage		1.40	1.24	1.24	1.24	1.26
	Financial leverage		1.26	1.10	1.01	1.00	1.00

Please explainthe reasons forthe changes infinancial ratios in the last two years (analysis is exempted for any change less than 20%):

1. The increase in the debt-to-asset ratio is mainly due to the increase in the losses of the re-invested companies in 2019, which resulted in the increase in the investment loan balance of the Company using the equity method and the decrease in the investment calculated by the equity method.
2. The decrease in the ratio of long-term funds to real estate, plant and equipment is mainly due to the decrease in shareholders' equity due to the losses c
3. The decrease in guaranteed interest multiples is mainly due to the losses incurred in the fiscal year of 2019.
4. The decrease in return on assets and return on equity is mainly due to the losses incurred in the fiscal year of 2019.
5. The decrease in the ratio of operating profit to paid-in capital is mainly due to the expected credit impairment losses listed in the fiscal year of 2019.
6. The decrease in net profit before tax to paid-in capital ratio, net profit ratio and earnings per share is mainly due to the losses incurred in the fiscal year of 2019.
7. The increase in cash flow ratio and cash reinvestment ratio is mainly due to the decrease in net cash outflow from operating activities in the fiscal year of 2019 compared with the fiscal year of 2018.

* If individual financial statements are prepared, The Company shall have individual financial ratio analysis performed.

* For the financial data with the IFRS adopted for less than five years, the financial data in Table (2) should be prepared in accordance with the Financial Accounting Standards of the R.O.C.

Note 1: It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2: Listed companies or companies that have stock traded at a stock exchange corporation shall have the financial information up to the quarter prior to the publication date of annual report included for analysis.

Note 3: The following equations should be included in the end of the annual report:

1. Finance structure
   (1) Debt to assets ratio = Total liabilities/total assets.
   (2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + noncurrent liabilities)/net property, plant, and equipment

2. Solvency
   (1) Current ratio = Current assets/current liabilities
   (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
   (3) Interest coverage ratio = Net income before tax and interest expense/current interest expense
3. Operating ability
   (1) Receivables (including Account Receivable and Note Receivable from operating) turnover = Net sales/average accounts receivable (including Account Receivable and Note Receivable from operating)
   (2) Average accounts receivable turnover days = 365 days/average receivable turnover
   (3) Inventory turnover (times) = Cost of goods sold/average inventory
   (4) Payables (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
   (5) Average inventory turnover days = 365 days/average inventory turnover
   (6) Property, plant, and equipment turnover (times) = Net sales/net average property, plant, and equipment
   (7) Total asset turnover = Net sales/average total assets
4. Profitability
   (1) Return on assets = [net income + interest expense x (1-tax ratio)]/average total assets
   (2) Return on shareholder's equity = Net income/average total shareholder's equity
   (3) Profit Ratio = Net income/net sales
   (4) Earnings per Share = (Net income attributable to parent company shareholders - preferred stock dividend)/weighted average number of shares issued (Note 4)
5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities/current liabilities
   (2) Net Cash flow adequacy ratio = Net cash flow from operating activities of recent five fiscal years/recent five fiscal years' (capital expenditure + increase in inventory + cash dividend)
   (3) Cash re-investment ratio = (Net cash flow from operating activities - cash dividend)/ (gross property, plant, and equipment + long-term investment + other noncurrent asset + operating fund) (Note 5)
6. Leverage
   (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income (Note 6)
   (2) Financial leverage = Operating income/ (operating income - interest expense)

Note 4: Thecalculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weightedaveragenumber of common stock sharesrather thanthe outstanding shares at yearend.
2. Where there is acash capital increase ortreasury stock transaction conducted, the circulation period should be included for the calculation of the weighted average number ofshares.
3. Wherethere is a capitalization from earnings or additional paid-in capital conducted, when calculatingearningsper share for theprior yearsand every interim, adjustment should be made proportionally to the capitalization ratio butwithout consideringthe issuance period of the capitalization.
4. Ifthe preferred stock isnon-convertiblecumulativepreferred stock, the annualdividend(whether distributed or not) should bedeductedfromnet income, or added to the net loss. If thepreferred sharesare non-cumulative, when there isnet income, preferred stock dividendsshould bedeductedfromnet income; when there is net loss, no adjustment is needed.

Note 5: The measurement of cash flow analysis should be with the following matters included for consideration:
1. Netcashflow from operating activitiesrefers to the netcash inflow from operating activities on the statement of cash flow.
2. Capital expenditurerefers to the annual cashoutflowofcapital investment.
3. Inventoriesincrease is included for calculation only when the ending balanceis greater than the beginning balance. Ifinventory is decreased at the yearend, it is counted as zero.
4. Cash dividend includes cash dividendof common stock andpreferred stock.
5. Grossproperty, plant, andequipment meant for the total amount of property, plant, andequipment before deducting the accumulated depreciation.

Note 6: The issuer shall have the operating costs and operating expenses classified as fixed and variable by the nature. If it involves estimates or subjective judgments, should pay attention to its rationality and consistency.

Note 7: The paid-in capital ratio of the foreign companies referred to above is calculated with net worth ratio instead.

6.3 Audit Committee' Report

The Board of Directors has prepared the 2019 Business Report, Financial Statements and proposal for deficit compensation. The CPA Hsin-Wei Tai and CPA Yu-Wei Fan, members of the Deloitte & Touche, were retained to audit Yulon Financial Statements and had issued the unqualified-standard wording audit report. The Business Report, Financial Statements, and deficit compensation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14.4 of the Securities Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To the 2020 Annual Shareholders' Meeting

Yulon Motor Co., Ltd.

Audit Committee Convenor：Yi-Hong Hsieh

Date: March 30, 2020

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, 2019 and 2018, 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 Yulon Motor Company Ltd. as of December 31, 2019 and 2018, 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 audit of the financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020 and auditing standards generally accepted in the Republic of China. We conducted our audit of the financial statements for the year ended December 31, 2018 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, 2019. 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, 2019 are stated as follows:

Impairment Assessment of Vehicle Model Development Cost and Molds of Luxgen Motor, Subsidiary Accounted for Using Equity Method

Please refer to Note 13 for details.

Due to the decline of sales volume of Luxgen in Taiwan and China, the Company identifies different models of vehicles as separate cash-generating units, and tests them for impairment at least annually. The Company also assesses the recoverable amount of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd. the car manufacturer of Luxgen in China. Because assessment of impairment and recoverable amount of an asset involves professional judgment, we determine the impairment assessment of the vehicle model development cost and molds equipment and the assessment of the recoverable amount of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd as key audit matters.

The main audit procedures we have performed in respect of the key audit matter stated above about impairment assessment of the vehicle model development cost and molds equipment as follows:

1. We understood the process and basis for the estimated growth rate and profitability of the sales forecast of the Company.

2. We reviewed whether the estimated operating cash flow considered the latest operating performance and industry overview.

3. We assessed the evaluation model used by the management.

4. We assessed the weighted average cost of capital (WACC) used by the management in calculating the recoverable amount in accordance with the valuation model, including risk-free rate, volatility and risk premium. We verified that the WACC was consistent with the Company status and the industry.

5. We involved our internal financial services specialists in the assessment of net fair value.

The main audit procedures we have performed in respect of the key audit matter stated above about recoverable assessment of the recoverable amount of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd. were as follows:

1. We understood and assessed the reasonableness of the assumptions and methods used by management to analyze the financial position and recoverable amounts of Dongfeng Yulong Motor Co., Ltd.

2. We obtained the documentation of the management's assessment of the recoverable amount of receivables and assessed whether the amount of allowance for impairment is sufficient as of the end of the reporting period.

Impairment of Trade Receivable of Yulon Finance Corporation and Its Subsidiaries ("YFC Group"), Subsidiary Accounted for Using Equity Method

The provision for impairment of trade receivables of YFC Group is based on assumptions about risk of default and expected loss rates. YFC Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on YFC Group'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, this is determined as a key audit matter.

Our audit procedures included:

1. We understood the policies on impairment of trade receivable and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and re-performance of related internal controls.

2. We involved our IT specialists in testing the system that generated related documents used by management in performing controls, in order to verify the correctness of the assumptions used in the default rate and expected loss rate.

3. We calculated the expected credit loss based on the impairment policy of YFC Group.

Other Matter

As described in Note 1, the Company obtained control and ability to direct the relevant activities of Haitec Co., Ltd. since December 31, 2019. The transaction was determined as a business combination of entities under common control. Therefore, the balance sheet, the statement of changes in equity and the statement of cash flows as of and for the year ended December 31, 2018 have been restated.

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, 2019 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 audit resulting in this independent auditors' report are Hsin-Wei Tai and Yu-Wei Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2020

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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 7,262,478	9	$ 7,410,223	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,742,556	2	22,295	-
Financial assets at amortized cost - current (Notes 4 and 9)	7,200,566	9	1,432,880	2
Note and trade receivable (Notes 4 and 10)	23,857	-	25,170	-
Notes and trade receivable from related parties (Notes 4, 10 and 28)	303,328	-	1,084,994	1
Other receivables (Notes 4, 11 and 28)	322,164	1	290,585	-
Inventories (Notes 4 and 12)	10,590,908	13	9,904,373	10
Other current assets (Note 28)	332,354	1	1,418,207	1
Total current assets	27,778,211	35	21,588,727	22
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	2,418,449	3	2,433,791	2
Investments accounted for using equity method (Notes 4 and 13)	32,117,684	40	54,837,446	56
Property, plant and equipment (Notes 4 and 14)	6,711,446	8	6,461,658	7
Right-of-use assets (Note 15)	3,365	-	-	-
Investment properties (Notes 4 and 16)	8,460,236	11	9,840,094	10
Intangible assets (Notes 4 and 17)	1,263,090	1	1,275,678	1
Deferred tax assets (Notes 4 and 24)	593,368	1	551,778	1
Other non-current assets	573,500	1	622,081	1
Total non-current assets	52,141,138	65	76,022,526	78
TOTAL	$ 79,919,349	100	$ 97,611,253	100

(Continued)

YULON MOTOR COMPANY LTD.

BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Trade payables	$ 1,233,436	2	$ 1,858,817	2
Trade payables to related parties (Note 28)	1,590,476	2	1,224,905	1
Other payables (Notes 19 and 28)	1,696,346	2	1,404,745	2
Current tax liabilities (Notes 4 and 24)	46,375	-	108,937	-
Lease liabilities - current (Note 15)	31	-	-	-
Current portion of long-term borrowing and bonds payable	1,500,000	2	-	-
Other current liabilities	15,813	-	67,752	-
Total current liabilities	6,082,477	8	4,665,156	5
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 18)	15,300,000	19	15,300,000	16
Long-term borrowings	-	-	1,480,000	1
Deferred tax liabilities (Notes 4 and 24)	2,580,315	3	2,570,313	3
Lease liabilities - non-current (Note 15)	3,298	-	-	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	582,964	1	556,629	1
Deposits received	210,567	-	179,860	-
Credit balance on the carrying value of investments accounted for using the equity method (Notes 4 and 13)	9,314,207	12	524,723	-
Other non-current liabilities	9,113	-	32,732	-
Total non-current liabilities	28,000,464	35	20,644,257	21
Total liabilities	34,082,941	43	25,309,413	26
EQUITY (Note 21)				
Share capital				
Ordinary shares	15,729,199	20	15,729,199	16
Capital surplus	6,566,495	8	6,597,972	7
Retained earnings				
Legal reserve	8,281,822	11	8,078,119	8
Special reserve	39,373,565	49	38,373,565	39
Unappropriated earnings	(23,880,202)	(30)	2,787,202	3
Total retained earnings	23,775,185	30	49,238,886	50
Other equity				
Exchange differences on translating foreign operations	(1,255,680)	(2)	(919,398)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	1,397,517	2	1,466,521	1
Gain on hedging instrument	(4)	-	252	-
	141,833	-	547,375	-
Treasury shares	(376,304)	(1)	(376,304)	-
Common control of predecessor rights	-	-	564,712	1
Total equity	45,836,408	57	72,301,840	74
TOTAL	$ 79,919,349	100	$ 97,611,253	100

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated March 30, 2020) (Concluded)

YULON MOTOR COMPANY LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 28)				
Sales	$ 29,202,817	96	$ 30,440,107	96
Other operating revenue	1,059,112	4	1,368,631	4
Total operating revenue	30,261,929	100	31,808,738	100
OPERATING COSTS (Notes 12, 14, 20, 23 and 28)				
Cost of goods sold	27,419,237	91	28,678,794	90
Other operating cost	206,053	1	279,630	1
Total operating costs	27,625,290	92	28,958,424	91
GROSS PROFIT	2,636,639	8	2,850,314	9
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	695	-	(3,798)	-
REALIZED GROSS PROFIT	2,637,334	8	2,846,516	9
OPERATING EXPENSES (Notes 10, 20, 23 and 28)				
Selling and marketing expenses	120,060	-	119,834	-
General and administrative expenses	965,315	3	885,971	3
Research and development expenses	145,151	1	168,092	1
Expected credit loss	358,920	1	-	-
Total operating expenses	1,589,446	5	1,173,897	4
PROFIT FROM OPERATIONS	1,047,888	3	1,672,619	5
NON-OPERATING INCOME (LOSS)				
Share of gains of subsidiaries, associates and joint ventures	(26,534,175)	(88)	415,081	1
Other income (Note 23)	64,760	-	69,559	-
Interest income	106,947	1	103,015	1
Finance costs	(216,931)	(1)	(148,352)	-
Other gains and losses (Note 23)	494,501	2	49,864	-
Total non-operating income	(26,084,898)	(86)	489,167	2

(Continued)

YULON MOTOR COMPANY LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
PROFIT (LOSS) BEFORE INCOME TAX	$ (25,037,010)	(83)	$ 2,161,786	7
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 24)	(6,890)	-	124,754	-
NET PROFIT (LOSS) FOR THE YEAR	(25,030,120)	(83)	2,037,032	7
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(91,351)	-	42,723	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	285,487	1	(224,506)	(1)
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method	3,837	-	(38,968)	-
	197,973	1	(220,751)	(1)
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method	(336,539)	(1)	(325,539)	(1)
Other comprehensive loss for the year, net of income tax	(138,566)	-	(546,290)	(2)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ (25,168,686)	(83)	$ 1,490,742	5
EARNINGS (LOSS) PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	$ (16.61)		$ 1.39	
Diluted	$ (16.61)		$ 1.39	

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

(With Deloitte & Touche audit report dated March 30, 2020) (Concluded)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain/(Loss) on Hedging Instruments	Treasury Shares	Common Control of Predecessor Rights	Total Equity
BALANCE, JANUARY 1, 2018	$ 15,729,199	$ 6,665,705	$ 7,849,288	$ 37,373,565	$ 2,824,893	$ (593,515)	$ 1,755,559	$ (92)	$ (376,304)	$ -	$ 71,228,298
Appropriation of the 2017 earnings											
Legal reserve	-	-	228,831	-	(228,831)	-	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.58 per share)	-	-	-	-	(912,294)	-	-	-	-	-	(912,294)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	(69,178)	-	-	(1,885)	-	-	-	-	-	(71,063)
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	-	1,445	-	-	-	-	-	-	-	-	1,445
Net profit for the year ended December 31, 2018	-	-	-	-	2,037,032	-	-	-	-	-	2,037,032
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	71,119	(325,883)	(291,870)	344	-	-	(546,290)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	2,108,151	(325,883)	(291,870)	344	-	-	1,490,742
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(2,832)	-	2,832	-	-	-	-
BALANCE, DECEMBER 31, 2018	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	-	71,737,128
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	564,712	564,712
BALANCE AT JANUARY 1, 2019 AS RESTATED	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	564,712	72,301,840
Appropriation of 2018 earnings											
Legal reserve	-	-	203,703	-	(203,703)	-	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.67 per share)	-	-	-	-	(1,053,856)	-	-	-	-	-	(1,053,856)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	(31,477)	-	-	(211,413)	-	-	-	-	-	(242,890)
Net profit for the year ended December 31, 2019	-	-	-	-	(24,465,408)	-	-	-	-	(564,712)	(25,030,120)
Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	(87,425)	(336,282)	285,397	(256)	-	-	(138,566)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	(24,552,833)	(336,282)	285,397	(256)	-	(564,712)	(25,168,686)
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	354,401	-	(354,401)	-	-	-	-
BALANCE, DECEMBER 31, 2019	$ 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

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated March 30, 2020)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ (25,037,010)	$ 2,161,786
Adjustments for:		
Share of profit of subsidiaries, associates and joint ventures	26,534,175	(415,081)
Gain on proceeds of investments accounted for using the equity method	(3,150,981)	-
Reversal of impairment loss/impairment loss recognized on non-financial assets	2,407,055	(723)
Depreciation expenses	382,572	350,151
Expected credit loss	358,920	-
Finance costs	216,931	148,352
Interest income	(106,947)	(103,015)
Amortization expenses	37,113	42,724
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(35,734)	(1,541)
Dividend income	(34,899)	(18,861)
Unrealized loss/(gain) on foreign currency exchange	(29,380)	27,608
Realized (gain)/loss on the transactions with subsidiaries, associates and joint ventures	(28,470)	(2,588)
Gain on disposal of property, plant and equipment	-	(45)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(1,684,527)	146,190
Notes and trade receivable	414,527	(445,426)
Other receivables	(12,682)	(84,593)
Inventories	209,244	(359,802)
Other current assets	53,692	(1,128,022)
Other operating assets	(406,917)	(25,591)
Trade payables	(232,905)	(1,292,702)
Other payables	290,267	(1,511,220)
Other current liabilities	(51,935)	29,285
Net defined benefit liabilities - non-current	(65,017)	(350,306)
Other operating liabilities	(23,620)	3,035
Cash used in generated from (used in) operations	3,472	(2,830,385)
Interest received	88,050	118,738
Interest paid	(215,550)	(146,971)
Income tax paid	-	(10,595)
Net cash used in operating activities	(124,028)	(2,869,213)

(Continued)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds of associates investment accounted for using equity method	$ 12,103,631	$ -
Acquisition of associates investment accounted for using equity method	(8,939,995)	(14,867,431)
Acquisition of property, plant and equipment	(1,135,209)	(434,321)
Proceeds from disposal of financial assets at amortized cost	(5,767,686)	3,656,720
Dividends received	4,082,137	5,235,296
Proceeds from the capital reduction of investments accounted for using the equity method	668,883	90,128
Payments for intangible assets	(23,210)	-
Proceeds from disposal of property, plant and equipment	1,941	45
Purchase of financial assets at fair value through other comprehensive income	-	(1,830,200)
Payments for investment properties	-	(490,259)
Net cash generated from (used in) investing activities	990,492	(8,640,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,053,856)	(912,294)
Decrease in guarantee deposits received	30,707	(1,376)
Payment of lease	(3,067)	-
Issuance of bonds payable	-	5,300,000
Payments for transaction costs attributable to the issuance of debt instruments	-	(20,000)
Net cash (used in) generated from financing activities	(1,026,216)	4,366,330
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	12,007	(2,320)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(147,745)	(7,145,225)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,410,223	14,555,448
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 7,262,478	$ 7,410,223

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

(With Deloitte & Touche audit report dated March 30, 2020) (Concluded)

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.

On March 6, 2020, the Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. In the joint venture agreement, the Company obtained the privilege of carrying out with Haitec Co., Ltd. related activities. According to IFRS 10, with the privilege of carrying out related activities, the Company obtained control and ability to direct the relevant activities of Haitec Co., Ltd. since December 31, 2019. The transaction was determined as a business combination of entities under common control. Therefore, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated statement of cash flows as of and for the year ended December 31, 2018 have been restated.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 30, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the FSC (collectively, the "IFRSs")

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

1) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Company elected to apply the guidance of IFRS 16, in determining whether contracts are, or contain, a lease, only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 were not be reassessed and were accounted for in accordance with the transitional provisions under IFRS 16.

The Company as lessee

The Company recognizes right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the balance sheets except for those whose payments under low-value and short-term leases are recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Company presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities.

The Company applied IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information was not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments, which is the carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the aforementioned incremental borrowing rate. The Company applies IAS 36 to all right-of-use assets.

The Company also applies the following practical expedients:

a) The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Company accounted for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

c) The Company excluded initial direct costs from the measurement of right-of-use assets on January 1, 2019.

d) The Company uses hindsight, such as in determining lease terms, to measure lease liabilities.

For leases previously classified as finance leases under IAS 17, the carrying amount of right-of-use assets and lease liabilities on January 1, 2019 is the carrying amount of the leased assets and finance lease payables as of December 31, 2018.

The Company as lessor

The Company did not make any adjustments for leases in which it is a lessor and

accounted for those leases with the application of IFRS 16 on January 1, 2019.

Anticipated impact on assets, liabilities and equity

	Carrying Amount as of December 31, 2019	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2020
Right-of-use assets	$ -	$ 9,316	$ 9,316
Total effect on assets	$ -	$ 9,316	$ 9,316
Lease liabilities - current	$ -	$ 6,018	$ 6,018
Lease liabilities - non-current	-	3,298	3,298
Total effect on liabilities	$ -	$ 9,316	$ 9,316

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Company should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Company concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Company should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Company should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Company expects to better predict the resolution of the uncertainty. The Company has to reassess its judgments and estimates if facts and circumstances change.

3) Annual Improvements to IFRSs 2015-2017 Cycle

Several standards, including IFRS 3 “Business Combinations”, IFRS 11 “Joint Arrangements”, IAS 12 “Income Taxes” and IAS 23 “Borrowing Costs”, were amended in this annual improvement. IAS 23 was amended to clarify that, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, the related borrowing costs shall be included in the calculation of the capitalization rate on general borrowings.

4) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company applied the above amendments prospectively.

b. New IFRSs in issue but not yet endorsed by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Company shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- Amendments to IFRS 3 "Definition of a Business"

  The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definition of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020
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, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

  The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

  Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e. the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e. the Company's share of the gain or loss is eliminated.

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.

The fair value measurements are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and significant to the fair value measurement in its entirety; the inputs by level 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.

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.

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 for these purposes. Investment properties also include land held for a currently undetermined future use.

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.

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.

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.

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 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 27.

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 a liability instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and 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 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 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.

d. Derivative financial instruments

The Company 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.

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.

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.

2019

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.

2018

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company'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 Company's net investment outstanding on the leases.

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

e. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established and if it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Leasing

2019

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

a. The Company as lessor

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

b. The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the 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.

2018

a. The Company as lessor

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

b. The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Borrowing Costs

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

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

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

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

c. Termination benefits

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

Taxation

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

a. Current tax

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

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

b. Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries 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 estimates and underlying assumptions are reviewed 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.

Recognition and Measurement of Defined Benefit Plans

The net defined benefit liabilities (assets) and the resulting defined benefit costs under the defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rates, rates of employee turnover, future salary increases, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of expenses and liabilities.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	$ 680	$ 689
Checking accounts and demand deposits	3,503,750	4,609,534
Cash equivalent		
Time deposits with original maturities within 3 months	3,758,048	2,800,000
	$ 7,262,478	$ 7,410,223

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

	December 31	
	2019	2018
Bank balance	0.001%-2.85%	0.001%-3.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 1,129,032	$ 22,295
Hybrid financial assets		
Structured deposits	613,524	-
	$ 1,742,556	$ 22,295

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 2,058,871	$ 1,935,080
Unlisted shares	359,578	498,711
	$ 2,418,449	$ 2,433,791

In the meeting on May 11, 2018, the Board authorized the acquisition of Preferred Stock A issued by YFC; the acquisition amounted to $1,830,200 thousand; the shares are designated as financial assets at fair value through other comprehensive income.

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

	December 31	
	2019	2018
Current		
Time deposits with original maturity of more than 3 months (a)	$ 7,200,566	$ 1,432,880

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2019	2018
Notes receivable		
Notes receivable	$ 15,797	$ 46,460
Less: Allowance for impairment loss	-	-
	$ 15,797	$ 46,460
Trade receivables		
Trade receivables	$ 698,330	$ 1,091,726
Less: Allowance for impairment loss	(386,942)	(28,022)
	$ 311,388	$ 1,063,704

Trade and notes receivable

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.

2019

	Not Past Due	1 to 180 Days	More Than 181 Days	Total
Gross carrying amount	$ 291,476	$ 94,573	$ 328,078	$ 714,127
Loss allowance (Lifetime ECL)	(20)	(80,501)	(306,421)	(386,942)
Amortized cost	$ 291,456	$ 14,072	$ 21,656	$ 327,185

2018

	Not Past Due	1 to 180 Days	More Than 181 Days	Total
Gross carrying amount	$ 819,778	$ 154,825	$ 163,583	$ 1,138,186
Loss allowance (Lifetime ECL)	-	-	(28,022)	(28,022)
Amortized cost	$ 819,778	$ 154,825	$ 135,561	$ 1,110,164

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

	2019	2018
Balance at January 1, 2018 (IFRS 9)	$ 28,022	$ 28,022
Add: Impairment losses recognized on receivables (Note)	358,920	-
Balance at December 31, 2018	$ 386,942	$ 28,022

Note: Included the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model, and the expected credit loss mentioned in the current period was 358,920 thousand.

11. OTHER RECEIVABLES

	December 31	
	2019	2018
Other receivable		
Subsidy receivables	$ 76,000	$ 38,000
Receivables for steel plates	46,466	90,193
Receivables for personnel transfer	11,145	13,309
Others	188,553	149,083
	$ 322,164	$ 290,585

12. INVENTORIES

	December 31	
	2019	2018
Finished goods	$ 872,499	$ 1,573,290
Work in progress	832,856	528,905
Raw materials	2,497,698	2,195,580
	4,203,053	4,297,775
Property under construction		
Yulon Property Developments	6,387,855	5,606,598
	$ 10,595,908	$ 9,904,373

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was $27,419,237 thousand and $28,678,794 thousand, respectively.

The cost of goods sold for the years ended December 31, 2019 and 2018 included reversal of inventory write-downs of $73,768 thousand and inventory write-downs of $723 thousand, respectively.

The design of commercial district of Yulon Town was modified in October 2019. The new design only consisted of malls. In addition, the declaration of the commencement of the residential district was temporarily stopped, and will be re-designed depending on the market situation. Therefore, the Company expected a portion of the individual asset to have no economic benefits and recognized impairment loss of residential district (included inventory) $779,745 thousand in 2019.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investments in subsidiaries	$ 12,392,783	$ 27,143,360
Investments in associates	19,724,901	27,694,086
	$ 32,117,684	$ 54,837,446

For the details of investments in subsidiaries, associates and joint ventures, please refer to Table 9 (information on investee), Table 10 (trading in derivative instruments), Exhibit 3 (statement of changes in investments accounted for using equity method) and financial statements of 2019.

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.

Tai-Yuen Textiles Co., Ltd. and the Company are entities under common control. On December 31, 2019, Tai-Yuen Textiles Co., Ltd. increased the capital of Haitec Co. Ltd. Tai-Yuen Textiles Co., Ltd. and the Company held common control over Haitec Co. Ltd. The Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. In the joint venture agreement, the Company obtained the privilege of carrying out with Haitec Co., Ltd. related activities. According to IFRS 10, with the privilege of carrying out related activities, the Company obtained control and ability to direct the relevant activities of Haitec Co., Ltd. since December 31, 2019.

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. Yulon China (Hong Kong) Investment Co., Ltd. acquired a 50% stake in Dong Feng Yulon Motors by paying cash of $419,218 thousand and transferring all its shares in Luxgen Automobile Parts valued at $2,033,069 thousand.

The investments in China Motor Company, China Engine 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 purchased 8% (NT$35,178 thousand) of Uni-calsonic Company's shares. As a result, the Company's ownership of Uni-calsonic increased to 30.68% and adjusted the capital surplus from investments in associates and joint ventures accounted for using the equity method in the second quarter of 2018.

In June 2018, the Company acquired 20.50% of interests of Fujian Spicer and Tai-Ya Investment in the amount 233,745 thousand (RMB 50,660 thousand) and 56,475 thousand (RMB 12,240 thousand) from Taiguang Investment and ROC-Spicer, the subsidiaries of ROC-Spicer, and thus the Company exercised significant influence over Fujian Spicer and Tai-Ya Investment.

Equity in the earnings of China Motor Company and Tai-Yuen Textiles Co., Ltd. on their holdings in the Company's shares was accounted for by the treasury stock method.

The Company and China Motor Company and Tai-Yuen Textile Company had cross-shareholdings was accounted by equity method, and their recognition of investment income was accounted by the treasury stock method. In May 2019, in order to eliminate cross-shareholdings, focus on the automotive industry, and reduce the management scale, YuenWen Investment Company, which holds the shares of Taiyuan Textile and Taiwin Company, was merged with Xiang Wei Company. The combined consideration was 11,555,039 thousand. The Company recognized disposal of the investment accounted for using the equity method of 3,150,981 thousand, please refer to Note 23. Other gains and losses.

Equity in the earnings of China Motor Company. on their holdings of the Company's shares was accounted for by the treasury stock method since May 2018.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2018	$ 4,332,571	$ 2,673,292	$ 3,000,991	$ 75,881	$ 892,488	$ 219,824	$ 11,195,047
Additions	-	-	48,612	-	24,706	926,210	999,528
Disposals	-	-	-	-	(315)	-	(315)
Retirements	-	-	-	-	-	-	-
Reclassification	19,674	49,882	165,855	-	38,778	(874,782)	(600,593)
Balance at December 31, 2018	$ 4,352,245	$ 2,723,174	$ 3,215,458	$ 75,881	$ 955,657	$ 271,252	$ 11,593,667
Accumulated depreciation and impairment							
Balance at January 1, 2018	$ -	$ (1,683,959)	$ (2,349,794)	$ (69,842)	$ (729,507)	$ -	$ (4,833,102)
Disposals	-	-	-	-	315	-	315
Retirements	-	-	-	-	-	-	-
Reclassification	-	35,386	-	-	-	-	35,386
Depreciation expense	-	(129,469)	(132,165)	(3,154)	(69,820)	-	(334,608)
Balance at December 31, 2018	$ -	$ (1,778,042)	$ (2,481,959)	$ (72,996)	$ (799,012)	$ -	$ (5,132,009)
Carrying amount at December 31, 2018	$ 4,352,245	$ 945,132	$ 733,499	$ 2,885	$ 156,645	$ 271,252	$ 6,461,658
Balance at January 1, 2019	$ 4,352,245	$ 2,723,174	$ 3,215,458	$ 75,881	$ 955,657	$ 271,252	$ 11,593,667
Additions	-	21,924	94,538	286	58,387	24,784	199,919
Disposals	-	(360)	(222,121)	(4,430)	(38,784)	-	(265,695)
Reclassification	(68,020)	131,246	491,623	-	40,426	(194,353)	400,922
Balance at December 31, 2019	$ 4,284,225	$ 2,875,984	$ 3,579,498	$ 71,737	$ 1,015,686	$ 101,683	$ 11,928,813
Accumulated depreciation and impairment							
Balance at January 1, 2019	$ -	$ (1,778,042)	$ (2,481,959)	$ (72,996)	$ (799,012)	$ -	$ (5,132,009)
Disposals	-	360	220,721	4,430	38,243	-	263,754
Retirements	-	-	-	-	-	(52,581)	(52,581)
Reclassification	-	77,875	-	-	-	-	77,875
Depreciation expense	-	(134,626)	(171,637)	(1,056)	(67,087)	-	(374,406)
Balance at December 31, 2019	$ -	$ (1,834,433)	$ (2,432,875)	$ (69,622)	$ (827,856)	$ (52,581)	$ (5,217,367)
Carrying amount at December 31, 2019	$ 4,284,225	$ 1,041,551	$ 1,146,623	$ 2,115	$ 187,830	$ 49,102	$ 6,711,446

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

15. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Vehicles	$ 3,365

	For the Year Ended December 31, 2019
Depreciation charge for right-of-use assets	
Vehicles	$ 2,985

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 31
Non-current	$ 3,298

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Vehicles	0.95%

c. Material lease-in activities and terms

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
Cost			
Balance at January 1, 2018	$ 8,720,024	$ 4,517,831	$ 13,237,855
Additions	-	-	-
Reclassification	(2,686,263)	490,125	(2,196,138)
Balance at December 31, 2018	$ 6,033,761	$ 5,007,956	$ 11,041,717
Accumulated depreciation and impairment			
Balance at January 1, 2018	$ -	$ (1,150,695)	$ (1,150,695)
Reclassification	-	(35,385)	(35,385)
Depreciation expense	-	(15,543)	(15,543)
Balance at December 31, 2018	$ -	$ (1,201,623)	$ (1,201,623)
Carrying amount at December 31, 2018	$ 6,033,761	$ 3,806,333	$ 9,840,094
Cost			
Balance at January 1, 2019	$ 6,033,761	$ 5,007,956	$ 11,041,717
Additions	-	307,270	307,270
Reclassification	(1,154,369)	83,785	(1,070,584)
Balance at December 31, 2019	$ 4,879,392	$ 5,399,011	$ 10,278,403
Accumulated depreciation and impairment			
Balance at January 1, 2019	$ -	$ (1,201,623)	$ (1,201,623)
Reclassification	-	(77,875)	(77,875)
Depreciation expense	-	(533,488)	(533,488)
	-	(5,181)	(5,181)
Balance at December 31, 2019	$ -	$ (1,818,167)	$ (1,818,167)
Carrying amount at December 31, 2019	$ 4,879,392	$ 3,580,844	$ 8,460,236

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

The design of the commercial district of Yulon Town was modified in October 2019. The new design only consisted of malls. In addition, the declaration of the commencement of the district was temporarily stopped, and will be re-designed depending on the market situation. Therefore, the Company expected a portion of the individual asset had become no economic benefits and recognized impairment loss of $533,488 thousand between January 1 to December 31, 2019.

As of December 31, 2019 and 2018, the fair values of the Company's investment property were $23,158,274 thousand and $29,179,606 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 NT$1,210 million.

18. BONDS PAYABLE

	December 31	
	2019	2018
Unsecured domestic bonds	$ 15,300,000	$ 15,300,000

The Company 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 Company 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. The principal amounts of both bonds would be repaid on the maturity date

19. OTHER LIABILITIES

	December 31	
	2019	2018
Current		
Other payables		
Payables for employees bonus	$ 387,899	$ 406,008
Payables for other taxes	348,771	299,619
Payables for dividends	211,580	102,031
Payables for annual leave	5,936	41,525
Others	742,160	555,562
	$ 1,696,346	$ 1,404,745

20. 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	
	2019	**2018**
Present value of defined benefit obligation	$ 1,467,624	$ 1,542,558
Fair value of plan assets	(882,182)	(983,259)
Net defined benefit liability	$ 585,442	$ 559,299

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, 2018	$ 1,808,003	$ (855,184)	$ 952,819
Service cost			
Current service cost	26,398	-	26,398
Past service cost and loss on settlements	-	-	-
Net interest expense (income)	22,583	(10,894)	11,689
Recognized in profit or loss	48,981	(10,894)	38,087
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(23,667)	(23,667)
Actuarial loss - changes in demographic assumptions	4,765	-	4,765
Actuarial loss - changes in financial assumptions	20,225	-	20,225
Actuarial loss - experience adjustments	(44,046)	-	(44,046)
Recognized in other comprehensive income	(19,056)	(23,667)	(42,723)
Contributions from the employer	-	(338,299)	(338,299)
Benefits paid	(295,370)	244,785	(50,585)
Balance at December 31, 2018	$ 1,542,558	$ (983,259)	$ 559,299

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2019	$ 1,542,558	$ (983,259)	$ 559,299
Service cost			
Current service cost	23,089	-	23,089
Past service cost and loss on settlements	-	-	-
Net interest expense (income)	17,137	(11,057)	6,080
Recognized in profit or loss	40,226	(11,057)	29,169
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(35,910)	(35,910)
Actuarial loss - changes in demographic assumptions	3,389	-	3,389
Actuarial loss - changes in financial assumptions	58,515	-	58,515
Actuarial loss - experience adjustments	65,357		65,357
Recognized in other comprehensive income	127,261	(35,910)	91,351
Contributions from the employer	-	(28,583)	(28,583)
Benefits paid	(242,421)	176,627	(65,794)
Balance at December 31, 2019	$ 1,467,624	$ (882,182)	$ 585,442

(Concluded)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government/corporate 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:

	December 31	
	2019	2018
Discount rate(s)	0.75%	1.13%
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:

	December 31	
	2019	**2018**
Discount rate(s)		
0.25% increase	$ (39,388)	$ (40,102)
0.25% decrease	40,925	41,668
Expected rate(s) of salary increase		
0.25% increase	39,809	40,701
0.25% decrease	(38,515)	(39,372)

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.

	December 31	
	2019	**2018**
Expected contributions to the plan for the next year	$ 127,681	$ 33,100
Average duration of the defined benefit obligation	11.0 years	11.0 years

21. EQUITY

a. Share capital

Common shares

	December 31	
	2019	**2018**
Number of authorized shares (in thousands)	2,000,000	2,000,000
Amount of authorized shares	$ 20,000,000	$ 20,000,000
Number of issued and fully paid shares (in thousands)	1,572,920	1,572,920
Amount of issued and fully paid shares	$ 15,729,199	$ 15,729,199
Capital surplus	4,508,131	4,508,131
	$ 20,237,330	$ 20,237,330

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

b. Capital surplus

	December 31	
	2019	2018
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Recognized from issuance of common shares	$ 4,508,131	$ 4,508,131
Recognized from treasury share transactions	2,018,204	2,010,272
Recognized from the differences between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	79,569
Capital surplus that can be used only to offset deficit		
Arising from share of changes in capital surplus of associates or joint ventures	40,160	-
Capital surplus that cannot be used to offset deficit		
Recognized from share of changes in capital surplus of associates or joint ventures	-	-
	$ 6,566,495	$ 6,597,972

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 stockholders' meeting.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 21, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the

amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

For information on accrued employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 23 - d. employee benefits expense.

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.

The appropriations of earnings for 2018 and 2017 approved in the shareholders' meetings on June 21, 2019 and June 15, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share (N.T. Dollar)	
	For the Year Ended December 31		For the Year Ended December 31	
	2018	2017	2018	2017
Legal reserve	$ 203,703	$ 228,831		
Special reserve	1,000,000	1,000,000		
Cash dividend	1,053,856	912,294	$ 0.67	$ 0.58

At the board of directors meeting on March 30, 2020, the Company proposed reduction of capital to offset deficit and resolved not to distribute dividends

The proposed reduction of capital to offset deficit of 2019 will be resolved at the regular stockholders' meeting on June 18, 2020.

d. Special reserve

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 38,373,565	$ 37,373,565
Appropriation of earnings	1,000,000	1,000,000
Balance at December 31	$ 39,373,565	$ 38,373,565

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	
	2019	2018
Balance at January 1	$ (919,398)	$ (593,515)
Share of exchange difference of subsidiaries, associates and joint ventures accounted for using the equity method	(336,282)	(325,883)
Balance at December 31	$ (1,255,680)	$ (919,398)

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 1,466,521	$ 1,755,559
Unrealized gain/(loss) - equity instruments	285,487	(224,506)
Share from associates/joint ventures accounted for using the equity method	(91)	(67,364)
Disposal of associates accounted for using the equity method	(354,400)	2,832
Balance at December 31	$ 1,397,517	$ 1,466,521

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 252	$ (92)
Interest rate risk - interest rate swaps	(56)	344
Balance at September 30	$ (4)	$ 252

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 December 31, 2019				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839
For the year ended December 31, 2018				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839

The Company's shares held by subsidiaries as of December 31, 2019 and 2018 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
December 31, 2019			
Yu Ching Business Co., Ltd.	11,838	$ 231,442	$ 231,442
Yu Pong Business Co., Ltd.	1	2	2
		$ 231,444	$ 231,444
December 31, 2018			
Yu Ching Business Co., Ltd.	11,838	$ 215,460	$ 215,460
Yu Pong Business Co., Ltd.	1	2	2
		$ 215,462	$ 215,462

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

g. Common control of predecessor rights

Tai-Yuen Textiles Co., Ltd. and the Company are entities under common control. On December 31, 2019, Tai-Yuen Textiles Co., Ltd. increased the capital of Haitec Co. Ltd. Tai-Yuen Textiles Co., Ltd. and the Company held common control over Haitec Co. Ltd. The Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. In the joint venture agreement, the Company obtained the privilege of carrying out with Haitec Co., Ltd. related activities. According to IFRS 10, with the privilege of carrying

out related activities, the Company obtained control and ability to direct the relevant activities of Haitec Co., Ltd. since December 31, 2019. In compliance with "IFRS Q&A released in 2018" and "Interpretation No. 301" issued by the Accounting Research and Development Foundation released in 2012, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated statement of cash flows as of and for the year ended December 31, 2018 have been restated. The related equity adjustment is recognized in common control of predecessor rights.

22. 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.

23. NET PROFIT

Net profit contained the following components:

a. Other operating revenue

	For the Year Ended December 31	
	2019	2018
Revenue from sale of scrap	$ 21,036	$ 16,364
Revenue from providing guarantees	19,844	29,785
Revenue from remuneration of directors and supervisors	18,619	19,473
Others	5,261	3,937
	$ 64,760	$ 69,559

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Gain/(loss) on disposal of property, plant and equipment/investment properties/intangible assets	$ 12,577	$ 6,431
Gains/(losses) on disposal of financial assets	3,150,981	-
Net foreign exchange gains/(losses)	3,914	34,434
Fair value changes of financial assets	35,734	1,541
Financial assets mandatorily classified as at FVTPL		
Impairment	(2,480,823)	-
Others	(227,881)	7,458
	$ 494,502	$ 49,864

c. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
An analysis of depreciation by function		
Operating costs	$ 274,406	$ 233,019
Operating expenses	108,166	117,132
	$ 382,572	$ 350,151
An analysis of amortization by function		
Operating costs	$ 19,673	$ 24,534
Operating expenses	17,440	18,190
	$ 37,113	$ 42,724

d. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
Short-term benefits	$ 1,237,815	$ 1,297,428
Post-employment benefits		
Defined contribution plans	20,244	19,722
Defined benefit plans	29,168	38,087
Total employee benefits expense	$ 1,287,227	$ 1,355,237
An analysis of employee benefits expense by function		
Operating costs	$ 918,954	$ 1,000,121
Operating expenses	368,273	355,116
	$ 1,287,227	$ 1,355,237

	For the Year Ended December 31					
	2019			2018		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
Salary expense	$ 791,984	$ 306,819	$ 1,098,803	$ 862,707	$ 249,752	$ 1,112,459
Labor insurance	74,601	18,329	92,930	78,754	9,042	87,796
Pension	39,238	10,151	49,389	45,969	11,904	57,873
Remuneration of directors	-	-	-	-	34,255	34,255
Other employment benefits	13,131	32,974	46,105	12,691	50,163	62,854
Total employment benefits	$ 918,954	$ 368,273	$ 1,287,227	$ 1,000,121	$ 355,116	$ 1,355,237

As of December 31, 2019 and 2018, the numbers of the Company's employees were 1,263 and 1,235, respectively, among them, there are 6 directors who are not concurrently employed, and the calculation basis is consistent with employee benefits expense.

As of December 31, 2019 and 2018, the employee benefits expense were $10,24 thousand and $1,075 thousand, respectively, the average salary expense were $874 thousand and $905 thousand, respectively, and the average employee salary adjustment change was reduced by 3.43%.

- Employees' compensation and remuneration of directors and supervisors for 2019 and 2018

  In compliance with the Company Act as amended in May 2015 and the amended Articles of Incorporation of the Company approved by the shareholders in their meeting in June 2016, the Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2019 and 2018 which have been approved by the Company's board of directors on March 30, 2019 and March 26, 2018 respectively, were as follows:

  Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	0.1%	0.1%
Remuneration of directors and supervisors	0.5%	0.5%

Amount

	For the Year Ended December 31			
	2019		2018	
	Cash	Share	Cash	Share
Employees' compensation	$ -	$ -	$ 2,175	$ -
Remuneration of directors and supervisors	-	-	10,874	-

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.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the financial statements for the year ended December 31, 2018 and 2017.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2020 and 2019 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	
	2019	2018
Inventories (included in operating cost, Note 12)	$ 73,768	$ 723
Inventories for construction business (included in other gains and losses, Note 12)	(929,853)	-
Other current asset (included in other gains and losses, Note 28)	(964,901)	-
Property, plant and equipment (included in other operating cost, Note 14)	(52,581)	-
Investment properties (included in other gains and losses, Note 16)	(533,488)	-
	$ 2,407,055	$ 723

24. 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	
	2019	2018
Current tax		
In respect of the current year	$ -	$ -
Income tax on unappropriated earnings	48,975	110,171
Adjustments for prior year	(24,278)	6,146
	24,697	116,317
Deferred tax		
In respect of the current year	(31,587)	75,890
Adjustments to deferred tax attributable to changes in tax rates and laws	-	(67,453)
	(31,587)	8,437
Income tax expense recognized in profit or loss	$ (6,890)	$ 124,754

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

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	$ (25,037,010)	$ 2,161,786
Income tax expense calculated at the statutory rate	$ (5,007,402)	$ 432,357
Adjustment items in determining taxable profit	112,942	-
Nondeductible expenses in determining taxable income	-	393
Tax-exempt income	(649,347)	(650,941)
Realized loss on investment	(885,038)	(738,461)
Income tax on unappropriated earnings	48,975	110,171
Unrecognized deductible temporary differences	6,397,258	1,032,542
Effect of tax rate changes	-	(67,453)
Adjustments for prior years' tax	(24,278)	6,146
Income tax expense recognized in profit or loss	$ (6,890)	$ 124,754

Based on the amendments to the Income Tax Act announced in 2018, the Company's applicable corporate income tax rate for the year ended December 31, 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%

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, 2019

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
Deferred tax assets			
Temporary differences			
Share of income of subsidiaries, associates and joint ventures	$ 172,640	$ -	$ 172,640
Property, plant and equipment	5,305	(324)	4,981
Defined benefit obligation	267,392	(13,830)	253,562
Others	106,441	55,744	162,185
	$ 551,778	$ 41,590	$ 593,368
Deferred tax liabilities			
Temporary differences			
Land value increment tax	$ 2,397,673	$ -	$ 2,397,673
Property, plant and equipment	170,099	11,154	181,252
Others	2,541	(1,149)	1,390
	$ 2,570,313	$ 10,005	$ 2,580,315

For the year ended December 31, 2018

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
Deferred tax assets			
Temporary differences			
Share of income of subsidiaries, associates and joint ventures	$ 146,744	$ 25,896	$ 172,640
Property, plant and equipment	4,842	463	5,305
Defined benefit obligation	287,003	(19,611)	267,392
Others	92,946	13,495	106,441
	$ 531,535	$ 20,243	$ 551,778

(Continued)

	Balance at the Beginning of the Year	Recognized in Profit or Loss	Balance at the End of the Year
Deferred tax liabilities			
Temporary differences			
Land value increment tax	$ 2,397,673	$ -	$ 2,397,673
Property, plant and equipment	140,009	27,090	170,009
Others	951	1,590	2,541
	$ 2,541,633	$ 28,680	$ 2,570,313

(Concluded)

c. Income tax assessed

The tax returns through 2017 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	2018
Basic earnings per share	$ (16.61)	$ 1.39
Diluted earnings per share	$ (16.61)	$ 1.39

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

Net Profit for the Year

	For the Year Ended December 31	
	2019	2018
Net profit attributable to owners of the company	$ (24,465,408)	$ 2,037,032
Net profit attributable to common control of predecessor rights	(564,712)	-
Earnings used in the computation of basic earnings per share	$ (25,030,120)	$ 2,037,032
Earnings used in the computation of diluted earnings per share	$ (25,030,120)	$ 2,037,032

Shares

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of common shares in computation of basic earnings per share	1,506,567	1,462,765
Effect of potentially dilutive common shares:		
Employees' compensation or bonus issue to employees	-	350
Weighted average number of common shares used in the computation of diluted earnings per share	1,506,567	1,463,115

If the Company offered to settle bonuses paid to employees in cash or shares, the Company will assume 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.

26. 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.

27. 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, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 1,129,032	$ -	$ -	$ 1,129,032
Other	-	-	613,524	613,524
	$ 1,129,032	$ -	$ 613,524	$ 1,742,556
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Securities listed in ROC				
Equity securities	$ 2,058,871	$ -	$ -	$ 2,058,871
Unlisted shares	-	-	359,578	359,578
	$ 2,058,871	$ -	$ 359,578	$ 2,418,449

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 22,295	$ -	$ -	$ 22,295
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Securities listed in ROC				
Equity securities	$ 1,935,080	$ -	$ -	$ 1,935,080
Unlisted shares	-	-	498,711	498,711
	$ 1,935,080	$ -	$ 498,711	$ 2,433,791

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, 2019

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2018	$ -	$ 498,711	$ 498,711
Recognized in profit or loss (included in other gains and losses)	4,977	-	4,977
Recognized in other comprehensive income (included in unrealized gain/ (loss) on financial assets at FVTOCI)	-	256,867	256,867
Purchases	4,013,500	-	4,013,500
Sales/settlements	(3,404,953)	(396,000)	(3,800,953)
Balance at December 31, 2018	$ 613,524	$ 359,578	$ 973,102

For the year ended December 31, 2018

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2018	$ 140,678	$ -	$ 140,678
IFRS 9 transfers into Level 3	-	717,175	717,175
Recognized in profit or loss (included in other gains and losses)	(6,549)	-	(6,549)
Recognized in other comprehensive income (included in unrealized gain/ (loss) on financial assets at FVTOCI)	-	(218,464)	(218,464)
Purchases	2,050,000	-	2,050,000
Sales/settlements	(2,184,129)	-	(2,184,129)
Balance at December 31, 2018	$ -	$ 498,711	$ 498,711

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, 2019, 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	
	2019	2018
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatorily classified as at FVTPL	$ 1,742,556	$ 22,295
Financial assets at amortized cost (Note 1)	15,112,393	10,243,852
Fair value through other comprehensive income (FVTOCI)	2,418,449	2,433,791
Financial liabilities		
Amortized cost (Note 2)	21,320,258	21,268,467

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, and notes receivable and trade receivables.

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

For the Company to develop a clear direction and system for its analysis of and response to financial risks and the execution of a financial risk management plan, the definition and the purpose of financial risk management should be made clear before the establishment of related critical policies and processes. Through the financial risk management system, the Company oversees the handling of financial risks pertaining to daily operations, including market risk (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 the impact of market fluctuations on 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) On the key issues involved in financial risk management, the Company has the needed precautions and controls in place. Even with precautions and controls in place, inevitable loss (or events that cause the Company to deviate from its operating goals; in these situations, post-event measures are taken to deter or ease unfavorable consequences for the Company's continued development. Financial risks are due to external and internal factors. To handle these risks, the Company has established these precautionary measures, which include the following key management concepts, control mechanisms, and management tools.

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 and of the derivatives exposed to exchange rate risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Company's currency exposure was mainly to the U.S. dollar, Renminbi 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	
	2019	2018	2019	2018
Profit or loss	$ (24,311)	$ (5,803)	$ (5,099)	$ 1,497

	RMB Impact		EUR Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
Profit or loss	$ (165)	$ 59	$ (470)	$ 1,471

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	
	2019	2018
Fair value interest rate risk		
Financial assets	$ 10,958,614	$ 11,389,600
Financial liabilities	15,300,000	15,300,000
Cash flow interest rate risk		
Financial assets	3,503,750	8,309,781
Financial liabilities	1,500,000	1,480,000

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 20,038 thousand in 2019 and $31,996 thousand in 2018.

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, 2019, financial assets at FVTPL and FVTOCI would have decreased by $17,426 thousand and $24,184 thousand, respectively.

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, 2018, financial assets at FVTPL and FVTOCI would have decreased by $223 thousand and $19,351 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.

28. 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

Related Party	Relationship with the Company
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

(Continued)

Related Party	Relationship with the Company
Yue-Ki Industrial Co., Ltd.	Subsidiary
China Cast Iron Pipe Co., Ltd.	Subsidiary
Yu Chang Motor Co., Ltd.	Subsidiary
Kuen You Trading Co., Ltd.	Subsidiary
Yushin Motor Co., Ltd.	Subsidiary
Yu Chia Motor Co., Ltd.	Subsidiary
Singan Co., Ltd.	Subsidiary
Yulon Construction Co., Ltd.	Subsidiary
Yumin Motor Co., Ltd.	Subsidiary
Tian Wang Co., Ltd.	Subsidiary
Yu Pool Enterprise Co., Ltd.	Subsidiary
Chan Yun Technology Co., Ltd.	Subsidiary
Univation Motor Philippines, Inc.	Subsidiary
Xiamen Y.C. Invest. Consulting, Ltd.	Subsidiary
Sin Chi Co., Ltd.	Subsidiary
Y-Teks Co., Ltd.	Subsidiary
Unisyn International Co., Ltd.	Subsidiary
Yulon Overseas Investment Co., Ltd.	Subsidiary
Yulon China Investment Co., Ltd.	Subsidiary
Yulon Philippine Investment Co., Ltd.	Subsidiary
Uni Auto Parts Manufacture Co., Ltd.	Subsidiary
Shinshin Credit Co., Ltd.	Subsidiary
Chanchen Inter. Consulting Co., Ltd.	Subsidiary
CARPLUS Auto Leasing Corporation	Subsidiary
Chun Min Business Co., Ltd.	Subsidiary
Diamond Leasing Service Co., Ltd.	Subsidiary
Yu Rich Financial Service Co., Ltd.	Subsidiary
Chinh-Ling RTC Co., Ltd.	Subsidiary
Uni Investment Co., Ltd.	Subsidiary
Fuzhou Lianghong Motor Parts Limited	Subsidiary
YueKi Industrial (Samoa) Co., Ltd.	Subsidiary
Qinton Motor Co., Ltd.	Subsidiary
Taixin Investment (Samoa) Co., Ltd.	Subsidiary
Wen Yang Investment (Samoa) Co., Ltd.	Subsidiary
Qing Yi (Samoa) Investment Co., Ltd.	Subsidiary
Ke Yu (Nan Jing) Information Technology Limited	Subsidiary
Tai Feng (Nan Jing) Software Technology Limited	Subsidiary
Qing Tai (Nan Jing) Technology Limited	Subsidiary
H. K. Manpower Service Co, Ltd.	Subsidiary
Yi Ding (Zhang Zhou) Information Technology Limited	Subsidiary
Mei De (Zhang Zhou) Software Technology Limited	Subsidiary
Shi Cheng (Zhang Zhou) Technology Development Limited	Subsidiary
Jin Ce (Zhang Zhou) Software Technology Limited	Subsidiary
Gao Te (Beijing) Investment Limited	Subsidiary
Sheng Qing (Beijing) Investment Limited	Subsidiary
Dong Tai (Beijing) Co., Ltd.	Subsidiary
Zhu Hai FuTeEn Industry & Trade Limited	Subsidiary
TAC Global Investment (Samoa) Co., Ltd	Subsidiary

(Continued)

Related Party	Relationship with the Company
Car-Plus China Investment (Samoa) Co., Ltd.	Subsidiary
Car-Plus Auto Leasing (Suzhou) Limited	Subsidiary
Car-Plus Global Investment (Samoa) Co., Ltd	Subsidiary
Changzhou Y-Teks Automotive Trim Parts Limited	Subsidiary
Hangzhou Yu Zhong Trading Limited	Subsidiary
Hangzhou TangYu Investment Limited	Subsidiary
Hangzhou QienYu Investment Limited	Subsidiary
Hangzhou HsiaoYu Investment Limited	Subsidiary
Molife Cultural Enterprise Co., Ltd.	Subsidiary
Hsiang Shuo Enterprise Co., Ltd.	Subsidiary
Yulon China (Hong Kong) Investment, Ltd.	Subsidiary
Wen Yang (Hong Kong) Investment Co., Ltd.	Subsidiary
Tai Xin (Hong Kong) Investment Co., Ltd.	Subsidiary
Qing Yi (Hong Kong) Investment Co., Ltd.	Subsidiary
Luxgen Motor Co., Ltd.	Subsidiary
Jing Hui (Shanghai) Trading Co., Ltd.	Subsidiary
Unisyn International (HK) Co., Ltd.	Subsidiary
Luxgen Taipei Motor Co., Ltd.	Subsidiary
Luxgen Taoyuan Motor Co., Ltd.	Subsidiary
Luxgen Taichung Motor Co., Ltd.	Subsidiary
Luxgen Tainan Motor Co., Ltd.	Subsidiary
Luxgen Kaohsiung Motor Co., Ltd.	Subsidiary
Car-Plus Shanghai Investment (Samoa) Co., Ltd.	Subsidiary
Car-Plus Auto Leasing (Shanghai) Limited	Subsidiary
Yulon Tobe Motor Co., Ltd.	Subsidiary
ZhuHai Esinn Automobiles Sales & Service Limited	Subsidiary
Hangchow Y-Teks Automotive Trim Parts Limited	Subsidiary
Yue-Ki Industrial (HK) Co., Ltd.	Subsidiary
Hangzhou Yuwan Auto Motive Parts Limited	Subsidiary
Yulon Energy Co., Ltd.	Subsidiary
Hangchow Liangrun Motor Parts Limited	Subsidiary
Yu-Rong Leasing (Suzhou) Limited	Subsidiary
Sinjiang Enterprise Co., Ltd.	Subsidiary
Feng-hua Investment (HK) Limited	Subsidiary
Energy Engineering Co., Ltd.	Subsidiary
Luxgen Overseas Holdings Private Limited	Subsidiary
Yulon China Holdings (Cayman) Co., Ltd.	Subsidiary
Yulon Motor Investment (HK) Co., Ltd.	Subsidiary
Yulon Motor Investment (China) Co., Ltd.	Subsidiary
Dong Feng Yulon Motor Sales Limited	Subsidiary
Honyeng Co., Ltd.	Subsidiary
Yu Shin Investment Ltd.	Subsidiary
Yumin Insurance Broker Co., Ltd.	Subsidiary
Yu-Kuo Finance Leasing Limited	Subsidiary
Yulon Motor Finance (China) Limited	Subsidiary
Zhejiang Cheng-Yi Auto Service Co., Ltd.	Subsidiary
Hangzhou Cheng-Yi-Jian Used-cars Authenticate & Evaluation Service Co., Ltd.	Subsidiary
Da-Wei Technology Co., Ltd.	Subsidiary
He-Shan Li-Sheng Auto Sales & Service Co., Ltd.	Subsidiary

(Continued)

Related Party	Relationship with the Company
Hangzhou Yu-Jie Real Estate Co., Ltd.	Subsidiary
Zhejiang Cheng Yi Auction Co., Ltd.	Subsidiary
TaTeng Transportation Co., Ltd.	Subsidiary
Wuhan Yuguo Auto Trade Co., Ltd.	Subsidiary
Luxgen (Hangzhou) Motor Sales Co., Ltd.	Subsidiary
Yulon Finance Overseas Investment (Samoa) Co., Ltd.	Subsidiary
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Subsidiary
Yulon Finance Philippines Co., Ltd	Subsidiary
Yulon New Energy Motor (Cayman) Inc.	Subsidiary
Yulon New Energy Motor (HK) Limited	Subsidiary
Chuang Jie New Energy Vehicle (HZ) Limited	Subsidiary
CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	Subsidiary
CAR-PLUS GO Co., Ltd.	Subsidiary
Haitec Co., Ltd.	Subsidiary (Note)
Hangzhou Haitec Co., Ltd.	Subsidiary (Note)
SinYi Co., Ltd.	Subsidiary (Note)
Haitec Japan Company (“Haitec Japan”)	Subsidiary (Note)
Haitec China Investment Company (“Haitec China”)	Subsidiary (Note)
Hua-Chung Overseas Investment Co. Ltd. (“Hua-Chung Overseas”)	Subsidiary (Note)
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
Hong Kong Spicer Co., Ltd.	Associates
Fujian Spicer Co., Ltd.	Associates
Uni-calsonic Co., Ltd.	Associates
China Ogihara Co., Ltd.	Associates
China Engine Co., Ltd.	Associates
HuiZhou DongFeng Yi Jing Co., Ltd.	Associates
Hui-Lian Motor Co., Ltd.	Associates
Yulon Management Co., Ltd.	Associates
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
Advanced Power Machine Co., Ltd.	Associate’s subsidiary
Dongguan HuaShun Co., Ltd.	Associate’s subsidiary
Tianjin HuaHong Co., Ltd.	Associate’s subsidiary

(Continued)

Related Party	Relationship with the Company
Guangzhou HuaYou Co., Ltd.	Associate's subsidiary
Yizhan Overseas Investment Co., Ltd	Associate's subsidiary
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
Advanced Power Machine Co., Ltd.	Associate's subsidiary
Dongguan HuaShun Co., Ltd.	Associate's subsidiary
Tianjin HuaHong Co., Ltd.	Associate's subsidiary
Guangzhou HuaYou Co., Ltd.	Associate's subsidiary
Tai-Yuen Textiles Co., Ltd.	Other related parties
Wen Shen Co., Ltd.	Other related parties
Lowin Industrial Co., Ltd.	Other related parties
Lin Wei Co., Ltd.	Other related parties
Yu Lai Co., Ltd.	Other related parties
Xiang Wei 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
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
Hua-Qun Software Creative Technology Co., Ltd.	Other related parties
Yuan Rui Auto Co., Ltd.	Other related parties
Green Convenient E-Vehicle Co., Ltd.	Other related parties
Dongguan HuaShun Co., Ltd.	Other related parties
Shengzhen Henchi Co., Ltd	Other related parties
Brilliant Insight International Consultancy Service Co., Ltd.	Other related parties
Zhejiang Kang Da Co., Ltd.	Other related parties
Tai Yuan Vietnam Co., Ltd.	Other related parties
Suzhou Huiting Co., Ltd.	Other related parties
North Hebei Tangshan Co., Ltd.	Other related parties
Dx Creative House Co., Ltd.	Other related parties

(Concluded)

Note: Changed from associates to subsidiaries on December 31, 2019, and had retrospectively restated from December 31, 2018 due to the business combination of entities under common control. Only the related-party transaction of profit and loss were classified as associates in 2018.

b. Transactions in operating activities

Related Party Categories	For the Year Ended December 31 2019	2018
Sales of goods		
Subsidiaries		
Luxgen	$ 3,191,166	$ 6,244,319
Others	61,696	13,332
	3,252,862	6,257,651
Associates		
Yulon Nissan	25,877,233	23,977,867
Others	-	22,486
	25,877,233	24,000,364
Other related parties	-	8
Joint venture	137,805	167,523
	$ 29,267,900	$ 30,425,546
Purchases of goods		
Subsidiaries	$ 2,113,689	$ 2,474,278
Associates	437,792	612,354
Other related parties		
Nissan motor	9,568,707	8,116,306
Others	422,693	522,268
	9,991,400	8,638,574
Joint venture	343,712	1,024,942
	$ 12,886,593	$ 12,750,148
Operating expense		
Subsidiaries	$ 47,469	$ 53,059
Associates	45,111	100,087
Other related parties	5,914	3,032
	$ 98,494	$ 156,178
Other operating revenue		
Subsidiaries	$ 270,089	$ 278,454
Associates		
Yulon Nissan	531,545	711,870
Others	32,965	121,534
	564,510	833,404
Other related parties	12,645	13,818
	$ 847,244	$ 1,125,676

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

Related Party Categories	December 31 2019	December 31 2018
Notes and trade receivable		
Subsidiaries		
Luxgen	$ 90,422	$ 81,206
Others	7,818	6,167
	98,240	87,373
Associates		
Yulon Nissan	204,816	774,114
Other related parties	272	23,455
Joint venture		
Dongfeng Yulon Motor Co., Ltd. (Note)	-	200,052
	$ 303,328	$ 1,084,994

Note: As of December 31, 2019, 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 $386,942 thousand is $0.

Related Party Categories	December 31 2019	December 31 2018
Other financial assets (recognized as other receivables)		
Subsidiaries		
Luxgen	$ 43,517	$ 18,433
Others	103,287	46,316
	146,804	64,749
Associates		
Yulon Nissan	69,815	31,177
China Ogihara	8,924	37,375
Others	2,901	1,392
	81,640	69,944
Other related parties		
Yuen-jin	36,616	48,257
Others	618	594
	37,234	48,851
	$ 265,678	$ 183,543

Prepayments

Related Party Categories	December 31 2019	December 31 2018
Joint venture		
Dongfeng Yulon Motor Co., Ltd (Note)	$ 53,743	$ 1,303,632

Note: As of the date December 31, 2019, the Company recognized impairment loss of $964,901 thousand on prepayment to Dongfeng Yulon.

Related Party Categories	December 31 2019	2018
Trade payables		
Subsidiaries		
Union & NKH Auto Parts	$ 146,353	$ 223,634
Others	188,685	251,146
	335,038	474,780
Associates	113,782	40,657
Other related parties		
Nissan Motor	1,048,104	634,748
Others	45,595	62,916
	1,093,699	697,664
Joint venture	47,957	11,804
	$ 1,590,476	$ 1,224,905
Other payables		
Subsidiaries	$ 68,352	$ 102,259
Associates	354	7,103
Other related parties	204	61
	$ 68,910	$ 109,423

c. Compensation of key management personnel

	For the Year Ended December 31 2019	2018
Short-term employee benefits	$ 58,802	$ 57,248
Post-employment benefits	1,620	1,555
Other employee benefits	-	879
	$ 60,422	$ 59,682

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

29. 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 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 manufacture and assembly of cars based on the design purchased by Luxgen from Haitec Co., Ltd., a vehicle model developer. 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 the Company for 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. See Table 2 for the information on endorsements/guarantees provided to subsidiaries or associates.

30. 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, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 53,418	29.980 (USD:NTD)	$ 1,601,472
JPY	671,008	0.276 (JPY:NTD)	185,198
RMB	1,004	4.298 (RMB:NTD)	4,315
EUR	676	33.590 (EUR:NTD)	22,707
			$ 1,813,691
Nonmonetary items			
RMB	540,090	4.298 (RMB:NTD)	$ 2,321,035

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	27,673	29.980 (USD:NTD)	$ 829,637
JPY	1,176,415	0.276 (JPY:NTD)	324,691
RMB	2,834	4.298 (RMB:NTD)	12,179
EUR	722	33.590 (EUR:NTD)	24,252
			$ 1,190,758

(Concluded)

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 40,618	30.715 (USD:NTD)	$ 1,247,582
JPY	106,105	0.278 (JPY:NTD)	29,497
RMB	2,696	4.475 (RMB:NTD)	12,057
EUR	277	35.200 (EUR:NTD)	9,750
			$ 1,298,886
Nonmonetary items			
RMB	576,091	4.475 (RMB:NTD)	$ 2,578,007
Financial liabilities			
Monetary items			
USD	21,726	30.715 (USD:NTD)	$ 667,314
JPY	644,587	0.278 (JPY:NTD)	179,195
RMB	4,006	4.475 (RMB:NTD)	17,927
EUR	4,455	35.200 (EUR:NTD)	156,816
			$ 1,021,252

For the years ended December 31, 2019 and 2018, realized and unrealized net foreign exchange gains (losses) were $3,914 thousand and $34,434 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.

31. 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.

32. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

a. As COVID-19 broke out in January 2020, the pandemic spread globally. As a result, governments around the world implemented restrictive measures and quarantine to control the situation.

This pandemic had impact on the business operations and the overall economy of different regions and industries in the world. However, after consideration of the period length of this situation and measures implemented by management, this situation would not have significant impact on the operation of subsidiaries in China.

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

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the pandemic on the Company's financial position and financial performance and will implement necessary measures to reduce operating risks on subsidiaries located at serious situation places.

b. On March 30, 2020, the board of directors resolved to conduct a reduction of capital to eliminate accumulated losses. The capital of the Company will be reduced to NT$10 billion.

TABLE 1

YULON MOTOR COMPANY LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	The Company	Luxgen	Other receivables	Y	$ 600,000	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 4,583,641	$ 13,750,922	Note
1	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	790,300	752,650	294,762	3.00%	Operating capital	-	Operating capital	-	-	-	752,650	752,650	Note
2	Yulon China	Sheng Qing	Other receivables	Y	2,528,960	2,107,420	1,899,876	3.00%	Operating capital	-	Operating capital	-	-	-	3,612,720	3,612,720	Note
3	Singgual Travel	Singan	Other receivables	Y	50,000	40,000	-	1.07%	Operating capital	-	Operating capital	-	-	-	67,743	67,743	Note
4	Hsiang Shou	Singan	Other receivables	Y	85,000	56,458	35,000	1.07%	Operating capital	-	Operating capital	-	-	-	90,235	90,235	Note
5	Yulon Motor Investment	Ning Bo Yu Cheng	Accounts receivable - related parties	Y	13,814	12,965	-	-	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	4,605	4,322	4,322	5.75%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Zi Bo Yu An	Accounts receivable - related parties	Y	6,446	6,050	5,834	6.00%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Dong Tai	Accounts receivable - related parties	Y	13,814	12,965	11,669	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shi Cheng	Accounts receivable - related parties	Y	18,418	17,287	13,613	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Yi Ding	Accounts receivable - related parties	Y	27,628	25,930	22,775	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Mei De	Accounts receivable - related parties	Y	41,442	38,895	34,919	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Tai Feng	Accounts receivable - related parties	Y	55,255	51,860	47,539	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shenzhen Yu Zhi	Accounts receivable - related parties	Y	62,162	58,343	57,479	6.64%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	69,069	64,826	64,826	6.64%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	85,186	79,951	79,951	4.00%	Operating capital	-	Operating capital	-	-	-	2,022,525	2,022,525	Note
		Hang Zhou Haitec Company	Accounts receivable - related parties	Y	191,092	179,351	179,351	0.00%	Operating capital	-	Operating capital	-	-	-	2,022,525	2,022,525	Note
		Dongfeng Yulon	Accounts receivable - related parties	Y	481,701	453,779	453,779	6%-6.15%	Operating capital	-	Operating capital	453,779	-	-	2,022,525	2,022,525	Note
6	Sheng Qing	Jin Ce	Accounts receivable - related parties	Y	7,367	6,915	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Gao Te	Accounts receivable - related parties	Y	24,865	23,337	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ke Yu	Accounts receivable - related parties	Y	32,232	30,252	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ho Fei Chun Hui	Accounts receivable - related parties	Y	55,052	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Ling Tung	Accounts receivable - related parties	Y	55,255	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Tsai Tung	Accounts receivable - related parties	Y	125,246	117,550	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Jiangmen Yuli	Accounts receivable - related parties	Y	9,209	8,643	8,643	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	11,154	10,468	10,468	0.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	18,418	17,287	12,879	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Hui Min Tung	Accounts receivable - related parties	Y	119,083	112,364	29,105	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Zi Bo Yu An	Accounts receivable - related parties	Y	$ 55,255	$ 51,860	$ 39,408	6.00%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 2,704,158	$ 8,112,473	Note
		Zhuhai Yuhsin	Accounts receivable - related parties	Y	50,651	47,539	41,056	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Jiangmen Junxing	Accounts receivable - related parties	Y	46,051	43,221	43,217	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Ning Bo Yu Cheng	Accounts receivable - related parties	Y	92,092	86,434	46,271	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Guang Zhou Yuan Zhi	Accounts receivable - related parties	Y	50,651	47,539	47,539	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Tung Ling Kuo Tung	Accounts receivable - related parties	Y	112,213	105,882	55,333	5.75%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	64,465	60,504	60,504	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Shanghai Yuming	Accounts receivable - related parties	Y	73,674	69,147	69,147	5.75%-6%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Xiao Gan Yu Feng	Accounts receivable - related parties	Y	138,139	129,651	77,648	5.60%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Qingdao Yuanhuang	Accounts receivable - related parties	Y	92,092	86,434	86,434	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Fu Jian Yu Xin	Accounts receivable - related parties	Y	143,313	142,616	88,727	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	201,683	189,290	124,465	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Dongfeng Yulon	Accounts receivable - related parties	Y	165,766	155,581	155,581	6.15%	Operating capital	-	Operating capital	155,581	-	-	1,081,663	1,081,663	Note
		Shen Jun Yu Peng	Accounts receivable - related parties	Y	167,977	157,656	157,656	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	224,706	210,899	158,988	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Xiamen Young Chang	Accounts receivable - related parties	Y	191,304	180,215	165,089	0.5%-5.6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Yu-Jie	Accounts receivable - related parties	Y	184,185	172,868	172,868	6.15%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Nanjing Hanhong	Accounts receivable - related parties	Y	249,108	234,668	226,025	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Yulon Motor Investment	Accounts receivable - related parties	Y	1,685,952	1,588,225	1,428,322	4.1%-5.75 %	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
7	Zhu Hai Fu Te En	Wuhan Yu Hsin	Accounts receivable - related parties	Y	78,279	4,322	-	-	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Nanjing Hanhong	Accounts receivable - related parties	Y	39,600	15,558	15,558	0%-7%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	22,938	21,609	17,287	6.70%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Zhuhai Yuhsin	Accounts receivable - related parties	Y	59,860	56,182	45,378	6.00%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
8	Nanjing Hanhong	Nan Jing Yu Shang	Accounts receivable - related parties	Y	50,651	47,539	47,539	5.60%	Operating capital	-	Operating capital	-	-	-	343,911	687,821	Note
9	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	23,023	21,609	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	27,628	21,609	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	45,876	43,217	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	59,639	56,182	17,287	4.79%	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	23,023	21,609	21,609	5.00%	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
10	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	27,526	25,930	-	-	Operating capital	-	Operating capital	-	-	-	35,468	35,468	Note

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	HangZhou Yu Zhong	Sheng Qing	Other receivables	Y	$ 20,721	$ 19,448	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 734,751	$ 1,102,126	Note
		Dongfeng Yulon	Other receivables	Y	7,828	7,347	7,347	6.15%	Operating capital	-	Operating capital	7,347	-	-	29,390	29,390	Note
		Yulon Motor Investment	Other receivables	Y	15,873	14,953	11,669	0.00%	Operating capital	-	Operating capital	-	-	-	734,751	1,102,126	Note
		Hang Zhou hsiao Yu	Other receivables	Y	18,418	17,287	17,287	0.00%	Operating capital	-	Operating capital	-	-	-	734,751	1,102,126	Note
		Hang Zhou Hua You	Other receivables	Y	18,879	17,719	17,719	0.00%	Operating capital	-	Operating capital	-	-	-	29,390	29,390	Note
12	SCC	A3	Other receivables	Y	120,000	-	-	1.5%-19.99%	Operating capital	-	Operating capital	-	-	-	1,277,489	1,277,489	Note
		S1	Other receivables	Y	30,000	17,606	17,606	1.5%-19.99%	Operating capital	-	Operating capital	352	-	9000	1,277,489	1,277,489	Note
		A2	Other receivables	Y	45,000	45,000	45,000	1.5%-19.99%	Operating capital	-	Operating capital	900	-	-	1,277,489	1,277,489	Note
		A1	Other receivables	Y	55,000	51,287	51,287	1.5%-19.99%	Operating capital	66000	Operating capital	769	-	66000	798,431	3,193,724	Note
		K1	Other receivables	Y	79,240	66,938	66,938	1.5%-19.99%	Operating capital	-	Operating capital	933	-	35000	1,277,489	1,277,489	Note
13	Car-plus Corporation	Diamond Leasing	Other receivables	Y	700,000	-	-	1.00%	Operating capital	-	Operating capital	-	-	-	783,535	783,535	Note
14	Shanghai Yuming	Ka Shing Yu Da	Accounts receivable - related parties	Y	22,938	21,609	11,589	5.00%	Operating capital	-	Operating capital	-	-	-	50,458	50,458	Note
15	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	Accounts receivable - related parties	Y	96,340	90,756	38,895	6.00%	Operating capital	-	Operating capital	-	-	-	134,361	134,361	Note
16	Su Zhou Feng Shun	Su Zhou Cheng Li	Accounts receivable - related parties	Y	9,209	-	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Zhou Chen Long	Accounts receivable - related parties	Y	23,023	-	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	32,113	30,252	24,634	4.35%	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
17	Yu-Hsin Intl HK	Hangchow Y-Teks	Other receivables	Y	189,672	180,636	180,636	2.9%-3%	Operating capital	-	Operating capital	-	-	-	228,854	228,854	Note
18	Suzhou Yueshun	Su Zhou Cheng Li	Accounts receivable - related parties	Y	16,116	-	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	6,881	6,483	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,881	6,483	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
19	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	124,887	117,213	117,213	0.00%	Operating capital	-	Operating capital	-	-	-	176,427	352,855	Note
20	Xiao Gan Yu Feng	Wuhan Yu Hsin	Accounts receivable - related parties	Y	92,092	21,609	-	-	Operating capital	-	Operating capital	-	-	-	149,317	298,633	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	20,644	19,448	10,804	6.53%	Operating capital	-	Operating capital	-	-	-	149,317	298,633	Note
21	Yu-Jie	Dongfeng Yulon	Other receivables	Y	230,231	216,085	216,085	6.15%	Operating capital	-	Operating capital	216,085	-	-	874,624	874,624	Note
22	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	158,060	150,530	150,530	2.90%	Operating capital	-	Operating capital	-	-	-	344,477	516,716	Note
23	Su Zhou Chen Long	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,901	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	55,052	51,860	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
24	Su Chou Cheng Pin	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	26,707	-	-	-	Operating capital	-	Operating capital	-	-	-	77,779	77,779	Note
25	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	18,418	12,965	-	-	Operating capital	-	Operating capital	-	-	-	24,244	24,244	Note

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
26	Yu Ching	Hangchow Yue Wan	Other receivables	Y	$ 55,321	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 540,220	$ 540,220	Note
		Luxgen	Other receivables	Y	500,000	-	-	-	Operating capital	-	Operating capital	-	-	-	540,220	540,220	Note
27	Sin Chi	Hangchow Yue Wan	Other receivables	Y	55,321	-	-	-	Operating capital	-	Operating capital	-	-	-	501,644	501,644	Note
		Luxgen	Other receivables	Y	400,000	-	-	-	Operating capital	-	Operating capital	-	-	-	501,644	501,644	Note
28	Hang Zhou Tang Yu	Dongfeng Yulon	Other receivables	Y	5,065	4,754	4,754	6.15%	Operating capital	-	Operating capital	4,754	-	-	18,814	18,814	Note
		Yulon Motor Investment	Other receivables	Y	40,922	38,550	38,031	0.00%	Operating capital	-	Operating capital	-	-	-	470,356	705,534	Note
29	Hang Zhou hsiao Yu	Yulon Motor Investment	Other receivables	Y	918	864	389	0.00%	Operating capital	-	Operating capital	-	-	-	432,170	648,255	Note
30	Hang Zhou Chien Yu	Yulon Motor Investment	Other receivables	Y	4,129	3,890	3,457	0.00%	Operating capital	-	Operating capital	-	-	-	432,170	648,255	Note
31	Ke Yu	Yi Ding	Other receivables	Y	23,023	21,609	21,609	0.50%	Operating capital	-	Operating capital	-	-	-	712,624	1,425,247	Note
		Dongfeng Yulon	Other receivables	Y	78,279	73,469	73,469	6.15%	Operating capital	-	Operating capital	73,469	-	-	285,049	285,049	Note
		Sheng Qing	Other receivables	Y	460,462	432,170	401,918	0.50%	Operating capital	-	Operating capital	-	-	-	712,624	1,425,247	Note
32	Gao Te	Dongfeng Yulon	Other receivables	Y	24,865	23,337	23,337	6.15%	Operating capital	-	Operating capital	23,337	-	-	92,503	92,503	Note
33	Mei De	Dongfeng Yulon	Other receivables	Y	37,297	35,006	34,919	6.15%	Operating capital	-	Operating capital	34,919	-	-	140,241	140,241	Note
		Sheng Qing	Other receivables	Y	142,743	133,973	129,651	0.50%	Operating capital	-	Operating capital	-	-	-	525,906	1,051,811	Note
		Shi Cheng	Other receivables	Y	221,022	207,442	129,651	0.50%	Operating capital	-	Operating capital	-	-	-	525,906	1,051,811	Note
34	Xiamen Young Chang	Dongfeng Yulon	Other receivables	Y	69,069	64,826	64,826	6.15%	Operating capital	-	Operating capital	64,826	-	-	300,107	300,107	Note
35	Qing Tai	Shi Cheng	Other receivables	Y	18,418	17,287	17,287	0.50%	Operating capital	-	Operating capital	-	-	-	474,608	949,216	Note
		Dongfeng Yulon	Other receivables	Y	32,232	30,252	30,252	6.15%	Operating capital	-	Operating capital	30,252	-	-	126,562	126,562	Note
		Dong Tai	Other receivables	Y	115,116	108,043	108,043	0.50%	Operating capital	-	Operating capital	-	-	-	474,608	949,216	Note
36	Jin Ce	Dongfeng Yulon	Other receivables	Y	7,367	6,915	6,915	6.15%	Operating capital	-	Operating capital	6,876	-	-	27,823	27,823	Note
		Yi Ding	Other receivables	Y	41,442	38,895	30,252	0.50%	Operating capital	-	Operating capital	-	-	-	695,577	1,043,365	Note
37	Tai Feng	Yi Ding	Other receivables	Y	13,814	12,965	12,965	0.50%	Operating capital	-	Operating capital	-	-	-	711,885	1,423,770	Note
		Dong Tai	Other receivables	Y	23,023	21,609	21,609	0.50%	Operating capital	-	Operating capital	-	-	-	711,885	1,423,770	Note
		Dongfeng Yulon	Other receivables	Y	50,651	47,539	47,539	6.15%	Operating capital	-	Operating capital	47,539	-	-	189,836	189,836	Note
38	Dong Tai	Dongfeng Yulon	Other receivables	Y	12,432	11,669	11,669	6.15%	Operating capital	-	Operating capital	11,669	-	-	35,410	35,410	Note
39	Shi Cheng	Dongfeng Yulon	Other receivables	Y	14,735	13,829	13,613	6.15%	Operating capital	-	Operating capital	13,613	-	-	42,916	42,916	Note
40	Yi Ding	Dongfeng Yulon	Other receivables	Y	24,405	22,905	22,775	6.15%	Operating capital	-	Operating capital	22,775	-	-	90,847	90,847	Note
41	Sin Jiang	Singan	Other receivables	Y	200,000	200,000	200,000	1.07%	Operating capital	-	Operating capital	-	-	-	210,828	210,828	Note
42	Jiangmen Junxing	Jiangmen Yuli	Accounts receivable - related parties	Y	22,938	21,609	17,503	6.00%	Operating capital	-	Operating capital	-	-	-	27,571	27,571	Note
43	Su Zhou Cheng Li	Su Zhou Feng Shun	Accounts receivable - related parties	Y	9,048	8,643	-	-	Operating capital	-	Operating capital	-	-	-	18,059	18,059	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	9,175	8,643	-	-	Operating capital	-	Operating capital	-	-	-	18,059	-	Note

Note: The Company: Business transactions financing limit for each borrower were not exceeding the amount of transactions and aggregate financing limits were not exceeding 20% of the lender's net equity. 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 Investment Co., Ltd: 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.

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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.

Yustar: 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. Car-plus Corporation: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Shanghai Yuming: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% 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.

Yu-Hsin Intl HK: 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.

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.

Yu-Hsin Intl Investment: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.

Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Chou Cheng Pin: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Yu Ching Business: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Sin Chi: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Hang Zhou Tang Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.

Hang Zhou 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.

Hang Zhou Chien Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was RMB100 million and aggregate financing limits was RMB150 million.

Ke Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.

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.

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.

Xiamen Young Chang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

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.

(Continued)

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.

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.

Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Shi Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Yi Ding: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Sin Jiang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity

Jiangmen Junxing: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

(Concluded)

TABLE 2

YULON MOTOR COMPANY LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	Luxgen Kaohsiung	b	$ 13,750,922	$ 164,250	$ 164,250	$ -	$ -	0.36	$ 34,377,305	Y	N	N	Note 1
		Luxgen Taichung	b	13,750,922	165,000	165,000	-	-	0.36	34,377,305	Y	N	N	Note 1
		Luxgen Tainan	b	13,750,922	200,000	200,000	-	-	0.44	34,377,305	Y	N	N	Note 1
		Luxgen Taoyuan	b	13,750,922	208,000	208,000	-	-	0.45	34,377,305	Y	N	N	Note 1
		Sin Chi	b	13,750,922	500,000	500,000	200,000	-	1.09	34,377,305	Y	N	N	Note 1
		Luxgen Taipei	b	13,750,922	600,000	600,000	-	-	1.31	34,377,305	Y	N	N	Note 1
		Yulon Construction	b	13,750,922	600,000	600,000	-	-	1.31	34,377,305	Y	N	N	Note 1
		UMPI	b	13,750,922	790,300	752,650	82,613	-	1.64	34,377,305	Y	N	N	Note 1
		Yu Ching	b	13,750,922	1,000,000	1,000,000	70,000	-	2.18	34,377,305	Y	N	N	Note 1
		Yu Sing	b	13,750,922	1,440,000	1,440,000	390,000	-	3.14	34,377,305	Y	N	N	Note 1
		Luxgen	b	13,750,922	11,350,000	11,350,000	6,930,000	-	24.76	34,377,305	Y	N	N	Note 1
		LUXGEN (hangzhou) Motor Sales	b	13,750,922	9,483,600	9,031,800	5,228,559	-	19.70	34,377,305	Y	N	Y	Note 1
1	Union & NKH Auto Parts	Hangchow Liangrun	b	349,192	312,000	312,000	150,530	-	13.33	936,485	N	N	Y	Note 1
2	TAC	Yulon Finance Philippines Corporation	b	43,944,070	2,416,000	2,340,000	1,270,460	-	13.31	87,888,140	N	N	N	Note 1
		Car-Plus Leasing (Shanghai)	b	43,944,070	320,000	-	-	-	-	87,888,140	N	N	Y	Note 1
		Car-Plus Go Co., Ltd.	b	43,944,070	320,000	320,000	248,845	-	1.82	87,888,140	N	N	Y	Note 1
		TAC Leasing (Suzhou)	b	43,944,070	6,255,048	5,844,600	5,844,600	-	33.25	87,888,140	N	N	Y	Note 1
		TAC Finance Company	b	43,944,070	10,000,000	10,000,000	6,244,608	-	56.89	87,888,140	N	N	Y	Note 1
3	Car-plus Corporation	Car-Plus Go Co., Ltd.	b	4,897,093	480,000	480,000	373,268	-	24.50	9,794,185	N	N	Y	Note 1
4	Sheng Qing	Tung Ling Kuo Tung	b	13,520,789	18,418	17,287	-	-	0.64	67,603,945	N	N	Y	Note 1
		Shanghai Yuming	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Xiao Gan Yu Feng	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Shen Jun Yu Peng	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Chang Sha Yu Lu	b	13,520,789	32,232	30,252	-	-	1.12	67,603,945	N	N	Y	Note 1
		Jiangmen Junxing	b	13,520,789	46,046	43,217	-	-	1.60	67,603,945	N	N	Y	Note 1
		Nan Jing Yu Hua	b	13,520,789	68,814	64,826	-	-	2.40	67,603,945	N	N	Y	Note 1
		Nanjing Hanhong	b	13,520,789	229,006	216,085	59,034	-	7.99	67,603,945	N	N	Y	Note 1
		Qingdao Yuanhuang	b	13,520,789	229,381	216,085	138,781	-	7.99	67,603,945	N	N	Y	Note 1
		Wuhan Yu Hsin	b	13,520,789	275,258	259,302	31,332	-	9.59	67,603,945	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	13,520,789	368,370	345,736	104,692	-	12.79	67,603,945	N	N	Y	Note 1
		Yu-Jie	b	13,520,789	916,024	864,340	-	-	31.96	67,603,945	N	N	Y	Note 1
5	Nanjing Hanhong	Sheng Qing	c	458,548	46,046	-	-	-	-	583,430	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	458,548	216,085	216,085	-	-	94.25	583,430	N	N	Y	Note 1
		Nan Jing Yu Hua	b	458,548	114,503	86,434	-	-	37.70	583,430	N	N	Y	Note 1
6	Zhu Hai Fu Te En	Nanjing Hanhong	d	484,314	172,868	172,868	52,722	-	71.39	726,471	N	N	Y	Note 1
		Nan Jing Yu Hua	d	484,314	86,434	86,434	-	-	35.69	726,471	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)											
7	Su Zhou Feng Shen	Su Chou Cheng Pin	b	$ 564,166	$ 55,255	$ -	$ -	$ -	-	$ 1,692,497	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	564,166	46,046	43,217	-	-	7.66	1,692,497	N	N	Y	Note 1
		Su Zhou Feng Shun	b	564,166	80,305	75,370	-	-	13.36	1,692,497	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	564,166	138,139	129,651	49,370	-	22.98	1,692,497	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	564,166	155,979	146,938	-	-	26.05	1,692,497	N	N	Y	Note 1
8	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	443,355	46,046	43,217	-	-	48.74	886,709	N	N	Y	Note 1
		Su Zhou Feng Shun	c	443,355	241,466	226,630	112,339	-	255.59	886,709	N	N	Y	Note 1
9	Su Zhou Feng Shun	Su Zhou Cheng Li	b	1,117,315	27,628	25,930	7,633	-	11.60	2,234,631	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,117,315	46,046	43,217	-	-	19.34	2,234,631	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	1,117,315	161,162	151,260	58,078	-	67.69	2,234,631	N	N	Y	Note 1
10	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	388,953	161,162	151,260	80,441	-	249.56	777,906	N	N	Y	Note 1
11	Xiao Gan Yu Feng	Sheng Qing	c	397,984	23,023	-	-	-	-	795,969	N	N	Y	Note 1
12	Jiangmen Junxing	Sheng Qing	c	315,173	46,046	-	-	-	-	630,346	N	N	Y	Note 1
13	Shenzhen Yu Zhi	Sheng Qing	c	183,505	23,023	-	-	-	-	367,010	N	N	Y	Note 1
14	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	388,953	161,162	151,260	-	-	210.23	864,340	N	N	Y	Note 1
15	Su Zhou Cheng Guo	Su Zhou Chen Long	c	388,953	115,116	108,043	96,175	-	999.99	864,340	N	N	Y	Note 1
16	Y-Teks	Yu-Hsin Intl	b	331,446	122,960	-	-	-	-	488,728	N	N	N	Note 1
17	Yueki	Hangchow Yue Wan	b	401,766	122,960	-	-	-	-	351,417	N	N	Y	Note 1
18	Guang Zhou Yuan Zhi	Guang Zhou Yuan Du	c	345,736	366,410	345,736	104,692	-	999.99	648,255	N	N	Y	Note 1
19	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	b	671,806	137,629	129,651	20,652	-	38.60	1,679,514	N	N	Y	Note 1
20	Su Zhou Chen Long	Su Zhou Cheng Hung	b	1,586,973	82,577	77,791	23,921	-	24.51	3,173,946	N	N	Y	Note 1
21	Shanghai Yuming	Ka Shing Yu Da	b	129,651	45,876	43,217	-	-	124.50	216,085	N	N	Y	Note 1
22	Nan Jing Yu Hua	Nanjing Hanhong	c	558,092	172,868	172,868	52,722	-	146.97	1,176,183	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	558,092	216,085	216,085	-	-	183.72	1,176,183	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.

TAC: 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.

Car-plus Corporation: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 250% of the endorser's/guarantor's net equity

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.

(Continued)

Nanjing Hanhong: The aggregate endorsement/guarantee limit was RMB135 million. 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 calculated for 1,000% 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.

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 was calculated for 500% of the endorser's/guarantor's net equity.

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.

Xiao Gan Yu Feng: 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 was calculated for 500% of the endorser's/guarantor's net equity.

Jiangmen Junxing: 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 was calculated for 500% of the endorser's/guarantor's net equity.

Shenzhen Yu Zhi: The aggregate endorsement/guarantee limit was RMB80 million. The limits on each endorsement/guarantee given on behalf of each party was RMB40 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.

Y-Teks: The aggregate endorsement/guarantee limit was calculated for 50% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 30% of the endorser's/guarantor's net equity

Yueki: The aggregate endorsement/guarantee limit was calculated for 50% 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.

Guang Zhou Yuan Zhi: The aggregate endorsement/guarantee limit was RMB150 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Guang Zhou Yuan Du: 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 200% of the aggregate endorsement/guarantee amounts.

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.

Shanghai Yuming: The aggregate endorsement/guarantee limit was RMB50 million. The limits on each endorsement/guarantee given on behalf of each party was RMB30 million.

Nanjing Hanhong: 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.

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 was directly or indirectly held by the Company over 90%.

e. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.

f. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance 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)

YULON MOTOR COMPANY LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(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, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Structured finance products							
	KGI Securities PGN-structured products		Financial assets at fair value through profit or loss - current	135	$ 13,514	-	$ 13,514	-
	KGI Securities PGN-structured products		Financial assets at fair value through profit or loss - current	6,000	600,011	-	600,011	-
	Beneficiary certificates							
	Taishin Dragon Fund		Financial assets at fair value through profit or loss - current	918	10,176	-	10,176	-
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	1,478	20,080	-	20,080	-
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	33,775	502,492	-	502,492	-
	Prudential Financial Money Market		Financial assets at fair value through profit or loss - current	31,582	501,580	-	501,580	-
	Prudential Financial US Investment Grade Corporate Bond Fund		Financial assets at fair value through profit or loss - current	500	4,967	-	4,967	-
	FSITC Global Wealthy Nations Bond Fund		Financial assets at fair value through profit or loss - current	500	5,001	-	5,001	-
	Invesco 2023 target expires quality Emerging bond fund		Financial assets at fair value through profit or loss - current	100	30,640	-	30,640	-
	KGI Taiwan Multi-Asset Income Fund		Financial assets at fair value through profit or loss - current	1,988	20,180	-	20,180	-
	THE RSIT Digital Fund		Financial assets at fair value through profit or loss - current	357	12,906	-	12,906	-
	Capital Conservative Allocation Fund of Funds		Financial assets at fair value through profit or loss - current	1,000	9,847	-	9,847	-
	CTBC H2O Global Income Privately Offered Fund		Financial assets at fair value through profit or loss - current	30	8,993	-	8,993	-
	Amundi Funds - China Equity		Financial assets at fair value through profit or loss - current	1	2,169	-	2,169	-
	Common stocks							
	Shin Bus Company		Financial assets at fair value through other comprehensive income - non-current	154	485	0.32	485	-
	Taiwan Stock Exchange		Financial assets at fair value through other comprehensive income - non-current	7,284	359,093	1.00	359,093	-
	Yulon Finance Corporation, Preferred Shares A	Subsidiary	Financial assets at fair value through other comprehensive income - non-current	36,604	1,976,616	36.60	1,976,616	-
	Photronics DNP Mask Company		Financial assets at fair value through other comprehensive income - non-current	856	29,482	0.33	29,482	-
	First Financial Holding Company		Financial assets at fair value through other comprehensive income - non-current	959	22,726	0.01	22,726	-
	Mison - Century Technology, Ltd	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	5,025	30,047	8.37	30,047	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
YFC	Bonds							
	Government bonds		Financial assets at amortized cost - non-current	-	$ 5,328	-	$ 5,524	-
Yustar	Bonds							
	Government bonds		Financial assets at amortized cost - non-current	-	10,380	-	10,497	-
H. K. Manpower	Beneficiary certificates							
	Union Money Market Fund		Financial assets at fair value through profit or loss - current	235	3,110	-	3,110	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	254	3,050	-	3,050	-
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	206	3,061	-	3,061	-
	Capital Money Market Fund		Financial assets at fair value through profit or loss - current	129	2,084	-	2,084	-
Da Wei	Beneficiary certificates							
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	172	2,566	-	2,566	-
Qinton	Beneficiary certificates							
	Taishin 1699 Money Market		Financial assets at fair value through profit or loss - current	97	1,318	-	1,318	-
Yu Pong	Structured finance products							
	CLN20191107001 EPi Structured Finance Products		Financial assets at fair value through profit or loss - current	150	15,096	-	15,096	-
	Beneficiary certificate							
	FSITC Money Market		Financial assets at fair value through profit or loss - current	152	27,202	-	27,202	-
	Taishin Ta-Chong Money Market		Financial assets at fair value through profit or loss - current	494	7,050	-	7,050	-
	FSITC US Top 100 Bond Fund N Inc TWD		Financial assets at fair value through profit or loss - current	1,000	10,050	-	10,050	-
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	800	10,873	-	10,873	-
	FSITC Taiwan Money Market		Financial assets at fair value through profit or loss - current	1,954	30,019	-	30,019	-
	Common stocks							
	Yulon Motor Company	Parent company	Financial assets at fair value through other comprehensive income - current	-	2	-	2	-
	Fubon Financial Company		Financial assets at fair value through other comprehensive income - current	2,419	112,230	-	112,230	-
China Cast Iron Pipe	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market		Financial assets at fair value through profit or loss - current	153	1,593	-	1,593	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	42	507	-	507	-
	Nomura Asia Pacific High Yield Bond Fund Accumulate		Financial assets at fair value through profit or loss - current	222	2,950	-	2,950	-
Yue Sheng	Common stocks							
	YUE KI INDUSTRIAL CO., LTD.	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	10	100	0.08	100	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yung Hong	Beneficiary certificates							
	FSITC Taiwan Money Market		Financial assets at fair value through profit or loss - current	3,258	$ 50,051	-	$ 50,051	-
	Cathay US Multi-Income Balanced Fund A		Financial assets at fair value through profit or loss - current	2,000	20,234	-	20,234	-
	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	202	2,016	-	2,016	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,545	-	4,545	-
	Asia Plastic		Financial assets at fair value through profit or loss - current	2,267	13,898	-	13,898	-
	TAC Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	6	631	-	631	-
	Asia Plastic		Financial assets at fair value through other comprehensive income - current	1,880	11,523	-	11,523	-
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	432,068	-	432,068	-
	Orgchem Technology Company		Financial assets at fair value through other comprehensive income - non-current	291	4,853	-	4,853	-
	T-Car Inc.		Financial assets at fair value through other comprehensive income - non-current	1,275	30,826	-	30,826	-
	ADTO Company		Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	-
	ROCKER ZONE		Financial assets at amortized cost - non-current	330	6,683	-	6,683	-
Yu Ching	Common stocks							
	Yulon Motor Company	Parent company	Financial assets at fair value through other comprehensive income - non-current	11,838	231,442	0.01	231,442	-
	Yulon Management	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	1	9	-	9	-
Chinh-Ling	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market		Financial assets at fair value through profit or loss - current	1,627	16,886	-	16,886	-
Yu Chang	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	1,690	6.95	1,690	-
	Luxgen Kaohsiung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	250	2,483	3.50	2,483	-
Yushin	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	781	6.96	781	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Empower	Common stocks							
	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	-
Yu Sing	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	842	6.97	842	-
Yulon Construction	Beneficiary certificates							
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	20,175	300,159	-	300,159	-
	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	118	844	-	844	-
	RECTRON LTD.		Financial assets at fair value through profit or loss - current	16	135	-	135	-
	Yang Ming Marine Transport Corporation		Financial assets at fair value through profit or loss - current	6	40	-	40	-
	SHIN KONG SECURITY CO., LTD.		Financial assets at fair value through profit or loss - current	50	1,851	-	1,851	-
	Compal Electronics, INC.		Financial assets at fair value through profit or loss - current	14	265	-	265	-
	Yue Sheng Company	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	2	33	-	33	-
Yulon China	Common stocks							
	YUNG JEN INDUSTRIAL CO., LTD.		Financial assets at fair value through profit or loss - non-current	75	2,249	-	2,249	-
Luxgen	Common stocks							
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	8,000	432,000	8.00	432,000	-
Yu-Jie	Financial products							
	Cash Management No. 1		Financial assets at fair value through profit or loss - current	-	120,330	-	120,330	-
	Lidodo Public Structural Deposit		Financial assets at fair value through profit or loss - current	-	644,625	-	644,625	-
Su Zhou Feng Shen	Common stocks							
	Su Zhou Cheng Yi		Financial assets at fair value through other comprehensive income - non-current	275	2,435	-	2,435	-
Hang Zhou Hua Zhi	Financial products							
	Structured Deposit		Financial assets at fair value through profit or loss - current	-	8,595	-	8,595	-
Hang Zhou Haitec Company	Financial products							
	Pension Financial products		Financial assets at fair value through profit or loss - current	-	12,678	-	12,678	-
	Daily schedule Financial products		Financial assets at fair value through profit or loss - current	-	45,124	-	45,124	-
	Accumulated Earnings Financial products		Financial assets at fair value through profit or loss - current	-	17,190	-	17,190	-

(Concluded)

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, 2019
(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	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	$ -	62,232	$ 750,000	62,232	$ 750,402	$ 750,000	$ 402	-	$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	67,387	1,000,000	33,612	500,000	498,786	1,214	33,775	502,492
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	61,912	1,000,000	61,912	1,001,380	1,000,000	1,380	-	-
	Prudential Financial Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	31,582	500,000	-	-	-	-	31,582	501,580
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	65,279	1,000,000	65,279	1,002,789	1,000,000	2,789	-	-
	Hua Nan Phoenix Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	76,887	1,250,000	76,887	1,251,849	1,250,000	1,849	-	-
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	113,415	1,500,000	113,415	1,501,652	1,500,000	1,652	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	45,333	500,000	45,333	501,265	500,000	1,265	-	-
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	96,052	1,300,000	96,052	1,303,397	1,300,000	3,397	-	-
	Allianz Glbl Investors Taiwan Money Mkt	Financial assets at fair value through profit or loss - current	-	-	-	-	39,902	500,000	39,902	501,919	500,000	1,919	-	-
	Nomura Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	122,346	2,000,000	122,346	2,001,484	2,000,000	1,484	-	-
	Mega Diamond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	39,839	500,000	39,839	501,526	500,000	1,526	-	-
	SinoPac TWD Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	21,515	300,000	21,515	300,147	300,000	147	-	-
	Franklin Templeton Sinoam Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	72,497	750,000	72,497	752,380	750,000	2,380	-	-
	KGI Victory Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	68,999	800,000	68,999	800,576	800,000	576	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	600,740	600,000	740	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	601,018	600,000	1,018	-	-
	ML Securities PGN-Commercial Paper-90 Days	Financial assets at fair value through profit or loss - current	-	-	-	-	5	500,000	5	500,829	500,000	829	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	600,541	600,000	541	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	-	-	-	6	600,011
	Tai-Yuen Textiles Co., Ltd.	Investments accounted for using equity method	-	-	170,685	7,863,796	-	-	170,685	7,889,266	7,889,266	-	-	-
	YuenWen Investment Co., Ltd.	Investments accounted for using equity method	-	-	-	-	11,510	8,041,493	11,510	11,555,039	8,418,443	3,150,981	-	-

(Continued)

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)
YFC	Singan Co., Ltd.	Investments accounted for using equity method	-	-	-	$ -	21,004	$ 315,157	-	$ -	$ -	$ -	21,004	$ 302,971
	TAC Global Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	54,537	2,480,687	45,496	1,402,170	-	-	-	-	100,033	3,965,579
	Yu Rich Financial Services Co., Ltd	Investments accounted for using equity method	-	-	52,876	740,192	42,766	660,661	-	-	-	-	113,376	1,673,889
Singan	Sinjang Co., Ltd.	Investments accounted for using equity method	-	-	-	-	42,824	518,754	-	-	-	-	42,824	527,070
TAC Global	Yu Rong International Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	42,000	1,936,185	45,496	1,402,170	-	-	-	-	87,496	3,529,265
Yu Rong International	TAC Leasing (Suzhou) Co., Ltd.	Investments accounted for using equity method	-	-	191,848	1,636,049	308,152	1,402,170	-	-	-	-	500,000	3,373,792

Note 1: Number of shares including stock dividends.

Note 2: The beginning balance and ending balance included adjustments of unrealized gains or loss on financial assets and investments accounted for using equity method.

(Concluded)

TABLE 5

YULON MOTOR COMPANY LTD.

ACQUISITION 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, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
						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, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	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, 2019
(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	$ (25,798,395)	88	Within 45 days	-	3 days to 45 days	$ 232,838	71	
	Luxgen	The Company's subsidiary	Sales	(3,187,064)	11	Within 10 days	-	3 days to 10 days	90,422	28	Note
	Dongfeng Yulon	An investee accounted for by equity method	Sales	(137,805)	-	Within 60 days	-	3 days to 60 days	-	-	
YFC	Yuan Lon	An investee accounted for by equity method	Sales	(3,363,645)	8	Receipt of payment on the day	-	-	6,068	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(3,147,838)	8	Receipt of payment on the day	-	-	18,682	-	
	Yu Sing	The same ultimate parent company	Sales	(3,126,785)	7	Receipt of payment on the day	-	-	9,342	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(967,192)	2	Receipt of payment on the day	-	-	30,005	-	
	Yu Chang	The same ultimate parent company	Sales	(4,270,278)	10	Receipt of payment on the day	-	-	20,922	-	
	Yushin	The same ultimate parent company	Sales	(2,454,731)	6	Receipt of payment on the day	-	-	8,400	-	
	Yu Tang	An investee accounted for by equity method	Sales	(2,157,190)	5	Receipt of payment on the day	-	-	8,867	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(563,891)	1	Receipt of payment on the day	-	-	6,248	-	
	Empower	The same ultimate parent company	Sales	(3,237,208)	8	Receipt of payment on the day	-	-	84,567	-	
	Cheng Long	An investee accounted for by equity method	Sales	(2,556,944)	6	Receipt of payment on the day	-	-	7,740	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(614,778)	1	Receipt of payment on the day	-	-	51	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(426,222)	1	Receipt of payment on the day	-	-	70	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(361,438)	1	Receipt of payment on the day	-	-	91	-	
	Ding Long	An investee accounted for by equity method	Sales	(1,134,713)	3	Receipt of payment on the day	-	-	381	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(460,676)	1	Receipt of payment on the day	-	-	546	-	
	Yuan Zhi	An investee accounted for by equity method	Sales	(451,971)	1	Receipt of payment on the day	-	-	2,051	-	
Sin Jiang	YFC	The same ultimate parent company	Sales	(10,616,227)	97	Receipt of payment on the day	-	-	-	-	
Union & NKH Auto Parts	The Company	The parent company	Sales	(850,551)	45	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	144,811	36	
	China Motor	An investee accounted for by equity method	Sales	(694,412)	37	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	152,354	38	
Fuzhou Lianghong	Southeast Bus	A related party in substance	Sales	(196,744)	13	45 days	-	-	74,577	25	
Yueki	The Company	The parent company	Sales	(455,765)	50	45 days	Bargaining	45 days	63,027	18	
	China Motor	An investee accounted for by equity method	Sales	(162,094)	18	45 days	Bargaining	45 days	38,185	11	
	Kian-shen	A related party in substance	Sales	(161,919)	18	45 days	Bargaining	45 days	61,728	18	
Y-Teks	The Company	The parent company	Sales	(213,979)	69	45 days	-	-	28,934	40	
Yue Sheng	The Company	The parent company	Sales	(178,174)	46	At sight or a month	Bargaining	At sight or a month	22,825	34	
Luxgen	Hui-Fong	A related party in substance	Sales	(145,903)	4	At sight	-	At sight	8,565	6	
	Luxgen Taipei	The same ultimate parent company	Sales	(312,970)	8	At sight	-	At sight	65,987	47	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(209,839)	5	At sight	-	At sight	2,776	2	
	Luxgen Taichung	The same ultimate parent company	Sales	(187,746)	5	At sight	-	At sight	7,546	5	
	Luxgen Tainan	The same ultimate parent company	Sales	(124,505)	3	At sight	-	At sight	5,309	4	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(130,232)	3	At sight	-	At sight	5,644	4	
	TAC	The same ultimate parent company	Sales	(2,930,594)	73	Within 3 days	-	Within 3 days	12,626	9	
Singgual Travel	The Company	The parent company	Sales	(158,977)	33	At sight or a month	Bargaining	At sight or a month	18,739	26	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(154,730)	92	At sight or a month	Bargaining	At sight or a month	17,267	97	
Tian Wang	Yu Chang	The same ultimate parent company	Sales	(104,359)	74	At sight or a month	Bargaining	At sight or a month	11,068	99	

(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	
LUXGEN (hangzhou) Motor Sales	Chuang Jie	The same ultimate parent company	Sales	$ (420,612)	43	Sales revenue received in advance	-	Sales revenue received in advance	$ -	-	
The Company	Union & NKH Auto Parts	The Company's subsidiary	Purchase	850,551	4	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(144,811)	5	
	Yueki	The Company's subsidiary	Purchase	455,765	2	45 days	Bargaining	45 days	(63,027)	2	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	9,568,707	43	12 days after bill of lading	-	12 days after bill of lading	(1,048,104)	37	
	Y-Teks	The Company's subsidiary	Purchase	213,979	1	45 days	-	-	(28,934)	1	
	Yue Sheng	The Company's subsidiary	Purchase	178,174	1	At sight or a month	Bargaining	At sight or a month	(22,825)	1	
	Dongfeng Yulon	An investee accounted for by equity method	Purchase	343,712	2	60 days after monthly closing	-	60 days after monthly closing	(47,957)	2	
	Singgual Travel	The Company's subsidiary	Purchase	158,977	1	At sight or a month	Bargaining	At sight or a month	(18,739)	1	
	Uni-calsonic	An investee accounted for by equity method	Purchase	103,341	-	45 days after monthly closing	Bargaining	45 days after monthly closing	(11,172)	-	
	China Ogihara	An investee accounted for by equity method	Purchase	234,873	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(295)	-	
	Yuen-jin	A related party in substance	Purchase	118,908	1	45 days after monthly closing	Bargaining	45 days after monthly closing	-	-	
	Taiway	A related party in substance	Purchase	153,384	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(16,968)	1	
YFC	Yulon Nissan	An investee accounted for by equity method	Purchase	28,424,293	68	Within 3 days	-	-	(238,644)	54	
	Sin Jiang	The same ultimate parent company	Purchase	10,616,227	25	Receipt of payment on the day	-	-	-	-	
	Luxgen	The same ultimate parent company	Purchase	2,930,594	7	Within 3 days	-	-	(12,626)	3	
Yu Sing	YFC	The same ultimate parent company	Purchase	3,126,785	80	Receipt of payment on the day	-	-	(9,342)	10	
	Yulon Nissan	An investee accounted for by equity method	Purchase	362,459	9	Receipt of payment on the day	-	-	(19,475)	20	
	Kuen You Trading	The same ultimate parent company	Purchase	154,730	4	60 days	-	-	(17,267)	18	
Yushin	YFC	The same ultimate parent company	Purchase	2,454,731	82	Receipt of payment on the day	-	-	(8,400)	14	
	Yulon Nissan	An investee accounted for by equity method	Purchase	264,123	9	Receipt of payment on the day	-	-	(2,804)	5	
Yu Chang	YFC	The same ultimate parent company	Purchase	4,270,278	86	Receipt of payment on the day	-	-	(20,922)	23	
	Yulon Nissan	An investee accounted for by equity method	Purchase	429,556	9	Receipt of payment on the day	-	-	-	-	
	Tian Wang	The same ultimate parent company	Purchase	104,359	2	Receipt of payment on the day	-	-	(11,068)	12	
Empower	YFC	The same ultimate parent company	Purchase	3,237,208	77	Receipt of payment on the day	-	-	(84,567)	100	
	Yulon Nissan	An investee accounted for by equity method	Purchase	360,139	9	Receipt of payment on the day	-	-	-	-	
Luxgen	The Company	The parent company	Purchase	3,187,064	78	Within 10 days	-	3 days to 10 days	(90,422)	15	
Luxgen Taipei	YFC	The same ultimate parent company	Purchase	967,192	71	Receipt of payment on the day	-	-	(30,005)	29	
	Luxgen	The same ultimate parent company	Purchase	312,970	23	At sight	-	-	(65,987)	63	
Luxgen Taoyuan	YFC	The same ultimate parent company	Purchase	563,891	70	Receipt of payment on the day	-	-	(6,248)	29	
	Luxgen	The same ultimate parent company	Purchase	209,839	26	At sight	-	-	(2,776)	13	
Luxgen Taichung	YFC	The same ultimate parent company	Purchase	614,778	76	Receipt of payment on the day	-	-	(51)	-	
	Luxgen	The same ultimate parent company	Purchase	187,746	23	At sight	-	-	(7,546)	44	
Luxgen Tainan	YFC	The same ultimate parent company	Purchase	361,438	70	Receipt of payment on the day	-	-	(91)	1	
	Luxgen	The same ultimate parent company	Purchase	124,505	24	At sight	-	-	(5,309)	52	
Luxgen Kaohsiung	YFC	The same ultimate parent company	Purchase	426,222	77	Receipt of payment on the day	-	-	(70)	-	
	Luxgen	The same ultimate parent company	Purchase	130,232	22	At sight	-	-	(5,644)	17	
Chuang Jie	LUXGEN (hangzhou) Motor Sales	The same ultimate parent company	Purchase	420,612	98	Payment in advance	-	-	-	-	
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	Purchase	471,417	91	Payment in advance	-	-	(46,191)	8	

Note: The balance of account receivable $(358,920) thousand less allowance for uncollectible accounts $(358,920) thousand to Dongfeng Yulon is $0.

(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, 2019
(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	$ 302,653 (Note 1)	46.29	$ -	-	$ 272,646	$ -
	Luxgen	The Company's subsidiary	133,939 (Note 2)	25.90	-	-	120,289	-
	Dongfeng Yulon	An investee accounted for by equity method	386,942	0.47	-	-	-	386,942
Union & NKH Auto Parts	The Company	The parent company	144,811	4.66	-	-	-	-
Luxgen	Dongfeng Yulon	An investee accounted for by equity method	172,880	0.02	-	-	-	172,800
Hangchow Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	108,969	0.03	108,969	-	-	108,969
Yueki	Hangchow Yue Wan	The same ultimate parent company	222,565 (Note 3)	-	160,569	-	-	6,972
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	230,106	0.27	-	-	30,033	-
TAC Leasing (Suzhou)	Dongfeng Yulon	An investee accounted for by equity method	281,400	0.09	-	-	-	281,400
Yulon Motor Finance	Dong Feng Yulon Sales Company	The same ultimate parent company	135,286	-	-	-	860	135,286
LUXGEN (hangzhou) Motor Sales	Dong Feng Yulon Sales Company	The same ultimate parent company	683,963 (Note 4)	-	-	-	-	667,834
Yulon Motor Investment	Dongfeng Yulon	An investee accounted for by equity method	549,638 (Note 5)	-	-	-	-	549,638
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	6,450,268 (Note 6)	-	-	-	-	6,340,285
Haitec	Dongfeng Yulon	An investee accounted for by equity method	10,102,324 (Note 7)	-	-	-	-	8,235,324

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Sheng Qing	Zhu Hai Fu Te En	The same ultimate parent company	$ 123768 (Note 8)	-	$ -	-	$ -	$ -
	Dongfeng Yulon	An investee accounted for by equity method	154,710 (Note 8)	-	-	-	-	154,710
	Shen Jun Yu Peng	The same ultimate parent company	166,821 (Note 8)	-	-	-	-	-
	Wuhan Yu Hsin	The same ultimate parent company	158,098 (Note 8)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	165,178 (Note 8)	-	-	-	-	-
	Yu-Jie	The same ultimate parent company	172,781 (Note 8)	-	-	-	-	-
	Nanjing Hanhong	The same ultimate parent company	224,759 (Note 8)	-	-	-	-	-
	Yulon Motor Investment	The same ultimate parent company	1,428,324 (Note 8)	-	-	-	-	-
Yu-Jie	Dongfeng Yulon	An investee accounted for by equity method	215,279 (Note 8)	-	-	-	-	215,279
Ke Yu	Sheng Qing	The same ultimate parent company	400,178 (Note 8)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	293,068 (Note 8)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	129,254 (Note 8)	-	-	-	-	-
Sin Jiang	Singan	The same ultimate parent company	200,001 (Note 8)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	107,575 (Note 8)	-	-	-	-	-
Hangchow Liangrun	Dongfeng Yulon	An investee accounted for by equity method	157,033 (Note 8)	(5.46)	-	-	-	157,033
Yulon China	Sheng Qing	The same ultimate parent company	262,819 (Note 8)	-	-	-	-	-
Yulon Motor Investment	Hang Zhou Haitec Company	The same ultimate parent company	233,263 (Note 8)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Hang Zhou Haitec Company	Dongfeng Yulon	An investee accounted for by equity method	$ 527,101 (Note 9)	-	$ -	-	$ -	$ 527,101
Hangchow Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	104,163 (Note 9)	-	-	-	-	104,163
Union & NKH Auto Parts	China Motor	An investee accounted for by equity method	152,354 (Note 9)	-	-	-	-	-

Note 1: The receivables comprised account and notes receivables of $232,838 thousand and other receivables of $69,815 thousand.

Note 2: The receivables comprises accounts receivable of $90,422 thousand and other receivables of $43,517 thousand.

Note 3: The receivables comprises accounts receivable of $160,619 thousand and other receivables of $61,946 thousand.

Note 4: The receivables comprises accounts receivable of $22,962 thousand and other receivables of $661,001 thousand.

Note 5: The receivables comprises accounts receivable of $89,712 thousand and other receivables of $459,926 thousand.

Note 6: The receivables comprises accounts receivable of $9,061 thousand and other receivables of $6,440,667 thousand.

Note 7: The receivables comprises accounts receivable of $9,443,487 thousand and other receivables of $658,837 thousand.

Note 8: The receivables comprises other receivables.

Note 9: The receivables comprises accounts receivable.

(Concluded)

YULON MOTOR COMPANY LTD.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	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	$ 10,134,287	$ 7,281,897	$ 3,527,895	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	810,409	44,592	8.05	3,834,944	(2,465,573)	130,158	-
	YFC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	138,222	45.75	4,332,437	2,962,308	1,352,678	-
	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	-	44,956	-	-	-	386,476	25,471	Note
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	416,268	(125,045)	(84,890)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	238,872	238,872	23,061	80.07	368,654	4,227	2,791	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	66,862	13,370	10,383	-
	Union & NKH Auto Parts	Taipei, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,692	21,729	25.01	580,968	(156,432)	(40,890)	-
	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	131,000	26,942	8,272	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	61,005	(17,156)	(29,027)	-
	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	489,657	124,391	34,933	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	101,858	(6,039)	(1,116)	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	1,077,221	1,077,221	72,691	60.00	528,658	112,023	62,455	-
	Yu Pong	Taipei, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	27,170	100.00	826,389	36,045	39,987	-
	Yung Hong	Taipei, Taiwan	Investments	537,311	537,311	77,622	100.00	579,033	25,293	25,293	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	132,986	19,999	100.00	234,758	(252)	7,273	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	320,000	320,000	32,000	18.95	147,309	(155,080)	(29,128)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	10,944	27.00	209,107	28,746	379	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	107,222	3,926	1,325	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	205,765	155,470	31,839	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	3,254	3.46	67,482	302,787	10,469	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	-	99,935	-	-	-	79,076	5,649	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,800	20.00	77,225	22,110	9,940	-
	Chan Yun	Taipei, Taiwan	Wholesale and retail of information software	58,594	40,680	16,664	87.71	35,616	(7,044)	(4,263)	-
	Sin Jiang	Taipei, Taiwan	Wholesale and retail of secondhand cars	-	85,895	-	-	-	70,632	1,653	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	1,081,157	871,157	108,000	100.00	1,229,368	97,761	97,761	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	325,199	17,999	99.99	136,552	(43,378)	(22,782)	-
	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	320,034	27,652	7,795	-
	Yulon Overseas	B.V.I.	Investments	24,426,875	23,813,725	785,328	100.00	(2,540,934)	(10,330,579)	(9,622,707)	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,640,972	967,571	168,269	-
	Yu Rich	Taipei, Taiwan	Installment loans of consumer goods and wholesale of cars and parts	-	99,000	-	-	-	275,929	2,237	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	-	67,459	-	-	-	(19,514)	(948)	-
	Haitec	New Taipei City, Taiwan	Product design	2,047,449	2,047,449	116,370	35.46	(9,314,207)	(13,237,822)	(8,877,979)	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	66,373	8,894	2,423	-
	DXMEDIA	Taipei, Taiwan	Publication	10,000	10,000	400	20.00	999	(610)	(122)	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	22,640,000	14,840,000	980,000	100.00	727,182	(12,867,669)	(12,858,232)	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	500,000	-	-	-	5,911	5,930	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,991	32,991	3,299	32.99	33,712	14,681	1,434	-
	Yulon Energy	New Taipei City, Taiwan	Wholesale and retail sale of batteries	-	400,000	-	-	-	(17,467)	(11,462)	-
	Yulon Construction	Taipei, Taiwan	Construction	3,034,485	3,034,485	122,100	100.00	4,345,227	(248,152)	(70,827)	-
	Hong Kong-Spicer	Hong Kong	Investment	56,475	56,475	1,585	20.50	51,743	(15,906)	(3,261)	-
	YuenWen Investment Co., Ltd.	Taipei, Taiwan	Investments	-	-	-	-	-	15,744	15,744	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
YuenWen Investment Co., Ltd.	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	$ -	$ -	-	-	$ -	$ 386,476	$ -	Note
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	757,288	757,288	64,570	68.57	1,343,174	302,787	-	-
	SCC	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	175,500	100.00	3,193,724	526,065	-	-
	TAC Global	Samoa	Shareholding company	3,089,942	1,687,772	100,033	100.00	3,965,579	272,803	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	181,873	967,571	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	7,832	27.00	102,191	22,110	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	181,731	-	-	-	70,632	-	-
	Yu Rich	Taipei, Taiwan	Installment loans of consumer goods and wholesale of cars and parts	660,662	500,001	113,376	100.00	1,673,890	275,929	-	-
	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	411,085	(21,269)	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	315,157	-	21,004	73.26	302,971	79,076	-	-
Yustar	Shinshin Samoa	Samoa	Shareholding company	389,077	389,077	12,000	100.00	196,070	(138,115)	-	-
	YES Energy Service	New Taipei City, Taiwan	Wholesale and retail sale of batteries	21,407	-	6,500	100.00	113,940	(17,467)	-	-
YES Energy Service	Power Engineering	New Taipei City, Taiwan	Construction project contracting	2,000	2,000	200	100.00	883	(78)	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	116,683	24,314	-	-
	Car-Plus Samoa	Samoa	Shareholding company	563,071	563,071	18,000	100.00	643,644	(132,884)	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	90,811	-	-	-	70,632	-	-
	Da-Wei	Taipei, Taiwan	brokerage of electric vehicles	20,000	20,000	2,000	100.00	25,518	4,372	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	11,881	-	4,050	100.00	10,496	(2,004)	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	10,232	1,929	-	-
	Dachuan	Taipei, Taiwan	Taxi service	1,125	-	300	100.00	2,356	1,231	-	-
	Damu	Taipei, Taiwan	Taxi service	1,575	-	600	100.00	2,067	492	-	-
	Dajun	Taipei, Taiwan	Taxi service	900	-	300	100.00	1,608	708	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	19,281	3,894	-	-
Sin Jiang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	23,536	1,428	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	365,685	(47,758)	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	223,517	38,744	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	184,884	184,884	6,000	60.00	54,306	(212,493)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	243,790	(47,758)	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	149,011	38,744	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	123,160	123,160	4,000	40.00	36,204	(212,493)	-	-
	YuRong International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	2,698,460	1,296,290	87,496	100.00	3,529,265	360,952	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	9,456	1,428	-	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Samoa	Shareholding company	437,490	437,490	15,000	100.00	411,085	(21,269)	-	-
Yulon Finance Philippines Corporation	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	411,085	(21,269)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Singan	Hsiang Shou	New Taipei City, Taiwan	Towing	$ 128,400	$ 128,400	$ 10,000	100.00	$ 225,588	$ 67,440	$ -	-
	Singgual Travel	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	169,358	(12,250)	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	518,754	-	42,824	100.00	527,070	70,632	-	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	-	6,746	100.00	53,490	(19,514)	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	-	64,100	-	-	-	(2,004)	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	42,080	454	0.08	17,754	(2,465,573)	-	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	682,685	682,685	48,461	40.00	532,655	112,023	-	-
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	117,197	27,652	-	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	253,834	3,998	0.72	43,722	(2,465,573)	-	-
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	55,467	55,467	3,500	1.17	17,283	967,571	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	259,318	7,281,897	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	-	19,914	-	-	-	79,076	-	-
	Chinh-Ling	Taipei, Taiwan	Product design	36,098	36,098	5,000	100.00	104,545	(266)	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	9	9	1	0.01	9	14,681	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	408	11	-	583	(2,465,573)	-	-
	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	26,942	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	465,799	(30,381)	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	-	100.00	45,948	(125,034)	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	28,209	6,949	-	-
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	44,625	6,340	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	14,943	(18,069)	-	-
	YU Shin Invest Ment Ltd.	Samoa	Investments	46,331	46,331	-	100.00	2,039	(13,127)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	11,177	138	-	-
	Hong Yen	Samoa	Investments	47,082	47,082	48,450	100.00	53,476	(32,054)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	3,000	3,000	300	100.00	(18,705)	(331)	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	225,772	7,281,897	-	-
	Yu Chia	Taipei, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	50,000	100.00	29,058	(8,802)	-	-
	Chanchen	Taipei, Taiwan	Management consulting, leases of real estate and general advertising	-	10,000	-	-	-	-	-	-
	Yulon TOBE	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	27,996	-	28,080	100.00	27,922	5,911	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	32,701	(19,827)	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	12,208	1,238	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	998,970	(5,821)	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	435	11	-	442	(2,465,573)	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	343,260	(236,965)	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	256	640	26	-	1,001	(2,465,573)	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,881,314	(157,128)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	$ 184,999	$ 157,625	$ 18,500	99.99	$ 181,592	$ (99,544)	$ -	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	44,822	(18,069)	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	71,624	10,360	97.73	103,599	(19,334)	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	182,388	9,890	94.19	97,329	(31,597)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	58,344	6,600	92.96	65,546	(26,156)	-	-
	Luxgen Overseas Holdings	Singapore	Investments	1,300,595	1,300,595	63,587	100.00	142,329	156	-	-
	Singan	New Taipei City, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	81,785	79,076	-	-
Yulon Construction	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	1,497	1,690	32	-	504	(2,465,573)	-	-
	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	43,454	17,248	-	-
Haitec	SinYi Co., Ltd.	New Taipei City, Taiwan	Wholesale and retail of cars and parts	500	500	50	100.00	9,389	(62)	-	-
	Hua-Chung Overseas Investment Co., Ltd.	B.V.I.	Investments	490,393	490,393	5,465	100.00	(234,844)	(620,027)	-	-
Hua-Chung Overseas Investment Co., Ltd.	Haitec China Investment	Hong Kong	Investments	461,709	461,709	6,328	100.00	(264,543)	(650,215)	-	-
	Haitec Japan	Japan	Product design of cars	26,608	26,608	-	100.00	(19,139)	(18,365)	-	-
Yulon Overseas	Yulon Philippine	Cayman	Investments	1,071,328	1,097,593	32,791	100.00	97,816	290,530	-	-
	Yulon China	B.V.I.	Investments	23,211,593	23,187,037	771,171	100.00	(3,199,133)	(10,578,989)	-	-
Yulon Philippine	UMPI & SCIC	Philippine	Manufacturing of cars and factory lease	875,236	896,694	-	100.00	94,624	79,311	-	-
	NPI	Philippine	Sale, maintenance and repair of cars and parts	70,518	72,247	12	24.50	-	(202,297)	-	-
Yulon China	Qing Yi	Samoa	Investments	919,606	666,472	24,825	100.00	595,705	(97,397)	-	-
	Wen Yang	Samoa	Investments	482,678	494,512	16,100	100.00	192,658	(237,430)	-	-
	Tai Xin	Samoa	Investments	726,152	743,954	19,600	100.00	644,898	(71,187)	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	8,162,529	8,362,645	-	100.00	1,206	921,363	-	-
	Yulon China Holding	Cayman	Investments	12,844,035	12,805,765	33,280	100.00	(4,784,558)	(11,151,813)	-	-
	Feng Hua	Hong Kong	Investments	83,944	86,002	-	40.00	128,629	41,580	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	12,844,035	12,805,765	-	100.00	(4,784,563)	(11,151,968)	-	-

Tai-Yuen Textiles's profit and loss for the period is from January to May 2019 (see Note 17)

(Concluded)

YULON MOTOR COMPANY LTD.

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	$ 66,497	b)	$ 55,763	$ -	$ -	$ 55,763	$ (205,706)	100.00	$ (205,706)	$ 412,548	$ -	2, b)
Ke Yu	Computer software maintenance and computer system integration	789,016	b)	723,154	-	-	723,154	(71,012)	100.00	(71,012)	642,817	-	2, b)
Tai Feng	Computer software maintenance and computer system integration	490,834	b)	445,203	-	-	445,203	(127,683)	100.00	(127,683)	352,038	-	2, b)
Qing Tai	Computer software maintenance and computer system integration	516,840	b)	460,193	-	-	460,193	(110,949)	100.00	(110,949)	242,467	-	2, b)
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,228,442	b)	7,969,003	-	-	7,969,003	(9,383,141)	50.00	935,878	-	-	2, a)
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	189,771	b)	83,944	-	-	83,944	41,586	40.00	16,634	321,569	-	2, b)
Yulon Motor Investment	Investment, shareholding and related business	5,507,944	b)	1,745,943	-	-	1,745,943	(873,458)	100.00	(873,458)	(108,285)	-	2, b)
LUXGEN (Hangzhou) Motor Sales	Sales of cars and car parts	6,868,342	b)	7,031,809	-	-	7,031,809	(10,085,066)	100.00	(10,085,066)	(5,022,369)	-	2, a)
Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	4,297,500	a)	2,191,725	-	-	2,191,725	86,921	73.42	63,815	3,289,988	-	2, b)
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chastises, connection arms, crossrails of engines and other stamping and welding parts	137,488	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	58,731	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	73,860	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	107,386	b)	2,249	-	-	2,249	2,608	2.59	-	2,249	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	340,789	b)	2,998	-	-	2,998	-	2.10	-	-	-	-
Hang Zhou Haitec Company	Product design	132,661	b)	-	-	-	-	(658,017)	100.00	(658,017)	(272,921)	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	$ 880,154	a)	$ 228,152	$ -	$ -	$ 228,152	$ 85,005	20.50	$ 17,426	$ 248,918	$ -	2, c)
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	369,270	a)	55,124	-	-	55,124	(22,628)	14.30	(3,236)	48,937	-	2, c)
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	644,625	b)	-	-	-	-	(88,270)	22.30	(19,684)	450,178	-	2, c)
Hangchow Yue Wan	Manufacturing of car parts	494,206	b)	176,992	90,370	-	267,362	(195,701)	80.75	(158,028)	48,715	-	2, c)
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	256,603	b)	-	44,327	-	44,327	(194,768)	33.39	(65,033)	38,181	-	2, c)
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	50,042	b)	-	-	-	-	(6,085)	14.82	(902)	72,428	-	2, c)
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	149,900	b)	-	-	-	-	(10,166)	5.00	(508)	138,415	-	2, c)
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	197,868	b)	-	-	-	-	1,182,069	6.00	70,924	962,998	-	2, c)
Fuzhou Lianghong	Manufacturing of car seats	446,786	b)	-	-	-	-	11,565	16.67	1,928	475,664	-	2, c)
Hangchow Liangrun	Manufacturing of car seats	637,090	b)	-	142,431	-	142,431	(257,628)	40.38	(104,030)	19,714	-	2, c)
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	801,965	b)	-	-	-	-	124,880	10.00	12,488	1,236,771	-	2, c)
Yu-Jie	Construction industry	2,148,750	a)	-	-	-	-	(200,443)	100.00	(200,443)	1,982,541	-	2, b)
Car-Plus (Suzhou)	Lease of cars and related services	299,800	b)	-	-	-	-	(47,772)	39.20	(18,725)	608,320	-	2, b)
Car-Plus Leasing (Shanghai)	Lease of cars and related services	299,800	b)	-	-	-	-	38,744	39.20	15,187	372,508	-	2, b)
Car-Plus Go Co., Ltd.	Lease of cars and related services	299,800	b)	-	-	-	-	(212,493)	37.12	(78,881)	90,510	-	2, b)
TAC Leasing (Suzhou)	Equipments and cars leasing business	2,263,370	b)	-	-	-	-	499,059	45.75	228,319	3,373,792	-	2, a)
TAC Finance Company	Equipments and cars leasing business	899,400	b)	-	-	-	-	(348,124)	56.60	(197,038)	453,058	-	2, b)
Zhe Jiang Cheng Yi Company	Equipments and cars leasing business	85,950	b)	-	-	-	-	(3,406)	56.60	(1,928)	52,919	-	2, c)
Hangzhou Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	2,149	b)	-	-	-	-	(569)	56.60	(322)	1,349	-	2, c)
Zhejiang Cheng-Yi Auction	Secondhand vehicle authenticate and evaluation service	8,595	b)	-	-	-	-	(699)	56.60	(396)	4,100	-	2, c)
Su Zhou Yu Guo	Car purchases and loans to car dealers for car purchases	8,595	b)	-	-	-	-	(4,652)	56.60	(2,633)	1,955	-	2, c)
Shanghai Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(3,702)	56.60	(2,095)	5,083	-	2, c)
Dongguan Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(1,911)	-	(317)	-	-	2, c)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Yu Guo	Sales of cars	$ 8,595	b)	$ -	$ -	$ -	$ -	$ (3,368)	-	$ (561)	$ -	$ -	2, c)
Chengdu Yu Guo	Sales of cars	8,595	b)	-	-	-	-	233	-	38	-	-	2, c)
Hefei YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,016)	56.60	(1,707)	5,446	-	2, c)
Qingdao YuGuo	Sales of cars	8,595	b)	-	-	-	-	(6,203)	56.60	(3,511)	1,209	-	2, c)
Master Good Car (Wuhan)	Sales of cars	8,595	b)	-	-	-	-	(5,571)	56.60	(3,153)	(216)	-	2, c)
Kunming YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,277)	-	(545)	-	-	2, c)
Shang Hai Jing-Huei	Sales of car parts	48,472	b)	-	-	-	-	(30,354)	53.30	(16,178)	40,943	-	2, c)
Dong Yu Tech. Company	Sales of car parts	64,463	b)	-	-	-	-	-	42.99	-	24,376	-	2, c)
Fu Jian Yu Xin	Sales of cars	182,970	b)	-	-	-	-	(26,812)	100.00	(26,812)	(23,030)	-	2, b)
Ning Bo Yu Cheng	Sales of cars	148,590	b)	-	-	-	-	(37,968)	100.00	(37,968)	(15,970)	-	2, b)
Shanghai Yuming	Sales of cars	215,553	b)	-	-	-	-	(58,787)	67.00	(39,379)	(74,768)	-	2, b)
Ka Shing Yu Da	Sales of cars	79,913	b)	-	-	-	-	(16,001)	67.00	(10,718)	11,887	-	2, b)
Dong Feng Yulon Sales Company	Sales of cars and car parts	221,061	b)	-	-	-	-	(180,768)	50.00	(90,384)	(3,991,047)	-	2, a)
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,459,204	b)	3,432,301	-	-	3,432,301	3,980	100.00	3,980	3,373,499	-	2, b)
Sheng Qing	Investments	3,036,485	b)	133,711	336,023	-	469,733	(178,863)	100.00	(178,863)	1,847,524	-	2, b)
Mei De	Computer software maintenance and computer system integration	351,487	b)	-	-	-	-	(34,848)	100.00	(34,848)	315,088	-	2, b)
Shi Cheng	Computer software maintenance and computer system integration	320,214	b)	-	-	-	-	(68,137)	100.00	(68,137)	34,394	-	2, b)
Jin Ce	Computer software maintenance and computer system integration	86,966	b)	-	-	-	-	(12,514)	100.00	(12,514)	62,434	-	2, b)
Yi Ding	Computer software maintenance and computer system integration	244,052	b)	-	-	-	-	(44,530)	100.00	(44,530)	183,043	-	2, b)
Dong Tai	Investments	326,272	b)	-	-	-	-	(58,088)	100.00	(58,088)	30,662	-	2, b)
Gao Te	Investments	256,431	b)	-	-	-	-	(23,665)	100.00	(23,665)	207,259	-	2, b)
Shen Jun Yu Peng	Sales of cars	53,055	b)	-	-	-	-	14,038	65.00	9,125	18,258	-	2, b)
Su Zhou Feng Shen	Sales of cars	212,219	b)	-	-	-	-	147,233	40.00	58,893	367,600	-	2, b)
Guang Zhou Yuan Du	Sales of cars	154,742	b)	-	-	-	-	(10,540)	51.00	(5,376)	80,321	-	2, b)
Zhu Hai Fu Te En	Sales of cars	22,106	b)	-	-	-	-	(41,244)	100.00	(41,244)	108,121	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Nanjing Hanhong	Sales of cars	$ 310,603	b)	$ -	$ -	$ -	$ -	$ (47,223)	100.00	$ (47,223)	$ 112,711	$ -	2, c)
Wuhan Yu Hsin	Sales of cars	269,909	b)	-	-	-	-	22,258	100.00	22,258	189,782	-	2, b)
HangZhou Yu Zhong	Trading	44,212	b)	-	-	-	-	(7,261)	100.00	(7,261)	66,121	-	2, b)
Jiangmen Junxing	Sales of cars	89,318	b)	-	-	-	-	(20,192)	60.00	(12,115)	52,459	-	2, b)
Jiangmen Yuli	Sales of cars	45,106	b)	-	-	-	-	(16,122)	60.00	(9,673)	23,993	-	2, b)
He-Shan Li-Sheng	Sales of cars	2,803	b)	-	-	-	-	(820)	60.00	(492)	3,717	-	2, b)
Guang Zhou Yuan Zhi	Sales of cars	87,999	b)	-	-	-	-	(22,455)	51.00	(11,452)	(15,227)	-	2, b)
Qingdao Yuanhuang	Sales of cars	218,587	b)	-	-	-	-	(17,772)	51.00	(9,063)	(11,673)	-	2, b)
Hang Zhou Hua Zhi	Sales of cars	88,425	b)	-	-	-	-	(44,754)	80.00	(35,803)	(145,494)	-	2, b)
Chang Sha Yu Lu	Sales of cars	88,425	b)	-	-	-	-	(24,575)	100.00	(24,575)	1,564	-	2, b)
Hang Zhou Tang Yu	Investments	44,212	b)	-	-	-	-	(4,729)	100.00	(4,729)	42,231	-	2, b)
Hang Zhou Chien Yu	Investments	44,212	b)	-	-	-	-	(150)	100.00	(150)	38,572	-	2, b)
Zhuhai Yuhsin	Sales of cars	22,106	b)	-	-	-	-	(30,079)	100.00	(30,079)	(59,606)	-	2, b)
Shenzhen Yu Zhi	Sales of cars	44,212	b)	-	-	-	-	(27,847)	100.00	(27,847)	(21,917)	-	2, b)
Xiao Gan Yu Feng	Sales of cars	118,012	b)	-	-	-	-	16,494	100.00	16,494	171,642	-	2, b)
Su Zhou Feng Shun	Sales of cars	111,157	b)	-	-	-	-	72,623	40.00	29,049	163,325	-	2, b)
Suzhou Yueshun	Sales of cars	44,212	b)	-	-	-	-	(2,555)	40.00	(1,022)	38,570	-	2, b)
Su Chou Cheng Pin	Sales of cars	178,638	b)	-	-	-	-	4,576	40.00	1,830	171,892	-	2, b)
Wu Jiang Lian Cheng	Sales of cars	44,212	b)	-	-	-	-	27,937	40.00	11,175	59,304	-	2, b)
Su Zhou Cheng Li	Sales of cars	66,765	b)	-	-	-	-	4,679	40.00	1,872	45,970	-	2, b)
Hang Zhou Hsiao Yu	Investments	44,212	b)	-	-	-	-	(85)	99.00	(84)	38,551	-	2, b)
Nan Jing Yu Shang	Sales of cars	35,370	b)	-	-	-	-	(15,495)	100.00	(15,495)	(74,471)	-	2, b)
Hang Zhou Hua You	Sales of cars	35,370	b)	-	-	-	-	(20,501)	80.00	(16,401)	(172,588)	-	2, b)
Su Zhou Cheng Pang	Sales of cars	44,212	b)	-	-	-	-	8,673	40.00	3,469	43,483	-	2, b)
Nan Jing Yu Hua	Sales of cars	132,637	b)	-	-	-	-	(19,632)	100.00	(19,632)	98,138	-	2, b)
Su Zhou Cheng Guo	Sales of cars	45,106	b)	-	-	-	-	(5,033)	40.00	(2,013)	3,249	-	2, b)
Su Zhou Cheng Hung	Sales of cars	45,106	b)	-	-	-	-	(2,326)	40.00	(930)	41,432	-	2, b)
Tai Chang Cheng Mau	Sales of cars	45,106	b)	-	-	-	-	10,824	40.00	4,330	46,873	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
An Hui Min Tung	Sales of cars	$ 45,106	b)	$ -	$ -	$ -	$ -	$ 8,803	100.00	$ 8,803	$ (27,770)	$ -	2, b)
An Ching Tsai Tung	Sales of cars	118,890	b)	-	-	-	-	(7,494)	100.00	(7,494)	6,441	-	2, b)
An Ching Ling Tung	Sales of cars	63,579	b)	-	-	-	-	(1,925)	100.00	(1,925)	(1,962)	-	2, b)
Tung Ling Kuo Tung	Sales of cars	22,553	b)	-	-	-	-	(17,820)	100.00	(17,820)	(31,500)	-	2, b)
Ho Fei Chun Hui	Sales of cars	50,649	b)	-	-	-	-	(6,292)	100.00	(6,292)	4	-	2, b)
Zi Bo Yu An	Sales of cars	22,553	b)	-	-	-	-	(12,043)	100.00	(12,043)	(39,748)	-	2, b)

Accumulated Investment in Mainland China as of December 31, 2019	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	$25,360,408	$29,394,748	$34,248,689

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)

DECLARATION OF CONSOLIDATION OF 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, 2019 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.

Very truly yours,

YULON MOTOR COMPANY LTD.

By:

YEN CHEN LI-LIEN
Chairman

March 30, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yulon Motor Company Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yulon Motor Company Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, 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, 2019 and 2018, 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 audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 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, 2019. 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, 2019 are stated as follows:

Impairment Assessment of Luxgen's Vehicle Model Development Cost and Molds, and the Assessment of Recoverable Amount of Dongfeng Yulon Motor Co., Ltd.'s Account Receivable and Other Receivables

(Please refer to Notes 4, 5, 12, 14, 21 and 30.)

Due to the decline of sales volume of Luxgen in Taiwan and China, the Group identifies different models of vehicles as separate cash-generating units, and tests them for impairment at least annually. The Group also assesses the recoverable amount of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd, the car manufacturer of Luxgen in China. Because the above-mentioned are an area of professional judgment, we determine the impairment assessment of the vehicle model development cost and molds equipment and the recoverable assessment of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd as key audit matter.

The main audit procedures we have performed in respect of the key audit matter stated above about impairment assessment of the vehicle model development cost and molds equipment as follows:

1. We understood the process and basis for the estimated growth rate and profitability of the sales forecast of the Group.

2. We reviewed whether the estimated operating cash flow considered the latest operating performance and industry overview.

3. We assessed the evaluation model used by the management.

4. We assessed the weighted average cost of capital (WACC) used by the management in calculating the recoverable amount in accordance with the valuation model, including risk-free rate, volatility and risk premium. We verified that the WACC was consistent with the Group status and the industry.

5. Use of the independent financial adviser of the Firm to assist in the assessment of net fair value.

The main audit procedures we have performed in respect of the key audit matter stated above about recoverable assessment of accounts receivable and other receivables of Dongfeng Yulon Motor Co., Ltd as follows:

1. Understand and assess the reasonableness of the assumptions and methods used by management to analyse the financial position and recoverable amounts of Dongfeng Yulong Motor Co., Ltd.

2. Obtain the recoverable amount assessed by the management and assess whether the amount of allowance for impairment is sufficient for the end of the period.

Estimated Impairment of Trade Receivable

As described in Note 5, the determination of estimated impairment of trade receivable of the Group's horizontal segments 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. 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, 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 the 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

We have also audited the financial statements of Yulon Motor Company Ltd. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

As described in Note 1, the Group had the ability to direct the relevant activities of Haitec Co., Ltd, and had control since December 31, 2019. This transaction was determined to the business combination under common control. Therefore, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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, 2019 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 audit resulting in this independent auditors' report are Hsin-Wei, Tai and Yu-Wei, Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2020

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018 (Audited after Restatement)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 26,147,935	8	$ 29,901,221	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,122,549	1	670,694	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	123,754	-	126,059	-
Derivative financial assets for hedging - current (Note 11)	232	-	12,356	-
Financial assets at amortized cost - current (Note 4, 9 and 10)	9,863,773	3	5,559,293	2
Notes and trade receivable (Notes 4 and 12)	134,239,270	43	114,859,381	36
Notes and trade receivable from related parties (Notes 4, 12, 34 and 35)	2,624,469	1	12,280,189	4
Lease receivable (Notes 4 and 13)	-	-	25,017,877	8
Finance lease receivables (Notes 4 and 13)	27,576,053	9	-	-
Other receivables (Notes 4 and 14)	3,094,985	1	5,109,778	1
Inventories (Notes 4, 15 and 30)	16,573,045	5	17,298,242	5
Other current assets (Notes 22 and 35)	6,015,310	2	8,827,761	3
Incremental costs of obtaining a contract - current (Notes 29 and 35)	2,562,866	1	2,035,940	1
Total current assets	231,944,241	74	221,698,791	69
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,249	-	2,620	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	486,268	-	602,818	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	464,750	-	513,664	-
Investments accounted for using the equity method (Notes 4 and 17)	21,095,613	7	29,260,373	9
Property, plant and equipment (Notes 4, 18, 30 and 36)	36,381,174	12	37,984,471	12
Right-of-use assets (Note 20)	3,629,258	1	-	-
Investment properties (Notes 4, 19 and 30)	8,324,573	3	9,756,450	3
Goodwill (Note 4)	882	-	882	-
Vehicle model development cost (Notes 4 and 21)	6,309,074	2	11,138,852	4
Other intangible assets (Notes 4 and 21)	460,577	-	437,747	-
Deferred tax assets (Notes 4 and 31)	1,855,003	1	1,551,030	1
Long-term finance lease receivables (Notes 4 and 13)	1,330,231	-	-	-
Long-term lease receivables (Notes 4 and 13)	-	-	1,346,884	1
Refundable deposits	380,281	-	1,204,279	-
Long-term prepayments for lease (Note 22)	-	-	1,070,081	-
Other non-current assets	1,227,369	-	3,291,617	1
Total non-current assets	81,947,302	26	98,161,768	31
TOTAL	$ 313,891,543	100	$ 319,860,559	100

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018 (Audited after Restatement)	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Short-term bills payable (Note 23)	$ 98,483,301	32	$ 81,952,228	26
Short-term borrowings (Note 23)	78,122,271	25	80,802,175	25
Financial liabilities for hedging - current (Notes 4 and 11)	241	-	81	-
Financial liabilities at amortized cost - current (Notes 4 and 9)	1,834,953	1	-	-
Notes and trade payables	4,966,357	2	5,446,374	2
Notes and trade payable to related parties (Note 35)	8,649,402	3	8,724,303	3
Other payables (Notes 21, 25 and 35)	10,005,161	3	8,840,616	3
Current tax liabilities (Notes 4 and 31)	677,559	-	799,648	-
Provisions - current (Notes 4 and 26)	223,494	-	283,760	-
Lease liabilities - current (Notes 4 and 20)	788,127	-	-	-
Current portion of bonds payable (Notes 4 and 24)	10,340,447	3	6,443,671	2
Current portion of long-term borrowings (Note 23)	3,549,488	1	1,592,897	-
Other current liabilities (Note 25)	12,962,448	4	12,776,196	4
Total current liabilities	230,603,249	74	207,661,949	65
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 24)	15,300,000	5	15,300,000	5
Long-term borrowings (Note 23)	2,780,352	1	4,078,650	1
Provisions - non-current (Notes 4 and 26)	724,016	-	873,808	-
Deferred tax liabilities (Notes 4 and 31)	4,045,315	1	4,001,887	1
Lease liabilities - non-current (Notes 4 and 20)	1,951,982	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 27)	1,001,238	-	1,008,356	1
Other non-current liabilities (Note 25)	404,240	-	2,511,935	1
Total non-current liabilities	26,207,143	8	27,774,636	9
Total liabilities	256,810,392	82	235,436,585	74
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 28)				
Share capital				
Ordinary shares	15,729,199	5	15,729,199	5
Capital surplus	6,566,495	2	6,597,972	2
Retained earnings				
Legal reserve	8,281,822	3	8,078,119	2
Special reserve	39,373,565	13	38,373,565	12
Unappropriated earnings	(23,880,202)	(8)	2,787,202	1
Total retained earnings	23,775,185	8	49,238,886	15
Other equity				
Exchange differences on translating foreign operations	(1,255,680)	-	(919,398)	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,397,517	-	1,466,521	-
Gain (loss) on hedging instrument	(4)	-	252	-
Total other equity	141,833	-	547,375	-
Treasury shares	(376,304)	-	(376,304)	-
Total equity attributable to owners of the Company	45,836,408	15	71,737,128	22
COMMON CONTROL OF PREDECESSOR RIGHTS	-	-	564,712	-
NON-CONTROLLING INTERESTS (Note 28)	11,244,743	3	12,122,134	4
Total equity	57,081,151	18	84,423,974	26
TOTAL	$ 313,891,543	100	$ 319,860,559	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 30, 2020) (Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 29, 30 and 35)				
Sales	$ 58,150,540	68	$ 63,345,325	72
Investment income	19,741	-	18,560	-
Rental revenue	8,219,150	10	8,105,901	9
Service revenue	3,573,043	4	3,528,631	4
Other operating revenue	15,838,100	18	13,117,284	15
Total operating revenue	85,800,574	100	88,115,701	100
OPERATING COSTS (Notes 4, 15, 18, 21, 27, 30 and 35)				
Cost of goods sold	49,412,806	57	56,071,453	64
Investment cost	316	-	21,780	-
Rental cost	6,778,597	8	6,645,835	8
Service cost	2,399,963	3	2,047,297	2
Other operating cost	21,336,100	25	4,369,681	5
Total operating costs	79,927,782	93	69,156,046	79
GROSS PROFIT	5,872,792	7	18,959,655	21
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	4,364	-	5,571	-
REALIZED GROSS PROFIT	5,877,156	7	18,965,226	21
OPERATING EXPENSES (Notes 4, 12, 14, 27, 30 and 35)				
Selling and marketing expenses	8,018,465	9	8,416,494	10
General and administrative expenses	6,395,241	8	5,766,397	6
Research and development expenses	803,572	1	295,157	-
Expected credit loss	21,398,578	25	2,468,835	3
Total operating expenses	36,615,856	43	16,946,883	19
PROFIT FROM OPERATIONS	(30,738,700)	(36)	2,018,343	2
NON-OPERATING INCOME				
Other income (Notes 4 and 30)	1,258,489	1	1,190,465	1
Other losses (Notes 4 and 30)	266,775	-	(322,421)	-

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
Finance costs (Notes 4 and 30)	$ (1,122,664)	(1)	$ (513,165)	-
Share of profit of associates and joint ventures accounted for by the equity method (Notes 4 and 17)	6,300,049	7	2,693,289	3
Interest income (Notes 4 and 30)	598,903	1	318,551	-
Total non-operating income	7,301,552	8	3,366,719	4
PROFIT BEFORE INCOME TAX	(23,437,148)	(28)	5,385,062	6
INCOME TAX EXPENSE (Notes 4 and 31)	1,096,329	1	1,538,026	1
NET PROFIT FOR THE YEAR	(24,533,477)	(29)	3,847,036	5
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(98,701)	-	55,961	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	197,175	-	(211,382)	-
Share of the other comprehensive losses of associates and joint ventures accounted for by the equity method	106,811	-	(61,299)	-
	205,285	-	(216,720)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation operations	(242,559)	-	(160,396)	-
Loss on hedging instruments not subject to basis adjustment	(451)	-	643	-
Share of the other comprehensive of associates and joint ventures accounted for by the equity method	(267,007)	-	(311,323)	(1)
	(510,017)	-	(471,076)	(1)
Other comprehensive loss for the year, net of income tax	(304,732)	-	(687,796)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ (24,838,209)	(29)	$ 3,159,240	4

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ (24,465,408)	(29)	$ 2,037,032	2
Common control of predecessor rights	(564,712)	(1)	-	-
Non-controlling interests	496,643	1	1,810,004	2
	$ (24,533,477)	(29)	$ 3,847,036	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (24,603,974)	(29)	$ 1,490,742	2
Common control of predecessor rights	(564,712)	(1)	-	-
Non-controlling interests	330,477	1	1,668,498	2
	$ (24,838,209)	(29)	$ 3,159,240	4
EARNINGS PER SHARE (Note 32)				
Basic	$(16.61)		$1.39	
Diluted	$(16.61)		$1.39	

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

(With Deloitte & Touche auditors' report dated March 30, 2020) (Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
			Retained Earnings			Other Equity							
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Common Control of Predecessor Rights	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2018	$ 15,729,199	$ 6,665,705	$ 7,849,288	$ 37,373,565	$ 2,824,893	$ (593,515)	$ 1,755,559	$ (92)	$ (376,304)	$ 71,228,298	$ -	$ 8,688,986	$ 79,917,284
Appropriation of the 2017 earnings													
Legal reserve	-	-	228,831	-	(228,831)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.58 per share)	-	-	-	-	(912,294)	-	-	-	-	(912,294)	-	-	(912,294)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,194,067)	(1,194,067)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(24,422)	-	-	(794)	-	-	-	-	(25,216)	-	-	(25,216)
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	-	(43,311)	-	-	(1,091)	-	-	-	-	(44,402)	-	44,402	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,115,343	2,115,343
Net profit for the year ended December 31, 2018	-	-	-	-	2,037,032	-	-	-	-	2,037,032	-	1,810,004	3,847,036
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	71,119	(325,883)	(291,870)	344	-	(546,290)	-	(141,506)	(687,796)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	2,108,151	(325,883)	(291,870)	344	-	1,490,742	-	1,668,498	3,159,240
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(2,832)	-	2,832	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2018 (AFTER RESTATEMENT)	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	71,737,128	-	11,323,162	83,060,290
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	-	564,712	798,972	1,363,684
BALANCE AT JANUARY 1, 2018 AS RESTATED	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	71,737,128	564,712	12,122,134	84,423,974
Appropriation of the 2018 earnings													
Legal reserve	-	-	203,703	-	(203,703)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.67 per share)	-	-	-	-	(1,053,856)	-	-	-	-	(1,053,856)	-	-	(1,053,856)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,106,576)	(1,106,576)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(31,477)	-	-	(99,130)	-	-	-	-	(130,607)	-	-	(130,607)
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	-	-	-	-	(112,283)	-	-	-	-	(112,283)	-	196,389	84,106
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(297,681)	(297,681)
Net profit for the year ended December 31, 2019	-	-	-	-	(24,465,408)	-	-	-	-	(24,465,408)	(564,712)	496,643	(24,533,477)
Other comprehensive income for the year ended December 31, 2019, net of income tax	-	-	-	-	(87,425)	(336,282)	285,397	(256)	-	(138,566)	-	(166,166)	(304,732)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	(24,552,833)	(336,282)	285,397	(256)	-	(24,603,974)	(564,712)	330,477	(24,838,209)
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	354,401	-	(354,401)	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2019	$ 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

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 30, 2020)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ (23,437,148)	$ 5,385,062
Adjustments for:		
Expected credit loss	21,398,578	2,468,836
Impairment loss recognized on non-financial assets	15,906,408	1,143,742
Interest income	(14,833,597)	(11,447,206)
Depreciation expenses	7,829,520	6,815,997
Share of profit of associates and joint ventures accounted for by the equity method	(6,300,049)	(2,693,289)
Finance costs	4,259,798	2,787,334
Gain on proceeds of investments accounted for using the equity method	(3,150,981)	-
Amortization expenses	2,440,283	2,104,069
Net loss on foreign currency exchange	392,212	260,331
Gain on modification of lease	(43,745)	-
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(42,819)	20,339
Dividend income	(40,366)	(55,233)
Loss on disposal of property, plant and equipment	26,171	29,462
Recognition (reversal) of provisions	(18,131)	139,777
Loss on disposal of intangible assets	5,765	2,963
Realized (gain) loss on the transactions with associates and joint ventures accounted for by the equity method	(4,364)	4,191
Impairment loss recognized on financial assets	-	3,931
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,444,466)	1,472,283
Notes and trade receivable	(21,182,638)	(24,871,608)
Other receivables	(2,986,874)	(2,823,425)
Inventories	1,435,159	(2,677,241)
Other current assets	238,090	(2,537,991)
Finance lease receivables	(4,849,395)	(8,367,259)
Available-for-operating-sale leased assets	(5,902,672)	(6,042,113)
Incremental cost of obtaining a contract	(2,641,734)	(2,148,491)
Other operating assets	(863,775)	(2,348,530)
Notes and trade payable	(162,611)	(555,614)
Other payables	169,807	(4,945,487)
Provisions	(191,926)	(175,641)
Guarantee deposits received	1,140,787	842,695
Other current liabilities	(745,673)	135,778
Accrued pension liabilities	(104,668)	(371,709)
Other operating liabilities	50,183	(125,489)
Cash used in operations	(34,654,871)	(48,569,536)
Interest received	15,059,719	11,749,174

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Interest paid	$ (3,815,630)	$ (2,741,023)
Income tax paid	(1,488,363)	(1,114,203)
Net cash used in operating activities	(24,899,145)	(40,675,588)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in proceeds on associates	11,159,039	-
Purchase of financial assets at amortized cost	(9,068,553)	(2,413,956)
Payments for property, plant and equipment	(4,851,284)	(3,740,191)
Dividend received	3,447,908	4,352,049
Proceeds from disposal of financial assets at amortized cost	3,229,295	5,861,518
Proceeds from disposal of property, plant and equipment	1,112,448	863,962
Payments for intangible assets	(1,711,579)	(144,823)
Payments for other non-current assets	-	(1,197,397)
Proceeds from the capital reduction of investments accounted for using the equity method	668,883	90,128
Proceeds on financial assets at fair value through other comprehensive income	397,883	3,040
Payments for investment properties	(307,270)	(344,370)
Decrease in refundable deposits	(74,027)	(13,438)
Payment for right-of-use assets	(12,931)	-
Purchase on financial assets at fair value through other comprehensive income	(2,539)	(1,904)
Acquisition of subsidiaries	9,147	-
Purchase of investments accounted for using the equity method	-	(325,399)
Decrease in prepayments for leases	-	(41,172)
Proceeds on intangible assets	-	293
Net cash generated from investing activities	3,996,420	2,948,340
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bills payable	285,247,376	248,774,288
Repayment of short-term bills payable	(268,628,212)	(234,214,646)
Proceeds from short-term borrowings	157,502,187	192,888,277
Repayment of short-term borrowings	(158,616,675)	(173,105,661)
Proceeds from long-term borrowings	22,816,461	1,163,156
Repayment of long-term borrowings	(22,233,460)	(794,768)
Issuance of bonds payable	3,892,150	7,396,900
Dividends paid	(2,152,500)	(2,085,150)
Payment of lease liabilities principal	(818,040)	-
Proceeds of financial liabilities at amortized cost	697,703	-
Change in non-controlling interests	(303,398)	(241,251)
Decrease (increase) in guarantee deposits received	(153,522)	54,692
Proceeds from subsidiaries of issuance of preference shares	-	2,356,594

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
Proceeds from organizational reorganization	$ -	$ 955,210
Payments for transaction costs attributable to the issuance of debt instruments	-	(20,000)
Net cash generated from financing activities	17,250,070	43,127,641
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(100,631)	(130,361)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,753,286)	5,270,032
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	29,901,221	24,631,189
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 26,147,935	$ 29,901,221

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

(With Deloitte & Touche auditors' report dated March 30, 2020) (Concluded)

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.

On March 6, 2020, the Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. According to IFRS 10, concerning that the Company obtains the privilege of carrying out related-activities, the Company had the ability to direct the relevant activities of Haitec Co., Ltd, and had control since December 31, 2019. This transaction was determined to the business combination under common control. Therefore, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 30, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the FSC (collectively, the "IFRSs")

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

1) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Group will elect to apply the guidance of IFRS 16, in determining whether contracts are, or contain, a lease, only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Prepayments for rights to use land are recognized as prepayments for leases. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

Lease liabilities will be recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets will be measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments, which is the carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the aforementioned incremental borrowing rate. Except for the following practical expedients which are to be applied, the Group will apply IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Group will adjust the right-of-use assets on January 1, 2019 by the amount of any provisions for onerous leases recognized as of December 31, 2018.

c) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

d) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.

e) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

For leases currently classified as finance leases under IAS 17, the carrying amount of right-of-use assets and lease liabilities on January 1, 2019 will be the carrying amount of the leased assets and finance lease payables as of December 31, 2018.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 0.90%-6.64%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 3,946,684
Less: Recognition exemption for short-term leases	(51,997)
Less: Recognition exemption for leases of low-value assets	(29,298)
Undiscounted amounts on January 1, 2019	$ 3,865,389
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 3,567,662
Lease liabilities recognized on January 1, 2019	$ 3,567,662

The Group as lessor

The Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments (presented in other current assets)	$ 58,914	$ (58,914)	$ -
Lease receivables - current	25,017,877	(25,017,877)	-
Finance lease receivables - current	-	25,017,877	25,017,877
Lease receivables - non-current	1,346,884	(1,346,884)	-
Finance lease receivables - non-current	-	1,346,884	1,346,884
Prepayments for leases - non-current	1,070,081	(915,014)	155,067
Right-of-use assets	-	4,541,590	4,541,590
Total effect on assets	$ 27,493,756	$ 3,567,662	$ 31,061,418
Lease liabilities - current	$ -	$ 839,221	$ 839,221
Lease liabilities - non-current	-	2,728,441	2,728,441
Total effect on liabilities	$ -	$ 3,567,662	$ 3,567,662

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

3) Annual Improvements to IFRSs 2015-2017 Cycle

Several standards, including IFRS 3 “Business Combinations”, IFRS 11 “Joint Arrangements”, IAS 12 “Income Taxes” and IAS 23 “Borrowing Costs”, were amended in this annual improvement. IAS 23 was amended to clarify that, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, the related borrowing costs shall be included in the calculation of the capitalization rate on general borrowings.

4) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group applied the above amendments prospectively.

b. New IFRSs endorsed and issued into effect by the FSC in 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

Amendments to IFRS 3 "Definition of a Business"

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definition of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business

Except for the above potential impact, as of the date the consolidated financial statements were authorized for issue, the Group had assessed that the application of other standards and interpretations would not have significant impacts on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020
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, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e. the Group's share of the gain or loss is eliminated.

2) IFRS 17 - Insurance Contracts

IFRS 17 is the accounting treatment for insurance contracts, which will replace IFRS 4 “Insurance Contracts”. The main specifications of IFRS 17 are as follows:

Level of aggregation

IFRS 17 requires entities to identify portfolios of insurance contracts; a portfolio comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts shall be divided into a minimum of:

a) A group of contracts that are onerous at initial recognition, if any;

b) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

c) A group of the remaining contracts in the portfolio, if any.

The Company is not permitted to include contracts issued more than one year apart in the same group.

Recognition

The Company shall recognize a group of insurance contracts it issues from the earliest of the following:

a) The beginning of the coverage period of the group of contracts;

b) The date when the first payment from a policyholder in the group becomes due; and

c) For a group of onerous contracts, when a contract becomes onerous.

Measurement

On initial recognition, the Group shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows, which comprise of estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows (to the extent that the financial risks are not included in the estimates of the future cash flows), and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit the Group will recognize as it provides services in the future.

The Group shall measure the contractual service margin on initial recognition of a group of insurance contracts at the amount, unless the contracts result in no income or expense, derived from:

a) The initial recognition of an amount for the fulfilment cash flows,

b) The derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flow; and

c) Any cash flows arising from the contracts in the group at that date.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprising of the fulfilment cash flows related to future service allocated to the contract group at that date and the contractual service margin of the contract group at that date. The liability for incurred claims comprises the fulfilment cash flows related to past service allocated to the contract group at that date. The Group shall recognize income and expenses for the changes in the carrying amount of the liability for incurred claims.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows, and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group shall group such contracts separately from contracts that are not onerous. The Group shall recognize in profit or loss a loss on the net outflow of the group of onerous contracts, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero.

Premium allocation approach

The Group may simplify the measurement of a group of insurance contracts using the premium allocation approach if, and only if, at the inception of the contract group:

a) The Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage of the contract group that would not differ materially from the general model, or

b) The coverage period of each contract in the group is one year or less.

The criterion in (a) is not met if at the inception of the contract group, the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred.

Using the premium allocation approach, the Group shall measure the liability for remaining coverage as the premiums, if any, received at initial recognition minus any insurance acquisition cash flows at that date. At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period, plus any adjustment to a financing component, minus the amount recognized as insurance revenue for coverage provided in that period, minus any investment component paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features does not include a

transfer of significant insurance risk. If the Group issues an investment contract with discretionary participation characteristics and also issues an insurance contract, the contract should also be subject to IFRS 17.

Modification and derecognition

In accordance with the transitional provisions, if the terms of an insurance contract are modified, for example by agreement between the parties to the contract or by a change in regulation, the Group shall derecognize the original contract and recognize the modified contract as a new contract.

The Group shall derecognize an insurance contract when, and only when, it is extinguished or the obligation specified in the insurance contract expires or is discharged or cancelled.

Transition

The Group shall apply IFRS 17 retrospectively unless impracticable; otherwise, the Group shall apply the modified retrospective approach or the fair value approach.

The objective of the modified retrospective approach is to achieve the possible outcome closest to retrospective application by using reasonable and supportable information available without undue cost or effort.

In the fair value approach, the Group determines the contractual service margin or loss component of the liability for the remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

Basis of Consolidation

The consolidated financial statements have been prepared on the historical cost basis except for financial investment and contingent considerations assumed in business combinations which are measured at fair value.

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

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 one operating cycle after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 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 consolidated financial statements are authorized for issue; and

c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

Please refer to Note 16 and Table 10 for the subsidiaries' name, percentage of shares owned by the Company and main businesses.

Business Combinations

Business combinations involving entities under common control are not accounted for using the acquisition method but are accounted for at the carrying amounts of the entities. Comparative information of the prior period in the consolidated financial statements is restated as if a business combination involving entities under common control had already occurred in that period (See Note 16 and Note 28).

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.

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

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.

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 (i.e. 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 a liability instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and 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.

   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.

2019

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.

2018

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.

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

e. Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established and if it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Leasing

2019

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

a. The Group as lessor

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

b. 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 fixed payments, in-substance fixed payments, variable lease payments which depend on the exercise price of a purchase option if the Group 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 receivable. 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 the lessee's 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.

2018

a. The Group as lessor

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

b. The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

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.

Share-based Payment Arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

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 estimates and underlying assumptions are reviewed 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.

a. 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.

b. Impairment of property, plant and equipment

The impairment of property, plant and equipment was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

c. Impairment of intangible assets (vehicle model development cost)

The impairment of intangible asset (vehicle model development cost) was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	**2018**
Cash on hand	$ 105,792	$ 26,750
Checking accounts and demand deposits	20,954,693	25,982,617
Cash equivalent		
Time deposits with original maturities within 3 months	4,586,468	3,890,094
Short-term notes and bills	1,181	
Third-party payment service deposits	350	1,760
Repurchase agreements collateralized by bonds	499,451	-
	$ 26,147,935	$ 29,901,221

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic quoted shares	$ 22,942	$ 23,597
Domestic unlisted shares	652	1,765
Mutual funds	1,621,794	159,639
Hybrid financial assets		
Structured deposits	628,620	13,973
Principal guaranteed financial assets	848,541	471,720
	$ 3,122,549	$ 670,694
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	$ 2,249	$ 2,304
Mutual funds	-	316
	$ 2,249	$ 2,620

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
Current		
Quoted stocks	$ 123,754	$ 126,059
Non-current		
Domestic investments		
Quoted stocks	$ 82,255	$ 53,635
Domestic unlisted shares	402,492	547,279
Others	1,521	1,904
	$ 486,268	$ 602,818

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.

In May 2019, the Group dispose of financial assets at fair value through other comprehensive income - ordinary shares of Taiwin Company to Xiang Wei Co., Ltd., the disposal price was 396,000 thousand, and related other equity - the unrealized gains and losses of financial assets at fair value through other comprehensive income of financial assets of 369,760 thousand are transferred to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2019	2018
Current		
Treasury bills with original maturity more than 3 months	$ -	$ 40,390
Time deposits with original maturity more than 3 months	9,469,602	3,297,430
Reserve account	231,577	308,438
Restricted Bank deposit	8,599	1,666,376
Pledged time deposits	111,607	205,504
Bank deposit for specified purpose	42,388	41,155
	$ 9,863,773	$ 5,559,293
Non-current		
Central Government Development Bonds (a)	$ 15,708	$ 16,170
Pledged time deposits	44,629	17,726
Restricted Bank deposit	397,730	429,769
Time deposits with original maturity more than 3 months	-	44,030
Debt instruments investment	6,683	5,969
	$ 464,750	$ 513,664
Securitization beneficiary securities loan (b)	$ 1,834,953	$ -

a. TAC corporation Yustar 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, 2019, Yustar pledged Central Government Development Bonds with face values of $900,000 thousand as guarantee deposits for evidence of claims in the courthouse.

b. Yulon Motor Finance holds the creditor's right to the beneficiary securities issued by trust institutions through accounts receivable securitization in March and September 2019. The scale of the first time issue of priority trust beneficiary right is RMB5.3 billion, which accounts for 85.13% of total beneficiary rights. Among the priority trust beneficiary right, the scale of the A1-level is RMB3.1 billion, and the annual beneficiary rate is 4.6%, which expired in September 2019. The scale of the A2-level is RMB1.5 billion, and the annual beneficiary rate is 4.8%, which is expected to expire in February 2020. The scale of the B-level is RMB0.7 billion, and the annual beneficiary rate is 6.5%, which is expected to expire in May 2020. The interest is paid monthly for such beneficiary certificate. The scale of the secondary beneficiary right is RMB0.93 billion. There is no annual beneficiary right, and the expected expiration date is December 2020. The scale of the second time issue of priority trust beneficiary right is RMB2.51 billion, which accounts for 81.07% of total beneficiary rights. Among the priority trust beneficiary right, the scale of the A1-level is RMB0.74

billion, and the annual beneficiary rate is 4.2%, which is expected to expire in December 2019. The scale of the A2-level is RMB1.51 billion, and the annual beneficiary rate is 5.2%, which is expected to expire in November 2020. The scale of the B-level is RMB0.26 billion, and the annual beneficiary rate is 6.5%, which is expected to expire in December 2020. The interest is paid monthly for such beneficiary certificate. The scale of the secondary beneficiary right is RMB0.59 billion. There is no annual beneficiary right, and the expected expiration date is December 2021.

c. Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.

d. Refer to Note 36 for information relating to financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	December 31	
	2019	2018
Gross carrying amount	$ 10,331,739	$ 6,076,888
Less: Allowance for impairment loss	(3,216)	(3,931)
Amortized cost	$ 10,328,523	$ 6,072,957

The Group only invests in government bonds and deposits that are assessed with no impairment loss, rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information of government bonds is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

11. FINANCIAL INSTRUMENTS FOR HEDGING - CURRENT

	December 31	
	2019	2018
Financial assets under hedge accounting		
Cash flow hedges - cross currency swaps (a)	$ -	$ 12,356
Cash flow hedges - interest rate swaps (b)	232	-
	$ 232	$ 12,356
Financial liabilities under hedge accounting		
Cash flow hedges - interest rate swaps (b)	$ 241	$ 81

a. The goal of the Company entering into cross currency swap (CCS) transaction is mainly avoid the risk of exchange rate and interest rate fluctuations related to USD loan. The terms of CCS contract are identical to those for debts under hedging; thus, the Company's management considered this contract a highly effective tool for hedging. The outstanding CCS contract at the end of the reporting period was as follows:

December 31, 2019: None

Notional Amounts (In Thousands)	Maturity Date	Interest Rates - Receipt	Interest Rates - Payment
December 31, 2018			
US$15,000	2019.05.21	3-month London InterBank Offer Rate plus 0.45%	0.720%

b. 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 Company'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:

Notional Amounts (In Thousands)	Maturity Date	Interest Rates - Receipt	Interest Rates - Payment
December 31, 2019			
$ 500,000	2022.04.29	Note	0.715%
500,000	2022.05.23	Note	0.708%
December 31, 2018			
$ 300,000	2019.04.25	Note	0.745%
200,000	2019.04.25	Note	0.740%

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

	December 31	
	2019	2018
Notes and trade receivables	$ 169,215,481	$ 145,184,324
Less: Allowance for impairment loss	(12,803,452)	(3,281,081)
Unrealized interest income	(19,548,290)	(14,763,673)
	$ 136,863,739	$ 127,139,570

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
December 31, 2019				
Gross carrying amount	$ 136,431,439	$ 2,427,962	$ 10,807,790	$ 149,667,191
Loss allowance (Lifetime ECL)	(3,673,256)	(226,759)	(8,903,437)	(12,803,452)
Amortized cost	$ 132,758,183	$ 2,201,203	$ 1,904,353	$ 136,863,739
December 31, 2018				
Gross carrying amount	$ 117,271,152	$ 1,837,055	$ 11,312,444	$ 130,420,651
Loss allowance (Lifetime ECL)	(2,918,245)	(141,100)	(221,736)	(3,281,081)
Amortized cost	$ 114,352,907	$ 1,695,955	$ 11,090,708	$ 127,139,570

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1, 2018	$ 3,281,081	$ 2,691,076
Add: Net remeasurement of loss allowance (Note)	11,326,013	1,746,105
Less: Amounts written off	(1,792,232)	(1,146,046)
Foreign exchange gains and losses	(11,410)	(10,054)
Balance at June 30, 2018	$ 12,803,452	$ 3,281,081

Note: Included the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model, and the expected credit loss mentioned in the current period was 8,957,898 thousand.

13. FINANCE LEASE RECEIVABLES

2019

	December 31, 2019
Undiscounted lease payments	
Year 1	$ 22,919,330
Year 2	8,180,354
Year 3	2,584,438
Year 4	1,173,354
Year 5	403,103
Year 6 onwards	183,395
	35,443,974
Less: Unearned finance income	(4,279,479)
Less: Allowance for impairment loss	(2,258,211)
Discounted unguaranteed residual value	$ 28,906,284
Net investment in leases presented as finance lease receivables	$ 28,906,284

2018

	December 31, 2018
Gross investment in leases	
Up to one year	$ 16,888,173
More than one year and up to five years	14,712,299
More than five years	61,964
	31,662,436
Less: Unearned finance income	(3,886,081)
Less: Allowance for uncollectible lease payments	(1,411,594)
Present value of minimum lease payments	$ 26,364,761

(Continued)

	December 31, 2018
Finance lease receivables	
Up to one year	$ 14,862,843
More than one year and up to five years	12,857,313
More than five years	56,199
	27,776,355
Less: Allowance for uncollectible lease payments	(1,411,594)
Finance lease receivables	$ 26,364,761
Current	$ 25,017,877
Non-current	1,346,884
	$ 26,364,761

(Concluded)

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.47 years.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The ranges of interest rates inherent in the finance leases were approximately 3.66%-13.81% and 3.94%-15.24% per annum as of December 31, 2019 and 2018, respectively.

Finance lease receivables are secured by holding leased equipment as collaterals. The expected credit losses on trade 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 writes off a finance lease receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the finance lease receivables are over 180 days past due, whichever occurs earlier. For finance lease receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group assesses the loss allowance of finance lease receivables individually and collectively. The movements were as follows:

December 31, 2019

	Not Past Due	1-180 Days	More Than 180 Days	Total
Gross carrying amount	$ 28,648,436	$ 1,097,457	$ 1,418,601	$ 31,164,494
Loss allowance (Lifetime ECL)	(361,570)	(478,040)	(1,418,601)	(2,258,211)
Amortized cost	$ 28,286,866	$ 619,417	$ -	$ 28,906,283

December 31, 2018

	Not Past Due	1-180 Days	More Than 180 Days	Total
Gross carrying amount	$ 26,012,719	$ 924,925	$ 838,711	$ 27,776,355
Loss allowance (Lifetime ECL)	(432,296)	(140,587)	(838,711)	(1,411,594)
Amortized cost	$ 25,580,423	$ 784,338	$ -	$ 26,364,761

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 1,411,594	$ 974,400
Add: Net remeasurement of loss allowance	1,188,040	474,827
Less: Amounts written off	(247,722)	(9,078)
Foreign exchange gains and losses	(93,701)	(28,555)
Balance at December 31	$ 2,258,211	$ 1,411,594

14. OTHER RECEIVABLES

	December 31	
	2019	2018
Other receivable - at amortized cost	$ 12,005,943	$ 5,498,113
Less: Allowance for impairment loss	(8,910,958)	(388,335)
	$ 3,094,985	$ 5,109,778

Other receivables include proceeds from capital reduction and trade receivables from financial institutions.

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 388,335	$ -
Add: Net remeasurement of loss allowance	8,884,526	395,676
Foreign exchange gains and losses	(361,903)	(7,341)
Balance at December 31	$ 8,910,958	$ 388,335

Note: Included the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model, and the expected credit loss mentioned in the current period was 8,674,863 thousand.

15. INVENTORIES

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

	December 31	
	2019	**2018**
Finished goods	$ 4,723,321	$ 7,255,348
Work in progress	921,182	799,051
Raw materials	3,609,842	3,186,302
	9,254,345	11,240,701
Properties for sale		
Yu-Wen Garden	2,584	2,584
Hsin-Dian Da Feng section	1,757	1,757
	4,341	4,341
Construction land		
Property under construction	7,314,359	6,053,200
	$ 16,573,045	$ 17,298,242

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was $49,412,806 thousand and $56,071,453 thousand, respectively.

The cost of goods sold for the years ended December 31, 2019 and 2018 included reversal of inventory write-downs of $98,383 thousand and inventory write-downs $73,043 thousand, respectively.

The design of commercial district of Yulon Town was modified in October 2019. The new design only consisted of malls. In addition, the declaration of the commencement of the residential district was temporarily stopped, and will be re-designed depending on the market situation. Therefore, the Group expected a portion of the individual asset to have no economic benefits and recognized impairment loss of residential district (included in inventory) $779,745 thousand in 2019.

The inventories pledged as collateral for bank borrowings were set out 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 2019	% of Ownership December 31 2018	Remark
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	90.33	The Group owned 99.99% of Yu Sing in 4th quarter of 2019 and owned 90.33% of Yu Sing in 4th quarter of 2018
	Qinton Motor Co., Ltd. ("Qinton")	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of Qinton in the two reporting periods.
	Yushin Motor Co., Ltd. ("Yushin")	Sale, maintenance and repair of cars and parts	99.99	80.00	The Group owned 99.99% of Yushin in 4th quarter of 2019 and owned 80.00% of Yushin in 4th quarter of 2018
	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 Rich Financial Services Co., Ltd. ("Yu Rich")	Installment loans of consumer goods and wholesale of cars and parts	-	17.88	The Group owned 100% of Yu Rich in the two reporting periods.
	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	-
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	-	35.62	The Group owned 93.04% of Sin Gan in 4th quarter of 2019 and owned 64.96% of Sin Gan in 4th quarter of 2018
	Chan Yun Technology Co., Ltd. ("Chan Yun")	Wholesale and retail of information software	87.71	43.85	The Group acquired 43.85% of shares from Associates in the 2nd quarter of 2019. As a result, the Group ownership of Chan Yun increase to 87.71%.
	Yulon Overseas Investment Co., Ltd. ("Yulon Overseas")	Investments	100.00	100.00	-
	Y-Teks Co., Ltd. ("Y-Teks")	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	34.00	34.00	The Group owned 45.99% of Y-Teks in the two reporting periods.
	Union & NKH Auto Parts Co., Ltd. ("Union & NKH")	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	25.01	25.01	-
	Yueki Industrial Co., Ltd. ("Yueki")	Manufacturing and sale of car components	65.58	65.58	The Group acquired 15% of shares from non-controlling interests in the 2nd quarter of 2018. As a result, the Group ownership of Yueki increase to 65.58%.
	Yue Sheng Industrial Co., Ltd. ("Yue Sheng")	Car manufacture and furnishing; manufacture, installation and sale of car parts	80.07	80.07	The Group owned 80.07 % of Yue Sheng n the two reporting periods.
	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 TOBE Motor Co., Ltd. ("Yulon TOBE")	Sale of cars and parts	-	100.00	The Group owned 100% of Yulon TOBE the two reporting periods.
	Yes-Energy Service Co., Ltd. ("YES-Energy")	Wholesale and retail sale of batteries	-	100.00	Yulon Energy Company changed name into YES-Energy in 2nd quarter of 2019, and the Group owned 100% of YES-Energy in the two reporting periods.
	Sin Jang Enterprises ("Sin Jang")	Sale and brokerage of secondhand vehicles	-	20.01	The Group owned 100% of Sin Jang in 4th quarter of 2019 and owned 80% of Sin Jang in 4th quarter of 2018.
	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	-
	Yulon New Energy Motor (Cayman) Inc.	Investments	100.00	100.00	Established in 2nd quarter of 2018.
	Haitec Co., Ltd. ("Haitec")	Product design of cars	35.46	35.46	The Group acquired control at December 31, 2019 and restrospectly stated to December 31, 2018
Yulon New Energy Motor (Cayman) Inc.	Yulon New Energy Motor (HK) Limited.	Investments	100.00	100.00	Established in 2nd quarter of 2018.
Yulon Finance Corporation	Yustar Finance Corporation ("Yustar")	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 73.03% 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	-	The Group owned 93.04% of Sin Gan in 4th quarter of 2019 and owned 64.96% of Sin Gan in 4th quarter of 2018.
	Sin Jang Co., Ltd. ("Sin Jang")	Sales and brokerage of secondhand vehicles	-	40.00	The Group owned 100% of Sin Jang in 4th quarter of 2019 and owned 80% of Sin Jang in 4th quarter of 2018.
	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.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	% of Ownership December 31 2018	Remark
	Yu Rich Financial Services Co., Ltd. (“Yu Rich”)	Installment loans of consumer goods and wholesale of cars and parts	100.00	82.12	The Group owned 100% of Yu Rich in the two reporting periods.
	Yulon Finance Overseas Invenstment (Samoa) Co., Ltd. (“Yulon Finance Overseas”)	Shareholding company	100.00	100.00	The Group owned 100% of Yulon Finance Overseas in the two reporting periods.
Yustar	Shinshin Global Investment (Samoa) Co., Ltd. (“Shinshin Samoa”)	Shareholding company	100.00	100.00	-
	Yes-Energy Service Co., Ltd. (“YES-Energy”)	Wholesale and retail of batteries	100.00	-	Yulon Energy Company changed name into YES-Energy in 2nd quarter of 2019, and the Group owned 100% of YES-Energy in the two reporting periods.
YES-Energy	Power Engineering Co., Ltd.	Wholesale and retail of batteries	100.00	100.00	-
Car-plus Auto	Diamond Leasing Service Corporation (“Diamond Leasing”)	Car sale and lease	100.00	100.00	-
	Car-Plus Global Investment (Samoa) Co., Ltd. (“Car-Plus Samoa”)	Shareholding company	100.00	100.00	-
	Sin Jang	Sales and brokerage of secondhand vehicles	-	19.99	The Group owned 100% of Sin Jang in 4th quarter of 2019 and owned 80% of Sin Jang in 4th quarter of 2018.
	Hong Shou Culture Enterprise Co., Ltd. (“Hong Shou Culture”)	Publication	100.00	-	The Group owned 100% of Hong Shou Culture in the two reporting periods.
	Da-Wei Technology Co., Ltd. (“Da-Wei”)	Brokerage of electric vehicles	100.00	100.00	-
Sin Gan	Singgual Travel Service Co., Ltd. (“Singgual 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	-
	Hong Shou Culture Enterprise Co., Ltd. (“Hong Shou Culture”)	Publication	-	100.00	The Group owned 100% of Hong Shou Culture in the two reporting periods.
	Sin Jang	Sales and brokerage of secondhand vehicles	100.00	-	The Group owned 100% of Sin Jang in 4th quarter of 2019 and owned 80% of Sin Jang in 4th quarter of 2018.
	Qinton Motor Co., Ltd. (“Qinton”)	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of Qinton in the two reporting periods.
Singgual Travel	Shang Hai Jing-Huei Investment Co., Ltd. (“Shang Hai Jing-Huei”)	Sale of car equipment and parts	100.00	100.00	-
Da-Wei	Da Teng Traffic Co., Ltd	Taxi	100.00	100.00	-
	Dachuan Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Dachuan in 3rd quarter of 2019.
	Damu Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Damu in 3rd quarter of 2019.
	Dajun Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Dajun in 3rd quarter of 2019.
Diamond Leasing	H.K. Manpower Service Co., Ltd. (“H.K. Manpower”)	Temporary labor services	100.00	100.00	-
Sin Jang	Sinjang International Investment (Samoa) Co., Ltd. (“Sinjang Samoa)	Holding company	71.34	71.34	The Group owned 100% of Sinjang (Samoa) in the two reporting periods.
Car-Plus Samoa	Car-Plus China Investment (Samoa) Co., Ltd. (“Car-Plus China”)	Holding company	60.00	60.00	The Group owned 100% of Car-Plus China in the two reporting periods.
	Car-Plus Shanghai Investment (Samoa) Co., Ltd. (“Car-Plus Shanghai”)	Holding company	60.00	60.00	The Group owned 100% of Car-Plus Shanghai in the two reporting periods.
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd. (“Car-Plus Hangzhou”)	Holding company	60.00	60.00	Established in 4th quarter of 2018.
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	Established in 4th quarter of 2018.
	Yu Rong International Investment (Samoa) Co., Ltd.	Holding company	100.00	100.00	-
	Sinjang International Investment (Samoa) Co., Ltd.	Holding company	28.66	28.66	The Group owned 100% of Sinjang (Samoa) in the two reporting periods.
Sinjang Samoa	Zhejiang Cheng-Yi Auto, Service Co., Ltd. (“Zhejiang Cheng-Yi”)	Sales and brokerage of secondhand vehicles	-	-	The Group owned 100% of Zhejiang Cheng-Yi in the two reporting periods.
Zhejiang Cheng-Yi	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	-
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	Established in 4th quarter of 2018.
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	Wuhan TAC Auto Trade Co., Ltd.	Car trade	100.00	100.00	-
	Zhejiang Cheng-Yi	Sales and brokerage of secondhand vehicles	100.00	100.00	The Group owned 100% of Zhejiang Cheng-Yi in the two reporting periods
	Suzhou TAC Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Suzhou TAC in 3rd quarter of 2019.
	Shanghai YuGuo Auto Trade Co., Ltd	Car trade	100.00	-	The Group owned 100% of Shanghai YuGuo in 3rd quarter of 2019.
	Hefei YuGuo Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Hefei YuGuo in 3rd quarter of 2019.
	Qingdao YuGuo Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Qingdao YuGuo in 3rd quarter of 2019.
Yulon Finance Overseas	Yulon Finance Philippines	Shareholding company	100.00	100.00	The Group owned 100% of Yulon Finance Philippines in the two reporting periods
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	Established in 2nd quarter of 2018.
Yu Sing Company	Kuen You Trading Co., Ltd.(”Kuen You”)	Sale, maintenance and repair of car and parts	100.00	100.00	Established in 2nd quarter of 2018.
Yushin Company	Yu Pool Co., Ltd. (“Yu Pool”)	Supply of and providing services on information software and retail trade of spare parts of vehicles	100.00	100.00	-
	Luxgen Motor Taoyuan Co., Ltd. (“Luxgen Taoyuan”)	Sale, maintenance and repair of cars and related products	20.00	20.00	The Group owned 79.99% of TAC Financial in the three reporting periods.
	Yu Shin Investment (“Yu Shin Investment”)	Investments	100.00	100.00	-
Yu Shin Investment Ltd.	Fu Jian Yu Xin Auto Sales & Services Co., Ltd. (“Fu Jian Yu Xin”)	Sale and maintenance and repair of cars and parts.	49.00	49.00	The Group owned 100% of Fu Jian Yu Xin in the two reporting periods.
Sin Chi Company	Yu Chia Motor Co., Ltd. (“Yu Chia”)	Sale, maintenance and repair of heavy vehicles and parts	100.00	100.00	-
	Chanchen Inter Consulting (“Chanchen”)	Management consulting, lease of real estate, general advertising, etc.	100.00	100.00	Chanchen has been liquidated in 2nd quarter of 2019.
	Yulon TOBE Motor Co., Ltd. (“Yulon TOBE”)	Sale of cars and parts	100.00	-	The Group owned 100% of Yulon TOBE in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	% of Ownership December 31 2018	Remark
Yu Ching	Chinh-Ling RTC Co., Ltd. (“Chinh-Ling”)	Product design	100.00	100.00	-
	Sin Gan Co., Ltd. (“Sin Gan”)	Wholesale and retail of information software	-	9.56	The Group owned 93.04% of Sin Gan in 4th quarter of 2019 and owned 64.96% of Sin Gan in 4th quarter of 2018.
Yu Pong	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	-
	Yufong Property Management Co., Ltd.	Management consulting and lease of real estate	100.00	100.00	-
Yulon Overseas	Yulon China Investment Co., Ltd. (“Yulon China”)	Investments	100.00	100.00	-
	Yulon Philippine Investment Co., Ltd. (“Yulon Philippine”)	Investments	100.00	100.00	-
Yulon China	Qing Yi Investment Co., Ltd. (“Qing Yi”)	Investments	100.00	100.00	-
	Wen Yang Investment Co., Ltd. (“Wen Yang”)	Investments	100.00	100.00	-
	Tai Xin Investment Co., Ltd. (“Tai Xin”)	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 Co., Ltd. (“Yulon China Holding”)	Investments	100.00	100.00	-
Yulon China Holding	Yulon China (HK) Holding Limited (“Yulon China (HK) Holding”)	Investments	100.00	100.00	-
Yulon China (HK) Holding	Yulon China Motor Investment Limited (“Yulon China Motor Investment”)	Investments	100.00	100.00	-
	Xiamen Young Chang Investment Co., Ltd. (“Xiamen Young Chang”)	Renders consulting services on cars, electronics, textiles and related products	100.00	100.00	-
	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale of cars and parts	100.00	100.00	-
Yulon China Motor Investment	Dong Feng Yulon Motor Sales Co., Ltd. (“Dong Feng Yulon Sales Company”)	Sale of cars and parts	50.00	50.00	-
	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	69.50	63.78	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	Established in 4th quarter of 2018.
	Hang Zhou Haitec Company (“Hang Zhou Haitec”)	Product design of cars	3.23	3.23	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.
Xiamen Young Chang	Sheng Qing (Bei Jin) Investment Co., Ltd. (“Sheng Qing”)	Investments	30.50	36.22	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	34.51	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	-	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	-	The Group owned 100% of Hangchow Liangrun in the two reporting periods.
Wen Yang	Qing Tai (Nan Jing) Technology Co., Ltd. (“Qing Tai”)	Computer software maintenance and computer system integration	100.00	100.00	The Group owned 100% of Qing Tai in the two reporting periods.
	Tai Feng (Nan Jing) Software Technology Co., Ltd. (“Tai Feng”)	Computer software maintenance and computer system integration	100.00	100.00	-
Tai Xin	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	The Group owned 100% of Shi Cheng in the two reporting periods.
	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	The Group owned 100% of Yi Ding in the two reporting periods.
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	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	The Group owned 100% of An Hui Min Tong in the two reporting periods.
	An Ching Ling Tong Auto Sale & Service Co., Ltd. (“An Ching Ling Tong”)	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of An Ching Tsai Tong in the two reporting periods.
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. (“Tong Ling Kuo Tong”)	Sale and maintenance of cars and parts	100.00	100.00	-
	He Fei Chun Hui Auto Sale & Service Co., Ltd. (“He Fei Chun Hui”)	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of He Fei Chun Hui in the two reporting periods.
	Zi Bo Yu An Auto Sale & Service Co., Ltd. (“Zi Bo Yu An”)	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Zi Bo Yu An in the two reporting periods.
Sheng Qing	Zhu Hai Fu Te En Industry & Trade Co., Ltd. (“Zhu Hai Fu Te En”)	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Zhu Hai Fu Te En in the two reporting periods.
	Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. (“Guang Zhou Yuan Du”)	Sale and maintenance of cars and parts	51.00	51.00	The Group owned 51% of Su Zhou Feng Shen in the two reporting periods.
	Su Zhou Feng Shen Auto Sale & Service Co., Ltd. (“Su Zhou Feng Shen”)	Sale and maintenance of cars and parts	40.00	40.00	The Group owned 100% of Su Zhou Feng She in the two reporting periods.
	Shen Jun Yu Peng Auto Sale & Service Co., Ltd. (“Shen Jen Yu Peng”)	Sale and maintenance of cars and parts	65.00	65.00	The Group owned 100% of Shen Jen Yu Peng in the two reporting periods.
	Nanjing Hanhong Motor Trading Co., Ltd. (“Nanjing Hanhong”)	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Nanjing Hanhong in the two reporting periods.
	Wuhan Yu Hsin Auto Sale & Service Co., Ltd. (“Wuhan Yu Hsin”)	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Wuhan Yu Hsin in the two reporting periods.
	Jiangmen Junxing Auto Sale & Service Co., Ltd. (“Jiangmen Junxing”)	Sale and maintenance of c and parts	60.00	60.00	The Group owned 100% of Jiangmen Junxing in the two reporting periods.
	Shanghai Yuming Auto Sale & Service Co., Ltd. (“Shanghai Yuming”)	Sale and maintenance of cars and parts	51.00	51.00	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	51.00	The Group owned 100% of Qingdao Yuanhuang in the two reporting periods.
	Hang Zhou Yu Zhong Trading Co., Ltd. (“Hang Zhou Yu Zhong”)	Trading	100.00	100.00	The Group owned 100% of Hang Zhou Yu Zhong in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	% of Ownership December 31 2018	Remark
	Ning Bo Yu Cheng Auto Sales & Services Co., Ltd. ("Ning Bo Yu Cheng")	Sale, maintenance and repair of cars and parts	100.00	100.00	The Group owned 100% of Ning Bo Yu Cheng in the two reporting periods.
	Fu Jian Yu Xin	Sale, maintenance and repair of cars and parts	51.00	51.00	The Group owned 100% of Fu Jian Yu Xin in the two reporting periods.
	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	The Group owned 100% of Huang Zhou Hua Zhi in the two reporting periods.
	Changsha Yu Lu Auto Sale & Service Co., Ltd. ("Changsha Yu Lu")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Changsha Yu Lu in the two reporting periods.
	He-Shan Li-Sheng Auto Sales & Service Co., Ltd. ("He-Shan Li-Sheng")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of He-Shan Li-Sheng in the two reporting periods.
	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of An Ching Tsai Tong in the two reporting periods.
	An Ching Ling Tong Auto Sale & Service Co., Ltd. ("An Ching Ling Tong")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of An Ching Ling Tong in the two reporting periods.
	He Fei Chun Hui Auto Sale & Service Co., Ltd. ("He Fei Chun Hui")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of He Fei Chun Hui in the two reporting periods.
Gao Te	Hang Zhou Qien Yu Investment Co., Ltd. ("Hang Zhou Qien Yu")	Investments	100.00	100.00	-
Su Zhou Cheng Long	Su Zhou Cheng Guo Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Co., Ltd.")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Hang Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Hung")	Sale and maintenance of cars and parts	100.00	100.00	-
Su Zhou Feng Shen	Su Zhou Feng Shun Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shun")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Yueshun Auto Sale & Service Co., Ltd. ("Su Zhou Yueshun")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Pin Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Pin")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou 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	Wu Jiang Lian Cheng Auto Sale & Service Co., Ltd. ("Wu Jiang Lian Cheng")	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	100.00	-
	Shenzhen Yu Zhi Auto Sales & Services Co., Ltd. ("Shenzhen Yu Zhi")	Sale and maintenance of cars and parts	100.00	100.00	-
Guang Zhou Yuan Du	Guang Zhou Yuan Zhi Auto Sales & Services Co., Ltd. ("Guang Zhou Yuan Zhi")	Sale and maintenance of cars and parts	100.00	100.00	-
	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	40.00	-	The Group owned 70.6% of Qingdao Yuanhuang in 4th quarter of 2019 and owned 51% of Qingdao Yuanhuang in 4th quarter of 2018.
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	100.00	-
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	-
Shang Hai Yuming	ChiaHsing YuTa Automobiles Sales & Service Limited ("ChiaHsing YuTa")	Sale and maintenance of cars and parts	100.00	100.00	-
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.
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	86.13	100.00	The Group owned 100% of Changzhou Y-Teks in the two reporting periods.
	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	100.00	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	65.49	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	The Group acquired 15% of shares from non-controlling interests in the 2nd quarter of 2018. As a result, the Group ownership of Yueki increase to 65.58%.
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	20.00	The Group owned 96.5% of Luxgen Kaohsiung in 4th quarter of 2019 and owned 79.99% of Luxgen Kaohsiung in 4th quarter of 2018.
	Yu Chang China Investment Co., Ltd.	Investments	100.00	100.00	-
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	20.00	The Group owned 98.9% of Luxgen Taichung in 4th quarter of 2019 and owned 79.99% of Luxgen Taichung in 4th quarter of 2018.
	Hong Yen Motor Ltd. ("Hong Yen")	Investments	100.00	100.00	-
	Yu Ming Insurance Co., Ltd.	Property insurance	100.00	100.00	-
Hong Yen	Shanghai Yuming	Sale and maintenance of cars and parts	49.00	49.00	The Group owned 100% of Shanghai Yuming in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2019	% of Ownership December 31 2018	Remark
Luxgen	Luxgen Taipei	Sale, maintenance and repair of cars and parts	99.99	99.99	The Group owned 99.99% of Luxgen Taipei in the two reporting periods.
	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	97.80	59.99	The Group owned 98.9% of Luxgen Taichung in 4th quarter of 2019 and owned 79.99% of Luxgen Taichung in 4th quarter of 2018.
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	94.20	79.99	-
	Luxgen Kaohsiung	Sale, maintenance and repair of cars and parts	93.00	59.99	The Group owned 96.5% of Luxgen Kaohsiung in 4th quarter of 2019 and owned 79.99% of Luxgen Kaohsiung in 4th quarter of 2018.
	Sin Gan	Wholesale and retail of information software	19.78	19.78	The Group owned 93.04% of Sin Gan in 4th quarter of 2019 and owned 64.96% of Sin Gan in 4th quarter of 2018.
	Luxgen Overseas Holdings Private Limited ("Luxgen Overseas Holdings")	Investments	100.00	100.00	-
Haitec	SinYi Co., Ltd. ("SinYi")	Wholesale and retail of cars and parts	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Hua-Chung Overseas Investment Co., Ltd. ("Hua-Chung Overseas")	Investments	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Haitec China Investment Company ("Haitec China")	Investments	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Haitec Japan Company ("Haitec Japan")	Product design of cars	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	96.77	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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
Name of Subsidiary	**2019**	**2018**
YFC	54.25%	54.25%

See Table 9 for the information on place of incorporation and principal place of business.

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	**2019**	**2018**	**2019**	**2018**
YFC (excluding its subsidiaries' non-controlling interests)	$ 1,621,650	$ 1,403,983	$ 10,471,827	$ 9,753,016

The summarized financial information below represents amounts before intragroup eliminations.

Yulon Finance Corporation and Yulon Finance Corporation's subsidiaries:

	December 31	
	2019	**2018**
Current assets	$ 177,311,375	$ 149,940,101
Non-current assets	23,148,179	20,874,697
Current liabilities	(175,967,279)	(148,112,122)
Non-current liabilities	(3,815,651)	(2,790,879)
Equity	$ 20,676,624	$ 19,911,797
Equity attributable to:		
Owners of Yulon Finance Corporation	$ 9,626,782	$ 9,533,594
Non-controlling interests of Yulon Finance Corporation	10,471,827	9,753,016
Non-controlling interests of Yulon Finance Corporation's subsidiaries	578,015	625,187
	$ 20,676,624	$ 19,911,797

	For the Year Ended December 31	
	2019	**2018**
Revenue	$ 28,164,620	$ 23,125,057
Net profit from continuing operations	$ 3,061,223	$ 2,782,621
Other comprehensive income (loss) for the year	(402,398)	(142,202)
Total comprehensive income for the year	$ 2,658,825	$ 2,640,419
Profit attributable to:		
Owners of YFC	$ 1,340,278	$ 1,277,756
Non-controlling interests of YFC	1,621,650	1,403,983
Non-controlling interests of YFC's subsidiaries	99,295	100,882
	$ 3,061,223	$ 2,782,621
Total comprehensive income attributable to:		
Owners of YFC	$ 1,103,591	$ 1,192,205
Non-controlling interests of YFC	1,466,426	1,349,788
Non-controlling interests of YFC's subsidiaries	88,808	98,426
	$ 2,658,825	$ 2,640,419
Net cash inflow (outflow) from:		
Operating activities	$ (22,141,402)	$ (28,666,804)
Investing activities	(970,812)	(253,927)
Financing activities	24,764,734	30,782,056
Net foreign exchange gains/(losses)	(127,885)	(32,298)
Net cash (outflow) inflow	$ 1,524,635	$ 1,829,027

(Continued)

Dividends paid to non-controlling interest:		
Non-controlling interests of YFC	$ 856,912	$ 879,019
Non-controlling interests of YFC's subsidiaries	48,516	87,425
	$ 905,428	$ 966,444

(Concluded)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investment in associates	$ 21,077,779	$ 29,228,506
Investment in joint venture	17,834	31,867
	$ 21,095,613	$ 29,260,373

a. Investments in associates

	December 31	
	2019	2018
Material associates		
Yulon Nissan Motor Co., Ltd.	$ 10,619,377	$ 10,011,793
China Motor Company	3,898,949	4,700,431
	14,518,326	14,712,224
Non-material associates	6,559,453	14,516,282
	$ 21,077,779	$ 29,228,506

1) Material associates

	December 31	
Name	2019	2018
Yulon Nissan Motor Co., Ltd.	50.02%	50.02%
China Motor Company	8.87%	8.87%

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 Group and China Motor Company and Tai-Yuen Textile Company had cross-shareholdings was accounted by equity method, and their recognition of investment income was accounted by the treasury stock method. In May 2019, in order to eliminate cross-shareholdings, focus on the automotive industry, and reduce the management scale, YuenWen Investment Company, which holds the shares of Taiyuan Textile and Taiwin Company, was merged with Xiang Wei Company. The combined consideration was 11,555,039 thousand. The Group recognized disposal of the investment accounted for using the equity method of 3,150,981 thousand, please refer to Note 30. Other gains and losses.

Equity in the earnings of China Motor Company. on their holdings of the Company's shares was accounted for by the treasury stock method since May 2019.

Fair values of investments in associates, based on the Level 1 fair value measurement derived from published quoted prices, are summarized as follows:

	December 31	
Associate	**2019**	**2018**
Yulon Nissan Motor Co., Ltd.	$ 43,064,350	$ 34,286,425
China Motor Company	1,920,006	2,983,068

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	
	2019	**2018**
Current assets	$ 14,997,108	$ 8,364,080
Non-current assets	13,574,298	17,735,667
Current liabilities	(3,705,175)	(3,323,171)
Non-current liabilities	(3,292,907)	(2,319,542)
Equity	$ 21,573,324	$ 20,457,034
Proportion of the Group's ownership	50.02%	50.02%
Equity attributable to the Group	$ 10,790,977	$ 10,232,608
Unrealized gain or loss with associates	(171,600)	(220,815)
Carrying amount	$ 10,619,377	$ 10,011,793

	For the Year Ended December 31	
	2019	2018
Revenue	$ 32,498,607	$ 22,931,710
Net income	$ 7,281,897	$ 4,356,305
Other comprehensive income	(528,208)	(513,329)
Total comprehensive income	$ 6,753,689	$ 3,842,976
Dividends received from Yulon Nissan Motor Co., Ltd.	$ 2,651,384	$ 3,151,050

China Motor Company and subsidiaries

	December 31	
	2019	2018
Current assets	$ 17,362,074	$ 25,022,561
Non-current assets	34,104,394	39,481,855
Current liabilities	(7,660,051)	(7,520,912)
Non-current liabilities	(1,641,478)	(1,209,415)
Equity	42,164,939	55,774,089
Non-controlling interest	(3,422,878)	(3,613,814)
	$ 38,742,061	$ 52,160,275
Proportion of the Group's ownership	8.87%	8.87%
Equity attributable to the Group	$ 3,436,421	$ 4,626,616
Unrealized gain or loss in associates	(135)	(141)
Intersect shareholding (accounted for by the treasury stock method)	462,663	73,956
Carrying amount	$ 3,898,949	$ 4,700,431

	For the Year Ended December 31	
	2019	2018
Revenue	$ 32,067,972	$ 34,869,514
Net income	$ (2,308,373)	$ 3,892,042
Other comprehensive income	(296,174)	(367,622)
Total comprehensive income	$ (2,604,547)	$ 3,524,420
Dividends received from China Motor Company	$ 198,501	$ 220,971

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2019	2018
The Group's share of:		
(Loss) profit for the year	$ 2,280,034	$ (342,447)
Other comprehensive income (loss)	117,416	(168,946)
Total comprehensive (loss) income for the year	$ 2,397,450	$ (511,393)

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.

Though the Group's percentage of ownership in China Engine Co., Ltd. was less than 20%, the Group exercised significant influence over the invested company and accounted for the investment by using the equity method.

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, 2019 and 2018 were based on the associates' financial statements audited by auditors for the same years.

b. Investment in joint ventures

	December 31	
	2019	2018
Joint ventures that are not individually material	$ 17,834	$ 31,867

	For the Year Ended December 31	
	2019	2018
The Group's share of:		
Loss for the year	$ (863)	$ (6,736)
Total comprehensive income (loss) for the year	$ (863)	$ (6,736)

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 stockholders in July 2017. Therefore, the relationship between Dongfeng Yulon Company and the Group changed from associate to joint venture.

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, 2018 and 2017 were based on the associates' financial statements audited by auditors for the same years.

18. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Group

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property on Lease	Construction in Progress	Total
Cost								
Balance at January 1, 2018	$ 6,805,969	$ 8,008,615	$ 15,246,872	$ 1,403,196	$ 5,906,306	$ 25,637,917	$ 387,891	$ 63,396,766
Effect of acquiring common control within entities merged	27,895	96,052	207,750	26,935	1,214,156	-	-	1,572,788
Additions	26,699	432,967	1,268,186	1,212,119	551,842	10,036,535	308,163	13,836,511
Disposals	-	-	(227,246)	(1,096,451)	(275,904)	(8,717,115)	-	(10,316,716)
Effect of foreign currency exchange differences	(611)	(46,868)	(36,027)	(9,558)	(79,363)	(40,867)	(1,906)	(215,200)
Reclassifications	(40,112)	(86,312)	143,156	84,574	328,674	(108,409)	(197,371)	124,200
Balance at December 31, 2018	$ 6,819,840	$ 8,404,454	$ 16,602,691	$ 1,620,815	$ 7,645,711	$ 26,808,061	$ 496,777	$ 68,398,349
Accumulated depreciation and impairment								
Balance at January 1, 2018	$ -	$ (3,835,982)	$ (10,018,750)	$ (525,673)	$ (4,221,610)	$ (9,030,606)	$ -	$ (27,632,621)
Effect of acquiring common control within entities merged	-	(71,122)	(176,753)	(25,120)	(835,073)	-	-	(1,108,068)
Disposals	-	-	207,123	261,605	215,024	4,657,473	-	5,341,225
Reclassifications	-	20,175	61,450	(30,219)	(87,531)	52,768	-	16,643
Impairment loss	-	-	(371,071)	(17,336)	-	640	-	(387,767)
Depreciation expense	-	(303,393)	(552,228)	(190,324)	(609,367)	(5,113,713)	-	(6,769,025)
Effect of foreign currency exchange differences	-	37,676	(4,479)	4,329	73,013	15,196	-	125,735
Balance at December 31, 2018	$ -	$ (4,152,646)	$ (10,854,708)	$ (522,738)	$ (5,465,544)	$ (9,418,242)	$ -	$ (30,413,878)
Carrying amounts at December 31, 2018	$ 6,819,840	$ 4,251,808	$ 5,747,983	$ 1,098,077	$ 2,180,167	$ 17,389,819	$ 496,777	$ 37,984,471
Cost								
Balance at January 1, 2019	$ 6,819,840	$ 8,404,454	$ 16,602,691	$ 1,620,815	$ 7,645,711	$ 26,808,061	$ 496,777	$ 68,398,349
Effect of acquiring IFRS 16 within entities merged	-	-	-	-	-	(26,808,061)	-	(26,808,061)
Additions	-	65,189	1,254,106	1,378,879	695,755	-	556,881	3,950,810
Disposals	-	(9,665)	(730,166)	(1,027,431)	(558,855)	-	-	(2,326,117)
Effect of foreign currency exchange differences	543	(91,538)	(56,755)	(35,667)	(62,376)	-	(20,145)	(265,938)
Reclassifications	29,341	116,346	3,195,443	(102,630)	81,839	-	(345,033)	2,975,306
Balance at December 31, 2019	$ 6,849,724	$ 8,484,786	$ 20,265,319	$ 1,833,966	$ 7,802,074	$ -	$ 688,480	$ 45,924,349
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ -	$ (4,152,646)	$ (10,854,708)	$ (522,738)	$ (5,465,544)	$ (9,418,241)	$ -	$ (30,413,878)
Effect of acquiring IFRS 16 within entities merged	-	-	-	-	-	(9,418,241)	-	(9,418,241)
Disposals	-	9,123	460,432	292,868	429,567	-	-	1,191,990
Reclassifications	-	1,278	(13,947)	(10,947)	8,793	-	-	(14,823)
Impairment loss	-	-	(6,225,237)	(14,830)	(44,166)	-	(53,019)	(6,337,252)
Depreciation expense	-	(278,586)	(497,915)	(254,466)	(642,215)	-	-	(1,673,182)
Effect of foreign currency exchange differences	-	21,344	56,655	5,984	47,473	-	-	131,456
Balance at December 31, 2019	$ -	$ (4,399,487)	$ (17,074,720)	$ (504,129)	$ (5,666,092)	$ -	$ (53,019)	$ (27,697,447)
Carrying amounts at December 31, 2019	$ 6,849,724	$ 4,085,299	$ 3,190,599	$ 1,329,837	$ 2,135,982	$ -	$ 635,461	$ 18,226,902

For the year ended December 31, 2019, there was impairment loss of $6,337,252 thousand since an evaluation showed the recoverable amounts of vehicles were lower than the carrying amounts.

For the year ended December 31, 2018, the horizontal segments recognized reversal of impairment losses due to the sale of second-hand vehicles. However, the sales volume of the remaining car models declined; therefore, the recoverable amounts of some equipment pertaining to the brand segments were lower than the carrying amounts. As a result, there were impairment losses of $387,767 thousand for 2018.

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 8.23% at December 31, 2019.

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 - 2019

	Leased Assets	Vehicles
Cost		
Balance at January 1, 2019	$ 26,808,061	$ -
Effect of acquiring IFRS 16 within entities merged	(26,808,061)	26,808,061
Balance at January 1, 2019 (after restatement)	-	26,808,061
Additions	-	10,183,820
Disposals	-	(9,085,585)
Reclassifications	-	(109,462)
Effect of foreign currency exchange differences	-	(76,972)
Balance at December 31, 2019	$ -	$ 27,719,862
Accumulated depreciation and impairment		
Balance at January 1, 2019	$ (9,418,242)	$ -
Effect of acquiring IFRS 16 within entities merged	9,418,242	(9,418,242)
Balance at January 1, 2019 (after restatement)	-	(9,418,242)
Disposals	-	4,781,962
Recognized reversal of impairment losses	-	69,782
Reclassifications	-	47,863
Depreciation	-	(5,078,767)
Effect of foreign currency exchange differences	-	31,812
Balance at December 31, 2019	$ -	$ (9,565,590)
Carrying amounts at December 31, 2019	$ -	$ 18,154,272

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, 2019, the Group recognized reversal of impairment losses due to the sale of second-handed vehicles for $69,782 thousand.

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

19. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2018	$ 8,562,297	$ 4,282,383	$ 12,844,680
Reclassifications to property, plant and equipment	102,545	125,060	227,605
Reclassifications to Property under construction	(2,666,588)	-	(2,666,588)
Additions	-	344,370	344,370
Effect of foreign currency exchange differences	-	(3,532)	(3,532)
Balance at December 31, 2018	$ 5,998,254	$ 4,748,281	$ 10,746,535
Accumulated depreciation and impairment			
Balance at January 1, 2018	$ -	$ (921,273)	$ (921,273)
Reclassifications to property, plant and equipment	-	(21,720)	(21,720)
Depreciation expense	-	(46,973)	(46,973)
Effect of foreign currency exchange differences	-	(119)	(119)
Balance at December 31, 2018	$ -	$ (990,085)	$ (990,085)
Carrying amount at December 31, 2018	$ 5,998,254	$ 3,758,196	$ 9,756,450
Cost			
Balance at January 1, 2019	$ 5,998,254	$ 4,748,281	$ 10,746,535
Reclassifications to property, plant and equipment	(29,341)	102,251	72,910
Reclassifications to Property under construction	(1,222,389)	-	(1,222,389)
Additions	-	307,270	307,270
Effect of foreign currency exchange differences	-	(179)	(179)
Balance at December 31, 2019	$ 4,746,524	$ 5,157,623	$ 9,904,147
Accumulated depreciation and impairment			
Balance at January 1, 2019	$ -	$ (990,085)	$ (990,085)
Reclassifications to property, plant and equipment	-	3,843	3,843

(Continued)

	Freehold Land	Buildings	Total
Recognized of impairment losses	$ -	$ (533,488)	$ (533,488)
Depreciation expense	-	(55,935)	(55,935)
Effect of foreign currency exchange differences	-	(3,909)	(3,909)
Balance at December 31, 2019	$ -	$ (1,579,574)	$ (1,579,574)
Carrying amount at December 31, 2019	$ 4,746,524	$ 3,578,049	$ 8,324,573

(Concluded)

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

The design of the commercial district of Yulon Town was modified in October 2019. The new design only consisted of malls. In addition, the declaration of the commencement of the district was temporarily stopped, and will be re-designed depending on the market situation. Therefore, the Group expected a portion of the individual asset had become no economic benefits and recognized impairment loss of commercial district (included in investment properties) $340,856 in 2019.

The fair values of investment assets as of December 31, 2019 and 2018 based on the valuation by an independent professional appraiser were $23,519,792 thousand and $30,194,471 thousand

20. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
Land	$ 1,614,287
Buildings	1,893,932
Vehicles	32,894
Others	88,145
	$ 3,629,258

	For the Year Ended December 31, 2019
Depreciation charge for right-of-use assets	
Land	$ 277,759
Buildings	706,291
Vehicles	22,529
Others	15,057
	$ 1,021,636

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
Current	$ 788,127
Non-current	$ 1,951,982

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Land	0.9%-6.41%
Buildings	0.9%-6.64%
Vehicles	0.9%-5.24%
Others	0.9%-6.64%

c. Material lease-in activities and terms

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

2019

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 152,354
Expenses relating to low-value asset leases	$ 16,793
Total cash outflow for leases	$ (965,643)

The Group leases certain vehicles and office equipment which qualify as short-term leases and certain vehicles and office equipment which 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.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	December 31, 2018
Not later than 1 year	$ 855,560
Later than 1 year and not later than 5 years	2,100,317
Later than 5 years	990,807
	$ 3,946,684

21. INTANGIBLE ASSETS

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
Cost			
Balance at January 1, 2018	$ 12,446,038	$ 1,300,487	$ 13,746,525
Additions	4,734,312	144,803	4,879,115
Reclassifications	-	197	197
Disposals	-	(4,324)	(4,324)
Effect of acquiring common control within entities merged	979,627	140,497	1,120,124
Effect of foreign currency exchange differences	-	(25,445)	(25,445)
Balance at December 31, 2018	$ 18,159,977	$ 1,556,215	$ 19,716,192
Accumulated amortization and impairment			
Balance at January 1, 2018	$ (5,966,567)	$ (900,001)	$ (6,866,568)
Amortization expense	(379,834)	(114,215)	(494,049)
Impairment loss	(674,725)	(8,207)	(682,932)
Reclassifications	-	(240)	(240)
Disposals	-	1,361	1,361
Effect of acquiring common control within entities merged		(116,926)	(116,926)
Effect of foreign currency exchange differences	-	19,760	19,760
Balance at December 31, 2018	$ (7,021,126)	$ (1,118,468)	$ (8,139,594)
Carrying amount at December 31, 2018	$ 11,138,851	$ 437,747	$ 11,576,598

(Continued)

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
Cost			
Balance at January 1, 2019	$ 18,159,977	$ 1,556,215	$ 19,716,192
Additions	1,980,115	154,761	2,134,876
Reclassifications	(317,391)	20	(317,371)
Disposals	-	(3,175)	(3,175)
Effect of foreign currency exchange differences	(7,997)	(80,571)	(88,568)
Balance at December 31, 2019	$ 19,814,704	$ 1,627,250	$ 21,441,954
Accumulated amortization and impairment			
Balance at January 1, 2019	$ (7,021,126)	$ (1,118,468)	$ (8,139,594)
Amortization expense	(237,702)	(112,802)	(350,504)
Impairment loss	(6,246,802)	(4,507)	(6,251,309)
Reclassifications	-	-	-
Disposals	-	1,145	1,145
Effect of foreign currency exchange differences	-	67,959	67,959
Balance at December 31, 2019	$ (13,505,630)	$ (1,166,673)	$ (14,672,303)
Carrying amount at December 31, 2019	$ 6,309,074	$ 460,577	$ 6,769,651

(Concluded)

Luxgen Motor Co., Ltd. ("Luxgen") terminated the technology licensing agreement of SUV model with Haitec in December 2010, and acquired vehicle model development cost of SUV model with Hang Zhou Dong Feng Yulon Motor Co., Ltd. (DFYL) from Haitec, simultaneously. In addition, the three parties amended the original agreement of acquisition in October 2011. According to the amended terms of agreement, remaining payments will be made in future years. In July 2015, the three parties made a supplementary agreement; according to this agreement, the total payments obligated by Luxgen and DFYL were $1,441,286 thousand and $6,405,714 thousand, respectively.

Luxgen ceased the technology licensing agreement of MPV model with Haitec in October 2011, and entrusted Haitec to design, research and develop MPV model with DFYL, simultaneously. In July 2015, the three parties made a supplementary agreement. According to this agreement, DFYL no longer possess the intellectual property rights and technology of MPV model, of which were transferred to Luxgen. Total payments obligated by Luxgen and DFYL were $6,778,707 thousand and $145,293 thousand, respectively.

Luxgen and DFYL entrusted Haitec to develop GPS (S5 Sedan) model in December 2012. In July 2015, the three parties made a supplementary agreement; according to this agreement, the total payments obligated by Luxgen and DFYL were $612,861 thousand and $4,044,139 thousand, respectively.

Luxgen and DFYL entrusted to Haitec the development of DFYL's GPK (U6 SUV) model. Based on the trust agreement, the total payment for this development project was $2,855,000 thousand, which included payment amounting to $280,553 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at $415,403 thousand and by DFYL at $2,439,597 thousand. On the completion of the GPK model, the models were transferred to Luxgen in 2013 and to DFYL in 2014, with the

remaining payments to be made in future years. Furthermore, the GPK model was recognized as an intangible asset by Luxgen and DFYL.

Luxgen and DFYL entrusted Haitec to develop LCS (S3 Sedan) model; based on the trust agreement, the total payment for this development project was $3,205,619 thousand, which included payment amounting to $422,484 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at $489,180 thousand and by DFYL at $2,716,439 thousand.

Luxgen and DFYL entrusted Haitec to develop LCH model; based on the trust agreement, the total payment for this development project was $1,123,898 thousand, which included payment amounting to $151,484 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at $171,236 thousand and by DFYL at $952,662 thousand.

The Company held the control over Haitec Co. included in the Group since December 31, 2019. (see Note 1) The Group had assessed the expected credit losses of account receivable to Dongfeng Yulon. (see Note 12)

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 8.23% at December 31, 2019.

For the year ended December 30, 2019 and 2018, the amounts of impairment loss on intangible assets were $6,246,802 thousand and $674,725 thousand, since the estimated future cash flows of the intangible assets were reduced and the recoverable amounts were lower than the carrying amounts.

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. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2019	2018
Current assets (included in other current assets)	$ 648	$ -
Non-current assets	-	1,070,081
	$ 648	$ 1,070,081

Prepaid lease payments include prepaid lease payments for properties and land located in Taiwan and land use rights in mainland China.

23. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
Secured borrowings (Note 36)		
Bank loans	$ 9,227,430	$ 12,320,984
Unsecured borrowings		
Line of credit borrowings	68,894,841	68,481,191
	$ 78,122,271	$ 80,802,175
Interest rate	0.8%-8.5%	0.72%-9.7%

b. Short-term bills payable

	December 31	
	2019	2018
Commercial paper	$ 98,766,249	$ 82,143,807
Less: Unamortized discount on bills payable	282,948	191,579
	$ 98,483,301	$ 81,952,228
Interest rate	0.72%-2.61%	0.698%-5.75%

c. Long-term borrowings

	December 31	
	2019	2018
Secured borrowings (Note 36)		
Bank loans	$ 199,901	$ 442,442
Unsecured borrowings		
Credit borrowings	3,284,199	3,080,000
Commercial paper (recurring)	2,845,740	2,149,105
Less: Current portion long-term borrowings	3,549,488	1,592,897
	$ 2,780,352	$ 4,078,650
Interest rates	1.01%-5.23%	0.92%-5.44%

24. BONDS PAYABLE

	December 31	
	2019	2018
Convertible bonds		
Unsecured domestic bonds	$ 25,650,000	$ 21,750,000
Less: Discounts on bonds payable	9,553	6,329
	25,640,447	21,743,671
Less: Current portion	10,340,447	6,443,671
	$ 15,300,000	$ 15,300,000

Unsecured domestic bonds

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

Yulon Finance Corporation issued three-year maturity unsecured corporate bonds on May 12, 2017, August 11, 2017 and January 8, 2018, with issuance amounts of $2 billion, $2.35 billion and $2.1 billion and simple interest rates of 1.07%, 1.02% and 0.85% payable annually, respectively. The principal amounts of the bonds are repayable on the maturity date. And also issued five-year maturity unsecured corporate bonds on July 9, 2019 and August 14, 2019, with issuance amounts of $2 billion and $1.9 billion and simple interest rate of 0.90% payable annually. The principal amounts of the bonds are repayable in 2 equal installments in 2023-2024.

25. OTHER LIABILITIES

	December 31	
	2019	2018
Current		
Other payables		
Equipment payables	$ 2,489,902	$ 1,617,843
Accrued expense payable	4,404,614	5,431,919
Dividends payable	224,088	116,376
Others	2,886,557	1,674,478
	$ 10,005,161	$ 8,840,616

(Continued)

	December 31	
	2019	2018
Other liabilities		
Guarantee deposits received	$ 10,869,711	$ 9,921,707
Others	2,092,737	2,854,489
	$ 12,962,448	$ 12,776,196
Non-current		
Other liabilities		
Guarantee deposits received	$ 164,007	$ 295,556
Credit balance of long-term investments at equity	-	2,024,080
Others	240,233	192,299
	$ 404,240	$ 2,511,935

(Concluded)

26. PROVISIONS

	December 31	
	2019	2018
Current		
Financial guarantee provisions	$ 221,556	$ 281,887
Warranties	1,938	1,873
	$ 223,494	$ 283,760
Non-current		
Warranties	$ 724,016	$ 873,808

The customers of Yulon Finance Corporation and SCC signed car loan contracts with banks, with Yulon Finance Corporation and SCC acting as car loan agents and providing customers with account management services. Under the contracts, Yulon Finance Corporation and SCC are responsible for repaying any uncollectable loans arising from customer default. Yulon Finance Corporation and SCC have estimated their potential financial guarantee loss on any default on the basis of past experience.

Sin Jang and YES-Energy recognized provision cost 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. Provisions have been estimated for possible maintenance costs.

27. 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	
	2019	**2018**
Present value of the defined benefit obligation	$ 2,422,456	$ 2,528,904
Fair value of plan assets	(1,464,590)	(1,554,462)
Net defined benefit liability	$ 957,866	$ 974,442

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, 2018	$ 2,785,339	$ (1,419,858)	$ 1,365,481
Effect of acquiring common control within entities merged	60,239	(8,330)	51,909
Service cost			
Current service cost	35,452	-	35,452
Net interest expense (income)	34,561	(17,887)	16,674
Recognized in profit or loss	70,013	(17,887)	52,126

(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)	$ -	$ (39,284)	$ (39,284)
Actuarial loss - changes in demographic assumptions	28,576	-	28,576
Actuarial loss - changes in financial assumptions	30,506	-	30,506
Actuarial loss - experience adjustments	(75,759)	-	(75,759)
Recognized in other comprehensive income	(16,677)	(39,284)	(55,961)
Contributions from the employer	-	(383,788)	(383,788)
Benefits paid	(370,010)	314,685	(55,325)
Balance at December 31, 2018	$ 2,528,904	$ (1,554,462)	$ 974,442
Balance at January 1, 2019	$ 2,528,904	$ (1,554,462)	$ 974,442
Service cost			
Current service cost	31,218	-	31,218
Past service cost and loss (gain) on settlements	(670)	-	(670)
Net interest expense (income)	28,026	(17,400)	10,626
Recognized in profit or loss	58,574	(17,400)	41,174
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(56,494)	(56,494)
Actuarial loss - changes in demographic assumptions	(1,403)	-	(1,403)
Actuarial loss - changes in financial assumptions	96,344	-	96,344
Actuarial loss - experience adjustments	60,254	-	60,254
Recognized in other comprehensive income	155,195	(56,494)	98,701
Contributions from the employer	-	(72,617)	(72,617)
Benefits paid	(320,217)	236,383	(83,834)
Balance at December 31, 2019	$ 2,422,456	$ (1,464,590)	$ 957,866

(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	
	2019	**2018**
Discount rate(s)	0.68%-1.25%	0.88%-1.25%
Expected rate(s) of salary increase	1.00%-3.00%	1.25%-3.00%

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

	December 31, 2019
Discount rate(s)	
0.25% increase	$ (67,459)
0.25% decrease	$ 72,385
Expected rate(s) of salary increase	
0.25% increase	$ 72,069
0.25% decrease	$ (67,589)

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.

	December 31	
	2019	**2018**
The expected contributions to the plan for the next year	$ 168,306	$ 83,122
The average duration of the defined benefit obligation	9-17 years	8-14 years

28. EQUITY

a. Share capital

Common shares

	December 31	
	2019	2018
Number of shares authorized (in thousands)	2,000,000	2,000,000
Shares authorized	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousand)	1,572,920	1,572,920
Shares capital	$ 15,729,199	$ 15,729,199
Capital surplus	4,508,131	4,508,131
	$ 20,237,330	$ 20,237,330

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

b. Capital surplus

	December 31	
	2019	2018
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Arising from issuance of common shares	$ 4,508,131	$ 4,508,131
Arising from treasury share transactions	2,018,204	2,010,272
Arising from the differences between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	79,569
Not be used for any purpose		
Arising from share of changes in capital surplus of associates or joint ventures	40,160	-
	$ 6,566,495	$ 6,597,972

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 stockholders' meeting.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 21, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

For information on accrued employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 30-7.

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.

The appropriations of earnings for 2019 and 2018 approved in the board of directors on June 21, 2019 and June 15, 2018, respectively, were as follows:

	Appropriation of Earnings		Dividend Per Share (N.T. Dollar)	
	2018	2017	2018	2017
Legal reserve	$ 203,703	$ 228,831		
Special reserve	1,000,000	1,000,000		
Cash dividend	1,053,856	912,294	$ 0.67	$ 0.58

At the board of directors meeting on March 30, 2020, the Company planned to construct a proposal of reduction to offset deficit and resolved not to distribute dividends

The resolution of the year 2019 proposal of reduction to offset deficit will be made at the regular stockholders meeting on June 18, 2020.

d. Special reserve

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 38,373,565	$ 37,373,565
Appropriation of earnings	1,000,000	1,000,000
Balance at December 31	$ 39,373,565	$ 38,373,565

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	
	2019	2018
Balance at January 1	$ (919,398)	$ (593,515)
Exchange differences arising on translating the financial statements of foreign operations	(69,275)	(48,297)
Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method	(267,007)	(277,586)
Balance at December 31	$ (1,255,680)	$ (919,398)

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 1,466,521	$ 1,755,559
Unrealized gain/(loss) - equity instruments	194,937	(208,949)
Share from associates accounted for using the equity method	90,460	(82,921)
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	(354,401)	2,832
Balance at December 31	$ 1,397,517	$ 1,466,521

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 252	$ (92)
Interest rate risk - interest rate swaps	(256)	344
Balance at December 31	$ (4)	$ 252

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	$ 12,122,134	$ 8,688,986
Attributable to non-controlling interests:		
Share of profit for the year	496,643	1,810,004
Exchange difference arising on translation of foreign entities	(173,284)	(112,099)
Unrealized gain/(loss) on financial assets at FVTOCI	2,238	(2,433)
Gain/(loss) on hedging instruments	(195)	299
Remeasurement on defined benefit plans	586	6,959
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	4,489	(34,232)
Partial disposal of subsidiaries	(297,681)	(241,251)
Preference shares issued by subsidiaries	-	2,356,594
Non-controlling interest relating to differences between acquisition or disposal price and carrying value of subsidiaries	196,389	44,402
Retrospectively adjusted reorganization of common control	-	798,972
Cash dividends from subsidiaries	(1,106,576)	(1,194,067)
Balance at December 31	$ 11,244,743	$ 12,122,134

g. Common control of predecessor rights

Tai-Yuen Textiles Co., Ltd. and the Company are entities under common control on December 31, 2019, Tai-Yuen Textiles Co., Ltd. increased the capital of Haitec Co. Therefore, Tai-Yuen Textiles Co., Ltd. and the Company held the common control over Haitec Co. The Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. According to IFRS 10, concerning that the Company obtains the privilege of carrying out related-activities, the Company had the ability to direct the relevant activities of Haitec Co., Ltd., and had control since December 31, 2019. In compliance with "IFRS Q&A released in 2018" and "Interpretation No. 301" issued by the Accounting Research and Development Foundation released in 2012, from now on, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018. The related equity adjustment recognized in common control of predecessor rights.

h. 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 December 31, 2019				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839
For the year ended December 31, 2018				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839

The Company's shares held by subsidiaries as of December 31, 2019 and 2018 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
December 31, 2019			
Yu Ching Business Co., Ltd.	11,838	$ 231,442	$ 231,442
Yu Pong Business Co., Ltd.	1	2	2
		$ 231,444	$ 231,444
December 31, 2018			
Yu Ching Business Co., Ltd.	11,838	$ 215,460	$ 215,460
Yu Pong Business Co., Ltd.	1	2	2
		$ 215,462	$ 215,462

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

29. 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 Yustar and Yu Rich collectively during the years ended December 31, 2019 and 2018 were $5,974,987 thousand and $4,674,494 thousand, respectively. As of December 31, 2019 and 2018, the uncollected accounts receivable of YFC and Yustar and Yu Rich collectively were $90,946,522 thousand and $75,117,558 thousand, respectively, and recognized as accounts receivable.

6) Agency revenue (included in other operating revenue)

Agency revenues of YFC and Yustar recognized for the years ended December 31, 2019 and 2018 were $458,322 thousand and $549,747 thousand, respectively. In the event that payments were not made on due dates, the Company and Yustar reimburse the bank for the loan and assumes all collection rights against the debtor. As of December 31, 2019 and 2018, the managerial service account balances of the loans provided by the Company and Yustar collectively were $5,904,738 thousand and $7,474,583 thousand, respectively. The reimbursements from the Company and Yustar to banks as of December 31, 2019 and 2018 were $750,778 thousand and $1,102,451 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 26).

b. Disaggregation of revenue

Refer to Note 40 for details of revenue information.

30. NET PROFIT AND OTHER COMPREHENSIVE INCOME

a. Other operating revenue

	For the Year Ended December 31	
	2019	2018
Rental revenue	$ 133,706	$ 130,969
Commission revenue	263,619	270,865
Subsidy revenue	241,863	64,467
Others	619,301	724,164
	$ 1,258,489	$ 1,190,465

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Gains (losses) on disposal of property, plant and equipment, investment property and intangible assets	$ (26,171)	$ (29,777)
Gain on disposal of associates	3,150,981	-
Net foreign exchange loss	(184,527)	(180,043)
Net gain (loss) on financial assets mandatorily as at FVTPL	42,819	(20,339)
Impairment loss	(2,278,134)	-
Others	(438,193)	(92,262)
	$ 266,775	$ (322,421)

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank overdrafts and loans	$ 3,830,126	$ 2,554,743
Interest on corporate bonds	263,960	174,629
Other interest expense	165,712	57,962
	4,259,798	2,787,334
Less: Interest accounted for as operating cost	3,137,134	2,274,169
	$ 1,122,664	$ 513,165

d. Interest revenue

	For the Year Ended December 31	
	2019	2018
Interest revenue from acquired accounts receivable	$ 5,974,987	$ 4,674,494
Interest revenue from installment sales	2,022,352	1,578,401
Interest revenue from capital leases	3,666,443	3,079,580
Others	3,169,815	2,114,731
	14,833,597	11,447,206
Less: Interest revenue accounted for as operating revenue	14,234,694	11,128,655
	$ 598,903	$ 318,551

e. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
An analysis of depreciation by function		
Operating costs	$ 6,163,148	$ 6,023,107
Operating expenses	1,666,372	792,890
	$ 7,829,520	$ 6,815,997
An analysis of amortization by function		
Operating costs	$ 272,458	$ 404,685
Operating expenses	2,167,825	1,699,384
	$ 2,440,283	$ 2,104,069

f. Employee benefit expense

	For the Year Ended December 31	
	2019	2018
Post-employment benefits		
Defined contribution plans	$ 177,564	$ 161,312
Defined benefit plans	41,174	52,126
	218,738	213,438
Other employee benefits	10,035,400	8,341,359
Equity-settled share-based payment transaction	-	4,077
	$ 10,254,138	$ 8,558,874
An analysis of employee benefits expense by function		
Operating costs	$ 3,462,816	$ 3,147,860
Operating expenses	6,791,322	5,411,014
	$ 10,254,138	$ 8,558,874

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. It was resolved not to accrue employees' compensation and remuneration of directors and supervisors due to net loss before income tax. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2018 which have been approved by the Company's board of directors on March 25, 2019 were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	0.10%	0.10%
Remuneration of directors and supervisors	0.50%	0.50%

Amount

	For the Year Ended December 31			
	2019		2018	
	Cash	Share	Cash	Share
Employees' compensation	$ -	-	$ 2,175	-
Remuneration of directors and supervisors	-	-	10,874	-

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.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2017 and 2018.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2020 and 2019 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	
	2019	2018
Property, plant and equipment (included in other operating cost, Note 18)	$ 6,267,470	$ 387,767
Inventories (included in operating cost, Note 15)	(98,383)	73,043
Inventories for construction business (included in other gains and losses, note)	779,745	
Other current asset (included in other gains and losses, Note 15)	964,901	
Investment properties (included in other gains and losses, Note 19)	533,488	-
Other intangible assets (included in other operating cost, Note 18)	4,507	8,207
Other asset (included in other operating cost)	1,207,878	
Motor designs and research and development outputs (included in other operating cost, Note 21)	6,246,802	674,725
	$ 15,906,408	$ 1,143,742

Note: As of the date December 31, 2019, the Group recognized impairment loss of 964,901 thousand from prepayment to Dongfeng Yulon

31. 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	
	2019	2018
Current tax		
In respect of the current year	$ 1,252,180	$ 1,221,085
Income tax on unappropriated earnings	70,030	159,753
Adjustments for prior years	(10,392)	27,272
	1,311,818	1,408,110
Deferred tax		
In respect of the current year	(215,489)	112,120
Effect of change in tax rate	-	17,796
Income tax expense recognized in profit or loss	$ 1,096,329	$ 1,538,026

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

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	$ (23,437,148)	$ 5,385,062
Income tax expense calculated at the statutory rate	$ (723,609)	$ 767,168
Nondeductible expenses in determining taxable income	7,582	5,854
Tax-exempt income	(221,976)	(645,618)
Realized loss on investment	-	(738,461)
Income tax on unappropriated earnings	70,030	159,753
Effect of tax rate changes	-	17,796
Unrecognized deductible temporary differences	2,001,613	1,377,899
Adjustments for prior years' tax	(10,392)	27,272
Temporary difference - share of the profit of associates and joint ventures operating in other jurisdictions	(26,919)	566,363
Income tax expense recognized in profit or loss	$ 1,096,329	$ 1,538,026

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

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, 2019

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Balance at the End of the Year
Deferred tax assets			
Temporary differences			
Share of loss of subsidiaries, associates and joint ventures	$ 198,393	$ (25,754)	$ 172,639
Property, plant and equipment	184,633	42,865	227,498
Defined benefit obligation	322,694	(40,306)	282,388
Doubtful debts	490,113	307,250	797,363
Loss carryforward	143,335	(17,434)	125,901
Others	211,862	37,352	249,214
	$ 1,551,030	$ 303,973	$ 1,855,003
Deferred tax liabilities			
Temporary differences			
Property, plant and equipment	$ 959,179	$ 74,343	$ 1,033,522
Land value increment tax	2,509,919	-	2,509,919
Share of profit of subsidiaries, associates and joint ventures	484,975	4,325	489,300
Others	47,814	(35,240)	12,574
	$ 4,001,887	$ 43,428	$ 4,045,315

For the year ended December 31, 2018

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Effect of Acquiring Common Control within Entities Merged	Balance at the End of the Year
Deferred tax assets				
Temporary differences				
Share of loss of subsidiaries, associates and joint ventures	$ 172,673	$ 25,720	$ -	$ 198,393
Property, plant and equipment	178,136	6,497	-	184,633
Defined benefit obligation	322,248	446	-	322,694
Doubtful debts	344,114	145,999	-	490,113
Loss carryforward	92,663	(1,217)	51,889	143,335
Others	167,515	44,347	-	211,862
	$ 1,277,349	$ 221,792	$ 51,889	$ 1,551,030

(Continued)

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Effect of Acquiring Common Control within Entities Merged	Balance at the End of the Year
Deferred tax liabilities				
Temporary differences				
Property, plant and equipment	$ 769,780	$ 189,399	$ -	$ 959,179
Land value increment tax	2,509,919	-	-	2,509,919
Share of profit of subsidiaries, associates and joint ventures	318,489	166,486	-	484,975
Others	49,858	(2,044)	-	47,814
	$ 3,648,046	$ 353,841	$ -	$ 4,001,887

(Concluded)

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

As of December 31, 2019 and 2018, deductible temporary differences with unrecognized deferred tax assets were $3,253,359 thousand and $790,515 thousand, respectively.

d. Income tax assessed

The tax returns through 2017 have been assessed by the tax authorities.

32. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	2018
Basic earnings per share	$ (16.61)	$ 1.39
Diluted earnings per share	$ (16.61)	$ 1.39

The weighted average number of shares outstanding used for the earnings per share computation was as follow:

Net Profit for the Year

	For the Year Ended December 31	
	2019	2018
Net profit attributable to owners of the Company	$ (24,465,408)	$ 2,037,032
Net profit attributable to common control of predecessor rights	(564,712)	-
Earnings used in the computation of basic earnings per share	$ (25,030,120)	$ 2,037,032
Earnings used in the computation of diluted earnings per share	$ (25,030,120)	$ 2,037,032

Shares

	For the Year Ended December 31	
	2019	2018
Net profit attributable to owners of the Company		
Weighted average number of ordinary shares in computation of basic earnings per share	1,506,567	1,462,765
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonus issue to employees	-	350
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,506,567	1,463,115

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 were 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 was 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.

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, 2019, 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.

	December 31			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets at amortized cost	$ 15,708	$ 16,250	$ 22,139	$ 22,301
Financial liabilities				
Corporate bonds	25,640,447	25,653,487	21,743,671	21,761,670

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, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	$ 22,942	$ -	$ -	$ 22,942
Domestic unlisted shares	-	-	2,901	2,901
Derivative financial assets	-	232		232
Mutual funds	2,470,335	-	-	2,470,335
Others	-	-	628,620	628,620
	$ 2,493,277	$ 232	$ 631,521	$ 3,125,030
Financial assets at FVTOCI				
Domestic quoted shares	$ 206,009	$ -	$ -	$ 206,009
Domestic unlisted shares	-	-	402,492	402,492
Others	-	1,521	-	1,521
	$ 206,009	$ 1,521	$ 402,492	$ 610.022
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 241	$ -	$ 241

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	$ 23,597	$ -	$ -	$ 23,597
Domestic unlisted shares	-	-	4,069	4,069
Derivative financial assets	-	12,356	-	12,356
Mutual funds	631,359	-	316	631,675
Others	-	-	13,973	13,973
	$ 631,359	$ 12,356	$ 18,358	$ 685,670
Financial assets at FVTOCI				
Domestic quoted shares	$ 179,694	$ -	$ -	$ 179,694
Domestic unlisted shares	-	-	547,279	547,279
Others	-	1,904	-	1,904
	$ 179,694	$ 1,904	$ 547,279	$ 728,877
Financial liabilities at FVTPL				
Derivative financial liabilities	$ -	$ 81	$ -	$ 81

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 assets

For the year ended December 31, 2019

	Financial Assets at Fair Value Through Profit or Loss	Available-for-sale Financial Assets	Total
		Equity Instruments	
Balance at January 1, 2019	$ 18,358	$ 547,279	$ 565,637
Recognized in profit or loss (included in other gains and losses)	6,308	-	6,308
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	250,278	250,278
Reclassification	-	-	-
Purchases	4,028,500	2,435	4,030,935
Disposals/settlements	(3,421,590)	(397,500)	(3,819,090)
Effects of exchange rate changes	(55)	-	(55)
Balance at December 31, 2019	$ 631,521	$ 402,492	$ 1,034,013

For the year ended December 31, 2018

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income — Equity Instruments	Total
Balance at January 1, 2018	$ 168,787	$ 766,420	$ 935,207
Recognized in profit or loss (included in other gains and losses)	(3,789)	-	(3,789)
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(217,438)	(217,438)
Purchases	2,050,000	-	2,050,000
Disposals/settlements	(2,196,712)	(1,703)	(2,198,415)
Effects of exchange rate changes	72	-	72
Balance at December 31, 2018	$ 18,358	$ 547,279	$ 565,637

3) 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.
Derivatives - cross currency swap contracts	Discounted cash flow. Future cash flows were estimated based on observable exchange rates and interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various counterparties.

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, 2019, 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

	December 31	
	2019	2018
Financial assets		
Fair value through profit or loss (FVTPL)		
Mandatorily at FVTPL	$ 3,124,798	$ 673,314
Derivative instruments in designated hedge accounting relationships	232	12,356
Financial assets at amortized cost (Note 1)	205,341,466	194,588,287
Fair value through other comprehensive income (FVTOCI)	610,022	728,877
Financial liabilities		
Derivative instruments in designated hedge accounting relationships	241	81
Amortized cost (Note 2)	245,065,450	223,398,577
Financial guaranteed contracts	221,556	281,887

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, and notes receivable and trade receivables.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans and bills payables, notes payable, trade and other payables, corporate bond payables, long-term loans and other payables, guarantee deposits received and current portion of long-term borrowings.

d. Financial risk management objectives and policies

In order to develop a clear direction and system for the Group to analyze, execute and respond to financial risk, it is of great importance to clarify the definition and the purpose of financial risk management prior to the establishment of related critical issues and policies. Through the process of financial risk management, the Group manages the financial risks relevant to the daily operation, including market risk (foreign exchange rate risk, interest rate risk, other price risk), credit risk, and liquidity risk. The Group strives to identify, evaluate and decrease market uncertainty to mitigate influence of the market fluctuation towards its financial performance.

1) Financial risk management is defined by the Group as: To achieve various methods to control and handle risks by assessing direct and indirect potential risks affecting Group's financial status. By minimizing "cost of risk", the Group ensures operation security and continue as going concern.

2) The critical issues of financial risk management: The Group emphasizes precautions in advance as well as controls during the ongoing process. In the event, with precautions and controls in place, of inevitable loss or discrepancies with Group's operational goal, post-event measures are to be taken to deter or ease the unfavorable factors and retain the Group's ongoing development. The source of financial risk includes external and internal

factors. The key points of management, control mechanisms, and management tools of precautions, controls during the ongoing process and post-event measures are as follows:

a) Precautions

Key points of management

i. Business planning: The goal is for the Group to launch its business basing on key performance indicators that are clearly defined. The future operating guidelines and programs, from short term to long term, are also explicitly stated. In addition, goals and ways of achieving it for financial functions will also be specifically described within business planning.
ii. Identification of risk and establishment of indicator: This is based on the previous phase of key points of management, to identify potential risks and its monitoring indicators.

Control mechanisms

i. Business planning and adjustment: This is achieved by mid-term operating prospectus.

ii. Macro-economic and study of laws and regulation: The Group invites external professional and scholars for workshops regarding current economic status and updates on laws and regulations nonscheduled.

Management tools

i. Research reports on micro and macro-economics: This includes reports on foreign exchange rates, interest rates and economic growths around the world.

ii. Operating prospectus: This is the Group's mid-term operating prospectus.

iii. Articles of incorporation: Clearly states in the Group's article of incorporation the management measures and the standard of risk indicator.

b) Controls during the ongoing process

Key points of management

i. Assessment and monitor of risk: Carry out instant or periodical monitoring towards defined critical risk indicator and related financial process.

ii. Risk feedbacks: The information system automatically sends reports regarding financial operation and indicator statistics simultaneously or periodically to the management of the Group. Internal audit teams are assigned, according to yearly or quarterly audit plans, to conduct audits relating to financial risk management of the Group and its subsidiaries. Internal audit teams are also assigned to conduct audits regarding financial risk management indicators and execution results.

Control mechanisms

i. Internal audit: Each financial sub-unit within the Group manages, controls and conducts independent internal audits after audit plans are proposed to the management.

ii. Financial management system and procedures: The Group establishes financial management system and monitors daily operations and specifically designated risks.

Management tools

i. BIS (Business Intelligent System) reports and alerts: The Group utilizes BIS to provide feedbacks for important operation related financial indicators monthly, at least.

ii. Monthly reports on profits of the Group and its subsidiaries: Operating profit and loss reports are summarized monthly, particularly including analytical summaries and reviews of items not meeting standards set by the management.

iii. Internal audit report: Internal audit reports are issued by the internal audit team including the execution and result of financial risk management.

iv. Reports on capital financing and balance of endorsement: The Group issues a summary report of capital financing and balance of endorsement monthly for the prior month.

v. ERP, DMS and SAP system verifications: Operating management systems from external parties assist in verification, and strengthens the Group's financial risk management.

c) Post-event measures

Key points of management

i. Reasons and strategies for statistical deviations: Internal and external comprehension should be assembled, when abnormal outcomes arise for critical financial management indicators, to determine a corresponding strategy.

ii. Execution and follow-ups on strategy: The Group keeps track of the execution of the corresponding strategy mentioned in the previous phase, determined for the statistics to improve.

Control mechanisms

i. Analysis and feedbacks for unattainable indicators: The Group reviews the cause of unattainable financial management indicators in periodical reports and management meetings. In addition, improvement plans and schedules are also considered in management meetings.

ii. Board and financial meetings: The Group summons board meetings and review of financial management meetings on a timely basis, to ensure that the related financial risk management matters be resolved promptly, if not simultaneously.

Management tools

i. Reports on unfavorable factors and impacts: The Group lists the impacts of unattainable indicators and its actual status within its internal financial reports.

ii. Board meeting reports: The execution of financial risk management is summarized in the board meeting reports.

iii. Endorsement valuation report: Balance of endorsement is assessed and evaluated on a timely basis whether it conforms to local regulations and corporate rules.

iv. Periodic review meetings according to corporate classifications: The Group holds comprehensive review meetings periodically for different corporate classifications, which is in accordance to their different industry attributes.

3) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to exchange rate risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to Currency USD, 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		RMB Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018	2019	2018
Profit or loss	$ (8,261)	$ 8,339	$ (82)	$ 59	$ 1,381	$ 1,485

Hedge accounting

The Group entered into cross-currency swap contracts to mitigate the risk of changes in foreign currency exchange rates on cash flow exposure. Interest rate swaps are settled on a quarterly basis.

The following tables summarize the information relating to the hedges for foreign currency exchange rate risk.

For the year ended December 31, 2019: None

For the year ended December 31, 2018

Hedging Instruments	Currency	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									
Cross-currency swap	NTD/USD	US$ 15,000	2018.5.22-2019.5.21	0.720%	LIBOR 3M Plus 0.45%	Financial assets for hedging	$ 12,356	$ -	$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Short-term borrowings	$ -	$ 431	$ -

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	
	2019	2018
Fair value interest rate risk		
Financial assets	$ 159,564,911	$ 127,905,711
Financial liabilities	124,123,748	103,695,899
Cash flow interest rate risk		
Financial assets	20,581,161	25,369,627
Financial liabilities	84,571,691	89,566,293

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, 2019 and 2018 would

decrease by $639,905 thousand and $641,851 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, 2019

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	$ 232	$ -	$ -
	$500 millions	2019.5.24-2022.5.23	0.708%	TAIBOR 3M	Financial liabilities for hedging	-	(241)	-

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, 2018

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	$300 millions	2017.4.25-2019.4.25	0.745%	TAIBOR 3M	Financial liabilities for hedging	$ -	$ (76)	$ -
	$200 millions	2017.4.25-2019.4.25	0.740%	TAIBOR 3M	Financial liabilities for hedging	-	(5)	-
Short-term borrowings - cross-currency swaps	US$15,000	2018.5.22-2019.5.21	0.720%	LIBOR 3M Plus 0.45%	Financial assets for hedging	12,356	-	-

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	$ -	$ 500,000	$ -	$ -	$ -	$ -
Short-term borrowings	-	448,800	-	11,925	-	-

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, 2019, financial assets at FVTPL and FVTOCI would have decreased by $31,250 thousand and $6,100 thousand, respectively.

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, 2018, financial assets at FVTPL and FVTOCI would have decreased by $6,857 thousand and $7,289 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, 2019

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,391,996	$ -	$ -
Variable interest rate liabilities	69,457,680	650,000	-
Fixed interest rate liabilities	115,449,592	21,734,199	1,700,000
Lease liabilities	301,066	2,086,556	512,124
Financial guarantee contracts	5,904,738	-	-
	$ 192,505,072	$ 24,470,755	$ 2,212,124

December 31, 2018

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 1,549,125	$ -	$ -
Variable interest rate liabilities	74,209,121	2,429,462	-
Fixed interest rate liabilities	94,163,407	14,399,024	4,700,000
Financial guarantee contracts	7,474,582	-	-
	$ 177,396,235	$ 16,828,486	$ 4,700,000

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 26).

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

Related Party	Relationship with the Group
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
Hong Kong Spicer Co., Ltd.	Associates
Fujian Spicer Co., Ltd.	Associates
Uni-calsonic Co., Ltd.	Associates
China Ogihara Co., Ltd.	Associates
China Engine Co., Ltd.	Associates
HuiZhou DongFeng Yi Jing Co., Ltd.	Associates
Hui-Lian Motor Co., Ltd.	Associates
Yulon Management Co., Ltd.	Associates
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
Advanced Power Machine Co., Ltd.	Associate's subsidiary
Dongguan HuaShun Co., Ltd.	Associate's subsidiary
Tianjin HuaHong Co., Ltd.	Associate's subsidiary
Guangzhou HuaYou Co., Ltd.	Associate's subsidiary
Yizhan Overseas Investment Co., Ltd	Associate's subsidiary
Tai-Yuen Textiles Co., Ltd.	Other related parties
Wen Shen Co., Ltd.	Other related parties
Lowin Industrial Co., Ltd.	Other related parties
Lin Wei Co., Ltd.	Other related parties
Yu Lai Co., Ltd.	Other related parties
Xiang Wei 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
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

(Continued)

Related Party	Relationship with the Group
Hua-Qun Software Creative Technology Co., Ltd.	Other related parties
Yuan Rui Auto Co., Ltd.	Other related parties
Green Convenient E-Vehicle Co., Ltd.	Other related parties
Dongguan HuaShun Co., Ltd.	Other related parties
Shengzhen Henchi Co., Ltd	Other related parties
Brilliant Insight International Consultancy Service Co., Ltd.	Other related parties
Zhejiang Kang Da Co., Ltd.	Other related parties
Tai Yuan Vietnam Co., Ltd.	Other related parties
Suzhou Huiting Co., Ltd.	Other related parties
North Hebei Tangshan Co., Ltd.	Other related parties
Dx Creative House Co., Ltd.	Other related parties
Haitec Co., Ltd.	Subsidiary (Note)
Hangzhou Haitec Co., Ltd.	Subsidiary (Note)
SinYi Co., Ltd.	Subsidiary (Note)

(Concluded)

Note: Changed from associates to subsidiaries on December 31, 2019, and had retrospectively restated from December 31, 2018 due to the business combination of entities under common control. Only the related-party transaction of profit and loss were classified as associates in 2018.

b. Operating revenue

1) Sales of goods

	For the Year Ended December 31	
Related Party Categories	**2019**	**2018**
Associates		
Yulon Nissan Motor Co., Ltd.	$ 12,928,433	$ 12,619,983
Others	13,474,824	12,734,032
	26,403,257	25,354,015
Joint venture	154,952	215,944
Other related parties	1,443,039	2,207,795
	$ 28,001,248	$ 27,777,754

2) Other operating revenue

	For the Year Ended December 31	
Related Party Categories	**2019**	**2018**
Associates		
Yulon Nissan	$ 603,023	$ 807,439
Others	242,042	450,040
	845,065	1,257,479
Joint venture	31,109	67,418
Other related parties	78,500	108,384
	$ 954,674	$ 1,433,281

3) Installment sales interest subsidies revenue

Related Party Categories	For the Year Ended December 31 2019	2018
Associates		
Yulon Nissan	$ 273,446	$ 297,619
Others	12,634	9,389
	286,080	307,008
Other related parties	1,065	729
	$ 287,145	$ 307,737

c. Purchase of goods

Related Party Categories	For the Year Ended December 31 2019	2018
Associates		
Yulon Nissan	$ 17,108,780	$ 17,700,214
Others	1,068,952	1,230,669
	18,177,732	18,930,883
Joint venture		
Dong Feng Yulon	815,129	4,110,806
Other related parties	10,064,832	8,959,115
	$ 29,057,693	$ 32,000,804

d. Operating expenses

Related Party Categories	For the Year Ended December 31 2019	2018
Associates	$ 421,169	$ 560,931
Other related parties	8,091	19,932
	$ 429,260	$ 580,863

e. Acquisition of assets for lease

Related Party Categories	For the Year Ended December 31 2019	2018
Associates	$ 218,811	$ 119,327
Other related parties		
Hui-Fong Motor	480,714	364,533
Shug Ye Motor	241,396	299,565
Others	3,289	1,609
	725,399	665,707
	$ 944,210	$ 785,034

f. Acquisition of receivables

Related Party Categories	For the Year Ended December 31 2019	2018
Associates		
Yulon Nissan	$ 2,000,392	$ 1,953,041
Hui-Lian Motor	1,304,900	1,238,650
Others	2,051,383	2,159,444
	5,356,675	5,351,135
Other related parties	409,430	348,009
	$ 5,766,105	$ 5,699,144

g. Commissions paid

Related Party Categories	For the Year Ended December 31 2019	2018
Associates		
Yulon Nissan	$ 103,599	$ 115,837
Others	25,882	19,054
	129,481	134,891
Other related parties	3,106	2,450
	$ 132,587	$ 137,341

h. Receivable from related parties

1) Notes receivable and trade receivables

Related Party Categories	December 31 2019	2018
Associates	$ 633,204	$ 1,268,532
Joint venture (Note 1)	1,867,000	10,848,762
Other related parties	124,265	162,895
	$ 2,624,469	$ 12,280,189

2) Other financial assets

Related Party Categories	December 31 2019	2018
Associates	$ 103,974	$ 116,572
Joint venture		
Dong Feng Yulon (Note 2)	110,808	3,639,221
Others	109,537	1,251
	220,345	3,640,472
Other related parties	40,503	50,256
	$ 364,822	$ 3,807,300

Note 1: As of December 31, 2019, 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 8,957,898 thousand is 1,867,000 thousand.

Note 2: As of December 31, 2019, 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 8,674,863 thousand is 110,808 thousand.

i. Prepayment (presented in other current assets)

	December 31	
Related Party Categories	**2019**	**2018**
Joint venture		
Dongfeng Yulon Motor Co., Ltd	$ 67,735	$ 3,379,293

Note: As of the date December 31, 2019, the Company recognized impairment loss of 964,901 thousand on prepayment to Dongfeng Yulon

j. Payable to related parties

1) Notes payable and trade payable

	December 31	
Related Party Categories	**2019**	**2018**
Associates	$ 687,989	$ 990,488
Joint venture		
Dong Feng Yulon	6,764,620	6,886,967
Other related parties	1,196,793	846,848
	$ 8,649,402	$ 8,724,303

2) Other payables

	December 31	
Related Party Categories	**2019**	**2018**
Associates	$ 120,613	$ 411,469
Joint venture	82,736	46,394
Other related parties	13,225	16,273
	$ 216,574	$ 474,136

k. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

l. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
Short-term employee benefits	$ 58,802	$ 57,248
Post-employment benefits	1,620	1,555
Other long-term employee benefits	-	879
	$ 60,422	$ 59,682

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	
	2019	2018
Notes and trade receivables	$ 1,670,324	$ 2,880,000
Property, plant and equipment	1,223,813	1,453,987
Vehicle certificates (classified as inventories)	607,024	985,537
Reserve account and pledged time deposits (classified as financial assets at amortized cost)	387,813	531,668
Others	49,825	146,175
	$ 3,938,799	$ 5,997,367

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 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.

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, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 56,317	29.98 (USD:NTD)	$ 1,688,378
USD	113	6.9762 (USD:RMB)	3,388
JPY	676,132	0.276 (JPY:NTD)	186,613
RMB	439,124	4.298 (RMB:NTD)	1,887,354
SGD	18	22.28 (SGD:NTD)	391
EUR	806	33.59 (EUR:NTD)	27,097
			$ 3,793,221
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
USD	1,726	29.98 (USD:NTD)	$ 51,743
RMB	346,433	4.298 (RMB:NTD)	1,488,798
RMB	256,292	0.143 (RMB:USD)	1,101,413
			$ 2,641,954

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	27,673	29.98 (USD:NTD)	$ 829,637
JPY	1,176,415	0.276 (JPY:NTD)	324,691
RMB	2,834	4.298 (RMB:NTD)	12,179
EUR	722	33.59 (EUR:NTD)	24,252
			$ 1,190,759
			(Concluded)

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 40,848	30.715 (USD:NTD)	$ 1,254,640
USD	221	6.863 (USD:RMB)	6,788
JPY	110,517	0.278 (JPY:NTD)	30,724
RMB	1,866,343	4.475 (RMB:NTD)	8,351,887
EUR	298	35.200 (EUR:NTD)	10,506
			$ 9,654,545
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
RMB	287,537	4.475 (RMB:NTD)	$ 1,286,728
RMB	270,575	0.146 (RMB:USD)	1,210,905
			$ 2,497,633
Financial liabilities			
Monetary items			
USD	21,726	30.715 (USD:NTD)	$ 667,314
USD	46,494	6.863 (USD:RMB)	1,428,063
JPY	644,587	0.278 (JPY:NTD)	179,195
RMB	4,006	4.475 (RMB:NTD)	17,927
EUR	4,455	35.200 (EUR:NTD)	156,816
			$ 2,449,315

For the years ended December 31, 2019 and 2018, realized and unrealized foreign exchange gains (losses) were $184,527 thousand and $180,043, 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 7, 11 and 34)

11) Others: Intercompany relationships and significant intercompany transactions. (Table 11)

b. Information on investments in mainland China

There was no information on investments in mainland China should be disclosed excluding in Table 10.

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 December 31, 2019								
Revenues from external customers	$ 14,665,825	$ 3,738,764	$ 28,421,384	$ 21,772,833	$ 16,895,275	$ 306,493	$ -	$ 85,800,574
Intersegment revenues	20,868,147	1,970,863	1,017,614	2,266,749	2,813,324	2,285,373	(31,222,070)	-
Segment revenues	$ 35,533,972	$ 5,709,627	$ 29,438,998	$ 24,039,582	$ 19,708,599	$ 2,591,866	$ (31,222,070)	$ 85,800,574
Segment income								$ (23,437,148)
For the year ended December 31, 2018								
Revenues from external customers	$ 16,511,703	$ 4,017,885	$ 24,941,815	$ 22,971,388	$ 19,191,320	$ 481,590	$ -	$ 88,115,701
Intersegment revenues	26,278,597	2,496,781	955,655	2,451,587	3,104,201	353,082	(35,639,903)	-
Segment revenues	$ 42,790,300	$ 6,514,666	$ 25,897,470	$ 25,422,975	$ 22,295,521	$ 834,672	$ (35,639,903)	$ 88,115,701
Segment income								$ 5,385,062

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 For the Year Ended December 31		Non-current Assets December 31	
	2019	2018	2019	2018
Taiwan	$ 58,999,096	$ 57,711,576	$ 51,142,791	$ 57,889,423
China	26,495,960	30,183,443	7,598,030	9,242,604
Other	305,518	220,682	255,865	218,338
	$ 85,800,574	$ 88,115,701	$ 58,996,686	$ 67,350,365

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2018		2017	
Customer	Amount	% on Sales	Amount	% on Sales
Yulon Nissan Motor Co., Ltd.	$ 13,804,902	16	$ 13,793,967	16

41. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

a. As COVID-19 outbroke in January 2020, the pandemic spread globally. As a result, governments around the world implemented restrictive measures and quarantine to control the situation.

   This pandemic had Impact on the business operations and the overall economy of different regions and industries in the world. However, after consideration of the period length of this situation and measures implemented by management, this situation would not have significant impact on the operation of subsidiaries in China.

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

   As of the date the financial statements were authorized for issue, the Group is continuously assessing the possible impact of the pandemic on the Group's financial position and financial performance and will implement necessary measures to reduce operating risks on subsidiaries which located at serious situation places.

b. At March 30, 2020, the board of directors resoluted to conduct a reduction to eliminate accumulated losses. The capital of the Company will reduce to NT$10 billion.

TABLE 1

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	The Company	Luxgen	Other receivables	Y	$ 600,000	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 4,583,641	$ 13,750,922	Note
1	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	790,300	752,650	294,762	3.00%	Operating capital	-	Operating capital	-	-	-	752,650	752,650	Note
2	Yulon China	Sheng Qing	Other receivables	Y	2,528,960	2,107,420	1,899,876	3.00%	Operating capital	-	Operating capital	-	-	-	3,612,720	3,612,720	Note
3	Singgual Travel	Singan	Other receivables	Y	50,000	40,000	-	1.07%	Operating capital	-	Operating capital	-	-	-	67,743	67,743	Note
4	Hsiang Shou	Singan	Other receivables	Y	85,000	56,458	35,000	1.07%	Operating capital	-	Operating capital	-	-	-	90,235	90,235	Note
5	Yulon Motor Investment	Ning Bo Yu Cheng	Accounts receivable - related parties	Y	13,814	12,965	-	-	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	4,605	4,322	4,322	5.75%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Zi Bo Yu An	Accounts receivable - related parties	Y	6,446	6,050	5,834	6.00%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Dong Tai	Accounts receivable - related parties	Y	13,814	12,965	11,669	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shi Cheng	Accounts receivable - related parties	Y	18,418	17,287	13,613	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Yi Ding	Accounts receivable - related parties	Y	27,628	25,930	22,775	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Mei De	Accounts receivable - related parties	Y	41,442	38,895	34,919	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Tai Feng	Accounts receivable - related parties	Y	55,255	51,860	47,539	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shenzhen Yu Zhi	Accounts receivable - related parties	Y	62,162	58,343	57,479	6.64%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	69,069	64,826	64,826	6.64%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	85,186	79,951	79,951	4.00%	Operating capital	-	Operating capital	-	-	-	2,022,525	2,022,525	Note
		Hang Zhou Haitec Company	Accounts receivable - related parties	Y	191,092	179,351	179,351	0.00%	Operating capital	-	Operating capital	-	-	-	2,022,525	2,022,525	Note
		Dongfeng Yulon	Accounts receivable - related parties	Y	481,701	453,779	453,779	6%-6.15%	Operating capital	-	Operating capital	453,779	-	-	2,022,525	2,022,525	Note
6	Sheng Qing	Jin Ce	Accounts receivable - related parties	Y	7,367	6,915	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Gao Te	Accounts receivable - related parties	Y	24,865	23,337	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ke Yu	Accounts receivable - related parties	Y	32,232	30,252	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ho Fei Chun Hui	Accounts receivable - related parties	Y	55,052	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Ling Tung	Accounts receivable - related parties	Y	55,255	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Tsai Tung	Accounts receivable - related parties	Y	125,246	117,550	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Jiangmen Yuli	Accounts receivable - related parties	Y	9,209	8,643	8,643	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	11,154	10,468	10,468	0.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	18,418	17,287	12,879	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Hui Min Tung	Accounts receivable - related parties	Y	119,083	112,364	29,105	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
		Zi Bo Yu An	Accounts receivable - related parties	Y	$ 55,255	$ 51,860	$ 39,408	6.00%	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 2,704,158	$ 8,112,473	Note
		Zhuhai Yuhsin	Accounts receivable - related parties	Y	50,651	47,539	41,056	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Jiangmen Junxing	Accounts receivable - related parties	Y	46,051	43,221	43,217	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Ning Bo Yu Cheng	Accounts receivable - related parties	Y	92,092	86,434	46,271	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Guang Zhou Yuan Zhi	Accounts receivable - related parties	Y	50,651	47,539	47,539	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Tung Ling Kuo Tung	Accounts receivable - related parties	Y	112,213	105,882	55,333	5.75%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Hang Zhou Hua Zhi	Accounts receivable - related parties	Y	64,465	60,504	60,504	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Shanghai Yuming	Accounts receivable - related parties	Y	73,674	69,147	69,147	5.75%-6%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Xiao Gan Yu Feng	Accounts receivable - related parties	Y	138,139	129,651	77,648	5.60%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Qingdao Yuanhuang	Accounts receivable - related parties	Y	92,092	86,434	86,434	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Fu Jian Yu Xin	Accounts receivable - related parties	Y	143,313	142,616	88,727	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Zhu Hai Fu Te En	Accounts receivable - related parties	Y	201,683	189,290	124,465	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Dongfeng Yulon	Accounts receivable - related parties	Y	165,766	155,581	155,581	6.15%	Operating capital	-	Operating capital	155,581	-	-	1,081,663	1,081,663	Note
		Shen Jun Yu Peng	Accounts receivable - related parties	Y	167,977	157,656	157,656	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	224,706	210,899	158,988	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Xiamen Young Chang	Accounts receivable - related parties	Y	191,304	180,215	165,089	0.5%-5.6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Yu-Jie	Accounts receivable - related parties	Y	184,185	172,868	172,868	6.15%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Nanjing Hanhong	Accounts receivable - related parties	Y	249,108	234,668	226,025	0%-6%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Yulon Motor Investment	Accounts receivable - related parties	Y	1,685,952	1,588,225	1,428,322	4.1%-5.75%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
7	Zhu Hai Fu Te En	Wuhan Yu Hsin	Accounts receivable - related parties	Y	78,279	4,322	-	-	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Nanjing Hanhong	Accounts receivable - related parties	Y	39,600	15,558	15,558	0%-7%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Nan Jing Yu Hua	Accounts receivable - related parties	Y	22,938	21,609	17,287	6.70%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
		Zhuhai Yuhsin	Accounts receivable - related parties	Y	59,860	56,182	45,378	6.00%	Operating capital	-	Operating capital	-	-	-	242,157	484,314	Note
8	Nanjing Hanhong	Nan Jing Yu Shang	Accounts receivable - related parties	Y	50,651	47,539	47,539	5.60%	Operating capital	-	Operating capital	-	-	-	343,911	687,821	Note
9	Su Zhou Feng Shen	Su Chou Cheng Pin	Accounts receivable - related parties	Y	23,023	21,609	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	27,628	21,609	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	45,876	43,217	-	-	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	59,639	56,182	17,287	4.79%	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	23,023	21,609	21,609	5.00%	Operating capital	-	Operating capital	-	-	-	225,666	225,666	Note
10	Wu Jiang Lian Cheng	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	27,526	25,930	-	-	Operating capital	-	Operating capital	-	-	-	35,468	35,468	Note

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	HangZhou Yu Zhong	Sheng Qing	Other receivables	Y	$ 20,721	$ 19,448	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 734,751	$ 1,102,126	Note
		Dongfeng Yulon	Other receivables	Y	7,828	7,347	7,347	6.15%	Operating capital	-	Operating capital	7,347	-	-	29,390	29,390	Note
		Yulon Motor Investment	Other receivables	Y	15,873	14,953	11,669	0.00%	Operating capital	-	Operating capital	-	-	-	734,751	1,102,126	Note
		Hang Zhou hsiao Yu	Other receivables	Y	18,418	17,287	17,287	0.00%	Operating capital	-	Operating capital	-	-	-	734,751	1,102,126	Note
		Hang Zhou Hua You	Other receivables	Y	18,879	17,719	17,719	0.00%	Operating capital	-	Operating capital	-	-	-	29,390	29,390	Note
12	Yustar	A3	Other receivables	Y	120,000	-	-	1.5%-19.99%	Operating capital	-	Operating capital	-	-	-	1,277,489	1,277,489	Note
		S1	Other receivables	Y	30,000	17,606	17,606	1.5%-19.99%	Operating capital	-	Operating capital	352	-	9000	1,277,489	1,277,489	Note
		A2	Other receivables	Y	45,000	45,000	45,000	1.5%-19.99%	Operating capital	-	Operating capital	900	-	-	1,277,489	1,277,489	Note
		A1	Other receivables	Y	55,000	51,287	51,287	1.5%-19.99%	Operating capital	66000	Operating capital	769	-	66000	798,431	3,193,724	Note
		K1	Other receivables	Y	79,240	66,938	66,938	1.5%-19.99%	Operating capital	-	Operating capital	933	-	35000	1,277,489	1,277,489	Note
13	Car-plus Corporation	Diamond Leasing	Other receivables	Y	700,000	-	-	1.00%	Operating capital	-	Operating capital	-	-	-	783,535	783,535	Note
14	Shanghai Yuming	Ka Shing Yu Da	Accounts receivable - related parties	Y	22,938	21,609	11,589	5.00%	Operating capital	-	Operating capital	-	-	-	50,458	50,458	Note
15	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	Accounts receivable - related parties	Y	96,340	90,756	38,895	6.00%	Operating capital	-	Operating capital	-	-	-	134,361	134,361	Note
16	Su Zhou Feng Shun	Su Zhou Cheng Li	Accounts receivable - related parties	Y	9,209	-	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Zhou Chen Long	Accounts receivable - related parties	Y	23,023	-	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Zhou Cheng Hung	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	32,113	30,252	24,634	4.35%	Operating capital	-	Operating capital	-	-	-	89,385	89,385	Note
17	Yu-Hsin Intl HK	Hangchow Y-Teks	Other receivables	Y	189,672	180,636	180,636	2.9%-3%	Operating capital	-	Operating capital	-	-	-	228,854	228,854	Note
18	Suzhou Yueshun	Su Zhou Cheng Li	Accounts receivable - related parties	Y	16,116	-	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
		Tai Chang Cheng Mau	Accounts receivable - related parties	Y	6,881	6,483	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	6,881	6,483	-	-	Operating capital	-	Operating capital	-	-	-	18,707	18,707	Note
19	Nan Jing Yu Hua	Nanjing Hanhong	Accounts receivable - related parties	Y	124,887	117,213	117,213	0.00%	Operating capital	-	Operating capital	-	-	-	176,427	352,855	Note
20	Xiao Gan Yu Feng	Wuhan Yu Hsin	Accounts receivable - related parties	Y	92,092	21,609	-	-	Operating capital	-	Operating capital	-	-	-	149,317	298,633	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	20,644	19,448	10,804	6.53%	Operating capital	-	Operating capital	-	-	-	149,317	298,633	Note
21	Yu-Jie	Dongfeng Yulon	Other receivables	Y	230,231	216,085	216,085	6.15%	Operating capital	-	Operating capital	216,085	-	-	874,624	874,624	Note
22	Yu-Hsin Intl	Yu-Hsin Intl HK	Other receivables	Y	158,060	150,530	150,530	2.90%	Operating capital	-	Operating capital	-	-	-	344,477	516,716	Note
23	Su Zhou Chen Long	Tai Chang Cheng Mau	Accounts receivable - related parties	Y	22,901	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Zhou Feng Shun	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	22,938	21,609	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
		Su Zhou Cheng Guo	Accounts receivable - related parties	Y	55,052	51,860	-	-	Operating capital	-	Operating capital	-	-	-	126,958	126,958	Note
24	Su Chou Cheng Pin	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	26,707	-	-	-	Operating capital	-	Operating capital	-	-	-	77,779	77,779	Note
25	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	18,418	12,965	-	-	Operating capital	-	Operating capital	-	-	-	24,244	24,244	Note

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No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
26	Yu Ching	Hangchow Yue Wan	Other receivables	Y	$ 55,321	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 540,220	$ 540,220	Note
		Luxgen	Other receivables	Y	500,000	-	-	-	Operating capital	-	Operating capital	-	-	-	540,220	540,220	Note
27	Sin Chi	Hangchow Yue Wan	Other receivables	Y	55,321	-	-	-	Operating capital	-	Operating capital	-	-	-	501,644	501,644	Note
		Luxgen	Other receivables	Y	400,000	-	-	-	Operating capital	-	Operating capital	-	-	-	501,644	501,644	Note
28	Hang Zhou Tang Yu	Dongfeng Yulon	Other receivables	Y	5,065	4,754	4,754	6.15%	Operating capital	-	Operating capital	4,754	-	-	18,814	18,814	Note
		Yulon Motor Investment	Other receivables	Y	40,922	38,550	38,031	0.00%	Operating capital	-	Operating capital	-	-	-	470,356	705,534	Note
29	Hang Zhou hsiao Yu	Yulon Motor Investment	Other receivables	Y	918	864	389	0.00%	Operating capital	-	Operating capital	-	-	-	432,170	648,255	Note
30	Hang Zhou Chien Yu	Yulon Motor Investment	Other receivables	Y	4,129	3,890	3,457	0.00%	Operating capital	-	Operating capital	-	-	-	432,170	648,255	Note
31	Ke Yu	Yi Ding	Other receivables	Y	23,023	21,609	21,609	0.50%	Operating capital	-	Operating capital	-	-	-	712,624	1,425,247	Note
		Dongfeng Yulon	Other receivables	Y	78,279	73,469	73,469	6.15%	Operating capital	-	Operating capital	73,469	-	-	285,049	285,049	Note
		Sheng Qing	Other receivables	Y	460,462	432,170	401,918	0.50%	Operating capital	-	Operating capital	-	-	-	712,624	1,425,247	Note
32	Gao Te	Dongfeng Yulon	Other receivables	Y	24,865	23,337	23,337	6.15%	Operating capital	-	Operating capital	23,337	-	-	92,503	92,503	Note
33	Mei De	Dongfeng Yulon	Other receivables	Y	37,297	35,006	34,919	6.15%	Operating capital	-	Operating capital	34,919	-	-	140,241	140,241	Note
		Sheng Qing	Other receivables	Y	142,743	133,973	129,651	0.50%	Operating capital	-	Operating capital	-	-	-	525,906	1,051,811	Note
		Shi Cheng	Other receivables	Y	221,022	207,442	129,651	0.50%	Operating capital	-	Operating capital	-	-	-	525,906	1,051,811	Note
34	Xiamen Young Chang	Dongfeng Yulon	Other receivables	Y	69,069	64,826	64,826	6.15%	Operating capital	-	Operating capital	64,826	-	-	300,107	300,107	Note
35	Qing Tai	Shi Cheng	Other receivables	Y	18,418	17,287	17,287	0.50%	Operating capital	-	Operating capital	-	-	-	474,608	949,216	Note
		Dongfeng Yulon	Other receivables	Y	32,232	30,252	30,252	6.15%	Operating capital	-	Operating capital	30,252	-	-	126,562	126,562	Note
		Dong Tai	Other receivables	Y	115,116	108,043	108,043	0.50%	Operating capital	-	Operating capital	-	-	-	474,608	949,216	Note
36	Jin Ce	Dongfeng Yulon	Other receivables	Y	7,367	6,915	6,915	6.15%	Operating capital	-	Operating capital	6,876	-	-	27,823	27,823	Note
		Yi Ding	Other receivables	Y	41,442	38,895	30,252	0.50%	Operating capital	-	Operating capital	-	-	-	695,577	1,043,365	Note
37	Tai Feng	Yi Ding	Other receivables	Y	13,814	12,965	12,965	0.50%	Operating capital	-	Operating capital	-	-	-	711,885	1,423,770	Note
		Dong Tai	Other receivables	Y	23,023	21,609	21,609	0.50%	Operating capital	-	Operating capital	-	-	-	711,885	1,423,770	Note
		Dongfeng Yulon	Other receivables	Y	50,651	47,539	47,539	6.15%	Operating capital	-	Operating capital	47,539	-	-	189,836	189,836	Note
38	Dong Tai	Dongfeng Yulon	Other receivables	Y	12,432	11,669	11,669	6.15%	Operating capital	-	Operating capital	11,669	-	-	35,410	35,410	Note
39	Shi Cheng	Dongfeng Yulon	Other receivables	Y	14,735	13,829	13,613	6.15%	Operating capital	-	Operating capital	13,613	-	-	42,916	42,916	Note
40	Yi Ding	Dongfeng Yulon	Other receivables	Y	24,405	22,905	22,775	6.15%	Operating capital	-	Operating capital	22,775	-	-	90,847	90,847	Note
41	Sin Jiang	Singan	Other receivables	Y	200,000	200,000	200,000	1.07%	Operating capital	-	Operating capital	-	-	-	210,828	210,828	Note
42	Jiangmen Junxing	Jiangmen Yuli	Accounts receivable - related parties	Y	22,938	21,609	17,503	6.00%	Operating capital	-	Operating capital	-	-	-	27,571	27,571	Note
43	Su Zhou Cheng Li	Su Zhou Feng Shun	Accounts receivable - related parties	Y	9,048	8,643	-	-	Operating capital	-	Operating capital	-	-	-	18,059	18,059	Note
		Su Chou Cheng Pin	Accounts receivable - related parties	Y	9,175	8,643	-	-	Operating capital	-	Operating capital	-	-	-	18,059	-	Note

Note: The Company: Business transactions financing limit for each borrower were not exceeding the amount of transactions and aggregate financing limits were not exceeding 20% of the lender's net equity. 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 Investment Co., Ltd: 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.

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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.

Yustar: 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.
Car-plus Corporation: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Shanghai Yuming: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% 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.

Yu-Hsin Intl HK: 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.

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.

Yu-Hsin Intl Investment: Credit financing limit for each borrower were not exceeding 20% of the lender's net equity and aggregate financing limits were not exceeding 30% of the lender's net equity.

Su Zhou Chen Long: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Chou Cheng Pin: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Zhou Cheng Pang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Yu Ching Business: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Sin Chi: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Hang Zhou Tang Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 1,000% of the lender's net equity and aggregate financing limits was 1,500% of the lender's net equity.

Hang Zhou 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.

Hang Zhou Chien Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was RMB100 million and aggregate financing limits was RMB150 million.

Ke Yu: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.

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.

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.

Xiamen Young Chang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

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.

(Continued)

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.

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.

Dong Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Shi Cheng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Yi Ding: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Sin Jiang: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity

Jiangmen Junxing: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

Su Zhou Cheng Li: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity.

(Concluded)

TABLE 2

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	Luxgen Kaohsiung	b	$ 13,750,922	$ 164,250	$ 164,250	$ -	$ -	0.36	$ 34,377,305	Y	N	N	Note 1
		Luxgen Taichung	b	13,750,922	165,000	165,000	-	-	0.36	34,377,305	Y	N	N	Note 1
		Luxgen Tainan	b	13,750,922	200,000	200,000	-	-	0.44	34,377,305	Y	N	N	Note 1
		Luxgen Taoyuan	b	13,750,922	208,000	208,000	-	-	0.45	34,377,305	Y	N	N	Note 1
		Sin Chi	b	13,750,922	500,000	500,000	200,000	-	1.09	34,377,305	Y	N	N	Note 1
		Luxgen Taipei	b	13,750,922	600,000	600,000	-	-	1.31	34,377,305	Y	N	N	Note 1
		Yulon Construction	b	13,750,922	600,000	600,000	-	-	1.31	34,377,305	Y	N	N	Note 1
		UMPI	b	13,750,922	790,300	752,650	82,613	-	1.64	34,377,305	Y	N	N	Note 1
		Yu Ching	b	13,750,922	1,000,000	1,000,000	70,000	-	2.18	34,377,305	Y	N	N	Note 1
		Yu Sing	b	13,750,922	1,440,000	1,440,000	390,000	-	3.14	34,377,305	Y	N	N	Note 1
		Luxgen	b	13,750,922	11,350,000	11,350,000	6,930,000	-	24.76	34,377,305	Y	N	N	Note 1
		LUXGEN (hangzhou) Motor Sales	b	13,750,922	9,483,600	9,031,800	5,228,559	-	19.70	34,377,305	Y	N	Y	Note 1
1	Union & NKH Auto Parts	Hangchow Liangrun	b	349,192	312,000	312,000	150,530	-	13.33	936,485	N	N	Y	Note 1
2	YFC	Yulon Finance Philippines Corporation	b	43,944,070	2,416,000	2,340,000	1,270,460	-	13.31	87,888,140	N	N	N	Note 1
		Car-Plus Leasing (Shanghai)	b	43,944,070	320,000	-	-	-	-	87,888,140	N	N	Y	Note 1
		Car-Plus Go Co., Ltd.	b	43,944,070	320,000	320,000	248,845	-	1.82	87,888,140	N	N	Y	Note 1
		TAC Leasing (Suzhou)	b	43,944,070	6,255,048	5,844,600	5,844,600	-	33.25	87,888,140	N	N	Y	Note 1
		TAC Finance Company	b	43,944,070	10,000,000	10,000,000	6,244,608	-	56.89	87,888,140	N	N	Y	Note 1
3	Car-plus Corporation	Car-Plus Go Co., Ltd.	b	4,897,093	480,000	480,000	373,268	-	24.50	9,794,185	N	N	Y	Note 1
4	Sheng Qing	Tung Ling Kuo Tung	b	13,520,789	18,418	17,287	-	-	0.64	67,603,945	N	N	Y	Note 1
		Shanghai Yuming	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Xiao Gan Yu Feng	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Shen Jun Yu Peng	b	13,520,789	23,023	21,609	-	-	0.80	67,603,945	N	N	Y	Note 1
		Chang Sha Yu Lu	b	13,520,789	32,232	30,252	-	-	1.12	67,603,945	N	N	Y	Note 1
		Jiangmen Junxing	b	13,520,789	46,046	43,217	-	-	1.60	67,603,945	N	N	Y	Note 1
		Nan Jing Yu Hua	b	13,520,789	68,814	64,826	-	-	2.40	67,603,945	N	N	Y	Note 1
		Nanjing Hanhong	b	13,520,789	229,006	216,085	59,034	-	7.99	67,603,945	N	N	Y	Note 1
		Qingdao Yuanhuang	b	13,520,789	229,381	216,085	138,781	-	7.99	67,603,945	N	N	Y	Note 1
		Wuhan Yu Hsin	b	13,520,789	275,258	259,302	31,332	-	9.59	67,603,945	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	13,520,789	368,370	345,736	104,692	-	12.79	67,603,945	N	N	Y	Note 1
		Yu-Jie	b	13,520,789	916,024	864,340	-	-	31.96	67,603,945	N	N	Y	Note 1
5	Nanjing Hanhong	Sheng Qing	c	458,548	46,046	-	-	-	-	583,430	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	458,548	216,085	216,085	-	-	94.25	583,430	N	N	Y	Note 1
		Nan Jing Yu Hua	b	458,548	114,503	86,434	-	-	37.70	583,430	N	N	Y	Note 1
6	Zhu Hai Fu Te En	Nanjing Hanhong	d	484,314	172,868	172,868	52,722	-	71.39	726,471	N	N	Y	Note 1
		Nan Jing Yu Hua	d	484,314	86,434	86,434	-	-	35.69	726,471	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)											
7	Su Zhou Feng Shen	Su Chou Cheng Pin	b	$ 564,166	$ 55,255	$ -	$ -	$ -	-	$ 1,692,497	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	564,166	46,046	43,217	-	-	7.66	1,692,497	N	N	Y	Note 1
		Su Zhou Feng Shun	b	564,166	80,305	75,370	-	-	13.36	1,692,497	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	564,166	138,139	129,651	49,370	-	22.98	1,692,497	N	N	Y	Note 1
		Tai Chang Cheng Mau	b	564,166	155,979	146,938	-	-	26.05	1,692,497	N	N	Y	Note 1
8	Wu Jiang Lian Cheng	Su Zhou Feng Shen	c	443,355	46,046	43,217	-	-	48.74	886,709	N	N	Y	Note 1
		Su Zhou Feng Shun	c	443,355	241,466	226,630	112,339	-	255.59	886,709	N	N	Y	Note 1
9	Su Zhou Feng Shun	Su Zhou Cheng Li	b	1,117,315	27,628	25,930	7,633	-	11.60	2,234,631	N	N	Y	Note 1
		Su Zhou Feng Shen	c	1,117,315	46,046	43,217	-	-	19.34	2,234,631	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	1,117,315	161,162	151,260	58,078	-	67.69	2,234,631	N	N	Y	Note 1
10	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	388,953	161,162	151,260	80,441	-	249.56	777,906	N	N	Y	Note 1
11	Xiao Gan Yu Feng	Sheng Qing	c	397,984	23,023	-	-	-	-	795,969	N	N	Y	Note 1
12	Jiangmen Junxing	Sheng Qing	c	315,173	46,046	-	-	-	-	630,346	N	N	Y	Note 1
13	Shenzhen Yu Zhi	Sheng Qing	c	183,505	23,023	-	-	-	-	367,010	N	N	Y	Note 1
14	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	388,953	161,162	151,260	-	-	210.23	864,340	N	N	Y	Note 1
15	Su Zhou Cheng Guo	Su Zhou Chen Long	c	388,953	115,116	108,043	96,175	-	999.99	864,340	N	N	Y	Note 1
16	Y-Teks	Yu-Hsin Intl	b	331,446	122,960	-	-	-	-	488,728	N	N	N	Note 1
17	Yueki	Hangchow Yue Wan	b	401,766	122,960	-	-	-	-	351,417	N	N	Y	Note 1
18	Guang Zhou Yuan Zhi	Guang Zhou Yuan Du	c	345,736	366,410	345,736	104,692	-	999.99	648,255	N	N	Y	Note 1
19	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	b	671,806	137,629	129,651	20,652	-	38.60	1,679,514	N	N	Y	Note 1
20	Su Zhou Chen Long	Su Zhou Cheng Hung	b	1,586,973	82,577	77,791	23,921	-	24.51	3,173,946	N	N	Y	Note 1
21	Shanghai Yuming	Ka Shing Yu Da	b	129,651	45,876	43,217	-	-	124.50	216,085	N	N	Y	Note 1
22	Nan Jing Yu Hua	Nanjing Hanhong	c	558,092	172,868	172,868	52,722	-	146.97	1,176,183	N	N	Y	Note 1
		Zhu Hai Fu Te En	d	558,092	216,085	216,085	-	-	183.72	1,176,183	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.

FYC: 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.

Car-plus Corporation: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 250% of the endorser's/guarantor's net equity

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.

(Continued)

Nanjing Hanhong: The aggregate endorsement/guarantee limit was RMB135 million. 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 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.

Su Zhou Feng Shun: 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.

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.

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.

Jiangmen Junxing: 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.

Shenzhen Yu Zhi: The aggregate endorsement/guarantee limit was RMB80 million. The limits on each endorsement/guarantee given on behalf of each party was RMB40 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.

Y-Teks: The aggregate endorsement/guarantee limit was calculated for 50% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 30% of the endorser's/guarantor's net equity

Yueki: The aggregate endorsement/guarantee limit was calculated for 50% 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.

Guang Zhou Yuan Zhi: The aggregate endorsement/guarantee limit was RMB150 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Guang Zhou Yuan Du: 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 200% of the aggregate endorsement/guarantee amounts.

Su Zhou Chen Long: 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 were not exceeding 500% of the aggregate endorsement/guarantee amounts.

Shanghai Yuming: The aggregate endorsement/guarantee limit was RMB50 million. The limits on each endorsement/guarantee given on behalf of each party was RMB30 million.

Nanjing Hanhong: 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 were not exceeding 500% of the aggregate endorsement/guarantee amounts.

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 was directly or indirectly held by the Company over 90%.

e. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.

f. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance 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)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(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, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Structured finance products							
	KGI Securities PGN-structured products		Financial assets at fair value through profit or loss - current	135	$ 13,514	-	$ 13,514	-
	KGI Securities PGN-structured products		Financial assets at fair value through profit or loss - current	6,000	600,011	-	600,011	-
	Beneficiary certificates							
	Taishin Dragon Fund		Financial assets at fair value through profit or loss - current	918	10,176	-	10,176	-
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	1,478	20,080	-	20,080	-
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	33,775	502,492	-	502,492	-
	Prudential Financial Money Market		Financial assets at fair value through profit or loss - current	31,582	501,580	-	501,580	-
	Prudential Financial US Investment Grade Corporate Bond Fund		Financial assets at fair value through profit or loss - current	500	4,967	-	4,967	-
	FSITC Global Wealthy Nations Bond Fund		Financial assets at fair value through profit or loss - current	500	5,001	-	5,001	-
	Invesco 2023 target expires quality Emerging bond fund		Financial assets at fair value through profit or loss - current	100	30,640	-	30,640	-
	KGI Taiwan Multi-Asset Income Fund		Financial assets at fair value through profit or loss - current	1,988	20,180	-	20,180	-
	THE RSIT Digital Fund		Financial assets at fair value through profit or loss - current	357	12,906	-	12,906	-
	Capital Conservative Allocation Fund of Funds		Financial assets at fair value through profit or loss - current	1,000	9,847	-	9,847	-
	CTBC H2O Global Income Privately Offered Fund		Financial assets at fair value through profit or loss - current	30	8,993	-	8,993	-
	Amundi Funds - China Equity		Financial assets at fair value through profit or loss - current	1	2,169	-	2,169	-
	Common stocks							
	Shin Bus Company		Financial assets at fair value through other comprehensive income - non-current	154	485	0.32	485	-
	Taiwan Stock Exchange		Financial assets at fair value through other comprehensive income - non-current	7,284	359,093	1.00	359,093	-
	Yulon Finance Corporation, Preferred Shares A	Subsidiary	Financial assets at fair value through other comprehensive income - non-current	36,604	1,976,616	36.60	1,976,616	-
	Photronics DNP Mask Company		Financial assets at fair value through other comprehensive income - non-current	856	29,482	0.33	29,482	-
	First Financial Holding Company		Financial assets at fair value through other comprehensive income - non-current	959	22,726	0.01	22,726	-
	Mison - Century Technology, Ltd	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	5,025	30,047	8.37	30,047	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
FYC	Bonds							
	Government bonds		Financial assets at amortized cost - non-current	-	$ 5,328	-	$ 5,524	-
Yustar	Bonds							
	Government bonds		Financial assets at amortized cost - non-current	-	10,380	-	10,497	-
H. K. Manpower	Beneficiary certificates							
	Union Money Market Fund		Financial assets at fair value through profit or loss - current	235	3,110	-	3,110	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	254	3,050	-	3,050	-
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	206	3,061	-	3,061	-
	Capital Money Market Fund		Financial assets at fair value through profit or loss - current	129	2,084	-	2,084	-
Da Wei	Beneficiary certificates							
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	172	2,566	-	2,566	-
Qinton	Beneficiary certificates							
	Taishin 1699 Money Market		Financial assets at fair value through profit or loss - current	97	1,318	-	1,318	-
Yu Pong	Structured finance products							
	CLN20191107001 EPi Structured Finance Products		Financial assets at fair value through profit or loss - current	150	15,096	-	15,096	-
	Beneficiary certificate							
	FSITC Money Market		Financial assets at fair value through profit or loss - current	152	27,202	-	27,202	-
	Taishin Ta-Chong Money Market		Financial assets at fair value through profit or loss - current	494	7,050	-	7,050	-
	FSITC US Top 100 Bond Fund N Inc TWD		Financial assets at fair value through profit or loss - current	1,000	10,050	-	10,050	-
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	800	10,873	-	10,873	-
	FSITC Taiwan Money Market		Financial assets at fair value through profit or loss - current	1,954	30,019	-	30,019	-
	Common stocks							
	Yulon Motor Company	Parent company	Financial assets at fair value through other comprehensive income - current	-	2	-	2	-
	Fubon Financial Company		Financial assets at fair value through other comprehensive income - current	2,419	112,230	-	112,230	-
China Cast Iron Pipe	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market		Financial assets at fair value through profit or loss - current	153	1,593	-	1,593	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	42	507	-	507	-
	Nomura Asia Pacific High Yield Bond Fund Accumulate		Financial assets at fair value through profit or loss - current	222	2,950	-	2,950	-
Yue Sheng	Common stocks							
	YUE KI INDUSTRIAL CO., LTD.	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	10	100	0.08	100	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yung Hong	Beneficiary certificates							
	FSITC Taiwan Money Market		Financial assets at fair value through profit or loss - current	3,258	$ 50,051	-	$ 50,051	-
	Cathay US Multi-Income Balanced Fund A		Financial assets at fair value through profit or loss - current	2,000	20,234	-	20,234	-
	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	202	2,016	-	2,016	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	81	4,545	-	4,545	-
	Asia Plastic		Financial assets at fair value through profit or loss - current	2,267	13,898	-	13,898	-
	TAC Corporation	The same ultimate parent company	Financial assets at fair value through profit or loss - current	6	631	-	631	-
	Asia Plastic		Financial assets at fair value through other comprehensive income - current	1,880	11,523	-	11,523	-
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - current	8,001	432,068	-	432,068	-
	Orgchem Technology Company		Financial assets at fair value through other comprehensive income - non-current	291	4,853	-	4,853	-
	T-Car Inc.		Financial assets at fair value through other comprehensive income - non-current	1,275	30,826	-	30,826	-
	ADTO Company		Financial assets at fair value through other comprehensive income - non-current	1	10	-	10	-
	ROCKER ZONE		Financial assets at amortized cost - non-current	330	6,683	-	6,683	-
Yu Ching	Common stocks							
	Yulon Motor Company	Parent company	Financial assets at fair value through other comprehensive income - non-current	11,838	231,442	0.01	231,442	-
	Yulon Management	Related party in substance	Financial assets at fair value through other comprehensive income - non-current	1	9	-	9	-
Chinh-Ling	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market		Financial assets at fair value through profit or loss - current	1,627	16,886	-	16,886	-
Yu Chang	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	1,690	6.95	1,690	-
	Luxgen Kaohsiung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	250	2,483	3.50	2,483	-
Yushin	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	781	6.96	781	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Empower	Common stocks							
	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	-
Yu Sing	Common stocks							
	Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	842	6.97	842	-
Yulon Construction	Beneficiary certificates							
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	20,175	300,159	-	300,159	-
	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	118	844	-	844	-
	RECTRON LTD.		Financial assets at fair value through profit or loss - current	16	135	-	135	-
	Yang Ming Marine Transport Corporation		Financial assets at fair value through profit or loss - current	6	40	-	40	-
	SHIN KONG SECURITY CO., LTD.		Financial assets at fair value through profit or loss - current	50	1,851	-	1,851	-
	Compal Electronics, INC.		Financial assets at fair value through profit or loss - current	14	265	-	265	-
	Yue Sheng Company	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	2	33	-	33	-
Yulon China	Common stocks							
	YUNG JEN INDUSTRIAL CO., LTD.		Financial assets at fair value through profit or loss - non-current	75	2,249	-	2,249	-
Luxgen	Common stocks							
	Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	8,000	432,000	8.00	432,000	-
Yu-Jie	Financial products							
	Cash Management No. 1		Financial assets at fair value through profit or loss - current	-	120,330	-	120,330	-
	Lidodo Public Structural Deposit		Financial assets at fair value through profit or loss - current	-	644,625	-	644,625	-
Su Zhou Feng Shen	Common stocks							
	Su Zhou Cheng Yi		Financial assets at fair value through other comprehensive income - non-current	275	2,435	-	2,435	-
Hang Zhou Hua Zhi	Financial products							
	Structured Deposit		Financial assets at fair value through profit or loss - current	-	8,595	-	8,595	-
Hang Zhou Haitec Company	Financial products							
	Pension Financial products		Financial assets at fair value through profit or loss - current	-	12,678	-	12,678	-
	Daily schedule Financial products		Financial assets at fair value through profit or loss - current	-	45,124	-	45,124	-
	Accumulated Earnings Financial products		Financial assets at fair value through profit or loss - current	-	17,190	-	17,190	-

(Concluded)

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, 2019
(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	Yuanta De-Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	$ -	62,232	$ 750,000	62,232	$ 750,402	$ 750,000	$ 402	-	$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	67,387	1,000,000	33,612	500,000	498,786	1,214	33,775	502,492
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	61,912	1,000,000	61,912	1,001,380	1,000,000	1,380	-	-
	Prudential Financial Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	31,582	500,000	-	-	-	-	31,582	501,580
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	65,279	1,000,000	65,279	1,002,789	1,000,000	2,789	-	-
	Hua Nan Phoenix Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	76,887	1,250,000	76,887	1,251,849	1,250,000	1,849	-	-
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	113,415	1,500,000	113,415	1,501,652	1,500,000	1,652	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	45,333	500,000	45,333	501,265	500,000	1,265	-	-
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	96,052	1,300,000	96,052	1,303,397	1,300,000	3,397	-	-
	Allianz Glbl Investors Taiwan Money Mkt	Financial assets at fair value through profit or loss - current	-	-	-	-	39,902	500,000	39,902	501,919	500,000	1,919	-	-
	Nomura Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	122,346	2,000,000	122,346	2,001,484	2,000,000	1,484	-	-
	Mega Diamond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	39,839	500,000	39,839	501,526	500,000	1,526	-	-
	SinoPac TWD Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	21,515	300,000	21,515	300,147	300,000	147	-	-
	Franklin Templeton Sinoam Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	72,497	750,000	72,497	752,380	750,000	2,380	-	-
	KGI Victory Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	68,999	800,000	68,999	800,576	800,000	576	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	600,740	600,000	740	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	601,018	600,000	1,018	-	-
	ML Securities PGN-Commercial Paper-90 Days	Financial assets at fair value through profit or loss - current	-	-	-	-	5	500,000	5	500,829	500,000	829	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	6	600,541	600,000	541	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	-	-	-	6	600,011
	Tai-Yuen Textiles Co., Ltd.	Investments accounted for using equity method	-	-	170,685	7,863,796	-	-	170,685	7,889,266	7,889,266	-	-	-
	YuenWen Investment Co., Ltd.	Investments accounted for using equity method	-	-	-	-	11,510	8,041,493	11,510	11,555,039	8,418,443	3,150,981	-	-

(Continued)

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)
YFC	Singan Co., Ltd.	Investments accounted for using equity method	-	-	-	$ -	21,004	$ 315,157	-	$ -	$ -	$ -	21,004	$ 302,971
	TAC Global Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	54,537	2,480,687	45,496	1,402,170	-	-	-	-	100,033	3,965,579
	Yu Rich Financial Services Co., Ltd	Investments accounted for using equity method	-	-	52,876	740,192	42,766	660,661	-	-	-	-	113,376	1,673,889
Singan	Sinjang Co., Ltd.	Investments accounted for using equity method	-	-	-	-	42,824	518,754	-	-	-	-	42,824	527,070
TAC Global	Yu Rong International Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	42,000	1,936,185	45,496	1,402,170	-	-	-	-	87,496	3,529,265
Yu Rong International	TAC Leasing (Suzhou) Co., Ltd.	Investments accounted for using equity method	-	-	191,848	1,636,049	308,152	1,402,170	-	-	-	-	500,000	3,373,792

Note 1: Number of shares including stock dividends.

Note 2: The beginning balance and ending balance included adjustments of unrealized gains or loss on financial assets and investments accounted for using equity method.

(Concluded)

TABLE 5

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ACQUISITION 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, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
						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, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
						None						

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, 2019
(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	$ (25,798,395)	88	Within 45 days	-	3 days to 45 days	$ 232,838	71	
	Luxgen	The Company's subsidiary	Sales	(3,187,064)	11	Within 10 days	-	3 days to 10 days	90,422	28	Note
	Dongfeng Yulon	An investee accounted for by equity method	Sales	(137,805)	-	Within 60 days	-	3 days to 60 days	-	-	
YFC	Yuan Lon	An investee accounted for by equity method	Sales	(3,363,645)	8	Receipt of payment on the day	-	-	6,068	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(3,147,838)	8	Receipt of payment on the day	-	-	18,682	-	
	Yu Sing	The same ultimate parent company	Sales	(3,126,785)	7	Receipt of payment on the day	-	-	9,342	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(967,192)	2	Receipt of payment on the day	-	-	30,005	-	
	Yu Chang	The same ultimate parent company	Sales	(4,270,278)	10	Receipt of payment on the day	-	-	20,922	-	
	Yushin	The same ultimate parent company	Sales	(2,454,731)	6	Receipt of payment on the day	-	-	8,400	-	
	Yu Tang	An investee accounted for by equity method	Sales	(2,157,190)	5	Receipt of payment on the day	-	-	8,867	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(563,891)	1	Receipt of payment on the day	-	-	6,248	-	
	Empower	The same ultimate parent company	Sales	(3,237,208)	8	Receipt of payment on the day	-	-	84,567	-	
	Cheng Long	An investee accounted for by equity method	Sales	(2,556,944)	6	Receipt of payment on the day	-	-	7,740	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(614,778)	1	Receipt of payment on the day	-	-	51	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(426,222)	1	Receipt of payment on the day	-	-	70	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(361,438)	1	Receipt of payment on the day	-	-	91	-	
	Ding Long	An investee accounted for by equity method	Sales	(1,134,713)	3	Receipt of payment on the day	-	-	381	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(460,676)	1	Receipt of payment on the day	-	-	546	-	
	Yuan Zhi	An investee accounted for by equity method	Sales	(451,971)	1	Receipt of payment on the day	-	-	2,051	-	
Sin Jiang	YFC	The same ultimate parent company	Sales	(10,616,227)	97	Receipt of payment on the day	-	-	-	-	
Union & NKH Auto Parts	The Company	The parent company	Sales	(850,551)	45	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	144,811	36	
	China Motor	An investee accounted for by equity method	Sales	(694,412)	37	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	152,354	38	
Fuzhou Lianghong	Southeast Bus	A related party in substance	Sales	(196,744)	13	45 days	-	-	74,577	25	
Yueki	The Company	The parent company	Sales	(455,765)	50	45 days	Bargaining	45 days	63,027	18	
	China Motor	An investee accounted for by equity method	Sales	(162,094)	18	45 days	Bargaining	45 days	38,185	11	
	Kian-shen	A related party in substance	Sales	(161,919)	18	45 days	Bargaining	45 days	61,728	18	
Y-Teks	The Company	The parent company	Sales	(213,979)	69	45 days	-	-	28,934	40	
Yue Sheng	The Company	The parent company	Sales	(178,174)	46	At sight or a month	Bargaining	At sight or a month	22,825	34	
Luxgen	Hui-Fong	A related party in substance	Sales	(145,903)	4	At sight	-	At sight	8,565	6	
	Luxgen Taipei	The same ultimate parent company	Sales	(312,970)	8	At sight	-	At sight	65,987	47	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(209,839)	5	At sight	-	At sight	2,776	2	
	Luxgen Taichung	The same ultimate parent company	Sales	(187,746)	5	At sight	-	At sight	7,546	5	
	Luxgen Tainan	The same ultimate parent company	Sales	(124,505)	3	At sight	-	At sight	5,309	4	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(130,232)	3	At sight	-	At sight	5,644	4	
	YFC	The same ultimate parent company	Sales	(2,930,594)	73	Within 3 days	-	Within 3 days	12,626	9	
Singgual Travel	The Company	The parent company	Sales	(158,977)	33	At sight or a month	Bargaining	At sight or a month	18,739	26	
Kuen You Trading	Yu Sing	The same ultimate parent company	Sales	(154,730)	92	At sight or a month	Bargaining	At sight or a month	17,267	97	
Tian Wang	Yu Chang	The same ultimate parent company	Sales	(104,359)	74	At sight or a month	Bargaining	At sight or a month	11,068	99	

(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	
LUXGEN (hangzhou) Motor Sales	Chuang Jie	The same ultimate parent company	Sales	$ (420,612)	43	Sales revenue received in advance	-	Sales revenue received in advance	$ -	-	
The Company	Union & NKH Auto Parts	The Company's subsidiary	Purchase	850,551	4	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(144,811)	5	
	Yueki	The Company's subsidiary	Purchase	455,765	2	45 days	Bargaining	45 days	(63,027)	2	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	9,568,707	43	12 days after bill of lading	-	12 days after bill of lading	(1,048,104)	37	
	Y-Teks	The Company's subsidiary	Purchase	213,979	1	45 days	-	-	(28,934)	1	
	Yue Sheng	The Company's subsidiary	Purchase	178,174	1	At sight or a month	Bargaining	At sight or a month	(22,825)	1	
	Dongfeng Yulon	An investee accounted for by equity method	Purchase	343,712	2	60 days after monthly closing	-	60 days after monthly closing	(47,957)	2	
	Singgual Travel	The Company's subsidiary	Purchase	158,977	1	At sight or a month	Bargaining	At sight or a month	(18,739)	1	
	Uni-calsonic	An investee accounted for by equity method	Purchase	103,341	-	45 days after monthly closing	Bargaining	45 days after monthly closing	(11,172)	-	
	China Ogihara	An investee accounted for by equity method	Purchase	234,873	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(295)	-	
	Yuen-jin	A related party in substance	Purchase	118,908	1	45 days after monthly closing	Bargaining	45 days after monthly closing	-	-	
	Taiway	A related party in substance	Purchase	153,384	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(16,968)	1	
YFC	Yulon Nissan	An investee accounted for by equity method	Purchase	28,424,293	68	Within 3 days	-	-	(238,644)	54	
	Sin Jiang	The same ultimate parent company	Purchase	10,616,227	25	Receipt of payment on the day	-	-	-	-	
	Luxgen	The same ultimate parent company	Purchase	2,930,594	7	Within 3 days	-	-	(12,626)	3	
Yu Sing	YFC	The same ultimate parent company	Purchase	3,126,785	80	Receipt of payment on the day	-	-	(9,342)	10	
	Yulon Nissan	An investee accounted for by equity method	Purchase	362,459	9	Receipt of payment on the day	-	-	(19,475)	20	
	Kuen You Trading	The same ultimate parent company	Purchase	154,730	4	60 days	-	-	(17,267)	18	
Yushin	YFC	The same ultimate parent company	Purchase	2,454,731	82	Receipt of payment on the day	-	-	(8,400)	14	
	Yulon Nissan	An investee accounted for by equity method	Purchase	264,123	9	Receipt of payment on the day	-	-	(2,804)	5	
Yu Chang	YFC	The same ultimate parent company	Purchase	4,270,278	86	Receipt of payment on the day	-	-	(20,922)	23	
	Yulon Nissan	An investee accounted for by equity method	Purchase	429,556	9	Receipt of payment on the day	-	-	-	-	
	Tian Wang	The same ultimate parent company	Purchase	104,359	2	Receipt of payment on the day	-	-	(11,068)	12	
Empower	YFC	The same ultimate parent company	Purchase	3,237,208	77	Receipt of payment on the day	-	-	(84,567)	100	
	Yulon Nissan	An investee accounted for by equity method	Purchase	360,139	9	Receipt of payment on the day	-	-	-	-	
Luxgen	The Company	The parent company	Purchase	3,187,064	78	Within 10 days	-	3 days to 10 days	(90,422)	15	
Luxgen Taipei	YFC	The same ultimate parent company	Purchase	967,192	71	Receipt of payment on the day	-	-	(30,005)	29	
	Luxgen	The same ultimate parent company	Purchase	312,970	23	At sight	-	-	(65,987)	63	
Luxgen Taoyuan	YFC	The same ultimate parent company	Purchase	563,891	70	Receipt of payment on the day	-	-	(6,248)	29	
	Luxgen	The same ultimate parent company	Purchase	209,839	26	At sight	-	-	(2,776)	13	
Luxgen Taichung	YFC	The same ultimate parent company	Purchase	614,778	76	Receipt of payment on the day	-	-	(51)	-	
	Luxgen	The same ultimate parent company	Purchase	187,746	23	At sight	-	-	(7,546)	44	
Luxgen Tainan	YFC	The same ultimate parent company	Purchase	361,438	70	Receipt of payment on the day	-	-	(91)	1	
	Luxgen	The same ultimate parent company	Purchase	124,505	24	At sight	-	-	(5,309)	52	
Luxgen Kaohsiung	YFC	The same ultimate parent company	Purchase	426,222	77	Receipt of payment on the day	-	-	(70)	-	
	Luxgen	The same ultimate parent company	Purchase	130,232	22	At sight	-	-	(5,644)	17	
Chuang Jie	LUXGEN (hangzhou) Motor Sales	The same ultimate parent company	Purchase	420,612	98	Payment in advance	-	-	-	-	
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	Purchase	471,417	91	Payment in advance	-	-	(46,191)	8	

Note: The balance of Accounts receivable $358,920 thousand less allowance for uncollectible accounts $358,920 thousand to Dongfeng Yulon is $0.

(Concluded)

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, 2019
(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	$ 302,653 (Note 1)	46.29	$ -	-	$ 272,646	$ -
	Luxgen	The Company's subsidiary	133,939 (Note 2)	25.90	-	-	120,289	-
	Dongfeng Yulon	An investee accounted for by equity method	386,942	0.47	-	-	-	386,942
Union & NKH Auto Parts	The Company	The parent company	144,811	4.66	-	-	-	-
Luxgen	Dongfeng Yulon	An investee accounted for by equity method	172,880	0.02	-	-	-	172,800
Hangchow Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	108,969	0.03	108,969	-	-	108,969
Yueki	Hangchow Yue Wan	The same ultimate parent company	222,565 (Note 3)	-	160,569	-	-	6,972
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	230,106	0.27	-	-	30,033	-
TAC Leasing (Suzhou)	Dongfeng Yulon	An investee accounted for by equity method	281,400	0.09	-	-	-	281,400
Yulon Motor Finance	Dong Feng Yulon Sales Company	The same ultimate parent company	135,286	-	-	-	860	135,286
LUXGEN (hangzhou) Motor Sales	Dong Feng Yulon Sales Company	The same ultimate parent company	683,963 (Note 4)	-	-	-	-	667,834
Yulon Motor Investment	Dongfeng Yulon	An investee accounted for by equity method	549,638 (Note 5)	-	-	-	-	549,638
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	6,450,268 (Note 6)	-	-	-	-	6,340,285
Haitec	Dongfeng Yulon	An investee accounted for by equity method	10,102,324 (Note 7)	-	-	-	-	8,235,324

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Sheng Qing	Zhu Hai Fu Te En	The same ultimate parent company	$ 123768 (Note 8)	-	$ -	-	$ -	$ -
	Dongfeng Yulon	An investee accounted for by equity method	154,710 (Note 8)	-	-	-	-	154,710
	Shen Jun Yu Peng	The same ultimate parent company	166,821 (Note 8)	-	-	-	-	-
	Wuhan Yu Hsin	The same ultimate parent company	158,098 (Note 8)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	165,178 (Note 8)	-	-	-	-	-
	Yu-Jie	The same ultimate parent company	172,781 (Note 8)	-	-	-	-	-
	Nanjing Hanhong	The same ultimate parent company	224,759 (Note 8)	-	-	-	-	-
	Yulon Motor Investment	The same ultimate parent company	1,428,324 (Note 8)	-	-	-	-	-
Yu-Jie	Dongfeng Yulon	An investee accounted for by equity method	215,279 (Note 8)	-	-	-	-	215,279
Ke Yu	Sheng Qing	The same ultimate parent company	400,178 (Note 8)	-	-	-	-	-
Mei De	Shi Cheng	The same ultimate parent company	293,068 (Note 8)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	129,254 (Note 8)	-	-	-	-	-
Sin Jiang	Singan	The same ultimate parent company	200,001 (Note 8)	-	-	-	-	-
Qing Tai	Dong Tai	The same ultimate parent company	107,575 (Note 8)	-	-	-	-	-
Hangchow Liangrun	Dongfeng Yulon	An investee accounted for by equity method	157,033 (Note 8)	(5.46)	-	-	-	157,033
Yulon China	Sheng Qing	The same ultimate parent company	262,819 (Note 8)	-	-	-	-	-
Yulon Motor Investment	Hang Zhou Haitec Company	The same ultimate parent company	233,263 (Note 8)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Hang Zhou Haitec Company	Dongfeng Yulon	An investee accounted for by equity method	$ 527,101 (Note 9)	-	$ -	-	$ -	$ 527,101
Hangchow Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	104,163 (Note 9)	-	-	-	-	104,163
Union & NKH Auto Parts	China Motor	An investee accounted for by equity method	152,354 (Note 9)	-	-	-	-	-

Note 1: The receivables comprised account and notes receivables of $232,838 thousand and other receivables of $69,815 thousand.

Note 2: The receivables comprises Accounts receivable of $90,422 thousand and other receivables of $43,517 thousand.

Note 3: The receivables comprises Accounts receivable of $160,619 thousand and other receivables of $61,946 thousand.

Note 4: The receivables comprises Accounts receivable of $22,962 thousand and other receivables of $661,001 thousand.

Note 5: The receivables comprises Accounts receivable of $89,712 thousand and other receivables of $459,926 thousand.

Note 6: The receivables comprises Accounts receivable of $9,061 thousand and other receivables of $6,440,667 thousand.

Note 7: The receivables comprises Accounts receivable of $9,443,487 thousand and other receivables of $658,837 thousand.

Note 8: The receivables comprises other receivables.

Note 9: The receivables comprises Accounts receivable.

(Concluded)

TABLE 9

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	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	$ 10,134,287	$ 7,281,897	$ 3,527,895	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	141,526	810,409	44,592	8.05	3,834,944	(2,465,573)	130,158	-
	YFC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	138,222	45.75	4,332,437	2,962,308	1,352,678	-
	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	-	44,956	-	-	-	386,476	25,471	Note
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	169,978	169,978	12,767	65.58	416,268	(125,045)	(84,890)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	238,872	238,872	23,061	80.07	368,654	4,227	2,791	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	66,862	13,370	10,383	-
	Union & NKH Auto Parts	Taipei, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,692	21,729	25.01	580,968	(156,432)	(40,890)	-
	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	131,000	26,942	8,272	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	61,005	(17,156)	(29,027)	-
	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	489,657	124,391	34,933	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	101,858	(6,039)	(1,116)	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	1,077,221	1,077,221	72,691	60.00	528,658	112,023	62,455	-
	Yu Pong	Taipei, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	27,170	100.00	826,389	36,045	39,987	-
	Yung Hong	Taipei, Taiwan	Investments	537,311	537,311	77,622	100.00	579,033	25,293	25,293	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	186,926	132,986	19,999	100.00	234,758	(252)	7,273	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	320,000	320,000	32,000	18.95	147,309	(155,080)	(29,128)	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	10,944	27.00	209,107	28,746	379	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	107,222	3,926	1,325	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	476,740	476,740	102	20.46	205,765	155,470	31,839	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	3,254	3.46	67,482	302,787	10,469	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	-	99,935	-	-	-	79,076	5,649	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	5,800	20.00	77,225	22,110	9,940	-
	Chan Yun	Taipei, Taiwan	Wholesale and retail of information software	58,594	40,680	16,664	87.71	35,616	(7,044)	(4,263)	-
	Sin Jiang	Taipei, Taiwan	Wholesale and retail of secondhand cars	-	85,895	-	-	-	70,632	1,653	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	1,081,157	871,157	108,000	100.00	1,229,368	97,761	97,761	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	505,189	325,199	17,999	99.99	136,552	(43,378)	(22,782)	-
	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	320,034	27,652	7,795	-
	Yulon Overseas	B.V.I.	Investments	24,426,875	23,813,725	785,328	100.00	(2,540,934)	(10,330,579)	(9,622,707)	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,640,972	967,571	168,269	-
	Yu Rich	Taipei, Taiwan	Installment loans of consumer goods and wholesale of cars and parts	-	99,000	-	-	-	275,929	2,237	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	-	67,459	-	-	-	(19,514)	(948)	-
	Haitec	New Taipei City, Taiwan	Product design	2,047,449	2,047,449	116,370	35.46	(9,314,207)	(13,237,822)	(8,877,979)	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,366	6,116	20.34	66,373	8,894	2,423	-
	DXMEDIA	Taipei, Taiwan	Publication	10,000	10,000	400	20.00	999	(610)	(122)	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	22,640,000	14,840,000	980,000	100.00	727,182	(12,867,669)	(12,858,232)	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	500,000	-	-	-	5,911	5,930	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,991	32,991	3,299	32.99	33,712	14,681	1,434	-
	Yulon Energy	New Taipei City, Taiwan	Wholesale and retail sale of batteries	-	400,000	-	-	-	(17,467)	(11,462)	-
	Yulon Construction	Taipei, Taiwan	Construction	3,034,485	3,034,485	122,100	100.00	4,345,227	(248,152)	(70,827)	-
	Hong Kong-Spicer	Hong Kong	Investment	56,475	56,475	1,585	20.50	51,743	(15,906)	(3,261)	-
	YuenWen Investment Co., Ltd.	Taipei, Taiwan	Investments	-	-	-	-	-	15,744	15,744	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
YuenWen Investment Co., Ltd.	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	$ -	$ -	-	-	$ -	$ 386,476	$ -	Note
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	757,288	757,288	64,570	68.57	1,343,174	302,787	-	-
	Yustar	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	175,500	100.00	3,193,724	526,065	-	-
	TAC Global	Samoa	Shareholding company	3,089,942	1,687,772	100,033	100.00	3,965,579	272,803	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	181,873	967,571	-	-
	Empower	Taichung, Taiwan	Retail of cars and related parts	48,843	48,843	7,832	27.00	102,191	22,110	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	181,731	-	-	-	70,632	-	-
	Yu Rich	Taipei, Taiwan	Installment loans of consumer goods and wholesale of cars and parts	660,662	500,001	113,376	100.00	1,673,890	275,929	-	-
	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	437,490	437,490	15,000	100.00	411,085	(21,269)	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	315,157	-	21,004	73.26	302,971	79,076	-	-
Yustar	Shinshin Samoa	Samoa	Shareholding company	389,077	389,077	12,000	100.00	196,070	(138,115)	-	-
	YES Energy Service	New Taipei City, Taiwan	Wholesale and retail sale of batteries	21,407	-	6,500	100.00	113,940	(17,467)	-	-
YES Energy Service	Power Engineering	New Taipei City, Taiwan	Construction project contracting	2,000	2,000	200	100.00	883	(78)	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	116,683	24,314	-	-
	Car-Plus Samoa	Samoa	Shareholding company	563,071	563,071	18,000	100.00	643,644	(132,884)	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	90,811	-	-	-	70,632	-	-
	Da-Wei	Taipei, Taiwan	brokerage of electric vehicles	20,000	20,000	2,000	100.00	25,518	4,372	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	11,881	-	4,050	100.00	10,496	(2,004)	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	10,232	1,929	-	-
	Dachuan	Taipei, Taiwan	Taxi service	1,125	-	300	100.00	2,356	1,231	-	-
	Damu	Taipei, Taiwan	Taxi service	1,575	-	600	100.00	2,067	492	-	-
	Dajun	Taipei, Taiwan	Taxi service	900	-	300	100.00	1,608	708	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	19,281	3,894	-	-
Sin Jiang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	23,536	1,428	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	365,685	(47,758)	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	223,517	38,744	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	184,884	184,884	6,000	60.00	54,306	(212,493)	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	243,790	(47,758)	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	149,011	38,744	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	123,160	123,160	4,000	40.00	36,204	(212,493)	-	-
	YuRong International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	2,698,460	1,296,290	87,496	100.00	3,529,265	360,952	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	9,456	1,428	-	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Samoa	Shareholding company	437,490	437,490	15,000	100.00	411,085	(21,269)	-	-
Yulon Finance Philippines Corporation	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	411,085	(21,269)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Singan	Hsiang Shou	New Taipei City, Taiwan	Towing	$ 128,400	$ 128,400	$ 10,000	100.00	$ 225,588	$ 67,440	-	-
	Singgual Travel	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	169,358	(12,250)	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	518,754	-	42,824	100.00	527,070	70,632	-	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	-	6,746	100.00	53,490	(19,514)	-	-
	Hong Shou Culture	Taipei, Taiwan	Publication	-	64,100	-	-	-	(2,004)	-	-
Yu Pong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	42,080	454	0.08	17,754	(2,465,573)	-	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	682,685	682,685	48,461	40.00	532,655	112,023	-	-
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	117,197	27,652	-	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	253,834	3,998	0.72	43,722	(2,465,573)	-	-
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	55,467	55,467	3,500	1.17	17,283	967,571	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	259,318	7,281,897	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	-	19,914	-	-	-	79,076	-	-
	Chinh-Ling	Taipei, Taiwan	Product design	36,098	36,098	5,000	100.00	104,545	(266)	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	9	9	1	0.01	9	14,681	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	408	11	-	583	(2,465,573)	-	-
	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	26,942	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	465,799	(30,381)	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	-	100.00	45,948	(125,034)	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	28,209	6,949	-	-
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	44,625	6,340	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	14,943	(18,069)	-	-
	YU Shin Invest Ment Ltd.	Samoa	Investments	46,331	46,331	-	100.00	2,039	(13,127)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	11,177	138	-	-
	Hong Yen	Samoa	Investments	47,082	47,082	48,450	100.00	53,476	(32,054)	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	3,000	3,000	300	100.00	(18,705)	(331)	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	225,772	7,281,897	-	-
	Yu Chia	Taipei, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	50,000	100.00	29,058	(8,802)	-	-
	Chanchen	Taipei, Taiwan	Management consulting, leases of real estate and general advertising	-	10,000	-	-	-	-	-	-
	Yulon TOBE	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	27,996	-	28,080	100.00	27,922	5,911	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	32,701	(19,827)	-	-
	Kuen You Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	12,208	1,238	-	-
Y-Teks	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	998,970	(5,821)	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	265	435	11	-	442	(2,465,573)	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	343,260	(236,965)	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	256	640	26	-	1,001	(2,465,573)	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,881,314	(157,128)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	$ 184,999	$ 157,625	$ 18,500	99.99	$ 181,592	$ (99,544)	$ -	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	59.99	44,822	(18,069)	-	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	71,624	10,360	97.73	103,599	(19,334)	-	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	182,388	9,890	94.19	97,329	(31,597)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	58,344	6,600	92.96	65,546	(26,156)	-	-
	Luxgen Overseas Holdings	Singapore	Investments	1,300,595	1,300,595	63,587	100.00	142,329	156	-	-
	Singan	New Taipei City, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	81,785	79,076	-	-
Yulon Construction	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	1,497	1,690	32	-	504	(2,465,573)	-	-
	Yufong Property Management	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	43,454	17,248	-	-
Haitec	SinYi Co., Ltd.	New Taipei City, Taiwan	Wholesale and retail of cars and parts	500	500	50	100.00	9,389	(62)	-	-
	Hua-Chung Overseas Investment Co., Ltd.	B.V.I.	Investments	490,393	490,393	5,465	100.00	(234,844)	(620,027)	-	-
Hua-Chung Overseas Investment Co., Ltd.	Haitec China Investment	Hong Kong	Investments	461,709	461,709	6,328	100.00	(264,543)	(650,215)	-	-
	Haitec Japan	Japan	Product design of cars	26,608	26,608	-	100.00	(19,139)	(18,365)	-	-
Yulon Overseas	Yulon Philippine	Cayman	Investments	1,071,328	1,097,593	32,791	100.00	97,816	290,530	-	-
	Yulon China	B.V.I.	Investments	23,211,593	23,187,037	771,171	100.00	(3,199,133)	(10,578,989)	-	-
Yulon Philippine	UMPI & SCIC	Philippine	Manufacturing of cars and factory lease	875,236	896,694	-	100.00	94,624	79,311	-	-
	NPI	Philippine	Sale, maintenance and repair of cars and parts	70,518	72,247	12	24.50	-	(202,297)	-	-
Yulon China	Qing Yi	Samoa	Investments	919,606	666,472	24,825	100.00	595,705	(97,397)	-	-
	Wen Yang	Samoa	Investments	482,678	494,512	16,100	100.00	192,658	(237,430)	-	-
	Tai Xin	Samoa	Investments	726,152	743,954	19,600	100.00	644,898	(71,187)	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	8,162,529	8,362,645	-	100.00	1,206	921,363	-	-
	Yulon China Holding	Cayman	Investments	12,844,035	12,805,765	33,280	100.00	(4,784,558)	(11,151,813)	-	-
	Feng Hua	Hong Kong	Investments	83,944	86,002	-	40.00	128,629	41,580	-	-
Yulon China Holding	Yulon China (HK) Holding	Hong Kong	Investments	12,844,035	12,805,765	-	100.00	(4,784,563)	(11,151,968)	-	-

Tai-Yuen Textiles' profit and loss for the period is from January to May 2019 (see Note 17)

(Concluded)

TABLE 10

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	$ 66,497	b)	$ 55,763	$ -	$ -	$ 55,763	$ (205,706)	100.00	$ (205,706)	$ 412,548	$ -	2, b)
Ke Yu	Computer software maintenance and computer system integration	789,016	b)	723,154	-	-	723,154	(71,012)	100.00	(71,012)	642,817	-	2, b)
Tai Feng	Computer software maintenance and computer system integration	490,834	b)	445,203	-	-	445,203	(127,683)	100.00	(127,683)	352,038	-	2, b)
Qing Tai	Computer software maintenance and computer system integration	516,840	b)	460,193	-	-	460,193	(110,949)	100.00	(110,949)	242,467	-	2, b)
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,228,442	b)	7,969,003	-	-	7,969,003	(9,383,141)	50.00	935,878	-	-	2, a)
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	189,771	b)	83,944	-	-	83,944	41,586	40.00	16,634	321,569	-	2, b)
Yulon Motor Investment	Investment, shareholding and related business	5,507,944	b)	1,745,943	-	-	1,745,943	(873,458)	100.00	(873,458)	(108,285)	-	2, b)
LUXGEN (Hangzhou) Motor Sales	Sales of cars and car parts	6,868,342	b)	7,031,809	-	-	7,031,809	(10,085,066)	100.00	(10,085,066)	(5,022,369)	-	2, a)
Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	4,297,500	a)	2,191,725	-	-	2,191,725	86,921	73.42	63,815	3,289,988	-	2, b)
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chastises, connection arms, crossrails of engines and other stamping and welding parts	137,488	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	58,731	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	73,860	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	107,386	b)	2,249	-	-	2,249	2,608	2.59	-	2,249	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	340,789	b)	2,998	-	-	2,998	-	2.10	-	-	-	-
Hang Zhou Haitec Company	Product design	132,661	b)	-	-	-	-	(658,017)	100.00	(658,017)	(272,921)	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	$ 880,154	a)	$ 228,152	$ -	$ -	$ 228,152	$ 85,005	20.50	$ 17,426	$ 248,918	$ -	2, c)
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	369,270	a)	55,124	-	-	55,124	(22,628)	14.30	(3,236)	48,937	-	2, c)
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	644,625	b)	-	-	-	-	(88,270)	22.30	(19,684)	450,178	-	2, c)
Hangchow Yue Wan	Manufacturing of car parts	494,206	b)	176,992	90,370	-	267,362	(195,701)	80.75	(158,028)	48,715	-	2, c)
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	256,603	b)	-	44,327	-	44,327	(194,768)	33.39	(65,033)	38,181	-	2, c)
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	50,042	b)	-	-	-	-	(6,085)	14.82	(902)	72,428	-	2, c)
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	149,900	b)	-	-	-	-	(10,166)	5.00	(508)	138,415	-	2, c)
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	197,868	b)	-	-	-	-	1,182,069	6.00	70,924	962,998	-	2, c)
Fuzhou Lianghong	Manufacturing of car seats	446,786	b)	-	-	-	-	11,565	16.67	1,928	475,664	-	2, c)
Hangchow Liangrun	Manufacturing of car seats	637,090	b)	-	142,431	-	142,431	(257,628)	40.38	(104,030)	19,714	-	2, c)
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	801,965	b)	-	-	-	-	124,880	10.00	12,488	1,236,771	-	2, c)
Yu-Jie	Construction industry	2,148,750	a)	-	-	-	-	(200,443)	100.00	(200,443)	1,982,541	-	2, b)
Car-Plus (Suzhou)	Lease of cars and related services	299,800	b)	-	-	-	-	(47,772)	39.20	(18,725)	608,320	-	2, b)
Car-Plus Leasing (Shanghai)	Lease of cars and related services	299,800	b)	-	-	-	-	38,744	39.20	15,187	372,508	-	2, b)
Car-Plus Go Co., Ltd.	Lease of cars and related services	299,800	b)	-	-	-	-	(212,493)	37.12	(78,881)	90,510	-	2, b)
TAC Leasing (Suzhou)	Equipments and cars leasing business	2,263,370	b)	-	-	-	-	499,059	45.75	228,319	3,373,792	-	2, a)
TAC Finance Company	Equipments and cars leasing business	899,400	b)	-	-	-	-	(348,124)	56.60	(197,038)	453,058	-	2, b)
Zhe Jiang Cheng Yi Company	Equipments and cars leasing business	85,950	b)	-	-	-	-	(3,406)	56.60	(1,928)	52,919	-	2, c)
Hangzhou Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	2,149	b)	-	-	-	-	(569)	56.60	(322)	1,349	-	2, c)
Zhejiang Cheng-Yi Auction	Secondhand vehicle authenticate and evaluation service	8,595	b)	-	-	-	-	(699)	56.60	(396)	4,100	-	2, c)
Su Zhou Yu Guo	Car purchases and loans to car dealers for car purchases	8,595	b)	-	-	-	-	(4,652)	56.60	(2,633)	1,955	-	2, c)
Shanghai Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(3,702)	56.60	(2,095)	5,083	-	2, c)
Dongguan Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(1,911)	-	(317)	-	-	2, c)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Yu Guo	Sales of cars	$ 8,595	b)	$ -	$ -	$ -	$ -	$ (3,368)	-	$ (561)	$ -	$ -	2, c)
Chengdu Yu Guo	Sales of cars	8,595	b)	-	-	-	-	233	-	38	-	-	2, c)
Hefei YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,016)	56.60	(1,707)	5,446	-	2, c)
Qingdao YuGuo	Sales of cars	8,595	b)	-	-	-	-	(6,203)	56.60	(3,511)	1,209	-	2, c)
Master Good Car (Wuhan)	Sales of cars	8,595	b)	-	-	-	-	(5,571)	56.60	(3,153)	(216)	-	2, c)
Kunming YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,277)	-	(545)	-	-	2, c)
Shang Hai Jing-Huei	Sales of car parts	48,472	b)	-	-	-	-	(30,354)	53.30	(16,178)	40,943	-	2, c)
Dong Yu Tech. Company	Sales of car parts	64,463	b)	-	-	-	-	-	42.99	-	24,376	-	2, c)
Fu Jian Yu Xin	Sales of cars	182,970	b)	-	-	-	-	(26,812)	100.00	(26,812)	(23,030)	-	2, b)
Ning Bo Yu Cheng	Sales of cars	148,590	b)	-	-	-	-	(37,968)	100.00	(37,968)	(15,970)	-	2, b)
Shanghai Yuming	Sales of cars	215,553	b)	-	-	-	-	(58,787)	67.00	(39,379)	(74,768)	-	2, b)
Ka Shing Yu Da	Sales of cars	79,913	b)	-	-	-	-	(16,001)	67.00	(10,718)	11,887	-	2, b)
Dong Feng Yulon Sales Company	Sales of cars and car parts	221,061	b)	-	-	-	-	(180,768)	50.00	(90,384)	(3,991,047)	-	2, a)
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,459,204	b)	3,432,301	-	-	3,432,301	3,980	100.00	3,980	3,373,499	-	2, b)
Sheng Qing	Investments	3,036,485	b)	133,711	336,023	-	469,733	(178,863)	100.00	(178,863)	1,847,524	-	2, b)
Mei De	Computer software maintenance and computer system integration	351,487	b)	-	-	-	-	(34,848)	100.00	(34,848)	315,088	-	2, b)
Shi Cheng	Computer software maintenance and computer system integration	320,214	b)	-	-	-	-	(68,137)	100.00	(68,137)	34,394	-	2, b)
Jin Ce	Computer software maintenance and computer system integration	86,966	b)	-	-	-	-	(12,514)	100.00	(12,514)	62,434	-	2, b)
Yi Ding	Computer software maintenance and computer system integration	244,052	b)	-	-	-	-	(44,530)	100.00	(44,530)	183,043	-	2, b)
Dong Tai	Investments	326,272	b)	-	-	-	-	(58,088)	100.00	(58,088)	30,662	-	2, b)
Gao Te	Investments	256,431	b)	-	-	-	-	(23,665)	100.00	(23,665)	207,259	-	2, b)
Shen Jun Yu Peng	Sales of cars	53,055	b)	-	-	-	-	14,038	65.00	9,125	18,258	-	2, b)
Su Zhou Feng Shen	Sales of cars	212,219	b)	-	-	-	-	147,233	40.00	58,893	367,600	-	2, b)
Guang Zhou Yuan Du	Sales of cars	154,742	b)	-	-	-	-	(10,540)	51.00	(5,376)	80,321	-	2, b)
Zhu Hai Fu Te En	Sales of cars	22,106	b)	-	-	-	-	(41,244)	100.00	(41,244)	108,121	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Nanjing Hanhong	Sales of cars	$ 310,603	b)	$ -	$ -	$ -	$ -	$ (47,223)	100.00	$ (47,223)	$ 112,711	$ -	2, c)
Wuhan Yu Hsin	Sales of cars	269,909	b)	-	-	-	-	22,258	100.00	22,258	189,782	-	2, b)
HangZhou Yu Zhong	Trading	44,212	b)	-	-	-	-	(7,261)	100.00	(7,261)	66,121	-	2, b)
Jiangmen Junxing	Sales of cars	89,318	b)	-	-	-	-	(20,192)	60.00	(12,115)	52,459	-	2, b)
Jiangmen Yuli	Sales of cars	45,106	b)	-	-	-	-	(16,122)	60.00	(9,673)	23,993	-	2, b)
He-Shan Li-Sheng	Sales of cars	2,803	b)	-	-	-	-	(820)	60.00	(492)	3,717	-	2, b)
Guang Zhou Yuan Zhi	Sales of cars	87,999	b)	-	-	-	-	(22,455)	51.00	(11,452)	(15,227)	-	2, b)
Qingdao Yuanhuang	Sales of cars	218,587	b)	-	-	-	-	(17,772)	51.00	(9,063)	(11,673)	-	2, b)
Hang Zhou Hua Zhi	Sales of cars	88,425	b)	-	-	-	-	(44,754)	80.00	(35,803)	(145,494)	-	2, b)
Chang Sha Yu Lu	Sales of cars	88,425	b)	-	-	-	-	(24,575)	100.00	(24,575)	1,564	-	2, b)
Hang Zhou Tang Yu	Investments	44,212	b)	-	-	-	-	(4,729)	100.00	(4,729)	42,231	-	2, b)
Hang Zhou Chien Yu	Investments	44,212	b)	-	-	-	-	(150)	100.00	(150)	38,572	-	2, b)
Zhuhai Yuhsin	Sales of cars	22,106	b)	-	-	-	-	(30,079)	100.00	(30,079)	(59,606)	-	2, b)
Shenzhen Yu Zhi	Sales of cars	44,212	b)	-	-	-	-	(27,847)	100.00	(27,847)	(21,917)	-	2, b)
Xiao Gan Yu Feng	Sales of cars	118,012	b)	-	-	-	-	16,494	100.00	16,494	171,642	-	2, b)
Su Zhou Feng Shun	Sales of cars	111,157	b)	-	-	-	-	72,623	40.00	29,049	163,325	-	2, b)
Suzhou Yueshun	Sales of cars	44,212	b)	-	-	-	-	(2,555)	40.00	(1,022)	38,570	-	2, b)
Su Chou Cheng Pin	Sales of cars	178,638	b)	-	-	-	-	4,576	40.00	1,830	171,892	-	2, b)
Wu Jiang Lian Cheng	Sales of cars	44,212	b)	-	-	-	-	27,937	40.00	11,175	59,304	-	2, b)
Su Zhou Cheng Li	Sales of cars	66,765	b)	-	-	-	-	4,679	40.00	1,872	45,970	-	2, b)
Hang Zhou Hsiao Yu	Investments	44,212	b)	-	-	-	-	(85)	99.00	(84)	38,551	-	2, b)
Nan Jing Yu Shang	Sales of cars	35,370	b)	-	-	-	-	(15,495)	100.00	(15,495)	(74,471)	-	2, b)
Hang Zhou Hua You	Sales of cars	35,370	b)	-	-	-	-	(20,501)	80.00	(16,401)	(172,588)	-	2, b)
Su Zhou Cheng Pang	Sales of cars	44,212	b)	-	-	-	-	8,673	40.00	3,469	43,483	-	2, b)
Nan Jing Yu Hua	Sales of cars	132,637	b)	-	-	-	-	(19,632)	100.00	(19,632)	98,138	-	2, b)
Su Zhou Cheng Guo	Sales of cars	45,106	b)	-	-	-	-	(5,033)	40.00	(2,013)	3,249	-	2, b)
Su Zhou Cheng Hung	Sales of cars	45,106	b)	-	-	-	-	(2,326)	40.00	(930)	41,432	-	2, b)
Tai Chang Cheng Mau	Sales of cars	45,106	b)	-	-	-	-	10,824	40.00	4,330	46,873	-	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, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
An Hui Min Tung	Sales of cars	$ 45,106	b)	$ -	$ -	$ -	$ -	$ 8,803	100.00	$ 8,803	$ (27,770)	$ -	2, b)
An Ching Tsai Tung	Sales of cars	118,890	b)	-	-	-	-	(7,494)	100.00	(7,494)	6,441	-	2, b)
An Ching Ling Tung	Sales of cars	63,579	b)	-	-	-	-	(1,925)	100.00	(1,925)	(1,962)	-	2, b)
Tung Ling Kuo Tung	Sales of cars	22,553	b)	-	-	-	-	(17,820)	100.00	(17,820)	(31,500)	-	2, b)
Ho Fei Chun Hui	Sales of cars	50,649	b)	-	-	-	-	(6,292)	100.00	(6,292)	4	-	2, b)
Zi Bo Yu An	Sales of cars	22,553	b)	-	-	-	-	(12,043)	100.00	(12,043)	(39,748)	-	2, b)

Accumulated Investment in Mainland China as of December 31, 2019	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	$25,360,408	$29,394,748	$34,248,689

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)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2019
(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	$ 90,422	Based on regular terms	-
		Luxgen	1	Other receivables from related parties	43,517	Based on regular terms	-
		Haitec	1	Other receivables from related parties	92,570	Based on regular terms	-
		Hang Zhou Haitec Company	1	Other current assets	24,597	Based on regular terms	-
		The Company	1	Long term investment	43,978	Based on regular terms	-
		The Company	1	Long term investment	15,257	Based on regular terms	-
		FYC	1	Operating revenue, net	12,814	Based on regular terms	-
		Yulon Construction	1	Operating revenue, net	67,386	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	19,961	Based on regular terms	-
		Luxgen	1	Operating revenue, net	3,162,151	Based on regular terms	4
		Luxgen Taipei	1	Operating revenue, net	15,245	Based on regular terms	-
		Yufong Property Management	1	Operating revenue, net	10,636	Based on regular terms	-
		Haitec	1	Operating revenue, net	168,720	Based on regular terms	-
		Yushin	1	Operating revenue, net	1,984,885	Based on regular terms	2
		Yu Sing	1	Operating revenue, net	2,491,916	Based on regular terms	3
		Yu Chang	1	Operating revenue, net	3,383,385	Based on regular terms	4
		Empower	1	Operating revenue, net	2,653,396	Based on regular terms	3
		Yushin	1	Operating revenue, net	128,697	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	195,420	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	299,273	Based on regular terms	-
		Empower	1	Operating revenue, net	128,947	Based on regular terms	-
		FYC	1	Operating revenue, net	594,409	Based on regular terms	1
		Yushin	1	Operating revenue, net	234,174	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	269,599	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	292,860	Based on regular terms	-
		Empower	1	Operating revenue, net	259,558	Based on regular terms	-
		Singan	1	Operating revenue, net	32,324	Based on regular terms	-
		Yushin	1	Operating revenue, net	17,422	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	18,979	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	34,959	Based on regular terms	-
		Empower	1	Operating revenue, net	18,384	Based on regular terms	-
		Luxgen	1	Non-operating revenue and expense	34,163	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	43,978	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	40,617	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	15,257	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	13,610	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
1	FYC	Yu Chang	3	Notes and trade receivables, net	$ 20,922	Based on regular terms	-
		Empower	3	Notes and trade receivables, net	84,567	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	30,005	Based on regular terms	-
		Yustar	3	Other receivables from related parties	51,286	Based on regular terms	-
		Yu Rich	3	Other receivables from related parties	11,173	Based on regular terms	-
		Yu Chang	3	Operating revenue, net	10,982	Based on regular terms	-
2	Yue Sheng	The Company	2	Notes and trade receivables, net	22,825	Based on regular terms	-
		The Company	2	Operating revenue, net	177,454	Based on regular terms	-
3	Yueki	The Company	2	Notes and trade receivables, net	63,027	Based on regular terms	-
		Hangchow Yue Wan	3	Notes and trade receivables, net	153,647	Based on regular terms	-
		Hangchow Yue Wan	3	Other receivables from related parties	61,946	Based on regular terms	-
		The Company	2	Operating revenue, net	442,119	Based on regular terms	1
		Yustar	3	Operating revenue, net	70,703	Based on regular terms	-
		Luxgen	3	Operating revenue, net	59,676	Based on regular terms	-
4	Yu Chang	FYC	3	Notes and trade receivables, net	38,634	Based on regular terms	-
		Tian Wang	3	Notes and trade receivables, net	15,189	Based on regular terms	-
		Tian Wang	3	Operating revenue, net	37,411	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	64,451	Based on regular terms	-
5	Singan	The Company	2	Notes and trade receivables, net	25,142	Based on regular terms	-
		The Company	2	Operating revenue, net	115,677	Based on regular terms	-
		FYC	3	Operating revenue, net	22,426	Based on regular terms	-
		Hsiang Shou	3	Non-operating revenue and expense	13,731	Based on regular terms	-
6	Singgual Travel	The Company	2	Notes and trade receivables, net	18,739	Based on regular terms	-
		The Company	2	Operating revenue, net	158,964	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	13,470	Based on regular terms	-
7	Yu Pool	Yushin	3	Notes and trade receivables, net	19,048	Based on regular terms	-
		Yushin	3	Operating revenue, net	88,112	Based on regular terms	-
8	Yu Sing	FYC	3	Notes and trade receivables, net	31,230	Based on regular terms	-
		Car-plus Corporation	3	Notes and trade receivables, net	41,482	Based on regular terms	-
		Yu Chang	3	Operating revenue, net	22,955	Based on regular terms	-
		Yushin	3	Operating revenue, net	30,643	Based on regular terms	-
		Empower	3	Operating revenue, net	28,615	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	171,111	Based on regular terms	-
		Car-plus Corporation	3	Non-operating revenue and expense	11,570	Based on regular terms	-
		Luxgen Taipei	3	Non-operating revenue and expense	12,643	Based on regular terms	-
		Kuen You Trading	3	Non-operating revenue and expense	29,489	Based on regular terms	-
9	Y-Teks	The Company	2	Notes and trade receivables, net	28,934	Based on regular terms	-
		Luxgen	3	Notes and trade receivables, net	15,218	Based on regular terms	-
		The Company	2	Operating revenue, net	213,197	Based on regular terms	-
		Yueki	3	Operating revenue, net	12,292	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
10	Union & NKH Auto Parts	The Company	2	Notes and trade receivables, net	$ 144,811	Based on regular terms	-
		Uni Investment	3	Other receivables from related parties	17,086	Based on regular terms	-
		Fuzhou Lianghong	3	Other receivables from related parties	30,516	Based on regular terms	-
		Luxgen	3	Other receivables from related parties	48,884	Based on regular terms	-
		Hangchow Liangrun	3	Other receivables from related parties	203,398	Based on regular terms	-
		The Company	2	Operating revenue, net	771,091	Based on regular terms	1
		Fuzhou Lianghong	3	Operating revenue, net	39,622	Based on regular terms	-
11	Car-plus Corporation	Diamond Leasing	3	Notes and trade receivables, net	230,106	Based on regular terms	-
		Hsiang Shou	3	Notes and trade receivables, net	29,708	Based on regular terms	-
		Da Teng	3	Notes and trade receivables, net	22,884	Based on regular terms	-
		Dachuan	3	Notes and trade receivables, net	10,719	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	30,995	Based on regular terms	-
		Diamond Leasing	3	Operating revenue, net	11,708	Based on regular terms	-
		Hsiang Shou	3	Operating revenue, net	174,232	Based on regular terms	-
		Luxgen	3	Operating revenue, net	10,447	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	19,178	Based on regular terms	-
12	Nanjing Hanhong	Nan Jing Yu Shang	3	Other receivables from related parties	100,884	Based on regular terms	-
		Nan Jing Yu Shang	3	Operating revenue, net	192,800	Based on regular terms	-
		Nan Jing Yu Hua	3	Operating revenue, net	13,912	Based on regular terms	-
13	Luxgen	The Company	2	Notes and trade receivables, net	12,262	Based on regular terms	-
		FYC	3	Notes and trade receivables, net	12,132	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	65,987	Based on regular terms	-
		The Company	2	Other receivables from related parties	31,838	Based on regular terms	-
		FYC	3	Operating revenue, net	2,930,594	Based on regular terms	3
		Singan	3	Operating revenue, net	11,694	Based on regular terms	-
		Singgual Travel	3	Operating revenue, net	36,026	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	46,682	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	261,730	Based on regular terms	-
		Luxgen Taoyuan	3	Operating revenue, net	179,449	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	150,987	Based on regular terms	-
		Luxgen Tainan	3	Operating revenue, net	98,937	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	100,521	Based on regular terms	-
14	Luxgen Taipei	Luxgen	3	Notes and trade receivables, net	20,204	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	191,961	Based on regular terms	-
		Luxgen	3	Operating revenue, net	54,980	Based on regular terms	-
		Luxgen	3	Non-operating revenue and expense	10,969	Based on regular terms	-
15	Luxgen Taoyuan	Luxgen	3	Notes and trade receivables, net	11,220	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	21,801	Based on regular terms	-
		Luxgen	3	Operating revenue, net	29,125	Based on regular terms	-
16	Hang Zhou Hua Zhi	Hang Zhou Hua Zhi	3	Notes and trade receivables, net	12,172	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	34,380	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
18	Yulon Motor Investment	Tai Feng	3	Other receivables from related parties	$ 49,074	Based on regular terms	-
		Yi Ding	3	Other receivables from related parties	23,511	Based on regular terms	-
		Mei De	3	Other receivables from related parties	36,047	Based on regular terms	-
		Shi Cheng	3	Other receivables from related parties	14,053	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	12,045	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables from related parties	65,188	Based on regular terms	-
		Shenzhen Yu Zhi	3	Other receivables from related parties	57,822	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	96,107	Based on regular terms	-
		Nan Jing Yu Hua	3	Other receivables from related parties	41,941	Based on regular terms	-
		Hang Zhou Haitec Company	3	Other receivables from related parties	233,263	Based on regular terms	-
		Yu-Jie	3	Operating revenue, net	10,486	Based on regular terms	-
		Chuang Jie	3	Operating revenue, net	322,192	Based on regular terms	-
21	Yulon Motor Finance (China)	Jiangmen Junxing	3	Notes and trade receivables, net	42,787	Based on regular terms	-
		Shanghai Yuming	3	Notes and trade receivables, net	21,529	Based on regular terms	-
		Chang Sha Yu Lu	3	Notes and trade receivables, net	27,811	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Notes and trade receivables, net	67,643	Based on regular terms	-
		Ka Shing Yu Da	3	Notes and trade receivables, net	12,872	Based on regular terms	-
		Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	79,109	Based on regular terms	-
22	LUXGEN (Hangzhou) Motor Sales	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	39,188	Based on regular terms	-
		Luxgen	3	Other receivables from related parties	75,059	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Other receivables from related parties	16,129	Based on regular terms	-
		Hang Zhou Haitec Company	3	Other receivables from related parties	74,592	Based on regular terms	-
		Hang Zhou Hua Zhi	3	Operating revenue, net	12,163	Based on regular terms	-
		Shenzhen Yu Zhi	3	Operating revenue, net	14,489	Based on regular terms	-
		Chuang Jie	3	Operating revenue, net	420,612	Based on regular terms	-
		Car-Plus Go Co., Ltd.	3	Operating revenue, net	37,617	Based on regular terms	-
		Car-Plus (Suzhou)	3	Operating revenue, net	94,818	Based on regular terms	-
23	Kuen You Trading	Yu Sing	3	Notes and trade receivables, net	17,267	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	154,730	Based on regular terms	-
24	Chuang Jie	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	88,374	Based on regular terms	-
		Car-Plus Go Co., Ltd.	3	Operating revenue, net	423,503	Based on regular terms	-
25	Yu-Hsin Intl	Yu-Hsin Intl HK	3	Other receivables from related parties	149,900	Based on regular terms	-
26	Yulon China	Sheng Qing	3	Other receivables from related parties	1,889,223	Based on regular terms	1
		Yulon China (HK) Holding	3	Other receivables from related parties	55,763	Based on regular terms	-
		Sheng Qing	3	Non-operating revenue and expense	46,906	Based on regular terms	-
27	Yue Ki Samoa	Yue Ki HK	3	Other receivables from related parties	14,991	Based on regular terms	-
28	Qing Yi	Wen Yang	3	Other receivables from related parties	460,193	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
29	Ke Yu	Tai Feng	3	Other receivables from related parties	$ 204,011	Based on regular terms	-
		Yi Ding	3	Other receivables from related parties	21,515	Based on regular terms	-
		Sheng Qing	3	Other receivables from related parties	400,178	Based on regular terms	-
30	Tai Feng	Yi Ding	3	Other receivables from related parties	12,909	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	21,515	Based on regular terms	-
31	Qing Tai	Shi Cheng	3	Other receivables from related parties	17,212	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	107,575	Based on regular terms	-
32	Mei De	Shi Cheng	3	Other receivables from related parties	129,090	Based on regular terms	-
		Sheng Qing	3	Other receivables from related parties	129,254	Based on regular terms	-
33	Jin Ce	Yi Ding	3	Other receivables from related parties	30,121	Based on regular terms	-
34	Sheng Qing	Xiamen Young Chang	3	Other receivables from related parties	165,178	Based on regular terms	-
		Shen Jun Yu Peng	3	Other receivables from related parties	169,388	Based on regular terms	-
		Zhu Hai Fu Te En	3	Other receivables from related parties	123,768	Based on regular terms	-
		Nanjing Hanhong	3	Other receivables from related parties	225,912	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables from related parties	158,319	Based on regular terms	-
		Zhuhai Yuhsin	3	Other receivables from related parties	41,037	Based on regular terms	-
		Jiangmen Junxing	3	Other receivables from related parties	43,197	Based on regular terms	-
		Shanghai Yuming	3	Other receivables from related parties	72,544	Based on regular terms	-
		Qingdao Yuanhuang	3	Other receivables from related parties	88,764	Based on regular terms	-
		Ning Bo Yu Cheng	3	Other receivables from related parties	46,250	Based on regular terms	-
		Fu Jian Yu Xin	3	Other receivables from related parties	88,686	Based on regular terms	-
		Hang Zhou Hua Zhi	3	Other receivables from related parties	60,165	Based on regular terms	-
		Guang Zhou Yuan Zhi	3	Other receivables from related parties	48,046	Based on regular terms	-
		Xiao Gan Yu Feng	3	Other receivables from related parties	77,213	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	10,410	Based on regular terms	-
		Chang Sha Yu Lu	3	Other receivables from related parties	12,878	Based on regular terms	-
		Yulon Motor Investment	3	Other receivables from related parties	1,429,322	Based on regular terms	-
		An Hui Min Tung	3	Other receivables from related parties	28,942	Based on regular terms	-
		Tung Ling Kuo Tung	3	Other receivables from related parties	55,024	Based on regular terms	-
		Zi Bo Yu An	3	Other receivables from related parties	39,187	Based on regular terms	-
		Yu-Jie	3	Other receivables from related parties	173,691	Based on regular terms	-
		Hang Zhou Haitec Company	3	Other receivables from related parties	99,325	Based on regular terms	-
		Wuhan Yu Hsin	3	Non-operating revenue and expense	10,084	Based on regular terms	-
		Yulon Motor Investment	3	Non-operating revenue and expense	75,474	Based on regular terms	-
		Yu-Jie	3	Non-operating revenue and expense	10,546	Based on regular terms	-
36	Guang Zhou Yuan Du	Qingdao Yuanhuang	3	Other receivables from related parties	61,025	Based on regular terms	-
		Guang Zhou Yuan Zhi	3	Other receivables from related parties	36,529	Based on regular terms	-
37	Zhu Hai Fu Te En	Nanjing Hanhong	3	Other receivables from related parties	15,471	Based on regular terms	-
		Zhuhai Yuhsin	3	Other receivables from related parties	45,969	Based on regular terms	-
		Nan Jing Yu Hua	3	Other receivables from related parties	18,289	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
38	HangZhou Yu Zhong	Sheng Qing	3	Other receivables from related parties	$ 16,782	Based on regular terms	-
		Hang Zhou Hsiao Yu	3	Other receivables from related parties	17,190	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	17,620	Based on regular terms	-
		Yulon Motor Investment	3	Other receivables from related parties	11,603	Based on regular terms	-
39	Hang Zhou Tang Yu	Yulon Motor Investment	3	Other receivables from related parties	37,818	Based on regular terms	-
41	Hsiang Shou	Singan	3	Other receivables from related parties	35,246	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	20,414	Based on regular terms	-
		Luxgen	3	Operating revenue, net	17,953	Based on regular terms	-
42	Yu-Hsin Intl HK	Hangchow Y-Teks	3	Other receivables from related parties	179,880	Based on regular terms	-
43	Sin Jiang	Singan	3	Other receivables from related parties	201,457	Based on regular terms	-
		FYC	3	Operating revenue, net	56,808	Based on regular terms	-
44	Xiao Gan Yu Feng	Chang Sha Yu Lu	3	Other receivables from related parties	10,744	Based on regular terms	-
		Wuhan Yu Hsin	3	Operating revenue, net	70,339	Based on regular terms	-
46	Su Zhou Chen Long	Suzhou Yueshun	3	Operating revenue, net	13,359	Based on regular terms	-
47	Yulon China (HK) Holding	Sheng Qing	3	Other receivables from related parties	297,201	Based on regular terms	-
		Sheng Qing	3	Non-operating revenue and expense	14,606	Based on regular terms	-
48	Nan Jing Yu Hua	Nanjing Hanhong	3	Other receivables from related parties	89,600	Based on regular terms	-
49	Yulon Construction	The Company	2	Guarantee deposits	40,180	Based on regular terms	-
		The Company	2	Operating revenue, net	45,110	Based on regular terms	-
		Yufong Property Management	3	Operating revenue, net	14,870	Based on regular terms	-
50	Luxgen Taichung	Luxgen	3	Notes and trade receivables, net	13,105	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	24,070	Based on regular terms	-
52	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
53	Yushin	Car-plus Corporation	3	Operating revenue, net	12,031	Based on regular terms	-
		Yu Pool	3	Non-operating revenue and expense	18,074	Based on regular terms	-
54	Empower	Car-plus Corporation	3	Operating revenue, net	15,495	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	16,473	Based on regular terms	-
55	Tian Wang	Yu Chang	3	Notes and trade receivables, net	11,068	Based on regular terms	-
		Yu Chang	3	Operating revenue, net	112,026	Based on regular terms	-
56	Sin Chi	Yu Sing	3	Operating revenue, net	55,795	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
57	H. K. Manpower	Car-plus Corporation	3	Operating revenue, net	$ 37,418	Based on regular terms	-
58	Luxgen Tainan	Luxgen	3	Notes and trade receivables, net	10,474	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	14,354	Based on regular terms	-
		Luxgen	3	Operating revenue, net	20,601	Based on regular terms	-
59	Luxgen Kaohsiung	Car-plus Corporation	3	Operating revenue, net	24,822	Based on regular terms	-
		Luxgen	3	Operating revenue, net	16,669	Based on regular terms	-
		Luxgen	3	Non-operating revenue and expense	38,627	Based on regular terms	-
60	Hangchow Liangrun	Union & NKH Auto Parts	3	Notes and trade receivables, net	11,750	Based on regular terms	-
		Fuzhou Lianghong	3	Notes and trade receivables, net	26,740	Based on regular terms	-
		LUXGEN (hangzhou) Motor Sales	3	Other receivables from related parties	11,525	Based on regular terms	-
		Union & NKH Auto Parts	3	Operating revenue, net	13,135	Based on regular terms	-
		Fuzhou Lianghong	3	Operating revenue, net	35,748	Based on regular terms	-
		LUXGEN (hangzhou) Motor Sales	3	Operating revenue, net	10,186	Based on regular terms	-
61	Yufong Property Management	The Company	2	Operating revenue, net	15,044	Based on regular terms	-
62	Hangchow Y-Teks	LUXGEN (hangzhou) Motor Sales	3	Operating revenue, net	28,553	Based on regular terms	-
63	Car-Plus (Suzhou)	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	11,952	Based on regular terms	-
65	Suzhou Yueshun	Su Chou Cheng Pin	3	Other receivables from related parties	27,934	Based on regular terms	-
66	Hong Yen	Shanghai Yuming	3	Other current assets	38,745	Based on regular terms	-
67	Yustar	Yulon Energy	3	Other receivables from related parties	103,477	Based on regular terms	-
74	Su Chou Cheng Pin	Su Zhou Feng Shen	3	Operating revenue, net	22,617	Based on regular terms	-
		Su Zhou Feng Shun	3	Operating revenue, net	22,600	Based on regular terms	-
		Wu Jiang Lian Cheng	3	Operating revenue, net	10,870	Based on regular terms	-
		Su Zhou Chen Long	3	Operating revenue, net	27,130	Based on regular terms	-
75	Yu Rich	FYC	3	Operating revenue, net	15,585	Based on regular terms	-
76	Hangchow Yue Wan	LUXGEN (hangzhou) Motor Sales	3	Operating revenue, net	42,687	Based on regular terms	-
77	Yulon Energy	Yustar	3	Notes and trade receivables, net	10,229	Based on regular terms	-
		Yustar	3	Operating revenue, net	41,929	Based on regular terms	-
78	Dongfeng Yulon	Hang Zhou Hua Zhi	3	Notes and trade receivables, net	37,657	Based on regular terms	-
		Hang Zhou Hua You	3	Notes and trade receivables, net	45,722	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
79	Haitec	Luxgen	3	Notes and trade receivables, net	$ 376,231	Based on regular terms	-
		Haitec Japan	3	Other receivables from related parties	25,660	Based on regular terms	-
		The Company	2	Operating revenue, net	185,794	Based on regular terms	-
		Singan	3	Operating revenue, net	16,314	Based on regular terms	-
		Luxgen	3	Operating revenue, net	1,057,783	Based on regular terms	1
		Chuang Jie	3	Operating revenue, net	18,258	Based on regular terms	-
80	Hang Zhou Haitec Company	Chuang Jie	3	Operating revenue, net	27,695	Based on regular terms	-
		The Company	2	Notes and trade receivables, net	24,859	Based on regular terms	-
		Haitec	3	Notes and trade receivables, net	21,557	Based on regular terms	-
81	Car-Plus Leasing (Shanghai)	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	82,993	Based on regular terms	-
82	Hang Zhou Hsiao Yu	Hang Zhou Haitec Company	3	Other receivables from related parties	55,729	Based on regular terms	-
83	Jiangmen Junxing	Jiangmen Yuli	3	Other receivables from related parties	17,405	Based on regular terms	-
84	Shanghai Yuming	Ka Shing Yu Da	3	Other receivables from related parties	11,524	Based on regular terms	-
85	Fu Jian Yu Xin	Fu Zhou Yu Xin	3	Other receivables from related parties	12,935	Based on regular terms	-
86	Qinton	FYC	3	Operating revenue, net	13,000	Based on regular terms	-
87	Yu-Jie	Sheng Qing	3	Non-operating revenue and expense	13,183	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)

6.6 Financial difficulties encountered by The Company and/or its affiliates in the recent year and as of the publication date of the annual report, and its impact on The Company's financial status

Not applicable. The Company and its affiliates had not encountered with any financial difficulties.

VII Review and Analysis of Financial Conditions and Performance and Risk Management

7.1 Financial Conditions:

Comparison and Analysis of consolidated financial conditions

Unit: NT$ Thousand

Item \ Fiscal year	2019	2018	Difference	
			Amount	%
Current assets	231,944,241	221,698,791	10,245,450	4.62%
Noncurrent assets	81,947,302	98,161,768	(16,214,466)	(16.52%)
Total assets	313,891,543	319,860,559	(5,969,016)	(1.87%)
Current liabilities	230,603,249	207,661,949	22,941,300	11.05%
Noncurrent liabilities	26,207,143	27,774,636	(1,567,493)	(5.64%)
Total liabilities	256,810,392	235,436,585	21,373,807	9.08%
Capital stock	15,729,199	15,729,199	0	0.00%
Additional paid-in capital	6,566,495	6,597,972	(31,477)	(0.48%)
Retained earnings	23,775,185	49,238,886	(25,463,701)	(51.71%)
Total shareholder's equity	57,081,151	84,423,974	(27,342,823)	(32.39%)

Analysis of changes in financial ratio (root cause of significant change and its impact, describe the future response plan for material effect, if any):

1. The increase in current assets was maily due to the increase in accounts receivables.
2. The decrease innoncurrent assets was mainly attributable to the decrease in investments accounted for using the equity method and vehicle model development cost.
3. The increase in current liabilities was increase in short-term bills payable and current potion of bonds payable.

Comparison and Analysis of individual financial conditions

Unit: NT$ Thousand

Item \ Fiscal year	2019	2018	Difference	
			Amount	%
Current assets	27,778,211	21,588,727	6,189,484	28.67%
Noncurrent assets	52,141,138	76,022,526	(23,881,388)	(31.41%)
Total assets	79,919,349	97,611,253	(17,691,904)	(18.12%)
Current liabilities	6,082,477	4,665,156	1,417,321	30.38%
Noncurrent liabilities	28,000,464	20,644,257	7,356,207	35.63%
Total liabilities	34,082,941	25,309,413	8,773,528	34.67%
Capital stock	15,729,199	15,729,199	0	0.00%
Additional paid-in capital	6,566,495	6,597,972	(31,477)	(0.48%)
Retained earnings	23,775,185	49,238,886	(25,463,701)	(51.71%)
Total shareholder's equity	45,836,408	72,301,840	(26,465,432)	(36.60%)

Analysis of changes in financial ratio (root cause of significant change and its impact, describe the future response plan for material effect, if any):

1. The increase in current assets is mainly due to the increase in fund investment and time deposits over a three-month period.
2. The decrease in non-current assets is mainly due to the losses of re-invested companies in the fiscal year of 2019.
3. The increase in current liabilities is mainly due to the increase in long-term liabilities due within the one-year period.
4. The increase in non-current liabilities is mainly due to the increase in the losses of the re-invested companies in the fiscal year of 2019, which resulted in the increase in the investment loan balance of the Company using the equity method.
5. The decrease in retained earnings is mainly due to the losses incurred in the fiscal year of 2019.

7.2 Analysis of Financial Performance

Comparison and Analysis of Consolidated Financial Performance

Unit: NT$ Thousand

Item \ Fiscal year	2019		2018		Increase (Decrease) Amount	Changes (%)
	Subtotal	Total	Subtotal	Total		
Operating income		85,800,574		88,115,701	(2,315,127)	(2.63%)
Operating cost		79,927,782		69,156,046	10,771,736	15.58%
Gross profit		5,872,792		18,959,655	(13,086,863)	(69.02%)
Realized (unrealized) sales profit or loss		4,364		5,571	(1,207)	(21.67%)
Gross profit – net		5,877,156		18,965,226	(13,088,070)	(69.01%)
Operating expense		36,615,856		16,946,883	19,668,973	116.06%
Operating net income (loss)		(30,738,700)		2,018,343	(32,757,043)	(1,622.97%)
Non-Operating income and expense		7,301,552		3,366,719	3,934,833	116.87%
Other income	1,857,392		1,509,016		348,376	23.09%
Other profit and loss	266,775		(322,421)		589,196	182.74%
Financial cost	(1,122,664)		(513,165)		(609,499)	(118.77%)
Shareholding in the profit and loss of affiliated companies and joint venture under the equity method	6,300,049		2,693,289		3,606,760	133.92%
Net income before tax		(23,437,148)		5,385,062	(28,822,210)	(535.23%)
Income tax expense		1,096,329		1,538,026	(441,697)	(28.72%)
Net income		(24,533,477)		3,847,036	(28,380,513)	(737.72%)
Other comprehensive profit and loss (net)		(304,732)		(687,796)	383,064	55.69%
Items that will not be reclassified subsequently to profit of loss:						
Remeasurement of defined benefit plans	(98,701)		55,961		(154,662)	(276.37%)
Share of the other comprehensive losses of associates and joint ventures accounted for by the equity method	197,175		(211,382)		408,557	193.28%
Items that may be reclassified subsequently to profit of loss:	106,811		(61,299)		168,110	274.25%
Exchange difference from the translation of foreign operations						
Unrealized valuation profit and loss of available-for-sale financial assets	(242,559)		(160,396)		(82,163)	(51.23%)
Cash flow hedging	(451)		643		(1,094)	(170.14%)
Shareholding in the comprehensive profit and loss of affiliated companies and joint venture under the equity method	(267,007)		(311,323)		44,316	14.23%
Total current comprehensive profit and loss		(24,838,209)		3,159,240	(27,997,449)	(886.21%)

Analysis of changes in financial ratio:

1. The decrease in operating income is due to the decrease in the quantity of completed vehicles sold in the fiscal year of 2019.
2. The increase in operating costs is mainly due to the impairment occurred from the allowance extracted for vehicle models and molds in the fiscal year of 2019.
3. The increase in operating expenses is mainly due to the impairment occurred from the allowance extracted for expected credit losses in the fiscal year of 2019.
4. The increase in financial costs is mainly due to the increase in bank loan interests in the fiscal year of 2019.
5. The increase in the share of profits and losses of affiliated companies and joint ventures recognized by the equity method is mainly due to the increase in investment revenue by using the overseas equity method.
6. The re-measured amount of the welfare program is decreased mainly due to the adjustment to the working experience adopted by the actuarial report.
7. The increase in the share of other comprehensive profits and losses of affiliates and joint ventures recognized by using the equity method is mainly due to in the fiscal year of 2019, the subsidiaries' interests in the investment in equity instruments measured at fair value by other comprehensive profits and losses was not realized.

Comparison and Analysis of Individual Financial Performance

Unit: NT$ Thousand

Item \ Fiscal year	2019		2018		Increase (Decrease) Amount	Changes (%)
	Subtotal	Total	Subtotal	Total		
Operating income		30,261,929		31,808,738	(1,546,809)	(4.86%)
Operating cost		27,625,290		28,958,424	(1,333,134)	(4.60%)
Gross profit		2,636,639		2,850,314	(213,675)	(7.50%)
Realized (unrealized) sales profit or loss		695		(3,798)	4,493	118.30%
Gross profit – net		2,637,334		2,846,516	(209,182)	(7.35%)
Operating expense		1,589,446		1,173,897	415,549	35.40%
Operating net income (loss)		1,047,888		1,672,619	(624,731)	(7.35%)
Non-Operating income and expense		(26,084,898)		489,167	(26,574,065)	(5,432.51%)
Operating income	64,760		69,559		(4,799)	(6.90%)
Other profit and loss	494,501		49,864		444,637	891.70%
Financial cost	(216,931)		(148,352)		(68,579)	(46.23%)
Shareholding in the profit and loss of affiliated companies and joint venture under the equity method	(26,534,175)		415,081		(26,949,256)	(6492.53%)
Interest income	106,947		103,015		3,932	3.82%
Net income before tax		(25,037,010)		2,161,786	(27,198,796)	(1,258.16%)
Income tax expense		(6,890)		124,754	(131,644)	(105.52%)
Net income		(25,030,120)		2,037,032	(27,067,152)	(1,328.75%)
Other comprehensive profit and loss (net)		(138,566)		(546,290)	407,724	74.64%
Exchange difference from the translation of foreign operations	0		0		0	0.00%
The unrealized gains and losses of equity instrument investments measured by fair value through other comprehensive gains	285,487		(224,506)		509,993	227.16%
Cash flow hedging	0		0		0	0.00%
Defined benefit plan actuarial value	(91,351)		42,723		(134,074)	(313.82%)
Shareholding in the comprehensive profit and loss of affiliated companies and joint venture under the equity method	(332,702)		(364,507)		31,805	8.73%
Total current comprehensive profit and loss		(25,168,686)		1,490,742	(26,659,428)	(1,788.33%)

Analysis of changes in financial ratio:

1. The increase in other benefits and losses is mainly due to the sale of Taiyuen shares and the change in designed recognition of Yulon Business City.
2. The decrease in the share of profits and losses of affiliates and joint ventures recognized by using the equity method is mainly due to the impairment from assets extracted by the re-invested companies.
3. The increase in unrealized valuation of equity instrument investments measured at fair value via other comprehensive profit and loss is mainly due to the increase in value of the funds after investment evaluation.
4. It is determined that the actuarial decline in the welfare program is mainly due to the expected decrease in employee turnover rate and discount rate.

7.3 Cash Flow Analysis

7.3.1 Liquidity Analysis in Recent 2 years

Item \ Fiscal year	2019	2018	Increase (decrease) percentage (%)
Cash flow from operations ratio	(10.80)	(20.75)	47.95%
Cash Flow Adequacy Ratio	(242.58)	(182.65)	(32.81%)
Cash Flow Re-investment Ratio	(25.13)	(33.36)	24.67%
Analysis of changes in financial ratio: It is mainly due to the continuous growth of the subsidiaries' financing business in 2019 that there is a substantial increase in the amount of notes receivable and accounts receivable. In addition, due to the suspension of construction of the residential area of the development project of Yulong Business City, the amount of inventory input decreases compared with 2018 on the yoy basis, resulting in net cash flow of 2019 still showing a negative number but has been improved compared with 2018, which in turn improved the cash flow ratio and cash reinvestment ratio from 2018. However, the cash flow adequacy ratio decreases compared with 2018 on the yoy basis.			

Note: The Table above is based onthe consolidated financial statements.

7.3.2 Cash liquidity analysis within the year

Unit: NT$ Thousand

Cash balance - beginning①	Estimated annual net cash flow from operating activities②	Estimated annual cash inflow③	Estimate cash balance - ending	Contingency plans for predicted insufficient cash	
				Investment plan	Financial Plan
7,262,478	1,527,592	(2,713,403)	6,076,667	-	-
Analysis of Cash Flows in 2020: Operational Activities: Inflow of NT$1,527,592 thousand, mainly because of the 2020 estimated profits plus depreciation amortization. Investment activities: Outflow of NT$7,437,873 thousand, mainly because of the 2020 procurement of fixed assets, Yulon town and external investment. Financial activities: Inflow of NT$ 4,724,470 thousand, mainly because of the 2020 drowdown the line of credits. Contingency plans for predicted insufficient cash and the liquidity analysis: N/A.					

Note: The Table above is based onthe individual financial statements.

7.4 The impact of material capital expenditure on finance and business in recent year

7.4.1 The use of significant capital expenditures and the source of funds in recent year

Unit: NT$ Thousand

Program items	Actual and estimated source of capital	Actual or estimated date of completion	Total fund needed	Actual or estimated use of capital						
				2016	2017	2018	2019	2020	2021	2022
Adding machines and equipment	Self-sufficient funds	111.12.31	$604,267	$234,548	$63,044	$9,784	$152,714	$41,115	$49,832	$53,230
Production equipment	Self-sufficient funds	111.12.31	$1,592,867	$93,114	$86,342	$433,705	$188,641	$211,779	$340,864	$238,422
Pollution control equipment	Self-sufficient funds	111.12.31	$41,551	$10,705	$5,208	$1,806	$2,518	$6,078	$7,367	$7,869
MIS equipment	Self-sufficient funds	111.12.31	$90,474	$9,600	$21,035	$16,689	$3,180	$11,398	$13,815	$14,757
Quality assurance equipment	Self-sufficient funds	111.12.31	$331,252	$41,340	$97,515	$30,710	$51,390	$31,453	$38,122	$40,722
Civil engineering construction works	Self-sufficient funds	111.12.31	$10,176,775	$2,713,628	$1,025,490	$245,679	$595,296	$5,027,461	$565,596	$3,625

7.4.2 The impact of material capital expenditure on finance and business in recent year:

1. Strengthenmulti-brandOEMstrategy andwiththe brandnew modelsintroduced formass production;enhancethe efficiency andquality of eachproduction line throughthe expansion of machine and equipment in order to improvemarket competitivenessofproducts.
2. Update and replace old and outdated production systems and equipment in accordance with the project schedule of branded new models in order to achieve product development schedule and quality goals.
3. Work with the government “Six-term sewage” environmental protection policy to increase the use of pollution prevention related equipment and to reduce energy consumption throughout the production process at the same time.
4. Respond to the integration of the system and improve the efficiency, invest in information equipment and hardware and software, and update manufacturing information systems, financial information systems, and management information systems to improve the accuracy of financial and management analysis reports.
5. Ensure the stability of the overall production process by updating the quality inspection equipment and reducing defects arising from the production process.
6. In order to improve the efficiency of The Company’s land resources implementation and consider the overall city appearance and environmental development, in addition to the construction of residential and commercialcomplex, it isplannedto constructparksand greens and to beautifythe overall environment, and further createoperatingsynergies in order to activate the new consumption living circle in the surrounding areas of Xindian Plant.

7.5 Reinvestment Policy in Fiscal Year 2019, Major Reasons for Profit and Loss, Its Improvement Plan, and Next Year's Investment Plan:

In 2019, the Company's self-owned brand value chain was still the key development project. In Q4 of 2019, the Company introduced the new LUXGEN URX to show Taiwan's independent automobile designing creativity and co-branding value. The next-generation LUXGEN URX, with the aim to achieve practical functions of "diverse interdisciplinary", "one vehicle for multiple purposes", and "family ride", is equipped with equipment (such as ARD augmented reality head-up display system) which is only available for luxury imported vehicles. Advanced upgrade of current products will allow more safety technologies and artificial intelligence (AR View+, ADAS, and artificial intelligence, etc.) to be installed into the existing vehicle models, so that consumers can experience the convenience and safety brought by technologies. The plans for investment in EV industry will continue to expand our participation in the energy conservation policies projects initiated by the government, cooperation with the government's policies, build battery charging sites, and expand business operation scope to solar power and financing. For real estate development, the land development of residential areas in the Company's land in Xin-dian has been suspended, but the development for commercial area is expected to be completed and start operations as scheduled in the year of 2021.

For overseas re-investment, (1) for the Philippine market, we are working with Nissan to promote the separation of production and sales, and transforming into a professional OEM. At the same time, the vacant factory areas have been revitalized. With the stable cash flow, the development is solid and the future is optimistic; (2) we sort out our equity via Nissan Taiwan and Dongfeng Nissan and reduce the original five re-invested companies into two respectively known as Guangzhou Fengshen and Fengshen Xiangyang which both provide higher level of profitability; (3) although the Automobile Financial Company in mainland China is affected by the sales decline of brand companies of the Group, it has been steadily growing by actively developing the financing business of certified preowned vehicles; and (4) the quantity of sales products of self-owned brands in the both Taiwan and the mainland China markets have declined, and the evaluation for impairment is conducted to the recoverable amount of technical cost of vehicle models and molds, resulting in the higher amount of impairment loss from the vehicle models compared on the yoy basis, and further resulting in the significant losses recognized. On this basis, the Group has started to formulate strategies for key re-invested companies, such as accelerating introducing new vehicle models onto the market in accordance with regulations and seeking external cooperation opportunities, etc. InQ4 of 2019, the Company successfully launched a joint venture negotiation with Foxconn Group to jointly promote the comprehensive development and design of automobiles and an open platform for sharing.

For the outlook for re-investment plans of 2020, we will still focus on strengthening the competitiveness of current vehicle model platforms. The details of the cooperation with Foxconn Group will be more specific, in which a joint venture will be established to develop new vehicle model platforms with more market competitiveness with an aim to lower the cost of related new car models using the new platforms, provide consumers with vehicle models with higher CP values to create long-term brand value and increase market share. Our investment plans for the EV industry will continue to actively participate in government's EV projects and solar power, enhance the value of smart EV and promote low-pollution life. For real estate development, we will continue to promote the land development projects at Xin-dian, and would gradually initiate the development of lands for commercial use and the subsequent development in accordance with our plans. For overseas re-investment, we especially initiate the transformation of Dongfeng Yulong to actively expand the markets other than the one of mainland China and our horizontal peripheral businesses to provide customers with more comprehensive services. Finally, under the guidance of the principles of "earn more, spend less", we hope to continue to generate profits to meet the expectations of our shareholders.

7.6 Risk Management and Evaluation

7.6.1 Organizational structure of risk management

The implementation of risk management within The Company and the responsible units are as follows:

Responsible unit	Implementation
Auditing Office	Illustrate major audit items as the annual audit plan in accordance with the results of the risk assessment. Conduct internal control system audit and disclose audit results in the audit report truthfully and present it to or inform supervisors; also, follow up on the corrective actions performed.
Finance & Business Planning Department	Coordinate the Company's business strategy planning; control objectives and operational plans; manage working capital and provide financial analysis information; handle accounting, shareholder services, taxation, and various human resource management services; provide quick and effective operational management information to the management; and reduce business risk with strict control and regularly updated science and technology change, industry trends, important domestic and foreign policies, and information on laws and regulations updated.
Safety & Health Office	Conduct labor working environment inspection and monitoring regularly. Handle industrial safety and health-related services in accordance with the Company's regulations; prevent occupational hazards; and instruct the responsible units to implement the related plans to reduce the job risk of the staff.
Production Management & Logistics Department	Coordination, planning and control of multiple producing plan. Evaluation and management of new car series and supplier D&C. Planning and control of demand for components and materials. Outsourcing delivery control and follow-up. Planning and establishment of production control and logistics application system. Assistance and support for replenishment in overseas production sites.
Parts Supply and Service Department	Coordinate, plan, and control integrated production projects. Draft up production plans and control performance. Promote and implement imports, outsourced parts, in-house manufactured parts, and direct materials planning, ordering, controlling, and inventory control. Reduce production risks.
Quality Inspection Department	Plan and promote the Company's quality assurance strategy and quality assurance system. Promote and monitor product inspection and business intelligence systems. Promote quality awareness and improvement activities. In addition, conduct quality management on the auto parts manufactured by suppliers in order to reduce car risks.

7.6.2 The impact of interest rate, foreign exchange rate, and inflation on The Company's profit/loss in fiscal year 2019 and as of the publication date of the annual report, and future responsive measures:

1. The impact of change in interest rates on the Company's profit or loss and the responsive measures:

   For the interest rate risk resulted from the Company through supervising financing facilities and usage and ensuring the compliance with the terms of the loan agreement in order to manage and maintain adequate cash and cash equivalents to support the Group's operations, it is managed by maintaining an appropriate fixed and floating interest rates combination, as well as using interest rate swaps and forward rate agreements. Currently the cash is still adequate while changes in interest rate have Ltd. impact on the profit/loss. The 2019 consolidated financial report analysis shows that 1% increase in interest rate and all variables remain constant, the Company's 2019 pre-tax income would have been reduced by NT$639,905 thousand.

2. The impact of change in exchange rates on the Company's profit or loss and the responsive measures:

   The Company's material cost is affected by the double cross exchange rate of US dollar, Renminbi, Japanese yen and NT dollar; also, the impact on profit and loss is uncertain and the total impact of the following five elements should be considered: (1) Whether the foreign currency hedging is operated correctly; (2)What is the quantity of imports; (3) What is the amount of inventory; (4)What is the amount of the appreciation and depreciation of NT dollar; (5) Other factors. the Company has set up a foreign exchange hedging operation team to be responsible for foreign exchange hedging operation in order to reduce the risk of changes in exchange rates. Also, the Company has entered into a foreign exchange risk-sharing agreement with major material supplier, Nissan Motor Company, to ensure a steady supply of materials and reasonable price. In addition, in order to reduce the demand for foreign exchange and material prices, the Company has also defined

a localized parts procurement objective every year. The 2019 consolidated financial report shows the when the foreign exchange varies by 1% and all other variables remain constant, the Company's 201 pre-tax income will decrease NT$6,962 thousand.

3. The impact of inflation on the Company's profit or loss and the responsive measures:

According to the information released by the Executive Yuan, the total consumer price index for 2019 was 102.55, an increase of 0.56% over the 2018 average of 101.98. And in March 2020 the consumer price index fell from 102.66 to 101.71 since December 2019, down 0.92%. January-March average 102.39 over the same period in 2019, 101.84 rose 0.54%, inflation in 2020 showed a slight decrease in the situation, is still acceptable range, it is estimated that the impact of inflation on the Company is not significant.

7.6.3 High risks, high leverage investments, loaning of funds, endorsement and guarantee, and derivatives trade policy in fiscal year 2019 and as of the publication date of the annual report, major reasons for profit/loss, and future responsive measures:

1.Engage in high-risk and high leveraged investments:

The Company is not involved in High Risk and High Leverage Investment.

2.Engaged in loaning of funds, endorsement and guarantees, and derivative transactions:

It is to be processed in accordance with the "Operating Procedure of Loaning of Funds" and "Regulations Governing Endorsement and Guarantees."

3.Derivatives trade:

The Company has an agreement signed for derivative instruments, including forward foreign exchange contracts, foreign exchange options, and interest rate swaps for managing the interest rate and currency risk of the merged companies. The operating procedure is based on the policies regulated in accordance with the "Operating Procedure for Derivatives Transaction." Derivatives are recognized at the fair value when signing the derivative contract and measured subsequently at the fair value on the balance sheet date with the gains or losses recognized as profit or loss directly.

7.6.4 Future and projected research and development plans, status of research and development plans in progress, additional research and development expenses required, estimated date to start mass production, and major factors influencing the success of future research and development plans:

The Company is committed to upgrade from a manufacturing organization to a manufacturing service organization; also, moves towards multi-brand OEM operation in order to create new profit model with new business models and service models, to provide consumers with more values, and to create greater benefits for the enterprise.

7.6.5 The impact of material changes of local and foreign government policies and regulations in fiscal year 2019 and as of the publication date of the annual report on The Company's finance and business, and the responsive measures:

The Company has been closely observing the impact of decrees and policies on its business operations. The important domestic and foreign policies and law changes have no significant impact on the Company's finance and business.

7.6.6 The impact of technology changes and industrial changes in 2019 and as of the publication date of the annual report on the Company's finance and business, and the responsive measures:

The Company has established relevant internal operating regulations in accordance with the provisions of Article 9 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" governing the "computerized information processing system" to reduce the unknown threat of cyber risks caused by emerging IT applications and environmental changes. In order to control the cyber security risk management, it is necessary to respond to and to prevent risk events from three aspects: (1) Before an event occurs: The inventory is inspected

on a regular basis, starting from multiple aspects of process and technology to proactively prevent cyber security incidents; (2) When an event occurs: Damage control and emergency response; (3) After an event occurs: Follow-up and the event listed for prevention.

In order to strengthen the overall cyber security, in 2018, a number of information security enhancement projects were carried out, including [Anti-hacker Measures for Internal and External Transmission Networks],[Employee Awareness on Cyber Security], [Prevention of Malicious Websites] [Connection Protection for Remote Working] [System Weakness Improvement and Enhancement], [Enhancement for Cross-corporate Remote Computer Facilities] and [IT Infrastructure Architecture Enhancement], and have planned the “Internal Control Measures for the Cyber Security Risks” from 2018 to 2020 to steadily promote the overall cyber security and continuous optimization in the medium and long term, including basic information infrastructure, smart manufacturing protection, the implementable of the cyber security training. The current status of information security management implementation and future planning reports shall be submitted to the board of directors by the responsible departments at least once a year to deeply implement the information security risk management.

The Company has successively completed the formulation of relevant intellectual property management measures and operating specifications since 2012, and has regularly reported intellectual property related matters to the Board of Directors at least once per year since2018.As of the publication date of this annual report, the Company has obtained 169 pieces of registered trademarks and 4 pieces of approved patents.

The goals of the Company’s intellectual property management plan are based on the Group's open platform and diversified products (customers) development strategies, including taking inventory and conducting review to the Group’s accumulated intellectual property achievements, sorting and grouping technologies according to the needs of future business development, and replacing the old patents with outdated life cycles or no related commercialized application with newer ones, optimizing the maintenance and evaluation of intellectual properties, and using the intellectual property budget for forming the portfolio of core intellectual properties.

7.6.7 The impact of corporate image change in 2019 and as of the publication date of the annual report on the corporate crisis management, and the responsive measures:

The Company had the Audit Committee and Compensation Committee setup to strengthen the Company’s corporate governance; also, independent directors were appointed. In addition, the Company has material information published and disclosed immediately in compliance with the request of the competent authorities; also, the Company will continue to care about the issues of social responsibility and build up a good corporate image. In order to effectively control the communication quality with media and avoid affecting the corporate image by crisis mishandling, the Company has spokesman mechanism implemented. Responsible unit are assigned to handle customer complaints and shareholder proposals in order to effectively safeguard the Company’s reputation and image.

In faced with COVID-19 pandemic, the epidemic prevention crisis management and emergency response task force has been established based on the BCP contingency plan, which is responsible for the handling and mastering of current situations of various emergencies as well as the judgment for the crisis situations, making relevant decisions and serving as the spokesperson for the Company to communicate with both external parties and our own personnel, and confirming key business risks and recovery schedules of active operating projects to meet the needs of brand customers as well as implementing countermeasures including ensuring the direct/indirect staff available for maintain the continuous operation of the production lines, the available quantity of components imported from overseas (mainland China) and their time schedules, real-time monitoring of production and sales, profits and losses, and cash flow, and remote working using home offices from different locations, etc.

7.6.8 The expected benefits and possible risks of merge & acquisition in fiscal year 2019 and as of the publication date of the annual report: None.

7.6.9 The expected benefits and possible risks of factory expansion in fiscal year 2019 and as of the publication date of the annual report:

Current equipment and production capacity is sufficient to fulfill market demand. The effectiveness and risks of future capacity expansion, when needed, will be assessed.

7.6.10 Risks of Sales and Purchases Centralization in fiscal year 2019 and as of the publication date of the annual report:

The Company's main source of material is from Nissan in Japan and domestic contractors with long-term supply contracts signed and a long-term relationship held. Therefore, the Company's raw material supply is normal and stable without any risk of purchase concentration.

In addition to selling Nissan products, the Company's increase the utilization rate of equipment through the production of its own-brand Luxgen. The Company continues to use its production and manufacturing expertise and advantages to become a professional OEM manufacturing plant in domestic market and sell products to each branding company. For foreign market, the Company will continue to expand international OEM business, expand business territory, and continue to generate revenues.

7.6.11 The impact and risk of significant equity transfer and conversion of the Directors, Supervisors, or major shareholders with over 10% shareholding on The Company in fiscal year 2019 and as of the publication date of the annual report: None.

7.6.12 The impact and risk of changes in operation right in fiscal year 2019 and as of the publication date of the annual report:

There is no change to The Company's operation right; therefore, there is no significant impact on The Company.

7.6.13 For the litigation or non-litigation events in fiscal year 2019 and as of the publication date of the annual report,shall illustratethe legal judgment or the material lawsuit in progress and non-litigation or administrative lawsuit of The Companyand its Directors, Supervisors, President, the actual person in charge, the major shareholders with more than10% shareholding, and subsidiaries; the significant impact of the litigation result on the shareholder's equityorthe price of securities; also, shall disclose the fact of the contest, the subject matter, the amount, thelitigationstarting date,the parties, andthe process of the event as of the publication date of the annual report:

None.

7.6.14 Other material risks: None.

7.7 Other Important matters:

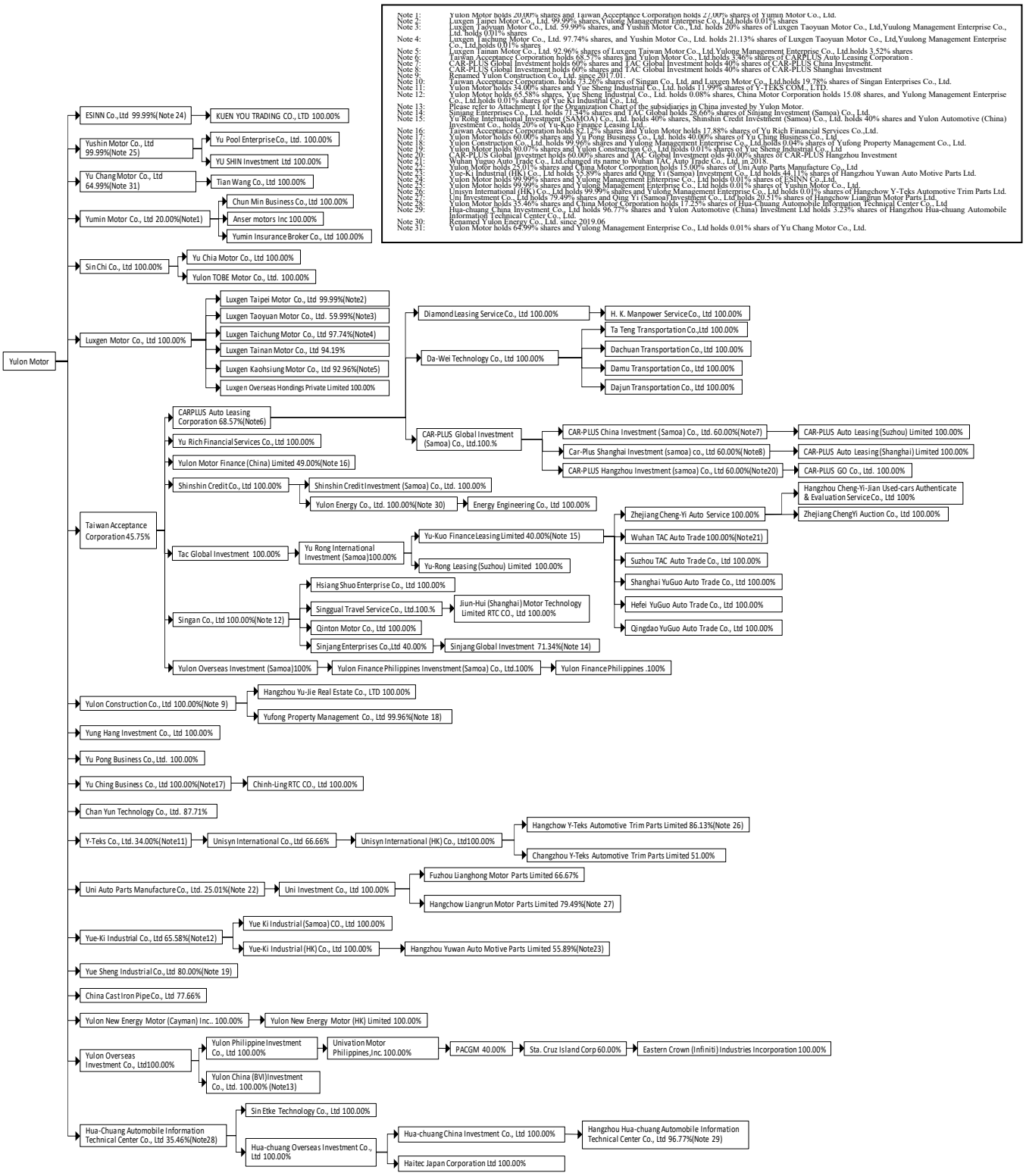
The Company and personnel relevant to the transparency of financial information obtain the licenses designated by the competent authorities as follows:

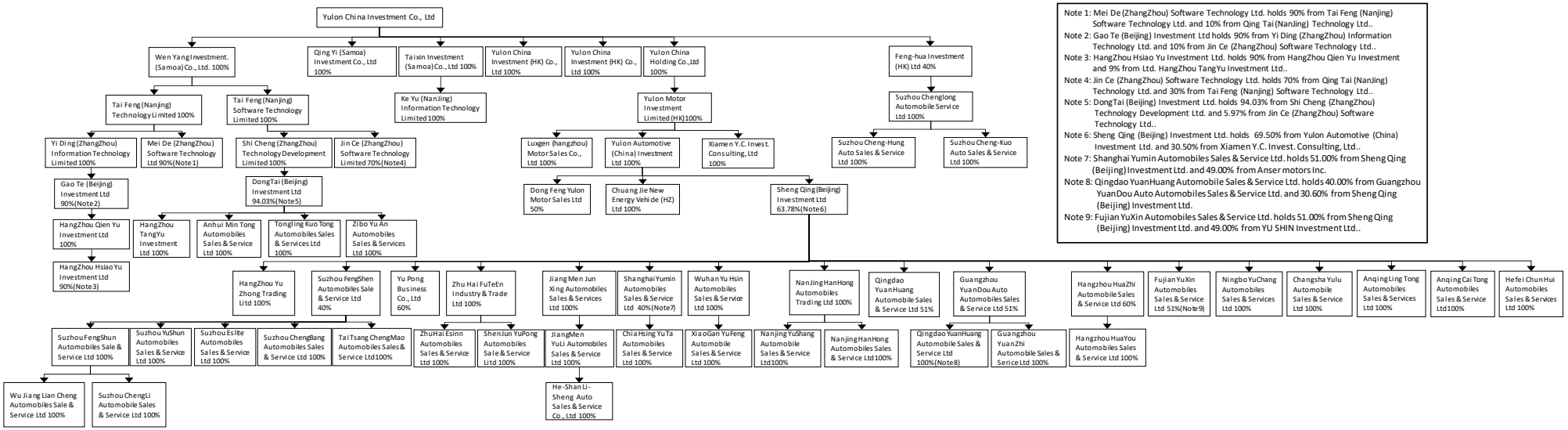
Licenses	Department	Number of person
Passed the 2006 Professional/Occupational/Technical Personnel Senior Examination – CPA Examination (Certificate No.: (95) Pro.Senior.CPA Tzi No. 000850)	Finance & Planning Department	1
Passed the 2013 Professional/Occupational/Technical Personnel Senior Examination – CPA Examination (Certificate No.: (102) Pro.Senior.CPA Tzi No. 000328)	Finance & Planning Department	1
Passed the 2010 Professional/Occupational/Technical Personnel Senior Examination – CPA Examination (Certificate No.: (99) Pro.Senior.CPA Tzi No. 000381)	Auditing Office	1

VIII Specially Noted Matters

8.1.Affiliates information

8.1.1 Affiliates Consolidated Business Report




Yulon China Investment Co., Ltd
Wen Yang Investment. (Samoa) Co., Ltd. 100%
Qing Yi (Samoa) Investment Co., Ltd 100%
Taixin Investment (Samoa) Co., Ltd 100%
Yulon China Investment (HK) Co., Ltd 100%
Yulon China Investment (HK) Co., Ltd 100%
Yulon China Holding Co.,Ltd 100%
Feng-hua Investment (HK) Ltd 40%
Tai Feng (Nanjing) Technology Limited 100%
Tai Feng (Nanjing) Software Technology Limited 100%
Ke Yu (NanJing) Information Technology Limited 100%
Yulon Motor Investment Limited (HK)100%
Suzhou Chenglong Automobile Service Ltd 100%
Yi Ding (ZhangZhou) Information Technology Limited 100%
Mei De (ZhangZhou) Software Technology Ltd 90%(Note 1)
Shi Cheng (ZhangZhou) Technology Development Limited 100%
Jin Ce (ZhangZhou) Software Technology Limited 70%(Note4)
Luxgen (hangzhou) Motor Sales Co., Ltd 100%
Yulon Automotive (China) Investment Ltd 100%
Xiamen Y.C. Invest. Consulting, Ltd 100%
Suzhou Cheng-Hung Auto Sales & Service Ltd 100%
Suzhou Cheng-Kuo Auto Sales & Service Ltd 100%
Gao Te (Beijing) Investment Ltd 90%(Note2)
DongTai (Beijing) Investment Ltd 94.03%(Note5)
Dong Feng Yulon Motor Sales Ltd 50%
Chuang Jie New Energy Vehicle (HZ) Ltd 100%
Sheng Qing (Beijing) Investment Ltd 63.78%(Note6)
HangZhou Qien Yu Investment Ltd 100%
HangZhou TangYu Investment Ltd 100%
Anhui Min Tong Automobiles Sales & Service Ltd 100%
Tongling Kuo Tong Automobiles Sales & Services Ltd 100%
Zibo Yu An Automobiles Sales & Services Ltd 100%
HangZhou Hsiao Yu Investment Ltd 90%(Note3)
HangZhou Yu Zhong Trading Ltd 100%
Suzhou FengShen Automobiles Sale & Service Ltd 40%
Yu Pong Business Co., Ltd 60%
Zhu Hai FuTeEn Industry & Trade Ltd 100%
Jiang Men Jun Xing Automobiles Sales & Services Ltd 100%
Shanghai Yumin Automobiles Sales & Service Ltd 40%(Note7)
Wuhan Yu Hsin Automobiles Sales & Service Ltd 100%
NanJing HanHong Automobiles Trading Ltd 100%
Qingdao YuanHuang Automobile Sales & Service Ltd 51%
Guangzhou YuanDou Auto Automobiles Sales & Service Ltd 51%
Hangzhou HuaZhi Automobile Sales & Service Ltd 60%
Fujian YuXin Automobiles Sales & Service Ltd 51%(Note9)
Ningbo YuChang Automobiles Sales & Services Ltd 100%
Changsha Yulu Automobile Sales & Service Ltd 100%
Anqing Ling Tong Automobiles Sales & Services Ltd 100%
Anqing Cai Tong Automobiles Sales & Service Ltd100%
Hefei Chun Hui Automobiles Sales & Services Ltd 100%
Suzhou FengShun Automobiles Sale & Service Ltd 100%
Suzhou YuShun Automobiles Sales & Service Ltd 100%
Suzhou Eslite Automobiles Sales & Service Ltd 100%
Suzhou ChengBang Automobiles Sales & Service Ltd 100%
Tai Tsang ChengMao Automobiles Sales & Service Ltd100%
ZhuHai Esinn Automobiles Sales & Service Ltd 100%
ShenJun YuPong Automobiles Sale & Service Ltd 100%
JiangMen YuLi Automobiles Sales & Service Ltd 100%
Chia Hsing YuTa Automobiles Sales & Service Ltd 100%
XiaoGan YuFeng Automobile Sales & Service Ltd 100%
Nanjing YuShang Automobile Sales & Service Ltd100%
Nanjing HanHong Automobiles Sales & Service Ltd100%
Qingdao YuanHuang Automobile Sales & Service Ltd 100%(Note8)
Guangzhou YuanZhi Automobile Sales & Serice Ltd 100%
Hangzhou HuaYou Automobiles Sales & Service Ltd 100%
Wu Jiang Lian Cheng Automobiles Sale & Service Ltd 100%
Suzhou ChengLi Automobile Sales & Service Ltd 100%
He-Shan Li-Sheng Auto Sales & Service Co., Ltd 100%
Note 1: Mei De (ZhangZhou) Software Technology Ltd. holds 90% from Tai Feng (Nanjing) Software Technology Ltd. and 10% from Qing Tai (NanJing) Technology Ltd..
Note 2: Gao Te (Beijing) Investment Ltd holds 90% from Yi Ding (ZhangZhou) Information Technology Ltd. and 10% from Jin Ce (ZhangZhou) Software Technology Ltd..
Note 3: HangZhou Hsiao Yu Investment Ltd. holds 90% from HangZhou Qien Yu Investment and 9% from Ltd. HangZhou TangYu Investment Ltd..
Note 4: Jin Ce (ZhangZhou) Software Technology Ltd. holds 70% from Qing Tai (NanJing) Technology Ltd. and 30% from Tai Feng (Nanjing) Software Technology Ltd..
Note 5: DongTai (Beijing) Investment Ltd. holds 94.03% from Shi Cheng (ZhangZhou) Technology Development Ltd. and 5.97% from Jin Ce (ZhangZhou) Software Technology Ltd..
Note 6: Sheng Qing (Beijing) Investment Ltd. holds 69.50% from Yulon Automotive (China) Investment Ltd. and 30.50% from Xiamen Y.C. Invest. Consulting, Ltd..
Note 7: Shanghai Yumin Automobiles Sales & Service Ltd. holds 51.00% from Sheng Qing (Beijing) Investment Ltd. and 49.00% from Anser motors Inc.
Note 8: Qingdao YuanHuang Automobile Sales & Service Ltd. holds 40.00% from Guangzhou YuanDou Auto Automobiles Sales & Service Ltd. and 30.60% from Sheng Qing (Beijing) Investment Ltd.
Note 9: Fujian YuXin Automobiles Sales & Service Ltd. holds 51.00% from Sheng Qing (Beijing) Investment Ltd. and 49.00% from YU SHIN Investment Ltd..

2. Basic information of affiliates

As of 12.31.2019

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Yulon Motor Co., Ltd	1	Taiwan Acceptance Corporation	1990.04.12	15F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 4,020,921	Sales of various automobile and related products
Taiwan Acceptance Corporation	2	Shinshin Credit Corporation	1987.11.19	14F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 1,754,998	Electric installation, fire safety equipment installation, and automatic control equipment engineering industries
	3	CARPLUS Auto Leasing Corporation	1978.11.13	11F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 941,618	All types of car and truck rental, and car wholesale and retail business
	4	Yu Rich Financial Services Co., Ltd.	2003.12.30	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 1,133,756	Product design, wholesale and retail of vehicles and parts
	5	Yulon Motor Finance (China) Ltd.	2016.02.19	Room 1031-1305, Eastern Century Center, Xiaoshan Economic Technology Development Zone, Xiaoshan Dist, Hangzhou City	RMB 1,000,000	Accept the deposit for the domestic and foreign residents, issue the finance bonds, interbank lending, Auto-related loans
Shinshin Credit Corporation	6	Shinshin Credit Investment (Samoa) Co., Ltd.	2015.08.24	Portcullis Trustnet Chambers, P.o. Box 1225, Apia, Samoa	USD 12,000	Holding company
	7	Yulon Energy Co., Ltd.	2010.06.15	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 175,000	Battery wholesale and retail and vehicle and motorcycle parts wholesale and retail business
Yulon Energy Co., Ltd.	8	Energy Engineering Co., Ltd.	2012.05.10	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 2,000	Electric appliances contractor and wholesale industries and battery wholesale and retail business
Taiwan Acceptance Corporation	9	Yulon Finance Overseas Investment(Samoa) Co., Ltd.	2018.01.31	Portcullis Trustnet Chambers, P.o. Box 1225, Apia, Samoa	USD 15,000	Holding company
Yulon Finance Overseas Investment(Samoa) Co.,Ltd	10	Yulon Finance Philippines Investment(Samoa) Co., Ltd.	2018.02.01	Portcullis Trustnet Chambers, P.o. Box 1225, Apia, Samoa	USD 15,000	Holding company
Yulon Finance Philippines Investment(Samoa) Co.,Ltd	11	Yulon Finance Philippines Co., Ltd.	2018.04.26	17 floor,Curve ,32nd Street corner 3rd Ave,BGC,Taguig City	PHP 750,000	Car loan business and financial leasing business
Taiwan Acceptance Corporation	12	TAC Global Investment (Samoa)Co., Ltd.	2006.11.01	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 100,033	Holding company
TAC Global Investment (Samoa)Co., Ltd	13	Yu Rong International Investment (SAMOA) Co., Ltd.	2010.04.01	Portcullis TrustNet Chambers P.O. Box1225 Apia Samoa	USD 87,496	Holding company
Yu Rong International Investment (SAMOA) Co., Ltd.	14	Yu-Rong Leasing (Suzhou) Ltd.	2010.06.30	Suzhou Industrial Park Times Square 23, Room 1118	RMB 500,000	Equipment and automobile finance leasing business.
	15	Yu-Kuo Finance Leasing (Hangzhou) Ltd.	2014.03.06	Room 124, Technology Culture Center, New & Hi-Tech Industries Park, Linjiang, Xiaoshan District, Hangzhou	USD 30,000	Equipment and automobile finance leasing business.
Yu-Kuo Finance Leasing (Hangzhou) Ltd.	16	Wuhan TAC Auto Trade Co., Ltd.	2017.02.13	No.3, Level 23, Unit 1, Unit 1, Building 1, Fuxing Fuxing City, Hejiadun Village, Jianghan District, Wuhan	RMB 2,000	Automobile sales; Motor vehicle trading and brokerage services; Car rental; Sales of motorcycles, electromechanical equipment and spare parts, automotive supplies, automotive parts and components; Automotive technical consulting services; Business information consulting (excluding business surveys)
	17	Suzhou TAC Auto Trade Co., Ltd.	2015.12.09	Room 338, Building No. 1, No. 168, Jin-ling W. Road,	RMB 2,000	Cars for sale

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
				Wei-ting Town, Suzhou Industrial Park		
	18	Shanghai YuGuo Auto Trade Co., Ltd.	2015.12.09	2F, Building No. 1, No. 84, San-lin Road, Pudong Dist., Shanghai	RMB 2,000	Cars for sale
	19	Hefei YuGuo Auto Trade Co., Ltd.	2016.12.20	Room 1405, Building No. 2 of Central Plaza, Changjiang C. Road, Lu-yang Dist. Hefei, Anhui Province	RMB 2,000	Cars for sale
	20	Qingdao YuGuo Auto Trade Co., Ltd.	2017.01.26	Unit 1501 (the Centralized Office and Administration Region), No. 12-1, Xiangshan Road, Laoshan Dist., Qingdao, Shandon Province	RMB 2,000	Cars for sale
	21	Zhejiang Cheng Yi Auto Service Co., Ltd.	2014.01.31	3F., Housekeeper village, LiangZhu St., Yuhang Dist., HangZhou City	RMB 20,000	Used cars for sale and Agency Services
Zhejiang Cheng Yi Auto Service Co., Ltd.	22	Hangzhou Cheng Yi Jian Used-cars Authenticate & Evaluation Service Co., Ltd.	2014.10.22	Room 1703, Building 5, Tianchen International Plaza, Economic and Technological Development Zone, Xiaoshan District	RMB 500	Identifying Services of used cars
	23	Zhejiang ChengYi Auction Co., Ltd.	2016.11.16	418Y, No. 99, Xinbei Road, Xiaoshan District Economic and Technological Development Zone	RMB 2,000	Secondhand vehicles auction service
CARPLUS Auto Leasing Corporation	24	Diamond Leasing Service Co., Ltd.	1988.11.10	15F, No. 2, Sec., 2, Tun-Hua S. Road, Da-an District, Taipei City	NTD 85,000	All types of car rental and car wholesale and rentals business
	25	Ta Teng Transportation Co.,Ltd.	2016.09.19	No.99, Economic and Trade Road, Nangang District, Taipei City	NTD20,000	Electric vehicle intermediary services
	26	Molife Cultural Enterprise Co., Ltd.	1999.02.01	15F, No. 2, Sec., 2, Tun-Hua S. Road, Da-an District, Taipei City	NTD 40,500	Magazines, libraries, and publications
	27	CAR-PLUS Global Investment(Samoa)Co., Ltd.	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 18,000	Holding company
CAR-PLUS Global Investment(Samoa)Co., Ltd	28	CAR-PLUS China Investment(Samoa) Co., Ltd.	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000	Holding company
	29	Car-Plus Shanghai Investment(Samoa) Co., Ltd.	2008.12.22	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000	Holding company
	30	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd.	2018.8.23	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000	Holding company
CAR-PLUS China Investment(Samoa) Co., Ltd	31	CAR-PLUS Auto Leasing (Suzhou) Ltd.	2007.1.29	No. 8, Dong-Fu Road, Suzhou Industrial Park	USD 10,000	Car rental business and related services
Car-Plus Shanghai Investment(Samoa) co.,Ltd	32	CAR-PLUS Auto Leasing (Shanghai) Ltd.	2009.07.09	3A, Building 1, No. 5179, Long-Dong Boulevard, Pu-Dong New District, Shanghai City	USD 10,000	Car rental business and related services
Car-Plus Hangzhou Investment(Samoa) Co., Ltd.	33	Car-plus Co., Ltd	2018.11.13	Room 2402, Oriental Century Center, Xiaoshan Economic and Technological Development Zone, Xiaoshan District, Hangzhou, Zhejiang, China	USD 10,000	Network booking taxi ,passenger transport
Diamond Leasing Service Co., Ltd.	34	H. K. Manpower Service Co., Ltd.	2001.11.09	15F, No. 2, Sec., 2, Tun-Hua S. Road, Da-an District, Taipei City	NTD 10,000	Business management consultancy services

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Da Wei Technology Co., Ltd	35	Ta Teng Transportation Co.,Ltd.	1973.06.29	No.59, Jingmao 1st Rd., Nangang Dist., Taipei City	NTD 6,000	Taxi and passenger transport
	36	Dachuan Transportation Co., Ltd.	1978.06.19	No. 93, Sec. 3, Chenggong Rd., Neihu Dist., Taipei City	NTD 3,000	Taxi and passenger transport
	37	Damu Transportation Co., Ltd.	1976.07.01	No. 93, Sec. 3, Chenggong Rd., Neihu Dist., Taipei City	NTD 6,000	Taxi and passenger transport
	38	Dajun Transportation Co., Ltd.	1979.05.24	No. 93, Sec. 3, Chenggong Rd., Neihu Dist., Taipei City	NTD 3,000	Taxi and passenger transport
Taiwan Acceptance Corporation	39	Singan Co., Ltd.	1999.12.15	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 286,700	Wholesale trade of automobile and motorcycle parts and accessories and wholesale trade and retail trade of information software
Singan Co., Ltd	40	Singgual Travel Service Co., Ltd.	1999.12.17	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 130,000	Wholesale trade of automobile and motorcycle parts and accessories and wholesale trade of precision machinery
	41	Hsiang Shou Enterprise Co., Ltd.	1999.02.02	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 100,000	Motorcycle parts and accessories retail and wholesale, and auto towing service
	42	Qinton Motor Co., Ltd.	2005.05.24	No. 315, Chung-Cheng S. Road, Yongkang District, Tainan City	NTD 67,459	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	43	Sinjang Enterprises Co., Ltd.	2000.08.09	No. 136, Sun-Min Road, Linko District, New Taipei City	NTD 428,240	Sales of used cards and brokerage services
Sinjang Enterprises Co., Ltd.	44	Sinjang Investment (Samoa) Co., Ltd.	2013.09.16	TMF Chambers P.O. Box3269. Apia. Samoa	USD 1,874	Holding company
Singgual Travel Service Co., Ltd.	45	Jing-Hui (Shanghai) Motor Technology Ltd.	2008.03.03	Room 3254, B3, No. 17, Lane 658, Jinzhong Road, Changning District, Shanghai	USD 1 ,675	Import and export of automobile parts and automobile repair and inspection equipment, wholesale, commission agency (excluding auction), and other related services
Yulon Motor Co., Ltd	46	Yu Ching Business Co., Ltd.	1992.04.20	16-2F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 1,211,522	Sales and import/export of automobiles and their materials and parts
Yu Ching Business Co., Ltd.	47	Chinh-Ling RTC Co., Ltd.	2003.12.29	7F, No. 150, Sec 2, Nanking E. Road, Chun-Shen District, Taipei City	NTD 50,000	Car design, etc.
Yulon Motor Co., Ltd	48	Yulon Construction Co., Ltd.	1977.01.28	2F., No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	NTD 1,221,000	Contracting with constructors to build residence houses and related brokerage of house rental or sales
Yulon Construction Co., Ltd.	49	Hangzhou Yu-Jie Real Estate Co., LTD	2016.09.22	Hangzhou Xiaoshan District Xiaoshan Economic and Technological Development Zone Enlightenment Road 198 A-B102-548 room	RMB 500,000	The Development, Construction and Management of Block 14 of Xiao Zheng Storage (2016)
	50	Yufong Property Management Co., Ltd.	2017.11.27	2F., No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	NTD 25,000	Apartment Building Management Services
Yulon Motor Co., Ltd	51	Sin Chi Co., Ltd.	2001.12.25	7F, No. 150, Sec 2, Nanking E. Road, Chun-Shen District, Taipei City	NTD 1,080,000	Advertising service, providing managerial consulting service and etc.
Sin Chi Co., Ltd.	52	Yu Chia Motor Co., Ltd.	1999.08.25	No. 83, Da-An Road, Tu-cheng District, New Taipei City	NTD 84,000	Retail trade of automobiles and auto parts, and auto repair business
	53	Yulon TOBE Motor Co., Ltd.	2009.09.25	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 28,080	Automobile and parts manufacturing and mold manufacturing and wholesale business, etc.

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Yulon Motor Co., Ltd	54	Yung Hang Investment Co., Ltd.	1994.09.12	2F, No. 3, Sec 3, Chun-Shen Rd.,.Xindian District, New Taipei City	NTD 776,220	Investment in all kinds of manufacturing and service sectors
	55	Yu Pong Business Co., Ltd.	1992.04.13	2F, No. 3, Sec 3, Chun-Shen Rd.,.Xindian District, New Taipei City	NTD 271,697	Management of Yulon Professional Basketball Team and allied affairs
	56	Chan Yun Technology Co., Ltd.	2000.09.01	4F.-1, No. 39, Taiyuan St., Zhubei City, Hsinchu County	NTD 190,000	Information software services.
	57	China Cast Iron Pipe Co., Ltd.	1954.03.17	10F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 32,000	Casting and sales of all sizes of cast iron pipes and parts
	58	Yue Sheng Industrial Co., Ltd.	1969.04.29	No. 40-5, Pau-Kon Kuen, West Lake Village, San-yi, Miaoli County, Taiwan	NTD 288,000	Manufacturing, assembling, and sales of automobile's interior parts and accessories
	59	Yueki Industrial Co., Ltd.	1978.09.26	No. 23, Wen-Hua Road, Hsin-Chu Industrial Park, Hsin-Chu County	NTD 194,670	Manufacturing, processing, assembling, and sales of automobile and motorcycle parts
Yueki Industrial Co., Ltd.	60	Yue Ki Industrial (Samoa) Co., Ltd.	2002.01.03	TrustNet Chambers, Lotemau, P. O. BOX 1225, Apia, Samoa.	USD 4,126	Holding company
	61	Yue Ki Industrial (HK) Co., Ltd.	2008.07.28	Flat B, 6/F., Teda Building, 87 Wing Lok Street, Sheung Wan, Hong Kong	USD 10,600	Holding company
Yue Ki Industrial (HK) Co., Ltd.	62	Hangzhou Yuwan Auto Motive Parts Ltd.	2010.02.02	Lin-Long Road, Lin-Jiang Industrial Park, Xiaoshan District, Hangzhou City, Zhejiang Province	USD 16,860	Design, development, production, sale, installation, and after-sales service of auto parts
Yulon Motor Co., Ltd.	63	ESINN Co., Ltd	2002.04.09	No. 40-1, Siyuan Road, Xinzhuang District, New Taipei City	NTD 180,000	Trading of all kinds of auto parts and repair and maintenance services of motor vehicles
	64	Yushin Motor Co., Ltd.	1994.09.27	No. 2, Sec. 1, Jin-Kuo Road, Lin 9, Chen-Shi Li, Hsinchu City	NTD 200,000	Trading of all kinds of auto parts and repair and maintenance services of motor vehicles
	65	Yu Chang Motor Co., Ltd.	1990.05.16	No.399, Dazhong 1st Road, Zuoying District, Kaohsiung City	NTD 215,385	Trading of all kinds of auto parts and repair and maintenance services of motor vehicles
Yushin Motor Co., Ltd.	66	Yu Pool Enterprise Co., Ltd.	2000.05.16	No. 668, Guohua Rd., Lin 3, Wen-Shen Li, Miaoli City, Miaoli County	NTD 10,000	Information software service, providing electronic information, retail trade of parts for automobiles and motorcycles
	67	Yu Shin Investment Ltd.	2011.03.23	Portcullis TrustNet Chamber, P.O. Box 1225, Apia, Samoa	USD 93,500	Holding company
ESINN Co., Ltd.	68	Kuen You Trading Co., Ltd.	2019.04.10	No. 154-5, Section 1, Datong Road, Yuzhi District, New Taipei City	NTD 10,000	Wholesale trade of automobile , motorcycle parts, and tires.
Yu Chang Motor Co., Ltd.	69	Tian Wang Co., Ltd.	2000.05.15	No. 356, I-Shin 1st Road, Cianjhen District, Kaohsiung City	NTD 17,000	Wholesale and retail trade of automobiles, wholesale trade of automobile and motorcycle parts
Yulon Motor Co., Ltd.	70	Yulon New Energy Motor (Cayman) Inc.	2018.04.10	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box32052, Grand Cayman KY1-1208, Cayman Islands	USD 0.001	Holding company
Yulon New Energy Motor (Cayman) Inc.	71	Yulon New Energy Motor (HK) Ltd.	2018.06.05	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	USD 0.001	Holding company
Yulon Motor Co., Ltd.	72	Yulon Overseas Investment Co., Ltd.	2003.07.04	TrustNet Ltd. of TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 796,198	Holding company

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Yulon Overseas Investment Co., Ltd.	73	Yulon China Investment Co., Ltd.	2003.07.08	TrustNet Ltd. of TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 771,171	Holding company
	74	Yulon Philippine Investment Co., Ltd.	2003.07.17	2/F.,Cayside, Harbour Drive P.O. Box 30592 S.M.B George Town Grand Cayman Cayman Islands British West Indies	USD 35,741	Holding company
Yulon Philippine Investment Co., Ltd.	75	Univation Motor Philippines, Inc.	1982.04.28	Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines	PHP 881,383	Automobile Manufacturing
Univation Motor Philippines, Inc.	76	Sta. Cruz Island Corporation	1991.09.23	Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines	PHP264,028	Housing rental
Yulon China Investment Co., Ltd.	77	Taixin Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 24,125	Holding company
	78	Wen Yang Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 16,100	Holding company
	79	Qing Yi Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 30,674	Holding company
	80	Yulon China Investment (HK) Co., Ltd.	2008.02.13	Suite 2303, 23/F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	USD 270,415	Investments
	81	Yulon China Holdings (Cayman) 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 422,543	Holding company
	82	Feng-hua Investment (HK) Ltd.	2011.03.22	UNIT 706 HALESON BLDG1 JUBILEE ST,HK.	USD 7,000	Investments
Feng-hua Investment (HK) Ltd.	83	Suzhou Chenglong Automobile Service Ltd.	2011.06.17	No. 2959-Yang Road, Yuan-Ho Boulevard, Shen-Chen District, Suzhou City	USD 7,000	Dongfeng Nissan automobiles and spare parts sales, auto sales support services; used car sales, auto technology consulting, technology services and related consulting services; automobile parts wholesale and import/export business, car accessories, car cleaning and maintenance supplies, automotive safety supplies, automotive tools, and appliances retail
Suzhou Chenglong Automobile Service Ltd.	84	Suzhou Cheng-Hung Auto Sales & Service Ltd.	2014.05.22	No. 149, Luzhi Boulevard, Luzhi Town, Wuzhong Dist., Suzhou	RMB 10,000	Sales: Auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, car rental
	85	Suzhou Cheng-Kuo Auto Sales & Service Ltd.	2014.05.22	Maota Village at the southern side of Nanhuan Road, Shengzhe Town, Wujian Dist., Suzhou	RMB 10,000	Sales: Auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, car rental
Taixin Investment (Samoa) Co., Ltd.	86	KeYu (Nanjing) Information Technology Ltd.	2005.11.10	Room 413-39, Commerce Builing, Gao Xin District, Nanking City	USD 180,031	Development, production, and sales of proprietary software and software-related products

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Wen Yang Investment (Samoa) Co., Ltd.	87	TaiFeng ((Nanjing) Software Technology Ltd.	2005.11.10	Room 413-38, Commerce Building, Gao Xin District, Nanking City	USD 14,850	Development, production, and sales of proprietary software and software-related products
	88	QingTai (NanJing) Technology Ltd.	2005.09.28	Room 413-37, Commerce Building, Gao Xin District, Nanking City	USD 15,350	Development, production, and sales of proprietary software and software-related products
TaiFeng ((Nanjing) Software Technology Ltd.	89	Yi Ding (ZhangZhou) Information Technology Ltd.	2005.12.09	Rm. 604-4, Building 6, Shan Hu Yuan, No. 8, Xiang Jiang Road, Zhangzhou Economic Development Zone	RMB 55,200	Automotive industry and related industries investment management, investment consulting; international advanced technology, products, and equipment introduction consulting services; computer hardware and software development and technical services and consulting
	90	Mei De (ZhangZhou) Software Technology Ltd.	2005.12.09	Rm. 604-2, Building 6, Shan Hu Yuan, No. 8, Xiang Jiang Road, Zhangzhou Economic Development Zone	RMB 79,500	Automotive industry and related industries investment management, investment consulting; international advanced technology, products, and equipment introduction consulting services; computer hardware and software development and technical services and consulting
QingTai (NanJing) Technology Ltd.	91	Shi Cheng (ZhangZhou) Technology Development Ltd.	2005.12.09	Rm. 604-3, Building 6, Shan Hu Yuan, No. 8, Xiang Jiang Road, Zhangzhou Economic Development Zone	RMB 71,830	Automotive industry and related industries investment management, investment consulting; international advanced technology, products, and equipment introduction consulting services; computer hardware and software development and technical services and consulting
	92	Jin Ce (ZhangZhou) Software Technology Ltd.	2005.12.09	Rm. 604-1, Building 6, Shan Hu Yuan, No. 8, Xiang Jiang Road, Zhangzhou Economic Development Zone	RMB 19,670	Automotive industry and related industries investment management, investment consulting; international advanced technology, products, and equipment introduction consulting services; computer hardware and software development and technical services and consulting
Yi Ding (ZhangZhou) Information Technology Ltd.	93	GaoTe (Beijing) Investment Ltd.	2005.12.23	Room 1602 Floor 16, Building 3, No.17, South St, Zhongguancun, Haidian District, Beijing	RMB 58,000	Investment management, investment consulting business management, market research, marketing planning, public relations planning; technical consulting , and technical services
GaoTe (Beijing) Investment Ltd.	94	HangZhou QienYu Investment Ltd.	2007.09.13	Room 507, No. 428, Win-Shan W. Road, Shih-Fu District, Hangzhou City	RMB 10,000	Investment management, investment consulting (excluding securities and futures), business management consulting, market research; corporate marketing planning; and public relations planning
HangZhou QienYu Investment Ltd.	95	HangZhou Hsiao Yu Investment Ltd.	2007.10.22	No. 310, Chung-Yu Modern Town North Area, Bei-Gon Street, Xiaoshan District	RMB 10,000	Industrial investment and all other legitimate projects not subject to review and approval
Shi Cheng (ZhangZhou) Technology Development Ltd.	96	DongTai (Beijing) Investment Ltd.	2005.12.23	Room 1603, Floor 16, Building 3, No.17, South St, Zhongguancun, Haidian District, Beijing	RMB 73,200	Investment management, investment consulting (except brokerage), business management, market research, marketing planning, public relations planning; technical consulting (except brokerage), technical services, and technology import/export

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
DongTai (Beijing) Investment Ltd.	97	HangZhou TangYu Investment Ltd.	2007.09.13	Room 508, No. 428, Win-Shan W. Road, Shih-Fu District, Hangzhou City	RMB 10,000	Investment management, investment consulting (excluding securities and futures), business management consulting, market research; corporate marketing planning; and public relations planning
	98	Anhui Min Tong Automobiles Sales & Service Ltd.	2011.07.01	Workshop No. 20 of Anhui Nanfang Automobile Limited at the intersection of Fanhua Boulevard and Tianjin Road, Hefei Baohe Economic Development Zone, Anhui	RMB 10,000	Luxgen automobiles, automotive parts, lubricating oil, machinery and electronic products sales. Automobiles decoration Second-hand car transactions, car rental; a class of motor vehicle maintenance; vehicle things, insurance agents and advice (in accordance with the law to be approved by the relevant departments approved by the relevant business activities)
	99	Tongling Kuo Tong Automobiles Sales & Services Ltd.	2010.08.27	Resident Committee, Gusheng Community, South Bridge Office, Suburb of Tongling City, Anhui Province	RMB 5,000	Dongfeng Citroen automobiles sales, auto parts, lubricants, machinery and electronic products sales, automobiles decoration, auto parts and services agent, second-hand automobiles distribution, II motor maintenance.
	100	Zibo Yu An Automobiles Sales & Services Ltd.	2015.04.14	No. 212, Shan Chuan Road, Chang Tien Dist, Zibo City, Shandong Province	RMB 5,000	Cars, used cars, auto parts, lubricants, car loaded with sales; car beauty; car repair and maintenance; exhibition services; second-hand car appraisal; car rental.
Yulon China Holdings (Cayman) Co., Ltd.	101	Yulon Motor Investment (HK) Co., Ltd.	2012.01.30	Suites 2302-6, 23/F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	USD 422,543	Investments
Yulon Motor Investment (HK) Co., Ltd.	102	Yulon Automotive (China) Investment Ltd.	2012.09.26	Room 123, Lin-Jiang Industrial Park Culture Center, Xiaoshan District, Hangzhou City, Zhejiang Province	USD 188,040	Purchasing machinery, office equipment and raw materials, spare parts and after-sales services required for production; technical support, staff training, internal personnel management, etc.; research and development of new products and high-tech; providing investment-related Advisory services such as market information and investment policies.
	103	Xiamen Y.C. Invest. Consulting Ltd.	1995.12.29	Room 8-21-201, Dongpu Road, Siming Dist., Xiamen	USD 1,860	In the automotive, electronics, textile, and related industries investment consulting services and international advanced technology, product, and equipment introduction consulting services
	104	Luxgen (hangzhou) Motor Sales Co., Ltd.	2016.8.15	No. 2688, New Century Avenue, Linjiang Industrial Park, Xiaoshan District, Hangzhou	USD 234,550	Passenger cars and their chassis, engines and components, R&D, design and sales of commercial vehicles, sales and import and export of auto parts and automotive supplies

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Yulon Automotive (China) Investment Ltd.	105	Dong Feng Yulon Motor Sales Ltd.	2013.03.25	No. 2688, Hsin-Shih-Gi Boulevard, Lin-Jiang Industrial Park, Xiaoshan District, Hangzhou City	RMB 50,000	Sales of commercial vehicles, nine-passengers cars, and over nine-passenger cars
	106	Chuang Jie New Energy Vehicle (HZ) Ltd.	2018.09.10	No. 2688, New Century Avenue, Linjiang High-tech Industrial Park, Hangzhou, Zhejiang	RMB 790,000	R&D, manufacturing and sales of automotive engines, components and automotive electronics; automotive vehicle sales; automotive vehicle design and development, technology transfer, technical consulting and technical services; systems, component development, manufacturing, sales, technology transfer, technology Consulting and technical services; import and export of new energy goods and technologies; sales of automotive charging modules; promotion of new materials technology; installation of charging pile facilities; promotion of automotive energy-saving technologies; research and development of Internet of Things technology; , development; agency machinery and equipment import and export business (excluding the national regulations for the implementation of special management measures for access)
	107	Sheng Qing (Beijing) Investment Ltd.	2005.12.23	No.100, Fangshan Tech. Industrial Park, Fangshan District, Beijing	RMB 655,720	Investment advice (except for intermediary); business management; marketing planning, public relations planning; technical advice (except for intermediaries), technical services; technology import and export.
Sheng Qing (Beijing) Investment Ltd.	108	SuZhou FengShen Automobiles. Sale & Service Ltd.	2000.10.23	No. 1268, Lane Kuo, Dong-Hwang S. Road, Wu Chung District, Suzhou	RMB 48,000	Sales: Dongfeng Nissan cars, imported Nissan vehicles, vehicles and parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, and car rental
SuZhou FengShen Automobiles. Sale & Service Ltd.	109	Suzhou ChengBang Automobiles Sales & Service Ltd.	2013.11.21	Wujiang Economic and Technological Development Zone, South of Gangneung N. Road	RMB 10,000	Sales: Auto and auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services and car rental
	110	Suzhou Eslite Automobiles Sales & Service Ltd.	2013.07.18	No.99, Luzhi Avenue, Luzhi Town, Wuzhong District, Suzhou City	RMB 40,000	Sales: Dongfeng Nissan cars, auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, non-hazardous chemical products; used car dealership; agent automobile licensing services, and car rental
	111	Suzhou YuShun Automobiles Sales & Service Ltd.	2009.11.12	No. 98, Fong-Ray Road, Mudu Town, Wuzhong District, Suzhou City	RMB 10,000	Sales: Dongfeng Nissan cars, Luxgen automobiles, vehicles and parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, and car rental

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
	112	TaiTsang ChengMao Automobiles Sales & Service Ltd.	2014.08.21	No.102, 7A Building, No.111, Taiping North Road, Taicang City Economic Development Area	RMB 10,000	Sales: Auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, car rentalCommodity advisory services
	113	Suzhou FengShun Automobiles Sales & Service Ltd.	2002.11.07	No. 136, Zhong Shan E. Road, Mudu Town, Wuzhong District, Suzhou City	RMB 25,000	Sales: Dongfeng Nissan cars, imported Nissan vehicles, vehicles and parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, and car rental
Suzhou FengShun Automobiles Sales & Service Ltd.	114	Wu Jiang Lian Cheng Automobiles Sale & Service Ltd.	2007.09.28	The Northeast of Pingwang Bridge, Zhongwan Village, Pingwang Town, Wujiang City, Suzhou City	RMB 10,000	Sales: Auto parts, motorcycles and parts, metal materials, hardware AC powered, electric products, building materials, chemical products; used car dealership; agent automobile licensing services, car rental
	115	Suzhou ChengLi Automobile Sales & Service Ltd.	2011.08.17	No. 136, Zhong Shan E. Road, Mudu Town, Wuzhong District, Suzhou City	RMB 15,000	Sales: VENUCIA cars, motorcycles and parts, auto parts, metal materials, hardware AC powered, electric products, building materials, chemical products; automotive licensing agency services, and car rental Self-employed and agents of all types of technology and commodity import and export business.
Sheng Qing (Beijing) Investment Ltd.	116	ShenJun YuPong Automobiles Sale & Service Ltd.	2004.10.21	7028A, North Central Avenue, Futian District, Shenzhen City	RMB 12,000	Dongfeng Nissan car sales, imported NISSAN (Nissan) car sales; auto parts procurement and sales; domestic trade; industrial projects; used car trade, car insurance, and car rental
	117	Anqing Cai Tong Automobiles Sales & Service Ltd.	2012.07.12	No.3, 6th Building, Jixian Complex Market, Development Zone, Anqing City, Anhui Province	RMB 27,417	DongFengLuxgen Automobiles sales, Automobiles sales Insurance agency services; car mortgage advisory services (excluding self-brand automobiles) and after-sales service, automobiles parts sales.
	118	Anqing Ling Tong Automobiles Sales & Services Ltd.	1997.04.02	200 meter away from the south intersection of Jixian North Road, Anqing City, Anhui Province	RMB 14,596	Automobiles (excluding sedan), parts and lubricating oil sales. II motor maintenance, plastic products processing, manufacturing; pictures, plastic bags wholesale, retail
	119	Hefei Chun Hui Automobiles Sales & Services Ltd.	2014.12.25	3rd Building, Yaohai Industry Zone, South of Bianho Road, Yaohai Dist, Hefei City	RMB 11,761	Automobiles, parts and lubrication oil sales andcar repair.
Sheng Qing (Beijing) Investment Ltd.	120	Guangzhou YuanDou Automobile Sales & Service Ltd.	2006.10.16	No. 1, Her-Lian-Bei Road, Zhu Town, Tian He District, Guangzhou	RMB 35,000	Auto parts wholesale; auto parts retail; commodity information consulting services; car repair and maintenance; insurance agency services; brand car sales; commodity information consultation. (In accordance with the law to be approved by the relevant departments approved by the relevant business activities)

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
	121	Zhu Hai FuTeEn Industry & Trade Ltd.	2003.04.29	No. 123, Huayu Road, Shon-Jo District, Zhuhai City	RMB 5,000	Dongfeng vehicles, vehicle parts, steel, chemical products (excluding dangerous chemicals), household appliances, auto sundries wholesale, retail; used car sales; car rental; vehicle repair, assembly repair, vehicle maintenance, minor repairs, special repairs; vehicle insurance agency (license is valid until December 23, 2012), and business services (excluding licensed business scope)
Guangzhou YuanDou Automobile Sales & Service Ltd.	122	Guangzhou YuanZhi Automobile Sales & Serice Ltd.	2011.04.11	1F, No. 2, Xiheng Road, Zhucun, Tianhe District, Guangzhou	RMB 20,000	Auto parts retail; engineering technology consulting services, used car sales, machinery equipment leasing; car leasing; auto car sales; car retail; car repair and maintenance
	123	Qingdao YuanHuang Automobile Sales & Service Ltd.	2011.01.26	West side of Qingwei Road, Chengyang District, Qingdao	RMB 50,000	Motor vehicle repair, assembly repair, vehicle maintenance, minor repair, repair and rescue; special repair (motor vehicle maintenance business license is valid for The permit shall prevail). Sales: Automobiles and auto parts; Automobile technology consulting services; Automobile information consulting services; Agency car registration
Zhu Hai FuTeEn Industry & Trade Ltd.	124	ZhuHai Esinn Automobiles Sales & Service Ltd.	2009.10.16	Room 101, 1F, No. 2, Min-Hua 3rd Road, Chen-Shan, Zhuhai City	RMB 5,000	Luxgen car sales; vehicle spare parts, steel, chemical products (excluding dangerous chemicals and precursor chemicals), household appliances, auto sundries wholesale, retail; used car sales; car rental; business services (excluding licensing projects); vehicle repair, assembly repair, vehicle maintenance, minor repairs, special repairs, maintenance and road service (permit is valid until May 6, 2016), and vehicle insurance agency (license validity period is to June 16, 2013)
	125	Shenzhen Yuzhi Automobile Sales & Service Ltd.	2011.07.18	7028B, North Central Avenue, Futian District, Shenzhen City	RMB 10,000	Luxgen car sales, auto parts procurement and sales and international trade (except for the items specified by legal and administrative regulations and the State Council subject to approval before boarding); import/export business (except for the items prohibited by legal and administrative regulations and the State Council, which may not be operated without permits), and car insurance
Sheng Qing (Beijing) Investment Ltd.	126	Wuhan Yu Hsin Automobiles Sales & Service Ltd.	2007.09.12	No. 1, Kong-Non Road, Qiaokou District, Wuhan City, Hubei Province	RMB 62,000	Dongfeng Nissan car sales, imported Nissan car sales; auto parts, auto sundries wholesale and retail, consulting and agency services. Used vehicle trade (excluding used vehicle assessment), car rental, and small vehicle repair (operating range and validity are consistent with the business license issued)

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Wuhan Yu Hsin Automobiles Sales & Service Ltd.	127	XiaoGan YuFeng Automobile Sales & Service Ltd.	2011.05.16	Shen-Nun Lake E. Road, Xiaonan Economic Development Zone, Xiaogan City	RMB 27,000	Dongfeng Nissan car sales, auto parts, auto sundries wholesale and retail, used vehicle trade, Class I (small vehicle repair) (valid until July 31, 2014), and consulting services. (The operating projects referred to above may be required to be reviewed and approved in advance in accordance with the national law and regulations)
Sheng Qing (Beijing) Investment Ltd.	128	NanJing HanHong Automobiles Trading Ltd.	2003.09.27	No. 228, Mufu E. Road, Yanziji Street, Qixia District, Nanjing City	RMB 70,000	Dongfeng Nissan cars, auto parts, lubricants, hardware AC powered sales; used car brokerage; agency vehicle insurance; automotive information consulting services, and car rental
NanJing HanHong Automobiles Trading Ltd.	129	Nanjing YuShang Automobile Sales & Service Ltd.	2011.08.31	No. 9-8, Shandong, Taishan Street, Pukou District, Nanjing City	RMB 8,000	VENUCIA auto sales, auto parts, auto sundries, hardware AC powered sales; economic information consultation, and car rental
	130	Nanjing HanHong Automobile Sales & Service Ltd.	2013.09.22	Room 410, 8th Building, No. 18, Fenghua Road, Yuhua Economic Development Zone, Nanjing City	RMB 30,000	Automobile, auto sundries, hardware AC powered sales, socio-economic information consulting, car rental services, and car parts
Sheng Qing (Beijing) Investment Ltd.	131	HangZhou Yu Zhong Trading Ltd.	2007.09.25	Room 105, No. 69, Chu-Jo Street, Kong-Su District, Hangzhou City	RMB 10,000	Wholesale, retail, design, technology development, automotive spare parts and molds, machinery and equipment, general machinery, electronic products, and others legitimate projects are not subject to review and approval
	132	Hangzhou HuaZhi Automobile Sales & Service Ltd.	2011.05.20	No. 520 Huzhou Road, Gongshu District, Hangzhou, Zhejiang	RMB 20,000	Luxgen car sales (excluding wholesale); vehicle maintenance; Class II vehicle repair (small vehicle maintenance). Auto parts, motorcycle and accessories, metal materials, hardware AC powered, electric products, building materials, chemical products (except hazardous chemicals and precursor chemicals), used cars sale , and car rental
Hangzhou HuaZhi Automobile Sales & Service Ltd.	133	Hangzhou HuaYou Automobile Sales & Service Ltd.	2011.09.05	Room 1-213-1, Huilin Science and Technology Park, No. 118, Jianshe 1st Road, Beigan Street, Xiaoshan District, Hangzhou City, Zhejiang Province	RMB 8,000	Luxgen car sales; sales: Nine-passenger and over nine-passenger cars, auto parts, motorcycle and accessories, metal materials, hardware AC powered, electric products, building materials, chemical products (except for dangerous chemicals and easy system precursor chemicals), automotive affairs agency services; used car dealership, and car rental
Sheng Qing (Beijing) Investment Ltd.	134	Jiang Men Jun Xing Automobiles Sales & Services Ltd.	2007.04.09	No. 119, Wu-I Road, JiangMen City	RMB 20,000	Sales: Guangzhou Honda vehicles, imported Honda cars, auto parts; repair: Class II vehicles (small vehicle maintenance) Agent: vehicle insurance; used cars sales, brokerage business, vehicle inspection service agency, tag, and title transfer process
Jiang Men Jun Xing Automobiles Sales & Services Ltd.	135	JiangMen YuLi Automobiles Sales & Service Ltd.	2014.03.26	Building 1, No.119, Wuyi Road, Jianghai District, Jiangmen	RMB 10,000	Sales: automobile, parts, brokerage business, vehicle inspection service agency, tag, and title transfer process

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
YuLi Automobiles Sales & Service Ltd.	136	He-Shan Li-Sheng Auto Sales & Service Co., Ltd.	2015.10.3	Entrance of Shangxi Village, Shihu, Yayao Town, Heshan City	RMB 1,200	Sales: car and spare parts, decorations, second-hand car information intermediary services; charge of motor vehicle inspection, on the card, transfer, mortgage procedures; to provide automotive information consulting services; Car rental (without taxi operation).
Sheng Qing (Beijing) Investment Ltd.	137	Changsha Yulu Automobile Sales & Service Ltd.	2012.04.13	D-06, Lugu Auto World, No.9 Jiayun Road, Lugu Street, Changsha High-tech Development Zone	RMB 20,000	The under-nine-seat cars, used cars, automotive supplies sales; auto parts retail; car rental. (In accordance with the law to be approved by the relevant departments approved by the relevant business activities)
	138	Ningbo YuChang Automobiles Sales & Service Ltd.	2011.05.30	No. 885, Jwang-chen S. Road, Jiangdong District, Ningbo City	RMB 34,000	Luxgen car sales, vehicle insurance, and accident insurance agents Motor vehicle maintenance (not involving state-owned trade management of goods, involving quotas, license management of goods, according to the relevant provisions of the country for processing)
	139	Fujian YuXin Automobiles Sales & Service Ltd.	2011.04.29	No. 3 Xiangtong Road, Qingkou Investment Zone, Minhou County, Fujian Province	RMB 42,000	Luxgen car sales and vehicle maintenance, and insurance agency business
	140	Shanghai Yumin Automobiles Sales & Service Ltd.	2011.01.27	First Building, No. 38, Chen Zhen Road, Putuo District, Shanghai City	RMB 48,450	Sales: Commercial cars and over nine-passenger cars, auto parts, auto sundries, Luxgen car sales, business information consulting, and insurance agent service
Shanghai Yumin Automobiles Sales & Service Ltd.	141	ChiaHsing YuTa Automobiles Sales & Service Ltd.	2014.07.23	Exhibition Hall 3, Yuantong Automotive Shop, Automotive Commerce and Trade Park, Jiaxing, Zhejiang	RMB 18,000	Cars, general merchandise, automotive parts wholesale, retail; automotive consulting; agency service on the card; used car agency services; car rental services; automotive technology consulting services; commissioned by the agency car mortgage services; vehicle maintenance.
Yulon Motor Co., Ltd	142	Y-Teks Co., Ltd.	1973.12.28	No. 1, Shanping Rd., Shandong Li, Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)	NTD 177,100	Processing and production of auto parts, and import/export of the related auto business
Y-Teks Co., Ltd.	143	Unisyn International Co., Ltd.	2002.07.02	P.O.BOX957, OFFSHORE INCORPORATIONS CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS'	USD 3,347	Holding company
Unisyn International Co., Ltd.	144	Unisyn International (HK) Co., Ltd.	2008.04.28	1004 AXA Centre, 151 Gloucester Road, Wan Chai , Hong Kong	USD 12,391	Investments
Unisyn International (HK) Co., Ltd.	145	Changzhou Y-Teks Automotive Trim Parts Ltd.	1995.12.15	No. 833, Tsai-Ling Road Tianning District, Changzhou City	USD 1,400	Production of high-end auto engineering plastics and plastic alloy for car interior parts and materials, and sale of products
	146	Hangchow Y-Teks Automotive Trim Parts Ltd.	2010.01.13	No. 926-180, Linlong Road, Linjiang High-tech Industrial Park, Dajiangdong Industrial Cluster District, Hangzhou	USD 10,450	Automotive interior parts design, development, production, and sales
Yulon Motor Co., Ltd	147	Uni Auto Parts Manufacture Co., Ltd	1969.09.04	No. 40-10, Pau-Kon Kuen, West Lake Village, San-yi, Miaoli County	NTD 868,892	A variety of vehicles springs and the finished goods production and sales
Uni Auto Parts Manufacture Co., Ltd	148	Uni Investment Co., Ltd.	1998.06.25	P. O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands.	USD 8,403	Holding company

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Uni Investment Co., Ltd.	149	Fuzhou Lianghong Motor Parts Ltd.	1995.12.19	Minhou Chinko (South East Motor City) Investment Zone, Fuzhou City	USD 13,980	Production of car seats, etc.
	150	Hangchow Liangrun Motor Parts Ltd.	2010.03.24	The 2nd Agribusiness Field, Lin-Jiang Industrial Park, Xiaoshan District, Zhejiang Province, China	USD 22,500	Production of car seats, etc.
Yulon Motor Co., Ltd	151	Luxgen Motor Co., Ltd.	2008.05.29	No. 39-1, Bogongkeng, Xihu Village, Sanyi Township, Miaoli County	NTD 6,000,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
Luxgen Motor Co., Ltd.	152	Luxgen Taipei Motor Co., Ltd.	2009.03.11	No. 59, Ln. 10, Jihu Rd., Neihu Dist., Taipei City	NTD 185,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	153	Luxgen Taoyuan Motor Co., Ltd.	2009.03.10	No. 256, Zhonghua Road, Bade District, Taoyuan City	NTD 105,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	154	Luxgen Taichung Motor Co., Ltd.	2009.03.10	No. 618, Wenxin S. Rd., South Dist., Taichung City	NTD 106,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	155	Luxgen Tainan Motor Co., Ltd.	2009.03.12	No. 546, Zhongzheng S. Road, Yongkang District, Tainan City	NTD 105,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	156	Luxgen Kaohsiung Motor Co., Ltd.	2009.03.23	Kaohsiung City Gushan District Boai all the way 437	NTD 71,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	157	Luxgen Overseas Holdings Private Ltd.	2012.04.09	150 Orchard Road #06-16 Orchard Plaza, Singapore	SGD 63,587	Holding company
Yulon Motor Co., Ltd	158	Yumin Motor Co., Ltd.	2000.01.07	No. 27, 36th Road, Shih-Tun Industrial Park, Taichung City	NTD 290,080	Trading of all kinds of auto parts and repair and maintenance services of vehicles
Yumin Motor Co., Ltd.	159	Chun Min Business Co., Ltd.	2001.02.16	No. 385, Sec. 4, Huanzhong Rd., Nantun Dist., Taichung City	NTD 8,000	Vehicles and motorcycle parts wholesale and retail
	160	Anser motors Inc.	2010.12.15	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA	NTD 190,063	Holding company
	161	Yumin Inurance Broker Co., Ltd	2013.12.11	3F., No. 1161, Sec. 2, Wuquan W. Rd., Nantun Dist., Taichung City	NTD 3,000	Property insurance broker
Yulon Motor Co., Ltd	162	Hua-Chuang Automobile Information Technical Center Co., Ltd.	2005.12.27	2F., No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	NTD 3,282,000	Automotive product design business and its parts manufacturing, wholesale and retail and management consulting business
Hua-Chuang Automobile Information Technical Center Co., Ltd.	163	Sin Etke Technology Co., Ltd.	1999.12.29	2F., No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City	NTD 500	Auto parts wholesale, information software wholesale, service and electronic information supply service industry, etc.
	164	Hua-chuang Overseas Investment Co., Ltd.	2012.07.13	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	NTD 490,393	Investment
Hua-chuang Overseas Investment Co., Ltd.	165	Haitec Japan Corporation Ltd.	2014.07.24	Mizuhiki, Atsugi Shi, Kanagawa Ken, Japan	JPY 48,000	Automobile parts research and development
	166	Hua-chuang China Investment Co., Ltd.	2012.08.29	15/F BOC Group Life Assurance Tower, 136 Des Voeux Rd Central, Central, Hong Kong	NTD 461,709	Investment
Hua-chuang China Investment Co., Ltd.	167	Hangzhou Hua-chuang Automobile Information Technical Center Co., Ltd.	2012.11.28	No. 407, No. 2 Farm Building, Linjiang Industrial Park, Xiaoshan District, Hangzhou City, Zhejiang Province	USD 15,500	Automobile parts research and development; auto parts wholesale and import and export business

3. Shareholders representing both holding companies and subordinates: None.

4. Industries covered by all the affiliates (Please describe the business relationship and the division of work among the affiliates, if any):
   Please refer to Item 1 and Item 2 for details.
5. Name of each affiliated company's Director, Supervisor, and President and their shareholding and investment (as of 12.31. 2019)

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
1	Taiwan Acceptance Corporation		Yulon Motor Co., Ltd	138,222,224	45.75
		Chairman	Yen Chen Li-Lien		
		Vice Chairman	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
			Yulong Management Enterprise Co., Ltd	11,000	-
		Director	Wen-Jung Tsai		
		Director (also President)	Kuo-Hsing Hsu		
		Director	Chen-Cheng Li		
		Director	Liang Zhang		
		Independent Director	Jiqing Chen		
		Independent Director	Yi-Hong Hsieh		
		Independent Director	Zhongqi Zhou		
2	Shinshin Credit Corporation		Taiwan Acceptance Corporation	175,499,800	100
		Chairman	Kuo-Hsing Hsu		
		Director	Fa-ke Chen		
		Director (also President)	Yuan-Lung Chueh		
		Supervisor	Shu-Hua Liao		
3	CARPLUS Auto Leasing Corporation		Taiwan Acceptance Corporation	64,570,378	68.57
		Chairman	Kuo-Hsing Hsu		
		Director (also President)	Jun Chen		
		Director	Qing-yuan Bai		
		Director	Jiong-Zhi Zeng		
		Director	Chun-Chieh Chang		
			Ruei-Yi Investment Co., Ltd	7,040,418	7.48
		Supervisor	Chih-Lung Chen		
			Yulon Motor Co., Ltd	3,254,036	3.46
		Supervisor	Wen Yi Lo		
4	Yu Rich Financial Services Co., Ltd.		Taiwan Acceptance Corporation	11,375,550	100
		Chairman	Kuo-Hsing Hsu		
		Director	Fa-ke Chen		
		Director	Shu-hua Liao		
5	Yulon Motor Finance (China) Limited	Director	Yulon Motor Co., Ltd	RMB 510,000*	51
		Director	Chin-Chuan Chen		
		Director	Shi-hao Fang		
		Supervisor	Yuan-long Chen		
			Taiwan Acceptance Corporation	RMB 490,000*	49
		Chairman	Kuo-Hsing Hsu		
		Director(also President)	Chun-Cheng Lin		
		Director	Fa-ke Chen		
		Supervisor	Shu-hua Liao		
6	Shinshin Credit Investment (Samoa) Co., Ltd.		Shinshin Credit Corporation	USD 12,000*	100
		Director	Kuo-Hsing Hsu		
7	YES-Energy Service Co., LTD.		Sinjang Enterprises Co., Ltd.	17,500,000	100
		Chairman	Kuo-Hsing Hsu		
		Director	Yuan-Lung Chueh		
		Director	Chen-xing Zhu		
		Director	Wei-Ting Yang		
		Director	Fang-Zhong Lai		
		Supervisor	Shu-Hua Liao		
8	Energy Engineering Co., Ltd.		YES-Energy Service Co., LTD.	200,000	100
		Chairman	I-Yun Li		
		Director	Jung-Fu Cheng		
		Director	Jing-Wei Lin		
		Supervisor	Jian-Wen Wang		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
9	Yulon Finance Philippines Invenstment (Samoa) Co., Ltd.	Director	Taiwan Acceptance Corporation Kuo-Hsing Hsu	USD 15,000*	100
10	Yulon Finance Philippines Invenstment (Samoa) Co., Ltd.	Director	Yulon Finance Overseas Invenstment (Samoa) Co., Ltd. Kuo-Hsing Hsu	USD 15,000*	100
11	Yulon Finance Philippines Co., Ltd	 Chairman Director(also President) Director Director Director Independent Director Independent Director	Yulon Finance Philippines Investment (Samoa) Co., Ltd. Kuo-Hsing Hsu Mingqi Hu Xiang Zeng Shuhua Liao Zhiling Zhan Charles Kohchet-Chua Rene K. Limcaoco	PHP 750,000*	100
12	TAC Global Investment (Samoa)Co., Ltd	Director	Taiwan Acceptance Corporation Kuo-Hsing Hsu	USD 100,033*	100
13	TAC Global Investment (Samoa) Co., Ltd.	Director	TAC Global Investment (Samoa)Co., Ltd Kuo-Hsing Hsu	USD 87,496*	100
14	TAC Leasing (Suzhou) Limited	 Chairman Director(also President) Director Supervisor	TAC Global Investment (Samoa)Co., Ltd Zhongyu Chen Fu-Hsiung Liu Kuo-Hsing Hsu Chun-Cheng Lin	RMB 500,000*	100
15	Yu-Kuo Finance Leasing (Hangzhou) Limited	 Chairman Director Director(also President) Supervisor Director Director	TAC Global Investment (Samoa) Co., Ltd. Kuo-Hsing Hsu Chun-Cheng Lin Shi-Jie Li Shu-Hua Liao Shinshin Credit Investment (Samoa) Co., Ltd. Wen-zheng Liao Yulon Automotive (China) Investment Limited Jin-quan Chen	USD 12,000* USD 12,000* USD 6,000*	100
16	Wuhan TAC Auto Trade Co., Ltd.	 Director (also President) Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Shi-Jie Li Ching-Yu Tsai	RMB 2,000	100
17	Suzhou TAC Auto Trade Co., Ltd.	 Executive director Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Shi-Jie Li Ching-Yu Tsai	RMB 2,000*	100
18	Shanghai YuGuo Auto Trade Co., Ltd.	 Executive director Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Shi-Jie Li Ching-Yu Tsai	RMB 2,000*	100
19	Hefei YuGuo Auto Trade Co., Ltd.	 Executive director Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Shi-Jie Li Ching-Yu Tsai	RMB 2,000*	100
20	Qingdao YuGuo Auto Trade Co., Ltd.	 Executive director Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Shi-Jie Li Ching-Yu Tsai	RMB 2,000*	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
21	Zhejiang Cheng-Yi Auto Service Co., Ltd.	 Chairman Director Director Supervisor	Yu-Kuo Finance Leasing (Hangzhou) Limited Wen-zheng Liao Shengqun Lin Yu-Long Zhang Ching-Yu Tsai	RMB 2,000*	100
22	Hangzhou Cheng Yi second - hand car identification assessment Limited	 executive director Supervisor	CARPLUS Auto Leasing Corporation Yu-Long Zhang Ching-Yu Tsai	RMB 500*	100
23	Zhejiang ChengYi Auction Co., Ltd.	 executive director(also President) Supervisor	CARPLUS Auto Leasing Corporation Yu-Long Zhang Ching-Yu Tsai	RMB 2,000*	100
24	Diamond Leasing Service Co., Ltd.	 Chairman	CARPLUS Auto Leasing Corporation Jun Chen	8,500,000	100
25	Da-Wei Technology Co., Ltd.	 Chairman	CARPLUS Auto Leasing Corporation Jun Chen	2,000,000	100
26	Molife Cultural Enterprise Co., Ltd.	 Chairman(also President)	CARPLUS Auto Leasing Wenzheng Liao	4,050,000	100
27	CAR-PLUS Global Investment (Samoa)Co., Ltd	 Director	CARPLUS Auto Leasing Corporation Jun Chen	USD 18,000	100
28	CAR-PLUS Chain Investment (Samoa) Co.,Ltd	 Director	CAR-PLUS Glcbal Investment Chi-Mu Hsu TAC Global Investment	USD 6,000* USD 4,000*	60 40
29	CAR-PLUS Shanghai Investment (Samoa) Co.,Ltd	 Director	CAR-PLUS Glcbal Investment. Jun Chen TAC Global Investment	USD 6,000* USD 4,000*	60 40
30	CAR-PLUS Hangzhou Investment (Samoa) Co.,Ltd	Director	CAR-PLUS Glcbal Investment. Jun Chen TAC Global Investment	USD 6,000* USD 4,000*	60 40
31	CAR-PLUS Auto Leasing (Suzhou) Corporation	 Chairman Director Director Director(Also President) Director Supervisor Supervisor	CAR-PLUS Chain Investment(Samoa) Co.,Ltd Chi-Mu Hsu Guoxing Hsu Jun Chen Weimin Pan Chun-Cheng Lin Shu-hua Liao Xinzhen Lin	USD10,000*	100
32	CAR-PLUS Auto Leasing (Shanghai) Limited	 Chairman Director Director Director Director Supervisor Supervisor	CAR-PLUS Shanghai Investment(Samoa) Co.,Ltd Chi-Mu Hsu Guoxing Hsu Jun Chen Weimin Pan Fa-ke Chen Guanghong Zhang Shengqun Lin	USD10,000*	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
33	CAR-PLUS GO Co., Ltd.		CAR-PLUS Hangzhou Investment (Samoa) Co.,Ltd	USD10,000*	100
		Chairman(also Chairman)	Jun Chen		
		Director	Jinquan Chen		
		Director	Qingya Chen		
		Director	Po-An Lai		
		Director	Weimin Pan		
		Supervisor	Lin Xinzhen		
34	H. K. Manpower Service Co., Ltd		Diamond Leasing Service Co., Ltd.	1,000,000	100
		Chairman(also Chairman)	Jun Chen		
35	Ta Teng Transportation Co.,Ltd	Director	Da-Wei Technology Co., Ltd.	NTD 6,000*	100
36	Dachuan Transportation Co., Ltd.		Da-Wei Technology Co., Ltd.	NTD 3,000*	100
		Director			
37	Damu Transportation Co., Ltd.	Director	Da-Wei Technology Co., Ltd.	NTD 6,000*	100
38	Dajun Transportation Co., Ltd.	Director	Da-Wei Technology Co., Ltd.	NTD 3,000*	100
39	Singan Co., Ltd.		Taiwan Acceptance Corporation	21,004,499	73.26
		Chairman	Kuo-Hsing Hsu		
		Director (also President)	Wen-zheng Liao		
		Director	Yu-Cho Hsieh		
		Director	Shun-Chi Tsai		
		Director (also President)	Shun-Yen Hung		
			Luxgen Motor Co., Ltd	5,669,791	19.78
		Supervisor	Yuan-long Chen		
40	Singgual Travel Service Co., Ltd.		Singan Co., Ltd.	13,000,000	100
		Chairman	Wenzheng Liao		
		Director (also President)	Chang-Lin Wu		
		Director	Shun-Yen Hung		
		Supervisor	Wan-Chin Li		
41	Hsiang Shou Enterprise Co., Ltd.		Singan Co., Ltd.	10,000,000	100
		Chairman	Wenzheng Liao		
		Director (also President)	Li-Huang Jian		
		Director	Shun-Yen Hung		
		Supervisor	Wan-Chin Li		
42	Qinton Motor Co., Ltd.		Singan Co., Ltd.	6,745,947	100
		Chairman	Wen-zheng Liao		
		Director	Chin-Wei Liao		
		Director(also President)	Shun-Yen Hung		
		Supervisor	Wan-Chin Li		
43	Sinjang Enterprises Co.,Ltd		Singan Co., Ltd.	42,824,000	100
		Chairman	Wen-zheng Liao		
		Director	Shun-Yen Hung		
		Director(also President)	Zhi-Wei Lin		
		Supervisor	Wan-Chin Li		
44	Sinjang international investment (samoa) ltd.		Sinjang Enterprises Co.,Ltd	USD 1,337*	71.34
		Director	Shun-Yen Hung		
			TAC Global Investment (Samoa)Co., Ltd	USD 537*	28.66
		Director	Kuo-Hsing Hsu		
45	Jing-Hui (Shanghai) Motor Technology Limited		Singgual Travel Service Co., Ltd.	USD 1,675*	100
		Chairman	Wenzheng Liao		
		Director	Keyu Lin		
		Director (also President)	Yu-Hsuan Wu		
		Supervisor	Wan-Chin Li		
46	Yu Ching Business Co., Ltd.		Yulon Motor Co., Ltd	72,691,327	60
		Chairman	Jian Hui Li		
		Director	Wen-Yi Lo		
			Hsun-Kuei Hsieh		
		Director	Yu Pong Business Co., Ltd.	48,460,885	40
		Supervisor	Hong Yao Jian		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
47	Chinh-Ling RTC CO., Ltd.		Yu Ching Business Co., Ltd.	5,000,000	100
		Chairman	Kan-Lin Chu		
		Supervisor	Qi-hong Tasi		
48	Yulon Construction Co., Ltd.		Sin Chi Co., Ltd.	122,100,000	100
		Chairman	Wei-Kung Chi		
		Director	Yen Chen Li-Lien		
		Director	Zhen-Xiang Yao		
		Director	Kuo-Rong Chen		
		Director	Chui-Yan Chen		
		Supervisor	Qi-hong Tasi		
49	Hangzhou Yu-Jie Real Estate Co., LTD		Yulon Construction Co., Ltd.	RMB 500,00	100
		Chairman (also President)	Jinquan Chen		
		Director	Shuqing Gao		
		Director	Xiuzhi Gao		
		Supervisor	Qi-hong Tasi		
50	Yufong Property Management Co., Ltd.		Yulon Construction Co., Ltd.	2,499,000	99.96
		Chairman	Chui-Yan Chen		
		Director	Xiuzhi Gao		
		Director	Wen-Yi Lo		
			Yulon Management Enterprise Co., Ltd.	1,000	0.04
		Supervisor	Qi-hong Tasi		
51	Sin Chi Co., Ltd.		Yulon Motor Co., Ltd	108,000,000	100
		Chairman	Zhen-Xiang Yao		
		Director	Jian Hui Li		
		Director	Wen-Yi Lo		
		Supervisor	Hong Yao Jian		
52	Yu Chia Motor Co., Ltd.		Sin Chi Co., Ltd.	5,000,000	100
		Chairman	Shunyan Hong		
		Director	Wen-Yi Lo		
		Director	Wenxiu Zhu		
		Supervisor	Yuanlong Chen		
53	Yulon TOBE Motor Co., Ltd.		Sin Chi Co., Ltd.	2,808,038	100
		Chairman	Zhen-Xiang Yao		
		Director	Kuo-Hsing Hsu		
		Director	Shun-Yen Hung		
		Supervisor	Hong Yao Jian		
54	Yung Hang Investment Co., Ltd.		Yulon Motor Co., Ltd	77,622,000	100
		Chairman	Yen Chen Li-Lien		
		Director (also President)	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
		Supervisor	Qi-hong Tasi		
55	Yu Pong Business Co., Ltd.		Yulon Motor Co., Ltd	27,169,703	100
		Chairman (also President)	Yen Chen Li-Lien		
		Director	Kuo-Rong Chen		
		Director	Qinghang Meng		
		Supervisor	Youan Huang		
56	Chan Yun Technology Co., Ltd.		Yulon Motor Co., Ltd	16,663,998	87.71
		Chairman (also President)	Zhen-Xiang Yao		
		Director	Jin-Duo Shiung		
		Director	Hongzheng Chen		
			Tai-Yuen Textile Co., Ltd.	2,336,002	12.29
		Supervisor	Hong Yao Jian		
57	China Cast Iron Pipe Co., Ltd.		Yulon Motor Co., Ltd	24,850	77.66
		Chairman	Jian Hui Li		
		Director	Lihua Wu		
			Taiyuen Textile Co	430	1.34
		Director	Hsiu-Chih Kao		
			Tai-Yuen Textile Co., Ltd.	5,679	17.75
		Supervisor	Wen-Yi Lo		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
58	Yue Sheng Industrial Co., Ltd.		Yulon Motor Co., Ltd	23,061,050	80.07
		Chairman	Wen-Jung Tsai		
		Director	Pu-Chin Chien		
		Director	Dung-Yau Wu		
		Director	Binglin Chen		
			Chuogaras Co., Ltd.	5,731,200	19.90
		Director	Gong Nei-Che		
		Supervisor	Kawabe Morihiro		
			Yulong Management Enterprise Co., Ltd	1,000	
		Supervisor	Wen-Yi Lo		
			Yulon Construction Co., Ltd.	2,250	0.01
59	Yueki Industrial Co., Ltd.		Yulon Motor Co., Ltd	12,766,887	65.58
		Chairman	Chun-Hung Chen		
		Director	Tsan-Huang Lin		
		Director	Lihua Wu		
		Director	Ronggui Chen		
		Director	Zhixiong Wu		
			MARELLI CORPORATION	3,698,000	19
		Director	Shānxī zhèngbó		
			China Motor Corporation	2,936,222	15.08
		Director	Chenxing Zhu		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	Yung-Yuan Wang		
		Supervisor	Yuanlong Chen		
		Supervisor	Akiyama Toyohiko		-
			Yue Sheng Industrial Co., Ltd.	16,222	0.08
60	Yue Ki Industrial (Samoa) Co., Ltd.	Director	Yueki Industrial Co., Ltd	4,125,945	100
61	Yue Ki Industrial (HK) Co., Ltd.		Yueki Industrial Co., Ltd.	10,600,000	100
		Director	Junhong Chen		
		Director	Zhixiong Wu		
62	Hangzhou Yuwan Auto Motive Parts Limited		Yue Ki Industrial (HK) Co., Ltd.	USD 11,100*	55.89
		Chairman	Zhixiong Wu		
		Director(also President)	Shunxiong Fan		
			Qing Yi (Samoa) Investment Co., Ltd.	USD 8,760*	44.11
		Director	Guisong Wu		
		Supervisor	Yuming Zhuang		
63	Yushin Motor Co., Ltd.		Yulon Motor Co., Ltd	17,999,000	99.99
		Chairman	Zhen-Xiang Yao		
		Director(also President)	Wen- Chiang Hsu		
		Director	Meng-Fen Hsiao		
		Director	Wen- Chiang Hsu		
		Director	Yan Zhou		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	Yuan-long Chen		-
64	Yushin Motor Co., Ltd.		Yulon Motor Co., Ltd	19,999,000	99.99
		Chairman	Zhen-Xiang Yao		
		Director	Wen-Chuan Zhong		
		Director	Shih-Hao Tseng		
		Director	Meng-Fen Hsiao		
		Director	Jian Hui Li		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	Yuanlong Chen		-

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
65	Yu Chang Motor Co., Ltd.	Chairman	Yao-Hsin Kuo	2,920,400	13.56
		Director	Yu-Hung Kuo	1,335,200	6.2
			Yulon Motor Co., Ltd	13,998,500	64.99
		Director	Yue-Feng Liao		
		Director	Chen-Cheng Li		
		Director	Meng-Fen Hsiao		
		Supervisor	Yulon Management Enterprise Co., Ltd.	1,000	0.01
			Yuanlong Chen		
		Supervisor	Chiu-Hua Chen	1,111,200	5.16
66	Yu Pool Enterprise Co., Ltd.		Yushin Motor Co., Ltd.	1,000,000	100
		Chairman	Shih-Hao Tseng		
		Director	Jian-Syong Liao		
		Director	Wentian Guo		
		Supervisor	I-Hsuan Lin		
67	Yu Shin Investment Ltd.		Yushin Motor Co., Ltd.	350,000	100
		Chairman	Shih-Hao Tseng		
68	KUEN YOU TRADING CO., LTD.		Yushin Motor Co., Ltd.	1,000,000	100
		Chairman	Wen- Chiang Hsu		
		Director	Wenchuan Zhong		
		Director	Yan Zhou		
		Supervisor	Meng-Fen Hsiao		
69	Tian Wang Co., Ltd.		Yu Chang Motor Co., Ltd.	1,700,000	100
		Chairman	Yao-Hsin Kuo		
		Director	Meng-Fen Hsiao		
		Director	Chun-Chieh Chang		
		Supervisor	Qi-hong Tasi		
70	Yulon New Energy Motor (Cayman) Inc.		Yulon Motor Co., Ltd	-	100
		Director	Qingya Chen		
71	Yulon New Energy Motor (HK) Limited		Yulon New Energy Motor (Cayman) Inc.		
		Director	Kuo-Rong Chen	USD 0*	100
72	Yulon Overseas Investment Co., Ltd.		Yulon Motor Co., Ltd	796,197,900	100
		Director	Heng-Yao Wang		
		Director	Chun-Chung Li		
73	Yulon China Investment Co., Ltd.		Yulon Overseas Investment Co., Ltd.	771,171,472	100
		Director	Heng-Yao Wang		
74	Yulon Philippine Investment Co., Ltd.		Yulon Overseas Investment Co., Ltd.	35,740,966	100
		Director	Zhen-Xiang Yao		
75	Univation Motor Philippines, Inc.		Yulon Philippine Investment Co., Ltd.	4,365,527	409
		Chairman	Jian Hui Li	1	
		Director (also CEO)	Hsiang Tseng	1	
		Director	Mei-Man Hung	1	
		Director	Wenxiu Zhu	1	
		Director	I-Chen Chiu	1	
			Eastern Crowne Industries, Inc.	350,000	3.21
			Sta. Cruz Island Corporation	6,198,296	56.79
76	Sta. Cruz Island Corporation		Yulon Philippine Investment Co., Ltd.	749,370	14.04
			Pacific Gem Corporation	3,202,792	60
		Director	Reynaldo J. Concepcion	1	-
		Chairman	William C. Yu	1	-
		Director	Eric Recalde	1	-
			Univation Motor Philippines, Inc.	1,385,826	25.96
		Director	Nedia O. Sagun	1	-
		Director	Teresita D. Hamor	1	-
77	Taixin Investment (Samoa) Co., Ltd.		Yulon China Investment Co., Ltd.	24,124,887	100
		Director	Kuo-Rong Chen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
78	Wen Yang Investment (Samoa) Co., Ltd.	Director	Yulon China Investment Co., Ltd. Kuo-Rong Chen	16,100,000	100
79	Qing Yi Investment (Samoa) Co., Ltd.	Director	Yulon China Investment Co., Ltd. Kuo-Rong Chen	30,673,977	100
80	Yulon China Investment (HK) Co., Ltd.	Director	Yulon China Investment Co., Ltd. Kuo-Rong Chen	USD 270,415 *	100
81	Yulon China Investment Co., Ltd.	Director	Yulon Overseas Investment Co., Ltd. Chin-Chuan Chen	422,543,436	100
82	Feng-hua Investment (HK) Limited	Director Director	Chenlong Motor Co., Ltd. I-Wei Wang Yulon China Investment Co., Ltd. Ming-Hui Hsiao Huamao International Investment Co., Ltd	USD 2,100,000* USD 2,800,000* USD 2,100,000*	30 40 30
83	Suzhou Chenglong Automobile Service Limited	Chairman(also President) Director Director Director Director Supervisor Supervisor	Feng-hua Investment (HK) Limited I-Wei Wang Chin-Chuan Chen Jhih-Ciang Yan Chi-Ruei Chen Ching-Yi Wang Ming-Tsang Chao Yan Zhou	USD 7,000,000*	100
84	Suzhou Cheng-Hung Auto Sales & Service Limited	Chairman(also President) Director Director Director Director Supervisor Supervisor	Suzhou Chenglong Automobile Service Limited I-Wei Wang Chin-Chuan Chen Jhih-Ciang Yan Chi-Ruei Chen Ching-Yi Wang Ming-Tsang Chao Yan Zhou	RMB 10,000,000*	100
85	Suzhou Cheng-Kuo Auto Sales & Service Limited	Chairman(also President) Director Director Director Director Supervisor Supervisor	Suzhou Chenglong Automobile Service Limited I-Wei Wang Chin-Chuan Chen Jhih-Ciang Yan Chi-Ruei Chen Ching-Yi Wang Ming-Tsang Chao Yan Zhou	RMB 10,000,000*	100
86	KeYu (Nanjing) Information Technology Limited	Executive director Supervisor	Taixin Investment (Samoa) Co., Ltd. Kuo-Rong Chen Qi-hong Tasi	RMB 180,031,000*	100
87	TaiFeng ((Nanjing) Software Technology Limited	Executive director	Wen Yang Investment (Samoa) Co., Ltd. Kuo-Rong Chen	USD 14,850,000*	100
88	QingTai (NanJing) Technology Limited	Executive director Supervisor	Qing Yi Investment (Samoa) Co., Ltd. Kuo-Rong Chen Wen-Yi Lo	USD 15,350,000*	100
89	Yi Ding (ZhangZhou) Information Technology Limited	Executive director(also President) Supervisor	TaiFeng ((Nanjing) Software Technology Limited Kuo-Rong Chen Wen-Yi Lo	RMB 55,200*	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
90	Mei De (ZhangZhou) Software Technology Limited		TaiFeng ((Nanjing) Software Technology Limited	RMB 71,550*	90
			QingTai (NanJing) Technology Limited	RMB 7,950*	10
		Executive director(also President)	Yuan-long Chen		
		Supervisor	Wen-Yi Lo		
91	Shi Cheng (ZhangZhou) Technology Development Limited		QingTai (NanJing) Technology Limited	RMB 71,830*	100
		Executive director(also President)	Yuan-long Chen		
		Supervisor	Wen-Yi Lo		
92	Jin Ce (ZhangZhou) Software Technology Limited		QingTai (NanJing) Technology Limited	RMB 13,769*	70
			TaiFeng ((Nanjing) Software Technology Limited	RMB 5,901*	30
		Executive director(also President)	Yuan-long Chen		
		Supervisor	Wen-Yi Lo		
93	GaoTe (Beijing) Investment Limited		Yi Ding (ZhangZhou) Information Technology Limited	RMB 52,200*	90
			Jin Ce (ZhangZhou) Software Technology Limited	RMB 5,8000*	10
		Executive director(also President)	I Liu		
		Supervisor	Qi-hong Tasi		
94	HangZhou QienYu Investment Limited		GaoTe (Beijing) Investment Limited	RMB 10,00 *	100
		Executive director(also President)	I Liu		
		Supervisor	Ya-Ming Chen		
95	HangZhou Hsiao Yu Investment Limited		HangZhou TangYu Investment Limited	RMB 900 *	9
			HangZhou QienYu Investment Limited	RMB 9,000*	90
			Zhejiang Chung-Yu (Holding) Group Limited	RMB 100*	1
		Chairman	Chi-Wu Liu		
		Director	Chi-Hou Wen		
		Director(also Manager)	Wen-Chiang tien		
		Supervisor	Lai Liu		
96	DongTai (Beijing) Investment Limited		Shi Cheng (ZhangZhou) Technology Development Limited	RMB 68,830*	94.03
			Jin Ce (ZhangZhou) Software Technology Limited	RMB 4,370*	5.97
		Executive director(also President)	Lai Liu		
		Supervisor	Qi-hong Tasi		
97	HangZhou TangYu Investment Limited		DongTai (Beijing) Investment Limited	RMB 10,000*	100
		Legal Representative (also Executive director and Manager)	Chi-Tsai Wen		
		Supervisor	Ming Chen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
98	Anhui Min Tong Automobiles Sales & Service Limited		DongTai (Beijing) Investment Limited	RMB 10,000*	100
		Chairman	Tian-Shiang Su		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
99	Tongling Kuo Tong Automobiles Sales & Services Limited		DongTai (Beijing) Investment Limited	RMB 5,000*	100
		Chairman(also President)	Jui-Yu Chiu		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
100	Zibo Yu An Automobiles Sales & Services Limited		DongTai (Beijing) Investment Limited	RMB 5,000*	100
		Chairman(also President)	Jui-Yu Chiu		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
101	Yulon Motor Investment (HK) Co., Ltd.		Yulon China Holdings (Cayman) Co., Ltd.	USD 422,543*	100
		Director	Kuo-Rong Chen		
102	Yulon Automotive (China) Investment Limited		Yulon Motor Investment (HK) Co., Ltd.	USD 188,040*	100
		Chairman	Kuo-Rong Chen		
		Director (also President)	Hsin-Fa Wu		
		Director	Chin-Chuan Chen		
		Director	Kuo-Hsing Hsu		
		Director	Chun-Chung Li		
		Director	Zhen-Xiang Yao		
		Supervisor	Yuanlong Chen		
103	Xiamen Y.C. Invest. Consulting Limited		Yulon Motor Investment (HK) Co., Ltd.	USD 1,860,*	100
		Executive director	Kuo-Rong Chen		
		Supervisor	Wen-Yi Lo		
104	Luxgen (hangzhou) Motor Sales Co., Ltd		Yulon Motor Investment (HK) Co., Ltd.	USD 234,550*	100
		Chairman	Zhen-Xiang Yao		
		Director (also President)	Hsin-Fa Wu		
		Director	Kuo-Rong Chen		
		Supervisor	Chun-Chung Li		
105	Dong Feng Yulon Motor Sales Limited		Yulon Automotive (China) Investment Limited	RMB 25,000*	50
		Chairman(also President)	Yuanzhang Peng		
		Director	Chun-Chung Li		
		Director	Kuo-Rong Chen		
		Director	Kuo-Hsing Hsu		
		Director	Hsin-Fa Wu		
		Supervisor	Ming-Hui Hsiao		
			Dong Feng Yulon Motor Limited	RMB 25,000*	50
		Vice Chairman	Wenjie Zhou		
		Director	Yang Qiao		
		Director	Jia Teng Huang		
		Director	Chen Li		
		Supervisor	Xiangdong Wang		
106	Chuang Jie New Energy Vehicle (HZ) Limited		Yulon Automotive (China) Investment Limited	RMB 790,000*	100
		Chairman(also President)	Chin-Chuan Chen		
		Director (also President)	Binglin Chen		
		Director	Kuo-Rong Chen		
		Supervisor	Wen-Yi Lo		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
107	Sheng Qing (Beijing) Investment Limited	Vice Chairman	Yulon Automotive (China) Investment Limited	RMB 455,720*	69.50
			Kuo-Rong Chen		
			Xiamen Y.C. Invest. Consulting Limited	RMB 200,000*	30.50
		Chairman(also President)	Yuan-long Chen		
		Director	Wen-Cheng Lin		
		Supervisor	Wen-Yi Lo		
108	SuZhou FengShen Automobiles. Sale & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 19,200*	40
		Director	Chin-Chuan Chen		
		Director	Jhih-Ciang Yan		
		Director	Chi-Ruei Chen		
		Supervisor	Yan Zhou		
			Suzhou Cheng-Feng Commercial Trading Limited	RMB 28,800*	60
		Chairman(also President)	I-Wei Wang		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
109	Suzhou ChengBang Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 10,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Jhih-Ciang Yan		
		Director	Chi-Ruei Chen		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
110	Suzhou Eslite Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 40,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Jhih-Ciang Yan		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
111	Suzhou YuShun Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 10,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Jhih-Ciang Yan		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
112	TaiTsang ChengMao Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 10,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Jhih-Ciang Yan		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
113	Suzhou FengShun Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 25,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Jhih-Ciang Yan		
		Director	Chi-Ruei Chen		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
114	Wu Jiang Lian Cheng Automobiles Sale & Service Limited		Suzhou FengShun Automobiles Sales & Service Limited	RMB 10,000*	100
		Chairman(also President)	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Jhih-Ciang Yan		
		Director	Chi-Ruei Chen		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
115	Suzhou ChengLi Automobile Sales & Service Limited		Suzhou FengShun Automobiles Sales & Service Limited	RMB 15,000*	100
		Chairman	I-Wei Wang		
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Jhih-Ciang Yan		
		Director	Ching-Yi Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Chou Yen		
116	ShenJun YuPong Automobiles Sale & Service Limited			RMB 4,200*	35
		Chairman	Hsiao-Chung Yao		
		Director	Chin-Chang Tsai Tan-Ning Liu		
		Supervisor	Chih-Hsin Yeh		
			Sheng Qing (Beijing) Investment Limited	RMB 7,800*	65
		Director	Jhih-Ciang Yan		
		Director	Po-An Lai		
		Director	Qirui Chen		
		Director	Jinquan Chen		
		Supervisor	Wen-Cheng Lin		
117	Anqing Cai Tong Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 27,417*	100
		Chairman	Tian-Shiang Su		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
118	Anqing Ling Tong Automobiles Sales & Services Limited		Sheng Qing (Beijing) Investment Limited	RMB 14,596*	100
		Chairman	Jui-Yu Chiu		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
119	Hefei Chun Hui Automobiles Sales & Services Limited		Sheng Qing (Beijing) Investment Limited	RMB 11,761*	100
		Chairman	Ruoyu Qiu		
		Director	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
120	Guangzhou YuanDou Automobile Sales & Service Limited		Yuanlong Motor Co., Ltd.	RMB 17,150*	49
		Chairman	Chen-Fang Chang		
		Director	Ming-Jung Hsu		
		Director	Ming-Ching Chen		
			Sheng Qing (Beijing) Investment Limited	RMB 17,850*	51
		Director	Jui-Yu Chiu		
		Director	Zhiqiang Yan		
		Director	Tian-Shiang Su		
		Supervisor	Chou Yen		
121	Guangzhou YuanZhi Automobile Sales & Service Limited		Guangzhou YuanDou Automobile Sales & Service Limited	RMB 20,000*	100
		Chairman	Chen-Fang Chang		
		Director	Chin-Chuan Chen		
		Director	Ming-Jung Hsu		
		Director	Zhiqiang Yan		
		Director	Tian-Shiang Su		
		Supervisor	Chou Yen		
		Supervisor	Ming-Ching Chen		
122	Qingdao YuanHuang Automobiles Sales & Services Limited		Sheng Qing (Beijing) Investment Limited	RMB 15,300*	30.6
		Chairman	Zhiqiang Yan		
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Supervisor	Chou Yen		
			Guangzhou YuanDou Automobile Sales & Service Limited	RMB 20,000*	40
			Yuanchuang Co., Ltd.	RMB 14,700*	29.4
		Director	Chen-Fang Chang		
		Director	Ming-Jung Hsu		
		Supervisor	Ming-Ching Chen		
123	Zhu Hai FuTeEn Industry & Trade Limited		Sheng Qing (Beijing) Investment Limited	RMB 5,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Chi-Jui Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
124	ZhuHai Esinn Automobiles Sales & Service Limited		Zhu Hai FuTeEn Industry & Trade Limited	RMB 5,000*	100
		Chairman	Chi-Jui Chen		
		Director	Chin-Chuan Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
125	Shenzhen Yuzhi Automobile Sales & Service Limited		Zhu Hai FuTeEn Industry & Trade Limited	RMB 10,000*	100
		Chairman	Chi-Jui Chen		
		Director	Chin-Chuan Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
126	Wuhan Yu Hsin Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 62,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Po-An Lai		
		Director	Chi-Jui Chen		
		Supervisor	Wen-Cheng Lin		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
127	XiaoGan YuFeng Automobile Sales & Service Limited		Wuhan Yu Hsin Automobiles Sales & Service Limited	RMB 27,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Po-An Lai		
		Director	Chi-Jui Chen		
		Supervisor	Wen-Cheng Lin		
128	NanJing HanHong Automobiles Trading Limited		Sheng Qing (Beijing) Investment Limited	RMB 70,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Po-An Lai		
		Director	Chi-Jui Chen		
		Supervisor	Wen-Cheng Lin		
129	Nanjing YuShang Automobile Sales & Service Limited		NanJing HanHong Automobiles Trading Limited	RMB 8,000*	100
		Chairman	Chi-Jui Chen		
		Director	Chin-Chuan Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
130	Nanjing HanHong Automobile Sales & Service Limited		NanJing HanHong Automobiles Trading Limited	RMB 30,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Chi-Jui Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
131	HangZhou Yu Zhong Trading Limited		Sheng Qing (Beijing) Investment Limited	RMB 10,000*	100
		Executive Director	Chi-Jui Chen		
		President	Junzhong Li		
		Supervisor	Qi-hong Tasi		
132	Hangzhou HuaZhi Automobile Sales & Service Limited		Dong Feng Yulon Motor Limited	RMB 8,000*	40
		Chairman	Hsin-Fa Wu		
		Supervisor	Shihao Fang		
			Sheng Qing (Beijing) Investment Limited	RMB 12,000*	60
		Director	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
133	Hangzhou HuaYou Automobile Sales & Service Limited		Hangzhou HuaZhi Automobile Sales & Service Limited	RMB 8,000*	100
		Executive Director	Weifeng Tasi		
		Supervisor	Shihao Fang		
134	Jiang Men Jun Xing Automobiles Sales & Services Limited		Sheng Qing (Beijing) Investment Limited	RMB 12,000*	60
		Chairman(also President)	Jung-Fu Cheng		
		Director	Hsin-Fa Wu		
		Director	Zhiqiang Yan		
		Supervisor	Wen-Cheng Lin		
		Director	Zhang Zhicong	RMB 3,000*	15
			Sanli Holddings Limited	RMB 5,000*	25
		Director	Zhenlong Lin		
135	JiangMen YuLi Automobiles Sales & Service Limited		Jiang Men Jun Xing Automobiles Sales & Services Limited	RMB 10,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Jhih-Ciang Yan		
		Director	Zhi-cong Zhang		
		Director	Zhen-long Lin		
		Supervisor	Wen-Cheng Lin		
136	Heshan City, Lee Health Automotive Sales and Service Co., Ltd		Jiangmen City Yu Li car sales Services Limited	RMB 1,200*	100
		Executive Director	Chin-Chuan Chen		
		Supervisor	Zhen-long Lin		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
137	Changsha Yulu Automobile Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 20,000*	100
		Chairman	Chi-Jui Chen		
		Director	Chin-Chuan Chen		
		Director	Po-An Lai		
		Supervisor	Wen-Cheng Lin		
138	Ningbo YuChang Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 34,000*	100
		Chairman	Chin-Chuan Chen		
		Director	Tian-Shiang Su		
		Director	Zhiqiang Yan		
		Supervisor	Wen-Cheng Lin		
139	Fujian YuXin Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 21,420*	51
		Director	Chin-Chuan Chen		
		Director	Zhiqiang Yan		
		Director	Wen-Cheng Lin		
			YU SHIN INVESTMENT LTD	RMB 20,580*	49
		Supervisor	Shih-Hao Tseng		
140	Shanghai Yumin Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 19,380*	51
			Anser Motors Inc.	RMB 29,070*	49
		Chairman	Chin-Feng Kao		
		Director	Zhiqiang Yan		
141	ChiaHsing YuTa Automobiles Sales & Service Limited		Shanghai Yumin Automobiles Sales & Service Limited	RMB 18,000*	100
		Chairman	Chin-Feng Kao		
		Director	Chin-Chuan Chen		
		Director	Zhiqiang Yan		
		Supervisor	Wen-Cheng Lin		
142	Y-Teks Co., Ltd.		Yulon Motor Co., Ltd	602,124	34
		Chairman	Chun-Hung Chen		
		Director	Chin-Chu Lin		
			Kasai Kogyo Co., Ltd.	591,185	33.38
		Director	Watanabe Kunikou		
		Director	Sandou Shouichi		
			Yue Sheng Industrial Co., Ltd.	212,388	11.99
		Director	Tung-Yao Wu		
			San Long Assets Management Co., Ltd.	93,948	5.3
		Director	Chung-Hsien Chen		
			Chang Yue Plastics Industrial Co., Ltd.	213,299	12.04
		Director	Chia-Ching Chen		
		Supervisor	Shang-Hui Chen	3,649	0.21
		Supervisor	Li-Hsiung Cheng	-	-
143	Unisyn International Co., Ltd.		Y-Teks Co., Ltd.	USD 2,231*	66.66
		Director	Shan Dao,Sheng Yi		
			Chun-Hung Chen		
			Chin-Chu Lin		
			Malaysia SL investment Co., Ltd.	USD 558*	16.67
		Director	Li-Hsiung Cheng		
			Fang Pang (Samoa) Investment Co., Ltd.	USD 558*	16.67
		Director	Li-Tai Kuo		
144	Unisyn International (HK) Co., Ltd.		Unisyn International Co., Ltd.	USD 12,391*	100
		Director	Chun-Hung Chen		
		Director	Shan Dao,Sheng Yi		
		Director	Chin-Chu Lin		
		Director	Li-Hsiung Cheng		
		Director	Li-Tai Kuo		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
145	Changzhou Y-Teks Automotive Trim Parts Limited		Unisyn International (HK) Co., Ltd.	USD 714*	51
		Director	Li-Sung Cheng		
		Director	Imamura Hitoshi		
		Chairman(also President)	Chung-Kun Hsueh		
			Jiangsu Chang Pien Plastics Industrial Limited	USD 462*	33
		Chairman	Pin-Gang Ruei		
		Director	Chien-Min Kuo		
		Supervisor	Wun-Long Li		
			China Automotive Industry International Corporation	USD 224*	16
		Director	Jyun-Min Mao		
		Supervisor	Li-Tai Kuo		
146	Hangchow Y-Teks Automotive Trim Parts Limited		Unisyn International (HK) Co., Ltd.	USD 9,000*	100
		Chairman	Chin-Chu Lin		
		Director	Li-Tai Kuo		
		Director	Imamura Hitoshi		
		Director	Zhao-Zhi Lu		
			Qing Yi (Samoa) Investment	USD 1,450*	
		Director	Shih-Ming Jhuang		
		Supervisor	Li-Hsiung Cheng		
147	Uni Auto Parts Manufacture Co., Ltd		Yulon Motor Co., Ltd	21,728,516	25.01
		Chairman	Zhen-Xiang Yao		
		Director	Canhuang Lin		
		Director	Teng-Hung Yang		
			Hsin Chong Machinery Works Co., Ltd.	17,377,154	20
		Executive Director	Chih-Hsiung His		
		Director	Chin-Ming His		
		Director	Aoyagi Toshiyuki		
			China Motor Corporation	13,032,137	15
		Director	Hongqing Yang		
			Chuan Hsing Investment & Development Co., Ltd.	5,211,979	6
		Executive Director	Chungsin-Wu		
			NHK Spring Co., Ltd.	13,033,833	15
		Director	Siao Ye,Wun-Shou		
			British Channel Islands Adient Global Holdings Ltd	8,688,921	10
		Director	Chien Huang		
			Yulon Management Enterprise Co., Ltd.	1,000	-
		Supervisor	Wen-Yi Lo		
		Supervisor	Kuei-Fen Tien	0	-
148	Uni Investment Co., Ltd.		Uni Auto Parts Manufacture Co., Ltd	USD 8,403*	100
		Director	Teng-Hung Yang		
		Director	Chih-Hsiung His		
149	Fuzhou Lianghong Motor Parts Limited		Uni Investment Co., Ltd.	USD 9,320 *	66.67
		Chairman	Teng-Hung Yang		
		Director	Ziming Li		
		Director	Chih-Hsiung His		
		Director	HUANG JIANJAMES		
		Director	Yanxing Wu		
		Director	Hongqing Yan		
		Supervisor	Yung-Yuan Wang		
		Supervisor	Qiongkuan Qiu		
			Namba Press Works Co., Ltd.	USD 4,660*	33.33
		Director	Nanba Chikako		
		Director	Nanba Junichi		
		Director	Nanba Komaki		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
150	Hangchow Liangrun Motor Parts Limited		Uni Investment Co., Ltd.	USD 17,885*	79.49
		Chairman	Teng-Hung Yang		
		Director	Ziming Li		
		Director	Yung-Yuan Wang		
		Director	Chih-Hsiung His		
		Director	Yanxing Wu		
		Director	Chien Huang		
		Director	Yung-Yuan Wang		
		Supervisor	Qiongkuan Qiu		
			Qing Yi Investment Limited	USD 4,615*	20.51
		Director	Guisong Wu		
151	Luxgen Motor Co., Ltd.		Yulon Motor Co., Ltd	980,000,000	100
		Chairman	Zhen-Xiang Yao		
		Director	Chen-Hung Huang		
		Director (also President)	Wen-Jung Tsai		
		Supervisor	Yuan-long Chen		
152	Luxgen Taipei Motor Co., Ltd.		Luxgen Motor Co., Ltd.	18,499,924	99.99
		Chairman	Wen-Jung Tsai		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
		Director	Wen-Yuan Li		
		Director	Ching-Yuan Po		
			Yulon Management Enterprise Co., Ltd.	76	0.01
		Supervisor	Yuanlong Chen		
153	Luxgen Taoyuan Motor Co., Ltd.		Luxgen Motor Co., Ltd.	6,299,000	59.99
		Chairman	Wen-Jung Tsai		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yushin Motor Co., Ltd.	2,100,000	20
		Director	Shih-Hao Tseng		
			Fortune Motors Co., Ltd.	2,100,000	20
		Director	Chi-Feng Tsai		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	Yuan-long Chen		
154	Luxgen Taichung Motor Co., Ltd.		Luxgen Motor Co., Ltd.	10,359,943	97.74
		Chairman	Wen-Jung Tsai		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yumin Motor Co., Ltd.	120,000	1.13
		Director	Chin-Feng Kao		
			Fortune Motors Co., Ltd.	120,000	1.13
		Director	Zicheng Huang		
			Yulon Management Enterprise Co., Ltd.	57	-
		Supervisor	Yuan-long Chen		
155	Luxgen Tainan Motor Co., Ltd.		Luxgen Motor Co., Ltd.	9,889,710	94.19
		Chairman	Wen-Jung Tsai		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
		Director	Ching-Yuan Po		
			Fortune Motors Co., Ltd.	610,000	5.18
		Director	Chi-Feng Tsai		
			Yulon Management Enterprise Co., Ltd.	290	-
		Supervisor	Yuan-long Chen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
156	Luxgen Kaohsiung Motor Co., Ltd.		Luxgen Motor Co., Ltd.	6,599,824	92.96
		Chairman	Wen-Jung Tsai		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yu Chang Motor Co., Ltd.	250,000	3.52
		Director	Yao-Hsin Kuo		
			Fortune Motors Co., Ltd.	250,000	3.52
		Director	Kelong Bi		
			Yulon Management Enterprise Co., Ltd.	176	-
		Supervisor	Yuan-long Chen		
157	Luxgen Overseas Holdings Private Ltd.		Luxgen Motor Co., Ltd.	63,587,200	100
		Director	Chung-Yung Tsao		
		Director	Wen-Jung Tsai		
		Director	Hsueh-Lei Chang		
158	Yumin Motor Co., Ltd.		Yutong Enterprise Co., Ltd.	15,374,240	53.00
		Chairman	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Kuo-Lung Lai		
		Director	Mei-Chang Hsu		
			Yulon Motor Co., Ltd	5,800,420	19.996
		Director	Chia-Chi Li		
		Director	Yan Zhou		
		Director	Meng-Fen Hsiao		
			Taiwan Acceptance Corporation	7,832,160	27.00
		Director	Fa-ke Chen		
		Director	Mingde Lo		
			Yulon Management Enterprise Co., Ltd.	1,180	0.004
		Supervisor	Yuan-long Chen		
		Supervisor	Nan-Cheng Pan		
		Supervisor	Shu-Hua Liao		
159	Chun Min Business Co., Ltd.		Yumin Motor Co., Ltd.	800,000	100
		Chairman	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Chia-Chi Li		
		Director	Meng-Fen Hsiao		
		Director	Fa-ke Chen		
		Supervisor	Mei-Chang Hsu		
		Supervisor	Qi-hong Tasi		
160	Anser motors Inc.		Yumin Motor Co., Ltd.	190,063	100
		Chairman	Chin-Feng Kao		
161	Yumin Inurance Broker Co., Ltd		Yumin Motor Co., Ltd.	300,000	100
		Chairman	Chin-Feng Kao		
		Director	Meng-Fen Hsiao		
		Director	Chia-Chi Li		
		Director	His-Kun Liu		
		Director	Fa-ke Chen		
		Supervisor	Qi-hong Tasi		
		Supervisor	Mei-Chang Hsu		
162	Hua-Chuang Automobile Information Techical Center Co., Ltd		Yulon Motor Co., Ltd	116,369,600	35.46
		Chairman	Kuo-Rong Chen		
		Director (also President)	Chen-Hung Huang		
			China Motor Corporation	56,600,000	17.25
		Director	Jhao-Wun Chen		
		Director	Chen-xing Zhu		
			HTC Corporation	28,300,000	8.62
		Director	Chia-Te Lu		
			Everlight Electronics Co., Ltd.	11,320,000	3.45
		Director	Yin-Fu Yen		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount) (Unit: In Thousands*)	Shareholding ratio (%)
			Qunyuan Investment Co., Ltd.	26,715,200	15
		Supervisor	Yuan-long Chen		
		Supervisor	Chen-Chang Huang		
163	Sin Etke Technology Co., Ltd.		Hua-Chuang Automobile Information Techical Center Co., Ltd	50,000	100
		Chairman(also President)	Kan-Lin Chu		
		Director	Shian-Chiou Rau		
		Director	Ronggui Chen		
		Director	Hong Yao Jian		
164	Hua-chuang Overseas Investment Co., Ltd.		Hua-Chuang Automobile Information Techical Center Co., Ltd	490,393,020	100
		Director	Chun-Chung Li		
165	Haitec Japan Corporation Limited		Hua-Chuang Automobile Information Techical Center Co., Ltd	1,920	100
		Director	Chun-Chung Li		
		Director	Shui Yeh Han Min		
		Supervisor	Niao Yu,Shih-Lang		
		Supervisor	Hong Yao Jian		
166	Hua-chuang China Investment Co., Ltd.		Hua-chuang Overseas Investment Co., Ltd.	NTD 461,709*	100
		Director	Chun-Chung Li		
		Director	Qingya Chen		
		Director	Kuo-Rong Chen		
167	Hangzhou Hua-chuang Automobile Informati		Hua-chuang China Investment Co., Ltd.	USD 15,000*	96.77
		Chairman	Chen-Hung Huang		
		Director	Qingya Chen		
			Yulon Automotive (China) Investment Limited		
		Director	Qingya Chen		
		Supervisor	Hong Yao Jian		

Note: * No share is issued by the Ltd. company; therefore, the actual contribution amount is listed.

6. Affiliates' Operating Results

12.31.2019

Unit: NT$ Thousands, Except Earnings per Share in NT$

Company Code	Company Name	Paid-in capital	Total Assets (Note 2)	Total Liabilities (Note 2)	Net Value (Note 2)	Operating Income (Note 2)	Operating profit or loss (Note 2)	Net Income (Loss) (Note 2)	EPS (Note 1)
22010001	Taiwan Acceptance Corporation	4,020,921	87,884,228	70,306,660	17,577,628	5,860,259	2,051,168	2,962,308	9.12
22010002	Yu Ching Business Co., Ltd.	1,211,522	1,419,585	71,476	1,348,109	9,138	(1,453)	112,023	0.90
22010004	Yu Pong Business Co., Ltd.	271,697	803,246	15,359	787,887	48,239	(13,491)	36,045	1.75
22010005	Yung Hang Investment Co., Ltd.	776,220	788,149	4,560	783,589	(560)	(1,834)	25,293	0.32
22010008	Yue Sheng Industrial Co., Ltd.	288,000	558,080	93,823	464,256	404,659	1,100	4,227	0.15
22010010	Yueki Industrial Co., Ltd.	194,670	1,632,726	929,892	702,834	1,120,399	17,876	(125,045)	(6.42)
22010012	China Cast Iron Pipe Co., Ltd.	32,000	120,944	34,849	86,095	20,516	16,248	13,370	417.83
22010014	Yu Chang Motor Co., Ltd.	215,385	1,770,223	1,682,995	87,228	5,467,352	(105,768)	(17,156)	(0.66)
22010017	Yushin Motor Co., Ltd.	200,000	1,018,633	807,356	211,277	3,048,849	(75,964)	(252)	(0.01)
22010020	Yu Chia Motor Co., Ltd.	50,000	31,770	2,037	29,732	11,836	(10,920)	(8,802)	(1.16)
22010023	Singan Co., Ltd.	286,700	1,079,073	665,517	413,556	222,283	(40,806)	79,076	2.77
22010024	Singgual Travel Service Co., Ltd.	130,000	291,694	122,336	169,358	479,620	2,947	(12,250)	(0.94)
22010027	Yu Yuen Development Co., Ltd.	1,221,000	5,634,582	963,845	4,670,737	217,608	54,076	(248,152)	(2.03)
22010034	Yumin Motor Co., Ltd.	290,080	1,530,775	1,151,658	379,117	4,265,784	(29,970)	22,110	0.76
22010035	Tian Wang Co., Ltd.	17,000	72,631	44,422	28,209	141,959	8,612	6,949	4.09
22010036	Yu Pool Enterprise Co., Ltd.	10,000	63,667	19,041	44,625	113,164	3,371	6,340	6.34
22010042	Chan Yun Technology Co., Ltd.	190,000	49,274	8,712	40,561	32,905	(8,015)	(7,044)	(0.37)
22010047	Sta. Cruz Island Corporation	154,456	347,367	3,308	344,059	8,020	4,766	3,341	1.27
22010051	Xiamen Y.C. Invest. Consulting Limited	66,497	581,854	169,303	412,551	870	(67,652)	(205,706)	Note
22010053	Sin Chi Co., Ltd.	1,080,000	1,483,167	229,280	1,253,887	57,077	34,112	97,761	1.17
22010054	ESINN Co., Ltd	180,000	1,473,815	1,318,704	155,111	4,421,851	(192,270)	(43,378)	(1.44)
22010055	Y-Teks Co., Ltd.	177,100	1,373,781	396,326	977,455	344,245	24,969	27,652	15.61
22010060	Unisyn International Co., Ltd.	100,337	1,498,610	5	1,498,605	31,571	20,989	(5,821)	Note
22010063	Yulon Overseas Investment Co., Ltd.	23,870,013	118,054	3,199,235	(3,081,181)	0	(794)	(10,330,579)	(13.10)
22010067	Yulon China Investment Co., Ltd.	23,119,721	2,725,705	5,924,838	(3,199,133)	0	(922)	(10,578,989)	(13.91)
22010068	Yulon Philippine Investment Co., Ltd.	1,071,514	97,918	102	97,816	0	(646)	290,530	8.13
22010070	Uni Auto Parts Manufacture Co., Ltd	868,892	3,533,061	1,191,850	2,341,211	1,810,807	13,273	(156,432)	(1.80)
22010073	Shinshin Credit Corporation	1,754,998	34,845,187	31,651,464	3,193,723	1,709,120	767,820	526,065	3.00
22010076	CARPLUS Auto Leasing Corporation	941,618	19,618,828	17,659,991	1,958,837	9,747,815	482,961	302,787	3.22
22010077	Chun Min Business Co., Ltd.	8,000	35,578	24,400	11,177	82,787	(2,914)	138	0.17
22010079	Diamond Leasing Service Co., Ltd.	85,000	699,779	583,095	116,684	584,885	27,627	24,314	2.86
22010081	Yu Rich Financial Services Co., Ltd.	1,133,756	14,275,837	12,601,948	1,673,889	958,659	355,674	275,929	2.43
22010082	Chinh-Ling RTC Co., Ltd.	50,000	17,353	70	17,283	0	(362)	(266)	(0.05)
22010085	Uni Investment Co., Ltd.	289,287	1,889,141	7,826	1,881,314	0	(6,318)	(157,128)	Note
22010086	Fuzhou Lianghong Motor Parts Limited	446,786	1,113,516	400,056	713,460	1,576,550	4,869	11,565	Note
22010087	Yue Ki Industrial (Samoa) Co., Ltd	142,811	465,423	0	465,423	0	0	(30,381)	(7.36)
22010093	Qinton Motor Co., Ltd.	67,459	163,378	109,888	53,490	167,540	(21,732)	(19,514)	(2.88)
22010097	Taixin Investment (Samoa) Co., Ltd.	723,264	644,898	0	644,898	0	(180)	(71,187)	(2.95)
22010098	Wen Yang Investment (Samoa) Co., Ltd.	482,678	652,851	460,193	192,658	0	(161)	(237,430)	(14.75)
22010099	Qing Yi Investment (Samoa) Co., Ltd.	919,606	595,705	0	595,705	0	(396)	(97,397)	(3.80)
22010100	KeYu (Nanjing) Information Technology Limited	773,682	644,205	1,375	642,830	0	(77,855)	(71,012)	Note
22010101	TaiFeng ((Nanjing) Software Technology Limited	490,834	603,994	251,961	352,033	0	(49,584)	(127,683)	Note
22010102	QingTai (NanJing) Technology Limited	516,840	244,661	2,193	242,468	0	(33,825)	(110,949)	Note
22010104	H. K. Manpower Service Co., Ltd.	10,000	25,581	6,300	19,281	61,341	4,852	3,894	3.89

Company Code	Company Name	Paid-in capital	Total Assets (Note 2)	Total Liabilities (Note 2)	Net Value (Note 2)	Operating Income (Note 2)	Operating profit or loss (Note 2)	Net Income (Loss) (Note 2)	EPS (Note 1)
22010105	Yi Ding (ZhangZhou) Information Technology Limited	237,222	270,565	87,517	183,048	0	(23,836)	(44,530)	Note
22010106	Mei De (ZhangZhou) Software Technology Limited	341,651	351,452	36,365	315,087	0	(37,578)	(34,848)	Note
22010107	Shi Cheng (ZhangZhou) Technology Development Limited	308,689	195,299	160,892	34,407	1,305	(13,871)	(68,137)	Note
22010108	Jin Ce (ZhangZhou) Software Technology Limited	84,532	62,450	13	62,437	0	(7,320)	(12,514)	Note
22010109	GaoTe (Beijing) Investment Limited	249,255	212,641	5,382	207,259	2,176	(26,921)	(23,665)	Note
22010111	DongTai (Beijing) Investment Limited	314,577	240,643	209,965	30,679	1,088	(17,631)	(58,088)	Note
22010112	SuZhou FengShen Automobiles. Sale & Service Limited	206,280	1,091,370	172,357	919,013	1,204,306	68,234	147,233	Note
22010113	Suzhou FengShun Automobiles Sales & Service Limited	107,438	520,324	357,004	163,320	1,347,623	52,279	72,623	Note
22010114	Guangzhou YuanDou Automobile Sales & Service Limited	150,413	379,639	222,151	157,487	1,002,075	34,536	(10,540)	Note
22010115	ShenJun YuPong Automobiles Sale & Service Limited	51,570	279,851	251,755	28,096	1,061,419	11,865	14,038	Note
22010116	Zhu Hai FuTeEn Industry & Trade Limited	21,488	401,342	293,182	108,159	1,258,375	27,604	(41,244)	Note
22010117	TAC Global Investment (Samoa)Co., Ltd	2,998,979	3,967,770	0	3,967,770	0	0	272,803	Note
22010118	CAR-PLUS China Investment(Samoa) Co., Ltd	299,800	609,463	0	609,463	0	0	(47,758)	Note
22010119	CAR-PLUS Auto Leasing (Suzhou) Limited	313,288	4,486,182	3,877,110	609,072	2,011,629	(62,368)	(47,772)	Note
22010121	CAR-PLUS Global Investment(Samoa)Co., Ltd	539,640	643,641	0	643,641	0	0	(132,884)	Note
22010122	Changzhou Y-Teks Automotive Trim Parts Limited	50,042	150,000	5,968	144,033	19,449	(8,682)	(6,085)	Note
22010123	NanJing HanHong Automobiles Trading Limited	300,825	688,389	575,664	112,725	701,561	6,502	(47,223)	Note
22010124	HangZhou Yu Zhong Trading Limited	42,975	67,072	953	66,119	1	(7,716)	(7,261)	Note
22010125	HangZhou TangYu Investment Limited	42,975	42,240	3	42,237	0	(5,021)	(4,729)	Note
22010126	HangZhou QienYu Investment Limited	42,975	38,642	0	38,642	0	(76)	(150)	Note
22010127	Wuhan Yu Hsin Automobiles Sales & Service Limited	266,445	504,594	314,805	189,788	1,556,468	26,061	22,258	Note
22010128	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	42,975	216,464	157,161	59,303	779,404	34,475	27,937	Note
22010129	HangZhou Hsiao Yu Investment Limited	42,975	56,134	17,190	38,944	0	(84)	(85)	Note
22010130	Molife Cultural Enterprise Co., Ltd.	40,500	24,640	14,145	10,495	55,405	(2,014)	(2,004)	(0.49)
22010131	Hsiang Shou Enterprise Co., Ltd.	100,000	377,681	152,093	225,588	675,633	81,604	67,440	6.74
22010138	Yulon China Investment (HK) Co., Ltd.	8,107,046	15,392	14,187	1,206	0	(426)	921,363	Note
22010143	Luxgen Motor Co., Ltd.	9,800,000	12,079,596	11,279,424	800,172	4,038,383	(12,584,822)	(12,867,669)	(21.26)
22010146	Unisyn International (HK) Co., Ltd.	371,469	493,353	150,093	343,260	(107,817)	(236,965)	(236,965)	Note
22010147	Luxgen Taipei Motor Co., Ltd.	185,000	957,249	774,996	182,253	1,722,028	(152,404)	(99,544)	(5.40)
22010148	Luxgen Taoyuan Motor Co., Ltd.	105,000	307,537	232,822	74,715	937,600	(31,873)	(18,069)	(1.72)
22010149	Luxgen Taichung Motor Co., Ltd.	106,000	418,020	312,020	106,000	977,421	(42,232)	(19,334)	(1.83)
22010150	Luxgen Tainan Motor Co., Ltd.	105,000	309,516	206,167	103,349	640,369	(47,801)	(31,597)	(3.02)
22010151	Luxgen Kaohsiung Motor Co., Ltd.	71,000	298,755	228,241	70,514	723,013	(42,111)	(26,156)	(3.69)
22010152	Car-Plus Shanghai Investment(Samoa) Co.,Ltd	299,800	372,531	0	372,531	0	0	38,744	Note
22010153	CAR-PLUS Auto Leasing (Shanghai) Limited	270,502	883,777	511,158	372,619	280,176	51,831	38,744	Note
22010154	Yulon TOBE Motor Co., Ltd.	28,080	34,283	434	33,849	2,619	524	5,911	2.09

Company Code	Company Name	Paid-in capital	Total Assets (Note 2)	Total Liabilities (Note 2)	Net Value (Note 2)	Operating Income (Note 2)	Operating profit or loss (Note 2)	Net Income (Loss) (Note 2)	EPS (Note 1)
22010157	Suzhou YuShun Automobiles Sales & Service Limited	42,975	51,958	13,388	38,570	16,258	(3,281)	(2,555)	Note
22010158	Jiang Men Jun Xing Automobiles Sales & Services Limited	85,950	181,549	139,043	42,507	945,495	284	(20,192)	Note
22010163	Hangchow Y-Teks Automotive Trim Parts Limited	300,357	363,912	249,564	114,348	131,798	(190,597)	(194,768)	Note
22010164	Yulon Energy Co., Ltd.	175,000	359,268	245,327	113,940	83,906	(17,580)	(17,467)	(1.00)
22010165	Hangzhou Yuwan Auto Motive Parts Limited	582,664	418,727	310,785	107,942	144,082	(171,676)	(195,701)	Note
22010166	Yue Ki Industrial (HK) Co., Ltd.	317,788	60,942	14,994	45,948	0	0	(125,034)	(11.80)
22010167	Yu Rong International Investment (SAMOA) Co., Ltd.	2,623,123	3,529,265	0	3,529,265	0	0	360,952	Note
22010169	Yu-Rong Leasing (Suzhou) Limited	2,148,750	20,759,532	17,385,715	3,373,817	2,140,010	571,424	499,059	Note
22010170	Sinjang Enterprises Co., Ltd.	428,240	927,314	400,244	527,070	364,791	84,004	70,632	1.65
22010174	Hangzhou HuaZhi Automobile Sales & Service Limited	85,950	97,271	339,763	(242,492)	45,163	(14,629)	(44,754)	Note
22010175	Feng-hua Investment (HK) Limited	189,771	321,566	0	321,566	0	0	41,580	Note
22010176	Fujian YuXin Automobiles Sales & Service Limited	180,495	99,385	102,373	(2,989)	82,598	(19,343)	(26,812)	Note
22010177	Hangzhou HuaYou Automobile Sales & Service Limited	34,380	54,619	227,207	(172,588)	7,983	(11,113)	(20,501)	Note
22010178	Guangzhou YuanZhi Automobile Sales & Service Limited	85,950	169,138	184,365	(15,227)	284,413	(13,629)	(22,455)	Note
22010179	XiaoGan YuFeng Automobile Sales & Service Limited	116,033	470,410	298,765	171,645	1,613,338	37,289	16,494	Note
22010180	Ningbo YuChang Automobiles Sales & Service Limited	146,115	31,387	47,359	(15,972)	26,478	(25,397)	(37,968)	Note
22010181	Shanghai Yumin Automobiles Sales & Service Limited	208,214	157,827	232,592	(74,765)	24,815	(32,163)	(58,787)	Note
22010182	Qingdao YuanHuang Automobiles Sales & Services Limited	214,875	437,542	454,076	(16,534)	666,582	1,389	(17,772)	Note
22010183	Suzhou Chenglong Automobile Service Limited	189,771	474,159	152,593	321,566	1,202,217	59,054	41,586	Note
22010184	Suzhou ChengLi Automobile Sales & Service Limited	64,463	70,780	24,815	45,965	150,912	2,153	4,679	Note
22010185	Shenzhen Yuzhi Automobile Sales & Service Limited	42,975	66,723	88,641	(21,918)	74,209	(8,794)	(27,847)	Note
22010186	Nanjing YuShang Automobile Sales & Service Limited	34,380	57,989	132,456	(74,468)	209,715	(10,591)	(15,495)	Note
22010187	Luxgen Overseas Holdings Private Ltd.	1,416,723	142,485	327	142,158	0	157	156	(0.00)
22010188	Yulon China Holdings (Cayman) Co., Ltd.	12,667,852	6	4,784,563	(4,784,558)	0	0	(11,151,813)	(26.76)
22010189	Yulon Motor Investment (HK) Co., Ltd.	12,667,852	658,692	5,443,256	(4,784,563)	0	(565)	(11,151,968)	Note
22010190	Yulon Automotive (China) Investment Limited	5,507,944	5,700,231	5,808,517	(108,286)	336,925	(614,001)	(873,458)	Note
22010192	Energy Engineering Co., Ltd.	2,000	2,730	1,847	883	0	(130)	(78)	(0.39)
22010194	Changsha Yulu Automobile Sales & Service Limited	85,950	83,043	81,482	1,561	34,942	(18,819)	(24,575)	Note
22010197	Dong Feng Yulon Motor Sales Limited	214,875	404,495	8,386,592	(7,982,097)	1,306	(60,851)	(180,768)	Note
22010198	Anser motors Inc.	190,063	47,516	0	47,516	0	(1)	(32,054)	(1.78)
22010199	Yu Shin Investment Ltd.	88,443	5,187	3,522	1,666	0	0	(13,127)	(37.51)
22010205	Suzhou Eslite Automobiles Sales & Service Limited	171,900	325,194	153,300	171,894	1,171,443	10,495	4,576	Note
22010206	Suzhou ChengBang Automobiles Sales & Service Limited	42,975	164,044	120,560	43,484	400,673	10,471	8,673	Note
22010207	Nanjing HanHong Automobile Sales & Service Limited	128,925	165,525	67,388	98,137	152,859	(17,728)	(19,632)	Note
22010208	Yumin Inurance Broker Co., Ltd	5,000	5,427	499	4,929	38	(336)	(331)	(0.66)

Company Code	Company Name	Paid-in capital	Total Assets (Note 2)	Total Liabilities (Note 2)	Net Value (Note 2)	Operating Income (Note 2)	Operating profit or loss (Note 2)	Net Income (Loss) (Note 2)	EPS (Note 1)
22010209	JiangMen YuLi Automobiles Sales & Service Limited	42,975	66,875	42,886	23,989	39,456	(14,504)	(16,122)	Note
22010210	Yu-Kuo Finance Leasing (Hangzhou) Limited	820,537	6,438,593	5,999,188	439,405	1,060,998	(305,280)	(348,124)	Note
22010211	Sinjang Investment (Samoa) Co., Ltd.	56,170	32,996	4	32,992	0	(68)	1,428	Note
22010212	Zhejiang Cheng Yi Automobile Technology Service Co., Ltd	85,950	46,580	1,249	45,330	89	(2,603)	(3,406)	Note
22010213	ChiaHsing YuTa Automobiles Sales & Service Limited	77,355	61,321	49,430	11,891	42,233	(13,641)	(16,001)	Note
22010214	Suzhou Cheng-Hung Auto Sales & Service Limited	42,975	240,479	199,048	41,431	414,537	548	(2,326)	Note
22010215	Suzhou Cheng-Kuo Auto Sales & Service Limited	42,975	35,181	31,935	3,245	10,804	(3,081)	(5,033)	Note
22010216	TaiTsang ChengMao Automobiles Sales & Service Limited	42,975	210,683	163,810	46,874	466,969	17,408	10,824	Note
22010218	Anhui Min Tong Automobiles Sales & Service Limited	42,975	17,904	45,662	(27,759)	21,004	(20,208)	8,803	Note
22010219	Anqing Cai Tong Automobiles Sales & Service Limited	117,825	6,927	485	6,442	1,833	18	(7,494)	Note
22010220	Anqing Ling Tong Automobiles Sales & Services Limited	62,726	6,008	7,968	(1,960)	0	(196)	(1,925)	Note
22010221	Hefei Chun Hui Automobiles Sales & Services Limited	50,543	25,068	3,180	21,888	8,251	(4,692)	(6,292)	Note
22010222	Tongling Kuo Tong Automobiles Sales & Services Limited	21,488	28,353	59,087	(30,734)	13,744	(13,765)	(17,820)	Note
22010223	Zibo Yu An Automobiles Sales & Services Limited	21,488	11,267	51,013	(39,746)	6,247	(7,597)	(12,043)	Note
22010224	Univation Motor Philippines, Inc.	515,609	376,842	182,211	194,631	222,690	62,141	79,311	17.39
22010225	Sheng Qing (Beijing) Investment Limited	2,817,957	4,954,763	3,107,238	1,847,524	602	(222,570)	(178,863)	Note
22010226	Jing-Hui (Shanghai) Motor Technology Limited	48,472	118,211	77,268	40,943	0	(35,941)	(30,354)	Note
22010227	ZhuHai Esinn Automobiles Sales & Service Limited	21,488	32,537	92,141	(59,604)	27,354	(24,363)	(30,079)	Note
22010228	Hangchow Liangrun Motor Parts Limited	637,090	526,323	462,870	63,454	140,016	(244,138)	(257,628)	Note
22010229	Shinshin Credit Investment (Samoa) Co., Ltd.	359,760	196,069	0	196,069	0	0	(138,115)	Note
22010230	Yulon Motor Finance (China) Limited	4,297,500	21,448,758	16,967,553	4,481,204	2,009,308	52,253	86,921	Note
22010232	Da Wei Technology Co., Ltd	20,000	25,518	0	25,518	20	12	4,372	2.19
22010233	Hangzhou Cheng Yi second - hand car identification assessment Limited	2,149	1,576	225	1,351	1,421	(803)	(569)	Note
22010234	Heshan City, Lee Health Automotive Sales and Service Co., Ltd	5,157	3,716	0	3,716	2,034	(879)	(820)	Note
22010235	Zhejiang Cheng Yi auction Ltd.	8,595	5,264	1,162	4,102	6	(756)	(699)	Note
22010236	Hangzhou Yujie Real Estate Co., Ltd	2,148,750	2,110,226	127,686	1,982,541	13,183	(193,826)	(200,443)	Note
22010237	Ta Teng Transportation Co.,Ltd.	6,000	33,271	24,274	8,997	10,149	3,034	1,929	Note
22010239	Luxgen (hangzhou) Motor Sales Co., Ltd	6,821,304	1,434,020	6,456,425	(5,022,405)	1,013,835	(307,596)	(10,085,066)	Note
22010240	Yufong Property Management Co., Ltd.	25,000	85,027	41,556	43,471	60,255	22,046	17,248	6.90
22010241	Yulon Finance Overseas Invenstment (Samoa) Co., Ltd.	449,700	411,085	0	411,085	0	0	(21,269)	Note
22010242	Yulon Finance Philippines Invenstment (Samoa) Co., Ltd.	449,700	411,085	0	411,085	0	0	(21,269)	Note
22010243	KUEN YOU TRADING CO., LTD.	10,000	36,314	24,106	12,208	167,681	(1,611)	1,238	1.24
22010246	Yulon Finance Philippines Co., Ltd	438,750	1,509,060	1,097,975	411,085	71,373	(21,474)	(21,269)	Note

Company Code	Company Name	Paid-in capital	Total Assets (Note 2)	Total Liabilities (Note 2)	Net Value (Note 2)	Operating Income (Note 2)	Operating profit or loss (Note 2)	Net Income (Loss) (Note 2)	EPS (Note 1)
22010247	Chuang Jie New Energy Vehicle (HZ) Limited	3,395,025	3,417,009	43,510	3,373,499	446,364	(56,363)	3,980	Note
22010248	CAR-PLUS Hangzhou Investment (Samoa) Co., Ltd	299,800	90,510	0	90,510	0	0	(212,493)	Note
22010249	CAR-PLUS GO Co., Ltd.	295,075	631,582	541,068	90,510	10,009	(225,674)	(212,493)	Note
22010250	Wuhan TAC Auto Trade Co., Ltd.	8,595	3,836	4,052	(216)	3,706	(5,579)	(5,571)	Note
22010096	HUA-CHUANG AUTOMOBILE INFORMATION TECHNICAL CENTER CO., LTD	3,282,000	4,511,090	13,631,833	(9,120,743)	1,034,128	(12,584,280)	(13,237,822)	(40.33)
22010022	Sin Etke Technology Co., Ltd..	500	25,398	16,009	9,389	92,133	(321)	(62)	(1.24)
22010203	Hua-chuang Overseas Investment Co., Ltd.	490,393	0	234,844	(234,844)	0	0	(620,027)	(1.26)
22010259	Haitec Japan Corporation Limited	13,248	56,860	75,999	(19,139)	4,489	(14,967)	(18,365)	(9,564.91)
22010202	Hua-chuang China Investment Co., Ltd.	461,709	0	264,543	(264,543)	0	0	(650,215)	Note
22010201	Hangzhou Hua-chuang Automobile Informati	442,499	437,768	710,689	(272,921)	589,635	(576,642)	(658,017)	Note
22010252	Dachuan Transportation Co., Ltd.	3,000	12,343	11,112	1,231	3,895	1,539	1,231	Note
22010253	Damu Transportation Co., Ltd.	6,000	1,236	744	492	1,204	615	492	Note
22010254	Dajun Transportation Co., Ltd.	3,000	5,697	4,989	708	2,265	885	708	Note
22010255	Suzhou TAC Auto Trade Co., Ltd.	8,595	1,984	29	1,955	7,282	(4,211)	(4,652)	Note
22010256	Shanghai YuGuo Auto Trade Co., Ltd.	8,595	5,090	7	5,083	2,477	(3,706)	(3,702)	Note
22010257	Hefei YuGuo Auto Trade Co., Ltd.	8,595	5,819	373	5,446	3,445	(2,804)	(3,016)	Note
22010258	Qingdao YuGuo Auto Trade Co., Ltd.	8,595	1,289	81	1,209	4,336	(5,709)	(6,203)	Note

Note 1: It is a Ltd. company; therefore, not applicable.

Note 2: For those companies are not asked to use IFRSs accounting principle, the financial information are base on GAAP accounting principle.

8.1.2 Affiliates Consolidated Financial Statements

DECLARATION OF CONSOLIDATION OF 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, 2019 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.

Very truly yours,

Yulon Motor Company Ltd.

Chairman: Yen Chen Li-Lien

March 20, 2020

8.1.3 Relationship Report: N/A.

8.2 The Status of Issuing Private Placement Securities in Fiscal Year 2019 and as of the publication date of the annual report

None

8.3 Acquisition or Disposal of Yulon Shares by Subsidiaries in Fiscal Year 2019 and as of the publication date of the annual report:

Unit: NT$ Thousand; Share; %

As of 04.30.2020

Name of Subsidiaries	Paid-in capital	Source of fund	Shareholding ratio of The Company	Date of acquisition or disposal	Shares acquired	Amount acquired	Shares disposed	Amount disposed	Investment profit & loss	Shareholding as of the financial report date	Shareholding amount as of the financial report date	Equity pledged (Note)	Making of endorsement / guarantee for subsidiary by The Company	Loaning of fund to subsidiary by The Company
Yu Ching Business Co., Ltd.	1,211,522	Operating income	100.00	2004.7.28	-	-	-	-	-	11,838,461	205,989	-	-	-
Yu Pong Industrial Co., Ltd	254,841	Operating income	100.00	2004.7.28	-	-	-	-	-	121	2	-	-	-

Note: Its impact on The Company's financial performance and financial position: None

8.4 Other necessary supplementary notes:

None

8.5 The occurrence of any events as stated in Section 3 Paragraph 2 in Article 36 of the Securities Exchange Act that had significant impacts on shareholders' equity or securities prices in fiscal year 2016 and as of the publication date of the annual report:

None

Yulon Motor Co., Ltd.

Chairman:

Yen Chen Li-Lien

Teamwork

Innovation

Speed

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