YULON

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Annual Report 2015

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2015 ANNUAL REPORT

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V. Overseas securities exchange corporation listing: None

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

Notice to readers

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

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I. Letter to Shareholders

Dear Shareholders:

Thank you for coming to the 2015 Yulon Motor Shareholders Meeting.

Under the influence of economic climate and global macro environment, Taiwan’s automobile market has maintained total sales of 420,000 units in 2015. In the midst of the fluctuant economy and environment, Yulon Motor has performed with an annual growth of 52% in net profits to accomplish NTD3.35 billion and hit a record high in the last four years, with the efforts exerted from the management team and all employees. Meanwhile, Yulon Motor is committed to upgrade the product quality and production technology for NISSAN and LUXGEN brands, providing more oil saving and reliable products to customers.

Looking fward to 2016, driven by the release of multiple new cars models and policies encouraging the purchase of new cars, Taiwan’s automobile market is expected to be maintained at 420,000 units. The first mid-sized car of LUXGEN S3 is scheduled for release in mid-2016, featuring forward-looking Link + Internet of Vehicles system as well as other advantages that differentiate product competitiveness. This model will tackle the Cross-Strait markets in attempt to create better sales performance. Moreover, NISSAN was awarded with the non-luxurious car champion in both CSI and SSI conducted by J. D. Power in 2015. Yulon Motor has established the industry standard and continues driving NISSAN to create new annual sales performance.

With regards to automobile market in China, the growth of Chinese automobile market for LUXGEN is flat and steady with over 75,000 units of LUXGEN sold in Cross Straits. The reinvested automobile financing company of Yulon Motor was approved by China at the end of 2015, completing the key puzzle to the Yulon Group’s automobile value chain in China. The reinvested company was officially open to business in April 2016 and is expected to speed up the growing power for the automobile division of Yulon Group.

We would like to appreciate all shareholders for their continuous support and encouragement over the years. We hereby wish every shareholder health and success.

Chairman

Kenneth, K.T. Yen

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.

Jul 1992 Organized and launched the first “Yulon Environmental Conservation Season” and “Yulon Art Season” events.

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.

Feb 1999 Developed the “Vehicle-related Horizontal Business,” provided full-range transportation service to customers.

Mar 1999 Awarded with the “Outstanding Company in Pollution Control” by the Environment Protection Administration (EPA) of the Executive Yuan.

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 “Industrial Elite Award” from the Ministry of Economic Affairs.

Nov 2000 Obtained exclusive agency in Taiwan from Renault, France.

Jul 2001 PDM system on line, Yulon became the first car maker that developed the “System for Worldwide R&D Integration.”

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 2001 Awarded with the “2001 Outstanding Company on Energy Saving” by the Ministry of Economic Affairs.

May 2002 Won “The Best Community Relations Award” of the “2002 Best Public Relations Award” from the Foundation for Public Relations Research & Education of the R.O.C.

May 2002 Provided TOBE 5 guarantees, established a new service range for selling cars.

Sep 2002 Approved by the Industrial Development Bureau, Ministry of Economic Affairs to establish the Business Headquarters.

Oct 2002 San-Yi Plant received the prestigious Award of TPM (Total Productive Maintenance) Excellence from JIPM (Japan Institute of Plant Maintenance), Japan.

Oct 2002 Won the championship of NISSAN’s 6th NISTEC Asia Cup and World Cup Service Technician Contest.

Oct 2002 CEFIRO model received the “Best New Car Quality” (IQS) and “Best New Car Appeal” (APPEAL) from J.D. POWER’s Asia branch among all local made mid-size sedans.

Oct 2002 Ranked in the 2nd place in 2002 among the benchmarking companies in the automobile industry from the Common Wealth Magazine, in which, Yulon was ranked No. 1 in its capability in innovation and making use of technology in the industry.

Nov 2002 Received the “Outstanding Car Exporter” award from the Industrial Development Bureau, Ministry of Economic Affairs, in which, Yulon had the highest export value and ratio for export to Japan among all local car makers.

Nov 2002 Received the “Outstanding Factory for Operating and Maintaining Pollution Control Equipment Award” from the Industrial Development Bureau, Ministry of Economic Affairs.

Nov 2002 Received the 11th “Annual Environmental Protection Award for Enterprise” from the Environment Protection Administrion of the Executive Yuan.

Dec 2002 Awarded with the 1st “Golden Root Award – Rooted in Taiwan, Marketed Worldwide” by the Taiwan Industrial Technology Association.

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.

Nov 2003 Received the 2nd “Excellent Service Award” from Common Wealth Magazine, with Yulon’s innovation services value well recognized.

Dec 2003 Opening ceremony of “Auto Mall” construction.

Sep 2004 Initially issued unsecured convertible bonds for NT$5.5 billion.

Oct 2004 Yulon Motor was ranked No.1 of the 2004 Benchmark Enterprise in Transportation Industry sponsored by the Common Wealth Magazine.

Nov 2004 Yulon Motor won the Gold Medal of the 7th “Wen-Hsing Awards” sponsored by the Council of Culture Affairs.

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.

Sep 2005 Extensive TOBE mobile service system launched.

Oct 2005 Awarded with the “13th Industry Technology Developments—Excellent Innovative Accomplishments Award” by the Ministry of Economic Affairs.

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.

Jul 2006 Yulon Motor won the Gold Medal of the 8th "Wen-Hsing Awards" sponsored by the Council of Culture Affairs.

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.

Mar 2007 Yulon Motor was the only car enterprise that received the "1st Clean Home, Group Effort Award" from the EPA, Executive Yuan.

Mar 2007 Yulon Motor production management level was known worldwide and received the "TPM Award" from JIPM in Japan.

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.

Jul 2008 Awarded with the "Energy-saving Enterprise of the Year Award" Excellence Award by the Energy Division, MOEA.

Sep 2008 The "Constructing Automobile Industry International Logistics HUB" project was awarded with the industrial science and technology award "Innovation Achievement – Process/Procedure Innovation" by the Ministry of Economic Affairs.

Sep 2008 Issued the 2008 Yulon Motor perpetual operation report.

Nov 2008 Awarded with the "Wen-Hsing Awards" for three consecutive years by the Council of Culture Affairs, Executive Yuan.

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,

Jan 2009 NISSAN was awarded with the "2008 Consumer's Favourite Brand – 1st Prize of Domestically Made Vehicle" by the Management Magazine.

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.

Mar 2010 Awarded with the "6th Global Views Monthly Magazine Corporate Social Responsibility Award" traditional industry manufacturing category 1st prize.

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 NISSAN TIIDA received the "2010 Environment-Friendly Vehicle" award for three consecutive years from the EPA.

May 2010 The LUXGEN 7 MPV EV+ electric car of Luxgen Motor Co., Ltd. was awarded with the "2010 Environment-Friendly Vehicle" by the EPA.

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.

Aug 2010 Awarded with the "Wen-Hsing Awards" for the fifth time by the Council of Culture Affairs.

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."

Nov 2010 Luxgen Motor Co., Ltd. established the first overseas motor museum in Dominic in San Domingo, Republic Dominican.

Dec 2010 Luxgen Motor Co., Ltd. established two motor museums in Tinh Binh Duong and Ho Chi Minh City, Vietnam to develop Vietnamese market in depth.

Dec 2010 The LUXGEN 7 SUV of Luxgen Motor Co., Ltd. was awarded with the 19th "Excellence Award."

Jan 2011 Yulon Tobe Motor Co., Ltd. had m'car 1.5L launched.

Feb 2011 The LUXGEN 7 MPV of Luxgen Motor Co., Ltd. was awarded with the 2010 Yahoo Car of the Year "Comfort Domestic-made Car Champion."

Apr 2011 Yulon Motor and St. John's University had an industry and academy strategic alliance agreement signed for industrial and academic cooperation in depth.

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 LUXGEN brand was awarded with the "Taiwan's Top-100 Brands" by the Bureau of Foreign Trade, MOEA.

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 The LUXGEN 7 MPV/SUV of Luxgen Motor Co., Ltd. was awarded with the "Best Domestic-made MPV/SUV Car of the Year Award" of 2011 Car of the Year Award.

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. was awarded with the 13th "2011 Science and Technology Management Award – Corporate Award" of the CSMOT, the R.O.C.

Dec 2011 Luxgen Motor Co., Ltd. had launched LUXGEN 5 Sedan model.

Jan 2012 Luxgen Motor Co., Ltd. was awarded with the 2011 Yahoo! Car of the Year Award "Domestic-made – Metropolitan Car Champion," "Domestic-made – Comfortable Car Champion," and "Most Expected Car Champion."

Jan 2012 Awarded with the "Green Award" by Taipei City Himalayan Nature Civilization Conservation Association.

Mar 2012 Awarded with the Outstanding Enterprise Award by Taipei City.

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.

Jul 2012 Luxgen Motor Co., Ltd. was awarded with the 1st prize of the auto repair and service of the "2012 Gold Service Award" by the Common Wealth Magazine.

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."

Aug 2012 NISSAN TIIDA 1.6L/TEANA 2.5/INFINITI G25 2.5 were awarded with the "2012 Environment-friendly Vehicle" by the EPA.

Sep 2012 The first LUXGEN Motor Museum in Middle East was introduced in Oman.

Dec 2012 NISSAN BIG TIDDA launched.

Apr 2013 The LUXGEN 5 Sedan of Luxgen Motor Co., Ltd. was awarded with the "Gold Award" of Taiwan Excellence.

May 2013 NISSAN BIG TIDA was awarded with the 2013 Environment-Friendly Car Award.

Jun 2013 NISSAN JUKE imported from England launched.

Aug 2013 Luxgen Motor Co., Ltd. (Russia) announced the first LUXGEN 7 SUV off-line.

Sep 2013 The grand opening of the first LUXGEN Motor Museum in Moscow, Russia.

Sep 2013 LUXGEN U7 TURBO launched.

Oct 2013 NISSAN SUPER SENTRA, the most powerful mid- and large sedan launched.

Nov 2013 Yulon Motor was awarded with the "Energy-saving and Carbon-reduction Action Medal" by the EPA, Executive Yuan.

Nov 2013 LUXGEN U6 TURBE launched.

Dec 2013 LUXGEN S5 TURBO 1.8/2.0 launched.

Mar 2014 NISSAN SUPER SENTRA was awarded with the 2014 Best Domestic Midsize Cars.

Mar 2014 NISSAN ALL NEW LIVINA launched.

Apr 2014 LUXGEN brand was awarded with the 2014 Remarkable Influential Brand by Manager Today.

Apr 2014 LUXGEN U6 TURBO was awarded with the 2014 Car of the Year.

Apr 2014 LUXGEN M7 TURBO was launched.

May 2014 NISSAN NEW MARCH was awarded with 2014 Eco-Friendly Car.

Sep 2014 Yulon Motor Co., Ltd. was awarded with Three Stars in “Fourth Business of Happiness” by Taipei City Government.

Oct 2014 Yulon Motor Co., Ltd. was awarded with Top 20 Innovative Enterprises of Taiwan in 2014 by Business Next.

2.1.3 Achievement in 2015

Feb 2015 LUXGEN U6 TURBO was awarded with the 2015 Taiwan Excellence.

Mar 2015 LUXGEN was awarded with “2015 Most Influential Brand Survey” from Manager Today in the category of Automobile (Domestic).

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 eneragy and became the first automobile industry in Taiwan to purchase green power.

Jul 2015 LUXGEN U7 TURBO ECO HYPER was launched.

Aug 2015 Yulon Motor Co., Ltd. was awarded with Top 50 of Excellence in Corporate Social Responsibility.

Sep 2015 2016 NISSAN ALL NEW JUKE was launched.

Oct 2015 LUXGEN S5 TURBO ECO HYPER was launched.

Oct 2015 NISSAN was awarded with non-luxury CSI and SSI by JD POWER in 2015.

Nov 2015 The Company was awarded with Bronze Medal in Taiwan Corporate Sustainability Report Awards by Taiwan Institute for Sustainable Energy.

Dec 2015 2016 NISSAN ALL NEW SUPER SENTRA was launched.

2.1.4 Others:

The information on the merger and acquisition activities, investment in the affiliates, and reorganization, or massive transfer or conversion of the stock shares held by the director(s), supervisor(s), or major shareholder(s), the change of management, significant change in operation mode or business content, and other significant matters that could affect shareholders’ equity and how the above matters will affect the Company in 2015 and up to March 31, 2016:

1. Merger and Acquisition Activities: None

2. Reinvestment in Affiliates and Reorganization:

(1) To enhance and strengthen the development between the Company and the Group’s automobile business in China and to improve the marketing and competitiveness for the downstream systems under the automobile industry of parallel service division, the Company and Taiwan Acceptance Corporation jointly applied to the China Banking Regulatory Commission for the establishment of an automobile financing company. The Company expects to invest in the amount of RMB 255 million with 51% in shareholding ratio. The proposal received permit from Investment Commission, MOEA on 6/26 and was approved by China Banking Regulatory Commission on 8/17. Currently the Company is in the process of applying for preparation and practice.

(2) To expand the deployment of LUGXEN brand in China regions, boost market share and increase regional coverage, the Company invested RMB 24.5 million in the merger of five distributors in Anhui Province of China. The investment comprises RMB 10 million for Anhui Mintong, RMB5 million for Anhui Caitong, RMB 4 million for Anqing Lingtong, RMB 500,000 for Hefei Chunhui, and RMB5 million for Tongling Guotong.

(3) To deploy LUXGEN brand in China regions and speed up the expansion of market share, the Company invested RMB 5 million to establish the “Zibo Yuan Automobile Sales Service Co., Ltd.” in Shandong Zibo.

(4) In cooperation with the mid and long-term development needs of the Group, the Company invested more resources in car trims development platform, acquiring Y-TEKS Co., Ltd. through cash dividend capitalization in the amount of NTD 19,124,000. The shareholding ratio would become 34.00%.

(5) To assist Taiwan Acceptance Corporation with the establishment of complete value chain of automobile financing in China and integrating the Group's horizontal business, expand the market of automobile financial business, and conform to the regulations and laws for undertaking second-hand automobile financing (renting after sales), the Company increased the capital for its reinvested Hanzhou Yuguo Financing and Leasing Co., Ltd. from USD 10 million to USD 30 million. The capital increase for the Company was USD 4 million for maintenance of 20% in shareholding ratio.

(6) To improve the financial structure, the Company reduced the capital for reinvested Luxgen Motor Co., Ltd to paid-in capital of NTD 10 before issuing new stocks in the amount of NTD 2.8 billion through cash capitalization. The Company shareholding ratio remains 100% after full acquisition.

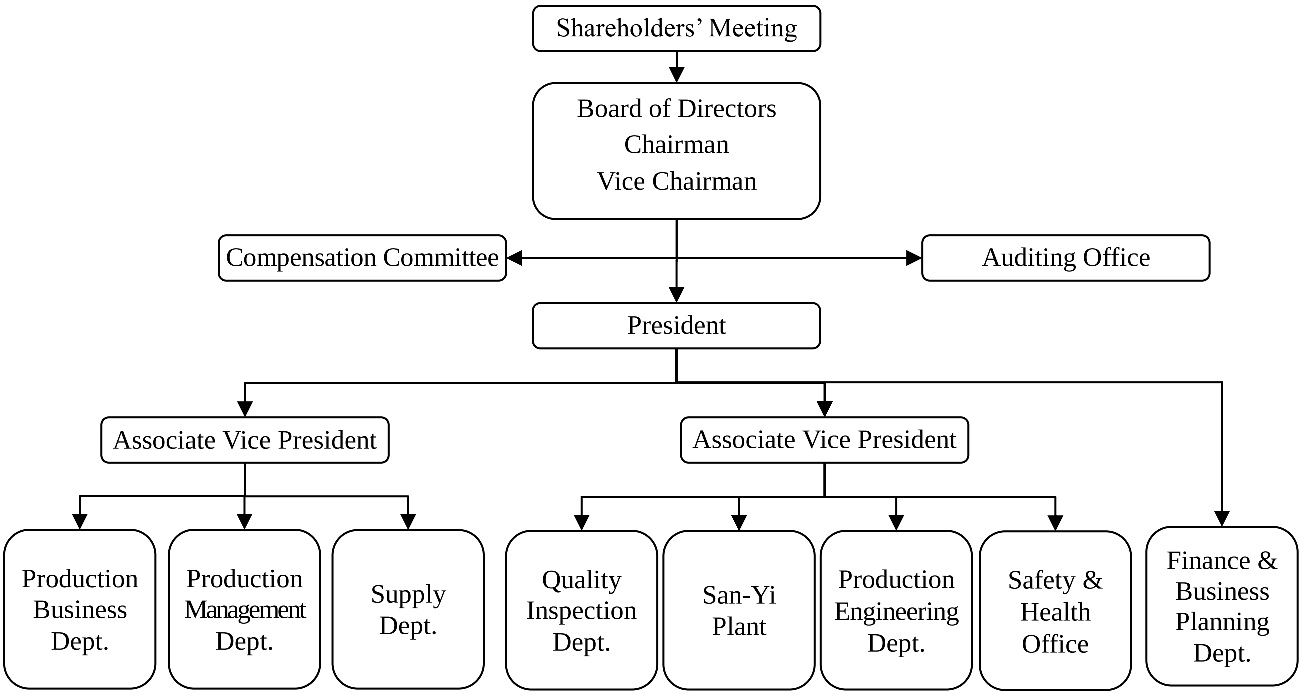
3. A massive equity transfer or conversion of the director(s), supervisor(s), or shareholders with more than 10% shareholding: None

4. Change of management, significant change in operation mode or business content, and other significant matters that could affect shareholders' equity: None

III. Corporate Governance Report

3.1 Organization system

3.1.1 Organization chart



3.1.2 Primary Functions of Departments

Dept.	Job responsibility
Auditing Office	Responsible for planning and performing the audits and improvement follow-up of internal control system.
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.
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.
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.
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.
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.
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.
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.
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.

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 23, 2016

Title (Note 1)	Nationality / Country of Origin	Name	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: Kenneth K. T. Yen	07.01.2013	3 years	07.01.1989	284,901,045 *160,126,140	18.11 10.18	284,901,045 *160,126,140	18.11 10.18	0 160,504,064	0 10.204	0	0	Honorary Doctor of Business, St. John's University, USA.	Chairman, Yulon Motor Co., Ltd. Chairman, China Motor Corporation Chairman, Yulon Nissan Motor Cor., Ltd. Chairman, Tai-Yuen Textile Co., Ltd. Chairman, Hualing Motor Co., Ltd. Chairman, Hwa-chuan Auto Technology Center Co., Ltd. Chairman, Luxgen Motor Co., Ltd. Chairman, Fortune Motors Co., Ltd. Director, Southeast (Fujian) Motor Co., Ltd. Chairman, Yen Tjing-Ling Industrial Development Foundation Director, Yen Tjing Ling Medical Foundation Chairman, Vivian Wu Journalism Award Foundation Chairman, Vivian Wu Industry and Commerce ECCC Foundation Please refer to the "Information on Affiliated Companies" for details.	Director	Li-Lien Chen	Husband and wife
Vice Chairman	R.O.C	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	07.01.2013	3 years	07.01.2004	284,901,045 * 11,901	18.11 0.0008	284,901,045 * 11,901	18.11 0.0008	0 11,901	0 0.0008	0	0	Master in Advanced Management, National Chaio Tung University President, Yulon Motor Co., Ltd. Executive Vice President, Yulon Motor Co., Ltd.	Director, Yulon Motor Co., Ltd. Director, China Motor Corporation Director and Executive Assistant to the Chairman, Yulon Nissan Motor Co., Ltd. Chairman, Taiwan Acceptance Corporation Director, Hwa-chuan Auto Technology Center Co., Ltd. Director, Tai-Yuen Textile Co., Ltd. Vice Chairman, Luxgen Motor Co., Ltd. Director, Dongfeng Yulon Motor Limited Vice Chairman, Shenzhen Fengshen Motor Sales Limited Vice Chairman, Guangzhou Fengshen Motor Sales Limited Director, Yen Tjing-Ling Industrial Development Foundation Director, Yen Tjing Ling Medical Foundation. Director, Vivian Wu Journalism Award Foundation Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Director	R.O.C	Tai-Yuen Textile Co., Ltd. Representative: Shin-I Lin	07.01.2013	3 years	07.13.2007	284,901,045 *0	18.11 0	284,901,045 *0	18.11 0	0 0	0 0	0	0	Department of Mechanical Engineering, National, Cheng Kung University Vice Chairman and President, China Motor Corporation	Director, Yulon Motor Co., Ltd. Director, China Motor Corporation Director, Tai-Yuen Textile Co., Ltd.: Director, Acer Incorporated Independent Director, E-Sun Holding Co., Ltd. Independent Director, Sin-yi Realty Inc. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Director	R.O.C	Tai-Yuen Textile Co., Ltd.. Representative: Jack J.T. Huang	07.01.2013	3 years	07.01.1992	284,901,045 *0	18.11 0	284,901,045 *0	18.11 0	0 0	0 0	0	0	Doctor of Philosophy in Law, Harvard University	Director, Yulon Motor Co., Ltd. Independent Director, Taiwan Mobile Co., Ltd. Independent Director, Wpg Holdings Limited Independent Director, Systex Corporation Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Director	R.O.C	China Motor Corporation Representative: Li-Lien Chen	07.01.2013	3 years	07.01.1992	236,900,689 * 377,924	15.06 0.024	236,900,689 * 377,924	15.06 0.024	0 160,504,064	0 10.204	0	0	Degree of Bachelor of Physical, Chinese Culture University, Chinese Culture University	Director, Yulon Motor Co., Ltd. Director, China Motor Corporation: Vice Chairman, Tai-Yuen Textile Co., Ltd. Director, Yen Tjing Ling Medical Foundation. Please refer to the "Information on Affiliated Companies" for details.	Chairman	Kenneth K. T. Yen	Husband & Wife
Director	R.O.C	China Motor Corporation Representative: Liang Zhang	07.01.2013	3 years	08.27.2008	236,900,689 *0	15.06 0	236,900,689 *0	15.06 0	0 3,000	0 0.0002	0	0	State University of New York at Albany Ph.D. in economics	Director, Yulon Motor Co., Ltd. Chairman, Jardine Matheson (Taiwan) Independent Director, HSBC Bank (Taiwan) Director, Taiwan Acceptance Corporation Director, Maxigen Biotech Inc. Independent Director, Cathay Real Estate Development Co., Ltd. Independent Director, My Humble House Hospitality Management Consulting Co., Ltd. Supervisor, Yulon Management Co., Ltd. Please refer to the "Information on Affiliated Companies" for details.	-	-	-

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Title (Note 1)	Nationality / Country of Origin	Name	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	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	07.01.2013	3 years	07.01.2004	17,287,844 * 15,412	1.09 0.001	17,287,844 * 15,412	1.09 0.001	0 15,412	0 0.001	0	0	MIB, Curtin University, Australia Senior V.P., Yulon Motor Co., Ltd. Sanyi Plant Manager, Yulon Motor Co., Ltd.	Director and President, Yulon Motor Co., Ltd. Director, Yulon Nissan Motor Co., Ltd. Director, Taiwan Acceptance Corporation Director, Luxgen Motor Co., Ltd. Director, China Engine Corporation, etc. Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Independent Director	R.O.C	Sheng Fu, Yu	07.01.2013	3 years	07.01.2013	*0	0	*1,000	0.00006	4,537	0.0003	0	0	Master of Accounting, National Chengchi University CPA, Deloitte CPA, Sheng Fu CPA Firm	Independent Director, Yulon Motor Co., Ltd. Compensation Committee member, Yulon Motor Co., Ltd. Independent director, Advanced Semiconductor Engineering, Inc. Director, Arima Lasers Corporation Supervisor, Dynapack International Technology Corporation Supervisor, San Fu Chemical Co., Ltd. Supervisor, Arima Communications Corp. Compensation Committee member, Advanced Semiconductor Engineering, Inc. Compensation Committee Member, Taiwan Acceptance Corporation Compensation Committee Member, Elite Material Co., Ltd.	-	-	-
Independent Director	R.O.C	Yi-Hong Hsieh	07.01.2013	3 years	07.01.2013	*0	0	*0	0	0	0	0	0	Ph.D. of Stanford University Law School The Chinese University of Hong Kong, Special Lecture on "Financial Law," Visiting Professor, City University of Hong Kong Adjunct Professor, National Taiwan University	Independent Director, Yulon Motor Co., Ltd. Compensation Committee member, Yulon Motor Co., Ltd. Compensation Committee member, Fubon Media Co., Ltd. Independent Director, Fubon Media Co., Ltd.	-	-	-
Supervisor	R.O.C	Lowin Industrial Co., Ltd. Representative: Wei-Kung Chi	07.01.2013	3 years	07.01.1998	8,048,440 * 237	0.51 0.00002	8,048,440 * 237	0.51 0.00002	0 237	0 0.00002	0	0	Master of Management Science, National Chaio Tung University	Supervisor, Yulon Motor Co., Ltd. Supervisor, China Motor Corporation: Supervisor, Taiwan Acceptance Corporation Director, Carnival Industrial Corporation Executive Director and President, Tai-Yuen Textile Co., Ltd. Director, Yen Tjing Ling Medical Foundation. Director, Yen Tjing-Ling Industrial Development Foundation Director, Vivian Wu Industry and Commerce ECCC Foundation Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Supervisor	R.O.C	Lowin Industrial Co., Ltd. Representative: Shintai Liu	07.01.2013	3 years	11.01.2009	8,048,440 *0	0.51 0	8,048,440 *0	0.51 0	0 0	0 0	0	0	EMBA, National Cheng Chi University Department of Mechanical Engineering, National Cheng Kung University President, China Motor Corporation:	Supervisor, Yulon Motor Co., Ltd. Vice Chairman, China Motor Corporation: Director, Hwa-chuan Auto Technology Center Co., Ltd. Director, China Engine Corporation Director, Southeast (Fujian) Motor Limited Director, Fortune Motors Co., Ltd. Director, Yen Tjing-Ling Industrial Development Foundation Chairman, Automotive Research & Testing Center Please refer to the "Information on Affiliated Companies" for details.	-	-	-
Supervisor	R.O.C	Lowin Industrial Co., Ltd. Representative: Jinchung Lee	07.01.2013	3 years	11.15.2007	8,048,440 * 134,008	0.51 0.0085	8,048,440 * 134,008	0.51 0.0085	0 134,008	0 0.0085	0	0	Department of Chemical Engineering, National Tsing Hua University Vice President of Technology System, Yulon Motor Co., Ltd.	Supervisor, Yulon Motor Co., Ltd. Director, Luxgen Motor Co., Ltd. Director and President, Hwa-chuan Auto Technology Center Co., Ltd. Chairman, China Engine Corporation Director, Dongfeng Yulon Motor Limited Director, Yen Tjing-Ling Industrial Development Foundation Director, Yen Tjing Ling Medical Foundation. Please refer to the "Information on Affiliated Companies" for details.	-	-	-

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.

* It meant for personal shareholding.

3.2.2 Major Shareholders of Institutional Shareholders

April 23 2016

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)
1. Tai-Yuen Textile Co., Ltd.	1. Yulon Motor Company Ltd. (20.85%) 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. Taiyuen Textile Co. (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. Taiyuen Textile Co. (6.76%) 5. Mitsubishi Corporation (4.79%) 6. Cathay Life Insurance Co., Ltd. (2.96%) 7. Nan Shan Life Insurance Co., Ltd. (1.71%) 8. Kenneth, K.T. Yen (1.20%) 9. Bureau of Labor Insurance – New Plan (0.99%) 10. Deutsche Bank AG (0.92%)
3. Yen Tjing-Ling Industrial Development Foundation	Non-Profit organization
4. Lowin Industrial Col, Ltd.	1. Kenneth, K.T. Yen (99.88%) 2. Wavin Investment Corp. (0.04%) 3. Fan-Terh Investment Co., Ltd. (0.04%) 4. Li-Lien Chen (0.02%) 5. Wei-Kung Chi (0.02%)

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 23, 2016

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
1. Yulon Motor Company Ltd.	1. Tai-Yuen Textile Co., Ltd. (18.11%) 2. China Motor Corporation (15.06%) 3. Kenneth, K.T. Yen (10.18%) 4. Nan Shan Life Insurance Co., Ltd. (4.39%) 5. CMC Investment Co., Ltd. (1.61%) 6. Civil Service Pension Fund Administration Committee (1.58%) 7. Fande Investment Co., Ltd. (1.51%) 8. Mercuries Life Insurance Co., Ltd. (1.22%) 9. Yen Ching Ling Industrial Development Foundation (1.09%) 10. Labor Insurance Funds (0.99%)
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. Taiyuen Textile Co. (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. Taiyuen Textile Co. (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. Taiyuen Textile Co. (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. Taiyuen Textile Co.	1. British Virgin Islands Wanda Company (72.51%) 2. Tai-Yuen Textile Co., Ltd. (21.97%) 3. Yulon Motor Co., Ltd. (5.09%) 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. Taiyuen Textile Co. (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%)

April 23, 2016

Names of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
10. Mitsubishi Motors Corporation	1. Mitsubishi Heavy Industries, Ltd. (12.63%) 2. Mitsubishi Corporation (10.06%) 3. MHI Automotive Capital and MMC Co., Ltd. 1 (3.92%) 4. Bank of Tokyo-Mitsubishi UFJ (3.91%) 5. MHI Automotive Capital and MMC Co., Ltd. 2 (3.45%) 6. Japan TRUSTEE SERVICES Trust and Banking Corporation (Trust Account) (2.23%) 7. MASTER TRUST Bank of Japan, Ltd. (Trust Account) (1.80%) 8. JP MORGAN CHASE BANK 385632 (1.67%) 9. THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (1.31%) 10. CBNY-GOVERNMENT OF NORWAY (1.24%)
11. Mitsubishi Corporation	1. TRUSTEE SERVICES Bank of Japan Co., Ltd. (Trust Account) (5.68%) 2. Tokyo Marine & Nichido Fire Insurance Co., Ltd. (4.70%) 3. MASTER TRUST Bank of Japan Co., Ltd. (Trust Account) (4.37%) 4. Meiji Yasuda Life Insurance Company (4.09%) 5 MASTER TRUST Bank of Japan Co., Ltd. (Mitsubishi Heavy Industries, Ltd. Retirement Benefit Trust account) (2.03%) 6. State Street Bank and Trust Company – 505223 (1.61%) 7. Mitsubishi UFJ Trust and Banking Corporation (1.61%) 8. THE BANK OF NEW YORK MELLON SA/NV 10 (1.47%) 9. Nomura Trust Banking Corporation (Retirement Benefit Trust - Mitsubishi UFJ Trust Account) (1.39%) 10. State Street Bank West Client-Treaty 505234 (1.29%)
12. Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100%)
13. Nan Shan Life Insurance Co., Ltd.	1. Trust Account of First Bank hoding by Ruen Chen Investment Holding Co., Ltd. (76.46%) 2. Ruen Chen Investment Holding Co., Ltd. (14.16%) 3. Du Ying Zong (3.25%) 4. Ruen Hua Dyeing & Weaving Co., Ltd. (0.28%) 5. Ruen Tai Leasing Co., Ltd. (0.15%) 6. Ji Pin Investment Co., Ltd. (0.11%) 7. Kuo Wen Te (0.11%) 8. Nan Shan Life Insursance Stoct Trust Account of Taishin Bank. (0.06%) 9. Pao Hui Investment Co., Ltd. (0.05%) 10. Pao Huang Investment Co., Ltd. (0.05%) 11. Pao Yi Investment Co., Ltd. (0.05%) 12. Pao Chih Investment Co., Ltd. (0.05%)
14. Bureau of Labor Insurance – New Plan	Not applicable for it is not an institutional shareholder.
15. Deutsche Bank AG	Unable to be disclosed.
16. Wavin Investment Corp.	1. Kenneth, K.T. Yen (99.4%) 2. Wei Tai Investment Co., Ltd. (0.1%) 3. Lowin Industrial Col, Ltd. (0.1%) 4. Fan-Terh Investment Co., Ltd. (0.1%) 5. Jing Yu Investment Co., Ltd. (0.1%) 6. Yu Xin Investment Co., Ltd. (0.1%) 7. Li-Lien Chen (0.1%)
17. Fan-Terh Investment Co., Ltd.	1. Wei Tai Investment Co., Ltd. (33.36%) 2. Wavin Investment Corp. (33.30%) 3. Lowin Industrial Col, Ltd. (33.30%) 4. Chuan-Lin Zhu (0.02%) 5. Wei-Kung Chi (0.02%)

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 supervisors

March 31, 2016

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	
Kenneth K. T. Yen			✓							✓		✓		
Kuo-Rong Chen			✓			✓	✓			✓	✓	✓		
Shin-I Lin			✓			✓	✓				✓	✓		2
Jack J.T. Huang	✓	✓	✓	✓		✓	✓				✓	✓		4
Li-Lien Chen			✓							✓		✓		
Liang Zhang			✓	✓		✓	✓	✓		✓	✓	✓		3
Zhen-Xiang Yao			✓			✓	✓			✓	✓	✓		
Sheng Fu, Yu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Yi-Hong Hsieh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Wei-Kung Chi			✓			✓	✓			✓	✓	✓		1
Shintai Liu			✓			✓	✓			✓	✓	✓		
Jinchung Lee			✓			✓	✓			✓	✓	✓		

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

Note 2: If the respective director or supervisor 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 of the Company or an independent director of a subsidiary of the Company with more than 50% shareholding).

(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 member of the board, supervisor, or employee of institutional shareholders directly holding more than 5% of the company issued total shares, or a member of board, supervisor, or employee of the first five institutional shareholders.

(6) Not a member of the board, supervisor, manager of a company or institution that has financial or business interaction with the Company. Or, not a shareholder that hold more than 5% of the outstanding shares of the said company or institution.

(7) Not a professionals, sole proprietorship profit-seeking enterprise, or partnership that provides commercial, legal, financial or accounting service to the Company or to any affiliate of the Company; not a owner, partner, director, supervisor or manager of a company or institution that provides commercial, legal, financial or accounting service to the Company or to any affiliate of the Company; or not the spouse of any of the above persons. However, the Compensation Committee members who exercise job responsibilities in accordance with Article 7 of the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" are not subject to the requirement.

(8) Neither the spouse of any other director of the Company nor the relative with the second degree of kinship of any other director of the Company.

(9) Not subject to any condition under Article 30 of the Company Law.

(10) Not elected as director in the capacity of the government, legal person, or the representative thereof in accordance with Article 27 of the Company Law.

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

April 23, 2016

Title (Note 1)	Nationality/ Country of Origin	Name	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	08.08.2013	15,412	0.001	0	0	0	0	MIB, Curtin University, Australia Senior Vice President, Yulon Motor Co., Ltd. Sanyi Plant Manager, Yulon Motor Co., Ltd.	Director, Yulon Motor Co., Ltd. Director, Taiwan Acceptance Corporation Director, Luxgen Motor Co., Ltd. Director, China Engine Corporation Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Associate Vice President	R.O.C	Ching-Chi Chen	11.16.2009	2,425	0.0002	826	0.00005	0	0	Department of Engineering, Feng Chia University General Manager of Quality Inspection Dept, Yulon Motor Co., Ltd. General Manager of Management Dept., Yulon Motor Co., Ltd. Sanyi Plant Manager, Yulon Motor Co., Ltd.	Director, Yulon GM Company Limited Director, China Engine Corporation Chairman, Uni-Calsonic Corp. Director, Advance Power Machinery Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Associate Vice President	R.O.C	Min Hui Qiu	04.01.2015	6,287	0.0004	0	0	0	0	Department of Engineering, National Taiwan University President, Ideology Advertising Company Senior Manager of Renault Division, Yulon Motor Co., Ltd. General Manager of Production Business Dept., Yulon Motor Co., Ltd.	Director, Yuchia Motor Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Manager	R.O.C	Zheng Lang Liu	01.31.2007	23,021	0.0015	0	0	0	0	MIB, Curtin University, Australia Senior Manager of Parts Service, Yulon Nissan Motor Co., Ltd.	-	-	-	-
Manager	R.O.C	Shi Ting Chen	07.09.2010	3,261	0.0002	0	0	0	0	Master of Industrial Engineering, National Yunlin University of Science and Technology Sanyi Plant Manager, Yulon Motor Co., Ltd. General Manager of Quality Inspection Dept, Yulon Motor Co., Ltd.	-	-	-	-
Manager	R.O.C	Lihua Wu	03.22.2011	8,811	0.0006	0	0	0	0	Department of Electronic Communication, National United University Sanyi Plant Manager, Yulon Motor Co., Ltd.	-	-	-	-
Manager	R.O.C	Binglin Chen	05.01.2013	0	0	0	0	0	0	MIB, Curtin University, Australia Senior Manager of Quality Inspection Dept. , Yulon Motor Co., Ltd.	-	-	-	-
Manager	R.O.C	Wen Yuan Li	05.01.2014	75	0	0	0	0	0	MIB, Curtin University, Australia Manager of Maintenance Dept, Guangzhou Fengshen Motor Sales Limited Senior Manager of Quality Inspection, Yulon Motor Co., Ltd.	Director, Luxgen Taipei Motor Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Manager	R.O.C	Wen Yi Lo	11.09.2015	1,136	0	0	0	0	0	University of Southampton MIB Accounting and Finance Senior Manager of Finance & Business Planning Dept, Yulon Motor Co., Ltd	Director, Yuea Ching Business Co., Ltd. Director, Sin-Chi Co., Ltd. Director, Chanchen Inter Consulting Co., Ltd. Supervisor, Yuchia Motor Co., Ltd. Supervisor, Supervisor, China Cast Iron Pipe Co., Ltd. Supervisor, Advance Power Machinery Co., Ltd. Please refer to the “Information on Affiliated Companies” for details.	-	-	-
Manager	R.O.C	Jian Hui Li	03.21.2016	60	0	0	0	0	0	MIB, Curtin University, Australia Manager of Manufacture Managerment Dept, Dongfeng Yulon Motor Limited Senior Manager of Quality Inspection, 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 2015

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

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 11)		Relevant Remuneration Received by Directors Who are Also Employees												Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 11)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 12)
		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)				Exercisable Employee Stock Options (H) (Note 7)		New Restricted Employee Shares (I) (Note 13)				
		The company	All companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company		Companies in the consolidated financial statements (Note 8)		The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	The company	Companies in the consolidated financial statements (Note 8)	
																Cash	Stock	Cash	Stock							
Chairman	Tai-Yuen Textile Co., Ltd. Representative: Kenneth K. T. Yen	14,604,400	35,990,048	0	0	14,117,687	14,630,707	8,997,600	9,628,019	1.13%	1.80%	7,821,659	7,821,659	0	0	20,030	0	20,030	0	0	0	0	0	1.36%	2.03%	98,743,137
Vice Chairman	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen																									
Director	Tai-Yuen Textile Co., Ltd. Representative: Shin-I Lin																									
Director	Tai-Yuen Textile Co., Ltd. Representative: Jack J.T. Huang																									
Director	China Motor Corporation Representative: Li-Lien Chen																									
Director	China Motor Corporation Representative: Liang Zhang																									
Director	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao																									
Independent Director	Sheng Fu, Yu																									
Independent Director	Yi-Hong Hsieh																									

Remuneration bracket

	Name of directors			
	The accumulated amount from the above-mentioned four categories (A+B+C+D)		The accumulated amount from the above-mentioned seven categories (A+B+C+D+E+F+G)	
	The Company (Note 9)	All the companies included in this financial statement (Note 10)	The Company (Note 9)	All the invested companies (Note 10)
Less than NT$2,000,000	Representative of Tai-Yuen Textile Co., Ltd.: Kuo-Rong Chen Jack J.T. Huang Representative of Yen Tjing-Ling Industrial Development Foundation: Zhen-Xiang Yao Representative of China Motor Corporation: Li-Lien Chen Liang Zhang Independent Director Sheng Fu, Yu Yi-Hong Hsieh	Representative of Tai-Yuen Textile Co., Ltd.: Jack J.T. Huang Representative of Yen Tjing-Ling Industrial Development Foundation: Zhen-Xiang Yao Representative of China Motor Corporation: Liang Zhang Independent Director Sheng Fu, Yu Yi-Hong Hsieh	Representative of Tai-Yuen Textile Co., Ltd.: Kuo-Rong Chen Jack J.T. Huang Representative of China Motor Corporation: Li-Lien Chen Liang Zhang Independent Director Sheng Fu, Yu Yi-Hong Hsieh	Representative of Tai-Yuen Textile Co., Ltd.: Jack J.T. Huang Representative of China Motor Corporation: Liang Zhang Independent Director Sheng Fu, Yu Yi-Hong Hsieh
NT$2,000,000 ~ NT$5,000,000	Representative of Tai-Yuen Textile Co., Ltd.: Shin-I Lin	Representative of Tai-Yuen Textile Co., Ltd.: Shin-I Lin Representative of China Motor Corporation: Li-Lien Chen	Representative of Tai-Yuen Textile Co., Ltd.: Shin-I Lin	
NT$5,000,000 ~ NT$10,000,000		Representative of Tai-Yuen Textile Co., Ltd.: Kuo-Rong Chen	Representative of Yen Tjing-Ling Industrial Development Foundation Zhen-Xiang Yao	Representative of Yen Tjing-Ling Industrial Development Foundation: Zhen-Xiang Yao
NT$10,000,000 ~ NT$15,000,000	Representative of Tai-Yuen Textile Co., Ltd.: Kenneth, K.T. Yen		Representative of Tai-Yuen Textile Co., Ltd.: Kenneth, K.T. Yen	Representative of Tai-Yuen Textile Co., Ltd.: Shin-I Lin
NT$15,000,000 ~ NT$30,000,000		Representative of Tai-Yuen Textile Co., Ltd.: Kenneth, K.T. Yen		Representative of Tai-Yuen Textile Co., Ltd.: Kuo-Rong Chen Representative of China Motor Corporation: Li-Lien Chen
NT$30,000,000 ~ NT$50,000,000				
NT$50,000,000 ~ NT$100,000,000				Representative of Tai-Yuen Textile Co., Ltd.: Kenneth, K.T. Yen
More than NT$100,000,000				
Total	9	9	9	9

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 and Form (3-1) or (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.

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: It refers to the number of shares that the employees are entitled to subscribe in accordance with the employee stock option (excluding the stock option already exercised) received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) as of the publication date of the annual report. In addition to this Form, it is required to fill out Form 15.

Note 8: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 9: Disclose the name of the directors in the respective range of total remuneration received from the Company.

Note 10: Disclose the name of the directors in the respective range of total remuneration received from all the companies included in the consolidated financial statements (including the Company).

Note 11: 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 12: 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 13: It refers to the stock shares with restricted rights received by directors who are also employees of the Company (including President, Senior Vice President, and other managerial officers and employees) as of the publication date of the annual report. In addition to fill out this form, please fill out Form 15-1 too.

* 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.

2. Payment of remuneration to supervisors (The name of supervisors should be disclosed in accordance with the respective remuneration bracket)

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="6">Remuneration of Supervisors</th><th colspan="2" rowspan="2">The total of A+B+C / Net income ratio (%) (Note 8)</th><th rowspan="3">Receiving or not receiving remuneration from the reinvested companies other than the Company's subsidiaries (Note 9)</th></tr>
<tr><th colspan="2">Remuneration (A) (Note 2)</th><th colspan="2">Remuneration from the Distribution of Earnings (B) (Note 3)</th><th colspan="2">Expenses for Business Operations (c) (Note 4)</th></tr>
<tr><th>The Company</th><th>All the companies included in this consolidated statement (Note 5)</th><th>The Company</th><th>All the companies included in this consolidated statement (Note 5)</th><th>The Company</th><th>All the companies included in this consolidated statement (Note 5)</th><th>The Company</th><th>All the companies included in this consolidated statement (Note 5)</th></tr>
<tr><td>Supervisor</td><td>Lowin Industrial Co., Ltd. Representative:Wei-Kung Chi</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">3,565,915</td><td rowspan="3">3,565,915</td><td rowspan="3">360,000</td><td rowspan="3">522,000</td><td rowspan="3">0.12%</td><td rowspan="3">0.12%</td><td rowspan="3">27,220,422</td></tr>
<tr><td>Supervisor</td><td>Lowin Industrial Co., Ltd. Representative: Jinchung Lee</td></tr>
<tr><td>Supervisor</td><td>Lowin Industrial Co., Ltd. Representative: Shintai Liu</td></tr>
</table>

Remuneration bracket

The remuneration bracket for supervisors of the Company	Name of supervisors The accumulated amount from the above-mentioned three categories (A+B+C) The Company (Note 6)	 All the reinvested companies (Note 7) D
Less than NT$ 2,000,000	Representative of Lowin Industrial Co., Ltd.: Wei-Kung Chi Representative of Lowin Industrial Co., Ltd.: Jinchung Lee Representative of Lowin Industrial Co., Ltd.: Shintai Liu	Representative of Lowin Industrial Co., Ltd.: Jinchung Lee
NT$2,000,000 ~ NT$5,000,000		Representative of Lowin Industrial Co., Ltd.: Wei-Kung Chi
NT$5,000,000 ~ NT$10,000,000		
NT$10,000,000 ~ NT$15,000,000		
NT$15,000,000 ~ NT$30,000,000		Representative of Lowin Industrial Co., Ltd.: Shintai Liu
NT$30,000,000 ~ NT$50,000,000		
NT$50,000,000 ~ NT$100,000,000		
More than NT100,000,000		
Total	3	3

Note 1: Names of supervisors 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.
Note 2: It refers to the supervisors' compensation received for the recent year (including salaries of the supervisors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).
Note 3: It refers to the remuneration of supervisors 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 supervisors 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: Disclose the total amount of remuneration paid to the supervisors by all the companies (including the Company) included in the consolidated financial statements.
Note 6: Disclose the name of the supervisors in the respective range of total remuneration received from the Company.
Note 7: Disclose the name of the supervisors in the respective range of total remuneration received from all the companies (including the Company) included in the consolidated financial statements.
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 supervisors of the Company received from the reinvested companies other than the subsidiaries.
b. If the supervisor has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column D. In addition, the column title shall be revised as "All reinvested companies."
c. Remuneration shall mean the compensation, reward, employee bonus, and expense for business operation paid to the Company's supervisor(s) by the reinvested companies other than the subsidiaries and such supervisors 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. Remuneration of the President and the Senior Vice President (The name of managerial officers should be disclosed in accordance with the respective remuneration bracket)

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 9)		Number and amount of Employee Stock Option Certificates received (Note 5)		Number of shares with restricted rights received by employees (Note 11)		Receiving or not receiving remuneration from the reinvested companies other than the Company's subsidiaries (Note 10)
		The Company	All the companies included in this financial statement (Note 6)	The Company	All the companies included in this financial statement (Note 6)	The Company	All the companies included in this financial statement (Note 6)	The Company		All the companies included in this consolidated statement (Note 6)		The Company	All the companies included in this financial statement (Note 6)	The Company	All the companies included in this financial statement (Note 6)	The Company	All the companies included in this financial statement (Note 6)	
								Amount of Cash	Amount of stock	Amount of Cash	Amount of stock							
President	Zhen-Xiang Yao	5,834,808	5,834,808	0	0	7,021,175	7,021,175	34,386	0	34,386	0	0.38%	0.38%	0	0	0	0	292,000
Senior Vice President	Charles Shiau (Note 12)																	

Note: The Severance pay and Pension amount in the Form is expenses appropriated.

Remuneration bracket

The remuneration bracket for President and Senior Vice President of the Company	Name of President and Senior Vice President	
	The Company (Note 7)	All the transfer invested companies (Note 8) E
Less than NT$ 2,000,000		
NT$2,000,000 ~ NT$5,000,000		
NT$5,000,000 ~ NT$10,000,000	Zhen-Xiang Yao Charles Shiau	Zhen-Xiang Yao Charles Shiau
NT$10,000,000 ~ NT$15,000,000		
NT$15,000,000 ~ NT$30,000,000		
NT$30,000,000 ~ NT$50,000,000		
NT$50,000,000 ~ NT$100,000,000		
More than NT$100,000,000		
Total	2	2

Note 1: Names of President and Senior Vice President should be separately disclosed. The amount of remunerations should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form and Form (1-1) or (1-2) must be filled out.

Note 2: It refers to the President's and Senior Vice President's salary, special responsibility allowance, and severance pay.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, the provision of dormitory and vehicle, and other compensations received by the President and Senior Vice President 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.

Note 4: It refers to the employee remuneration (including stock and cash) received by the President and Senior Vice President 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. 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. 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 5: It refers to the number of shares that the employees are entitled to subscribe in accordance with the employee stock option (excluding the stock option already exercised) received by the President and Senior Vice President as of the publication date of the annual report. In addition to this Form, it is required to fill out Form 15.

Note 6: Disclose the total amount of remuneration paid to the President and Senior Vice President by all the companies (including the Company) included in the consolidated financial statements.

Note 7: Disclose the name of the President and Senior Vice President in the respective range of total remuneration received from all the Company.

Note 8: Disclose the total amount of remuneration paid to the President and Senior Vice President by all the companies (including the Company) included in the consolidated financial statements. Disclose the name of the President and Senior Vice President in the respective range of total remuneration received.

Note 9: 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 10: a. It is required to specify in this column the relevant remuneration amount the President and Senior Vice President of the Company received from the reinvested companies other than the subsidiaries.

b. If the President and Senior Vice President have received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column E. In addition, the column title shall be revised as "All reinvested companies."

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

Note 11: It refers to the stock shares with restricted rights received by directors who are also employees of the Company (including President, Senior Vice President, and other managerial officers and employees) as of the publication date of the annual report. In addition to fill out this form, please fill out Form 15-1 too.

Note 12: Retired at November 09, 2015.

* 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.

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

March 31, 2016
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	105,272	105,272	0.0031%
	Senior Vice President	Charles Shiau				
	Associate Vice President	Ching-Chi Chen				
	Associate Vice President	Min-Hui Qiu				
	Manager	Zhenglang Liu				
	Manager	Shi Ting Chen				
	Manager	Lihua Wu				
	Manager	Binglin Chen				
	Manager	Wen Yuan Li				
	Manager	Wen Yi Lo				
	Manager	Jian Hui Li				

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 1-2, please fill out this Form too.

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$

	2015			2014		
	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)
Director	37,719,687	3,352,078,000	1.13%	30,535,050	2,210,346,000	1.38%
Supervisor	3,925,915	3,352,078,000	0.12%	2,046,067	2,210,346,000	0.09%
President and Senior Vice President	12,890,369	3,352,078,000	0.38%	11,881,384	2,210,346,000	0.54%

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$

	2015			2014		
	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)	Total remuneration	Net Income	Remuneration / standalone net income ratio (%)
Director	60,248,774	3,352,078,000	1.80%	38,263,081	2,210,346,000	1.73%
Supervisor	4,087,915	3,352,078,000	0.12%	2,395,067	2,210,346,000	0.11%
President and Senior Vice President	12,890,369	3,352,078,000	0.38%	11,975,384	2,210,346,000	0.54%

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, supervisors and managers is determined by the Salary Remuneration Committee with routine review on the annual and long-term performance goals of directors, supervisors 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, supervisors 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.

3.3 Operation of Corporate Governance

3.3.1 Information of the Board Function

The meeting of Board of Directors has been held for 6 times in the current year and the attendance status of the directors and supervisors is listed below:

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: Kenneth K. T. Yen	5	1	83%	
Vice Chairman	Tai-Yuen Textile Co., Ltd. Representative: Kuo-Rong Chen	6	0	83%	
Director	Tai-Yuen Textile Co., Ltd. Representative: Shin-I Lin	6	0	100%	
Director	Tai-Yuen Textile Co., Ltd. Representative: Jack J.T. Huang	5	1	83%	
Director	China Motor Corporation Representative: Li-Lien Chen	5	1	83%	
Director	China Motor Corporation Representative: Liang Zhang	4	2	66%	
Director	Yen Tjing-Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	6	0	100%	
Independent Director	Sheng Fu, Yu	6	0	100%	
Independent Director	Yi-Hong Hsieh	5	1	83%	
Supervisor	Lowin Industrial Co., Ltd. Representative: Wei-Kung Chi	5	0	83%	
Supervisor	Lowin Industrial Co., Ltd. Representative: Shintai Liu	6	0	100%	
Supervisor	Lowin Industrial Co., Ltd. Representative: Jinchung Lee	5	0	83%	

Other matters to be disclosed:

1. For the matters described in Article 14.3 of the Securities and Exchange Act and the matters resolved in the Board meeting with the objections or reservations of the independent directors recorded or declared in writing, 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:
   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. 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) he Company will undergo the 15th Director Reelection in 2016, where three independent directors will be elected while replacing the previous supervisor system with the Audit Committee. The Audit Committee is scheduled for establishment in July 2016 to strengthen the internal supervisory mechanism of the company.

(3) 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 "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles" and "Inside Trading Prevention Codes" on December 21, 2015 in attempt to constantly improve the corporate governance standards.

(4) 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.

(5) The Company adopted "Board of Director and Director Member Performance Appraisal Guidelines" on November 9, 2015 in addition to completing the Board of Director evaluation in January 2016. This evaluation result complies with Board of Director operations, level of director participation, and operations of Remuneration Committee, falling between 83.85 points and 94.37 points. The overall operation of the Board of Directors is deemed well in accordance with the results of 2015 Board of Director Performance Appraisal.

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and supervisor 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.

3.3.2 Function of Audit Committee:

The Company has already prepared to establish the committee in July 2016.

3.3.3 Supervisors involved in the Board operation

Attendance of the 6 Board meetings in the recent year:

Title	Name	Number of times attending in person	Actual attendance rates (%)		Remark
Supervisor	Lowin Industrial Co., Ltd. Representative: Wei-Kung Chi	5	0	83%	
Supervisor	Lowin Industrial Co., Ltd. Representative: Shintai Liu	6	0	100%	
Supervisor	Lowin Industrial Co., Ltd. Representative: Jinchung Lee	5	0	83%	

Other matters to be disclosed:

1. Composition and responsibilities of supervisors:
   The Company has three supervisors elected with a nomination system. Supervisors are elected from the nominated candidates in the Shareholders' Meeting for a three-year term and can be reelected. Responsibilities of supervisors include business query, financial investigation, books audit, and other responsibilities entrusted by law, regulations, articles of incorporation, and Shareholders' Meeting.
   (1) Communication between supervisors and employees and shareholders of the Company (such as, communication channels and methods, etc.):
   The Company has an individual designated to be the bridge between supervisors and employees and shareholders. In addition, supervisors also attend the Board meeting and the shareholders' meeting to help monitor company operations.
   (2) Communication between supervisors and chief internal auditor and CPAs of the Company:
   Chief Internal Auditor is to submit the monthly audit report to the supervisor for review and to report the major discoveries in an audit to the Board of Directors. According to Auditing Standards No. 39 Communiqué and Taiwan Securities and Futures Bureau Tai.Chai.Chen (VI) No. 0930105373 Letter, the CPA of the Company is to have the governance matters of the financial statements and the consolidated financial statements audited or reviewed summarized quarterly for communication in writing or in person.
2. Supervisors who have spoken at the Board meeting, if any, should clearly state the date of the Board meeting, the term, the contents of the motions, the resolutions of the Board meeting, and the Company's handling the opinions of the supervisors:
   None

3.3.4 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, proper diverse guidelines and implementation based on the operations, business model and development requirement, thereby to attain the ideal target of corporate governance. The Board of the Directors comes with the necessary knowledge, skills and quality for the members of Board of Directors. Members of the Board of directors must be equipped with knowledge, skills and quality.	The company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
(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 current supervisors’ term will determinate in 2016 and currently the company plans to establish the audit committee by 2016 while the remaining	The term for this supervisor is expired in 2016 while the establishment of audit committee for 2016 is under planning. The remaining functional committees shall be established according to the corporate management and plan.

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
			functional committee shall be established according to the planning by corporate management.	
(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 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 such as submitting discussion matters to Board of Directors, coordinating at least one Board of Directors meeting each quarter, compliance with conflict of interests in directors, attendance of Board of Directors meeting, execution of supervision and operation plans, expression of financial report, audit report and follow-up situations, shall undergo routine evaluation each year.	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 2016 independent evaluation was completed, approved and adopted at the Board of Directors meeting held in March 2016	The company has complied with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
4. Does the company establish communication channel with the stakeholders, 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 relation 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.
5. 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.
6. 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.

7. Does the company hold significant information that helps understand the operation of corporate governance (including but not limited 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)?

(1) Employees' equity:

The company interacts with labor representative routinely, issue publication for diverse 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 employee welfare area, employee health check, insuring group insurance for all employees, arrange diverse leisure activity after work, hold family day for employees and health season event, assist with employee travel, subsidy on club activity funds, providing employees with diverse learning channel. On the other hand, employees physical and mental health, welfare and career. Please refer to Chapter 5, Section 6 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

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	

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 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 2015/01/01 to 2015/12/31):

Title	Name	Organizer	Course Name	Hours
Chairman	Kenneth K.T. Yen	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Vice Chairman	Kuo-Rong Chen	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Director	Jack J.T Huang	Taiwan Corporate Governance Association	The Function of the Board of Directors and Performance Evaluation.	3
		Taiwan Stock Exchange Corporation	Corporate Governance, Finance Supervision and the Law.	6
		Taiwan Corporate Governance Association	How to Promote the Function of the Board of Directors.	3
		Taiwan Corporate Governance Association	The Game for Taiwan Business to Reborn	3
		Taiwan Stock Exchange Corporation	Corporate Governance 2.0: Global Focus and Taiwan Experience.	3.5
Director	Shin-I Lin	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Director	Li-Lien Chen	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Director	Liang Zhang	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	3
		Securities and Futures Institute	The Legal Issues for the Directors and Supervisor of Public Companies	3
		Securities and Futures Institute	How to Examine the Financial Statement and Internal Control for the Directors and Supervisors without Finance and Accounting Background	3
		Securities and Futures Institute	Corporate Governance and the Securities Legislation	3
Director	Zheng-Xiang Yao	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Independent Director	Sheng-Fu You	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Independent Director	Yi-Hong Xie	Securities and Futures Institute	Grasp corporate governance and CSR trends to create multiple win-win situations.	3
		Accounting Research and Development Foundation	The legal liabilities and case analysis for "Asset Transfer" in economic crimes.	3
Supervisor	Wei-Kung Chi	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	6
Supervisor	Shintai Liu	Taiwan Corporate Governance Association	Corporate Governance and Way to Sustainable Operation: Business Decision and the Function of the Board of Directors.	3
		Taiwan Corporate Governance Association	The Practice of Corporate Governance under the Structure of Corporate Governance Evaluation.	3
Supervisor	Jinchung Lee	Securities and Futures Institute	How to Examine the Financial Statement and Internal Control for the Directors and Supervisors without Finance and Accounting Background	3
		Securities and Futures Institute	Analysis of Employee Fraudulence Risk Prevention and Practice	3

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

Item	Operations (Note 1)			Discretions with Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description	
commissioned TOKIO MARINE NEWA INSURANCE to carry out liability insurance planning and undertaking for directors and supervisors.				
8. If the Company has a corporate governance self-assessment report or has commissioned a corporate governance self-assessment report to other professional institutions, it shall state its self-assessment (or outsourcing evaluation) results, major deficiencies (or suggestions) and improvements: The Company currently has no corporate governance self-assessment report or has any outsourced company governance evaluation reports.				

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

Note 2: The so-called corporate governance self-evaluation refers to the self-evaluation and description provided by the company in accordance with the corporate self-governance items on the report about the current corporate operations and executions.

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

1. The composition and responsibilities ofCompensation 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 directors, supervisors, and managers, and the policies, systems, standards, and structures of remuneration. Periodically assesses the achievement of performance objectives of the Company's directors, supervisors, 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 (Note 3)
		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		
Independent director	Sheng Fu, Yu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	Complied
Independent director	Yi-Hong Hsieh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	Complied
Others	Jinshun Wu		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	6	

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 its affiliated companies.

(2) Not a director/supervisor of the Company or its affiliated companies, unless he/she serves as an independent director of the Company or its parent company or a subsidiary of the Company with more than 50% shareholding held by the Company directly or indirectly.

(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 third degree of consanguinity of any person indicated in the foregoing three categories.

(5) The Company or a director, supervisor, or employee of the top-five institutional shareholders;

(6) Not a director, supervisor, manager, or an institutional shareholder with more than 5% shareholding of a specific company or an institution that has conducted finance or business transactions with the Company.

(7) Not a professional, sole proprietorship profit-seeking enterprise, or partnership that provides commercial, legal, financial, or accounting service to the Company or to any affiliate of the Company; not a owner, partner, director, supervisor, or manager of a company or an institution that provides commercial, legal, financial, or accounting service to the Company or to any affiliate of the Company; or not the spouse of any of the above persons.

(8) Not subject to any condition under Article 30 of the Company Law.

Note 3: If the Compensation Committee member is a board director, please indicate whether it is in compliance with Article 6 Paragraph 5 of the "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded over the Counter."

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 2nd Compensation Committee is from July 1, 2013 to June 30, 2016. As of March 31, 2016, 7 meetings had been held and their 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	Sheng Fu, Yu	7	0	100%	
Committee member	Yi-Hong Hsieh	7	0	100%	
Committee member	Jinshun Wu	7	0	100%	

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.

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.

3.3.6 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)			Discretions with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description (Note 2)	
1. Implementation of corporate governance (1) Does the company develop corporate social responsibility policy or system and review the effectiveness of implementation?	V		(1) The company has submitted the BOD to resolve and pass the "Corporate Social Responsibility Best Practice Principles. Apart from disclosing the principles in the company's official website, the company shall report the relevant execution outcome to the BOD or general manager. Refer to the description under 6th point of the table for the effectiveness of implementation outcome or the company's CSR.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(2) Does the company routinely organize social responsibility education training?	V		(2) The company has applied CSR G4 version of standards to departmental supervisor and employee education and training, in addition to releasing new knowledge home aids e-newsletter each quarter. The content includes promotion of conservation with the management, key policies, and employee care issues, which will help the company employees to understand the social responsibility system and promote.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(3) Does the company establish and promote full-time (part-time) corporate social responsibility department, where the Board of Directors authorize senior	V		(3) The coordinator of the Company is the President, who recruits all department representatives to jointly form the Corporate social Responsibility Project Promotion Team (short as CSR Team). The team routinely report to the senior management for processing.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons

Items	Operations (Note 1)			Discretions with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description (Note 2)	
management to process and report to the Board of Directors of the processing?				
(4) Does the company develop reasonable salary and remuneration policy in addition to combining employee performance appraisal system and corporate social responsibility, as well as establishing explicit and effective rewards and punishment system?	V		(4) The company establishes salary remuneration committee that develops policies related to employee performance appraisal and explicit reward/punishment system.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
2. Development of sustainable environment (1) Does the company devote in the improvement on the utilization efficiency of various resources and use recycled materials with low environmental impact?	V		(1) 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.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(2) Does the company establish proper environmental management system in accordance with its characteristics of industry?	V		(2) 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.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(3) Does the company pay attention on the impact of climate change on operational activating and execute strategies on greenhouse gas inventory, develop corporate energy-conservation and carbon emission reduction, and greenhouse gas reduction?	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 in addition to establishing the “green energy project” in 2008 to reduce by 4% of carbon salary per annual. It is an objective for continuous promotion of energy saving.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
3. Maintenance of social welfare (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 Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(2) Does the company establish employee complaint mechanism and channel with proper handling?	V		(2) The company establishes personnel complaint processing mechanism and in case employees encounter equity damage, they can reflect to HR department through phone or email.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(3) Does the company routinely provide safe and healthy work environment for employees in addition to implementing safety and health education?	V		(3) Although the company maintains employee health through the medical office. The safety and health office also provide education and training for new employees. For more information, please read the description under “Labor-Employer relationship under Chapter 5, Section 3 for more information.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(4) Does the company establish routine communication mechanism with employees and notify the employees of the operational change that could possibly cause major impact through reasonable means?	V		(4) Apart from the quarterly issued e-newsletter, the company also announces and routinely holds labor employer meeting for major resolution matters and execution policies, in attempt to communicate with employees. Please refer to Chapter 5, Section 5 on “Labor and Employer Relation” below.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons

Items	Operations (Note 1)			Discretions with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description (Note 2)	
(5) Does the company establish effective career competence development training program for employees?	V		(5) The company establishes technical curriculum architecture for employees to improve professional skills. For more information on the example of education and training, please refer to description of Chapter 5, Section 5 on “Labor and Employer Relation.”	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(6) Does the company develop relevant rights/interest policy and complaint procedures to protect consumers in accordance with the R&D, purchase, production, operation, and service process?	V		(6) The company offers 0800 toll-free 24-hour hotline service and provides transparent and effective consumer complaint procedure for the company product and service.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(7) Does the company comply with all relevant laws and regulations and international standards for the marketing and labeling of products and services?	V		(7) The company has acquired safety review certificate from the Ministry of Transportation and Communication, EPA pollution exclusion, noise test and oil consumption test from the Bureau of Energy of Ministry of Economic Affairs to assure the product quality in conformance with relevant regulations and laws.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(8) Does the company evaluate the past records of vendors with impact on the environment and society prior to the business?	V		(8) 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.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
(9) Does the contract signed between the company and the major vendors include policy on vendor involving the violation of corporate social responsibility with significant impact on the environment and society and clauses that could terminate or cancel the contract at any time?	V		(9) The company considers green purchase as key reference index in vendor and cooperates with NISSAN MOTOR purchase clauses for strict selection of transacting associate vendors. The company may also terminate or cancel the contract in case the transaction party involves in ethical behaviours.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
4. Strengthen information disclosure (1) Does the company disclose relevant corporate social responsibility with relevance and reliability on the company website and Market Observation Post System?	V		(1) Apart from disclosing relevance and reliability related CSR information on the annual report, the company also announces CSR report on the company website for stakeholders to download.	In compliance with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons

5. For companies having developed independent corporate social responsibility practice in accordance with “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies,” please describe the discretion of operation with the independent practice developed.

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 develod the “Corporate Social Responsibility Practice Principel”, requesting all group subsidiaries must also join and comply with the regulations.

6. 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

Items	Operations (Note 1)			Discretions with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description (Note 2)	

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.

(2.1) The Company has long organized the "Yulon Wooden Sculpture Innovation Award" to encourage many young wooden artists to participate in the competition for years, so that Taiwan's wooden sculpture arts will become more diversified and lively with originality. The Company perceives the artistic beauty of Sanyi wooden sculpture by combining with local industry and providing an exchange and encouraging platform. The Company has injected massive corporate funding to the locality since 2014 by expanding the organization of "Taiwan International Wooden Sculpture Competition" to expand the common calling for works. The Company also offers two Special Yulon Wooden Sculpture Award, namely "Yulon Wooden Sculpture Legacy Award" and "Yulon Wooden Sculpture Innovation Award" to increase the international visibility of Sanyi wooden sculpture arts and to growth with the local regions.

(2.2) For years 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. 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.

(2.3) To give feedback to the people, the Company offers scholarships to all levels of the schools in Sanyi Township to encourage students to study with more efforts. Each year the Company helps nearly 200 Sanyi Township students with scholarships of extensive scope.

(2.4) The Company promotes long-term domestic basketball sports and opened the "Yulon Sanyi Children's Basketball Summer Camp" starting in 2015. All elementary school third graders and above from Sanyi Township are invited to participate for free during summer vacation. The "Yulon LUXGEN Basketball Team" players serve as the summer camp coaches to teach Sanyi Township students with the correct basketball knowledge and basketball sports skills, providing a healthy and leisure educational entertainment.

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

(3.1) 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.

(3.2) 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.

(3.3) 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.

(3.4) 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.

(3.5) The Company spares no effort in the 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 injects provides funding with substantial corporate resources for the last 24 years without interruption. Consequently Yulon Basketball Team has been able to participate in domestic games with outstanding performance.

(3.6) 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.

(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 real-voice 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.

Items	Operations (Note 1)			Discretions with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and the Reasons
	Y	N	Summary and Description (Note 2)	
(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) 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. (6.4) 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.				
VII. If the Company's products or corporate social responsibility report has been validated by the relevant certification institutions, it should be described in details: The CSR report was validated by an external rating institution in 2011 with an A+ rating received.				

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.

3.3.7 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. Develop ethical management policy and program				
(1) Does the company specify the policy and approach regarding ethical management on articles and outbound documents as well as the commitment from Board of Directors and management to implement management policy?	V		(1) The Company has 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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(2) Does the company develop prevention on non-integral conducts program to specify the operation procedures, conduct guide, punishment and complain system for violation with implementation in all programs?	V		(2) The Company develops "Regulations Governing the Management of Insider Trading," "Regulations Governing Management Review Operations" and "Management Meeting Operation Standards" as the relevant standards of executing integral management principles.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(3) Does the company adopt prevention measures according to Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" or other operational activities of other business scope without higher unethical behaviour risk?	V		(3) 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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

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	
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) The various contracts signed by the Company, unless otherwise reviewed by professional legal personnel, are also targeted at transaction parties who involve in unethical behaviours and the Company reserves the right to terminate or cancel the contract.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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 related specification is determined by the Financial & Business Dept. and the Audit Office. The Financial & Business Dept. plan and executive in compliance with the specification and the internal auditors will routinely review the compliance of aforementioned system and prepared into audit report for submission to the Board of the Directors.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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 management.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
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 complaint processing 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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(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.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
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 reliability information on the annual report and CSR report.	In compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
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:				

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	
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

3.3.8 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.

3.3.9 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% of the 1st and 2nd Corporate Governance Evaluation System co-developed by the TWSE and GTSM.

3.3.10 Internal Control System Execution Status

1. Statement of Internal Control System

Yulon Motor Company Ltd.
Statement of Internal Control System

March 21, 2016

Yulon Motor Co., Ltd. has conducted a self-check of internal control for the year of 2015. 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, 2014 (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 21, 2016 with 9 directors presented at the meeting and none disagreeing with this Statement of Internal Control System.

Yulon Motor Company Ltd.

Chairman: Kenneth, K.T. Yen

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

3.3.11 Company or employees been penalized by law or employees received penalties from company for violating the Internal Control regulations in fiscal year 2015 and as of the publication date of the annual report, major nonconformities, and status of improvements:

None

3.3.12 Major resolutions reached in the Shareholders' Meeting and Board meeting in fiscal year 2015 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
03/23/2015	Board of Directors	1. Recognized the 14th Meeting of 15th Board of Directors of Nissan Motor. 2. Recognized commission to ZAHA HADID Firm for the execution of Xindian Development Project architecture design proposition. 3. Recognized commission to ARTECH Firm for the execution of Xindian Development Project Planning design and operations proposition 4. Adopted Yulon 2014 Business Accounting Report 5. Adopted Yulon 2014 Distribution of Surplus Proposition 6. Adopted Yulon 2015 Endorsement Guarantee Proposition 7. Adopted Yulon 2015 LOS Proposition 8. Adopted 2014 Internal Control System Statement Proposition 9. Adopted Yulon 2015 Calling Shareholders' Meeting related matters. 10. Adopted CPA Change and CPA Independence Evaluation Proposition 11. Adopted Chinese Automobile Financing Company Preparation Proposition. 12. Adopted Yulon "Corporate Social Responsibility Practice Principle" with revision on partial clauses proposition. 13. Adopted Yulon "Ethical Management Principle" with revision on partial clauses proposition. 14. Adopted Yulon "Corporate Governance Practice Principle" with revision on partial clauses proposition.	Proposition adopted after Chairman asked for all attending directors' opinion and the independent directors' opinions.
05/11/2015	Board of Directors	1. Recognized 15th Meeting of 15th Board of Directors of NISSAN Motor. 2. Adopted the adjustment of organization structure. 3. Adopted the investment into 5 dealers at Anhui Province in Mainland China. 4. Adopted the investment into Zibo Yu An Automobiles Sales & Services Limited at Shandong. 5. Adopted the insureance of Director and Supervisors 6. Adopted the appointment of manager	Proposition adopted without objection after Chairman asked for all attending directors' opinion.
06/17/2015	General Shareholders' Meeting	1. Acknowledge the 2014 Financial Statements 2. Acknowledge the 2014 Earnings Distribution.	Ballet voting by proposition. Approving number of votes meeting regulations and all propositions adopted.
07/13/2015	Board of Directors	1. Recognized 1st Meeting of 16th Board of Directors of NISSAN Motor. 2. Adopted cash dividend reinvestment and capital increase proposition for Y-Teks Co., Ltd.	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.
08/10/2015	Board of Directors	1. Recognized 2nd Meeting of 16th Board of Directors of NISSAN Motor. 2. Adopted the capital increasment of Yu-Kuo Finance Leasing Limited 3. Adopted Yulon China Investment Co., Ltd. with LOS proposition for the USD 95,000,000 bank loan limit 4. Adopted Sheng Qing (Beijing) Investment Limited. with LOS proposition for the RMB 100,000,000 bank loan limit 5. Adopted supply of Endorsement Guarantee to Sheng Qing (Beijing) Investment Limited proposition	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.
11/09/2015	Board of Directors	1. Recognized 3nd Meeting of 16th Board of Directors of NISSAN Motor. 2. Adopted Hua-chuang Automobile Information Technical Center Co., Ltd. with LOS proposition 3. Adopted the "Board of Director and Director Member Performance Appraisal Guidelines" proposition. 4. Adopted the dismissal and appointment of manager proposition. 5. Adopted the cahangement of financial and accounting officer 6. Adopted the changement of spokeperson. 7. Adopted the dismissal and appointment of Xindian Branch's manager	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.

Date	Types of Meetings	Important Resolutions Adopted at Meetings	Resolution outcome
		8. Adopted the managers' salary adjustment. 9. Adopted "2015 Audit Program" proposition 10. Adopted the amendment to "Procedures for Internal Control and Internal Audit of Stock Affairs" 11. Adopted the establishment of "Procedures for Applying to Suspend and Resume Transaction."	
12/21/2015	Board of Directors	1. Recognized 4th Meeting of 16th Board of Directors of NISSAN Motor. 2. Adopted LUXGEN Motor Co., Ltd. capital increase and reduction proposition 3. Adopted the amendment to "Articles of Incorporation." 4. Adopted the establishment of "Audit Committees Foundation Principle." 5. Adopted the amendment to "Procedures for Acquisition and Disposal of Assets." 6. Adopted the amendment to "Procedures for Derivatives Trading" 7. Adopted the amendment to "Procedures for Loaning of Funds to Other Parties" 8. Adopted the amendment to "Procedures for Endorsements and Guarantees" 9. Adopted the amendment to "Rules for Director and Supervisor Elections" 10. Adopted the amendment to "Rules of Procedure for the Board of Directors' Meeting" 11. Adopted the amendment to "Remuneration Committee Foundation Principle" 12. Adopted the amendment to "Corporate Governance Best-Practice Principles" 13. Adopted the amendment to "Ethical Corporate Management Best Practice Principles" 14. Adopted the amendment to "Procedures for Preventing Insider Trading"	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.
01/18/2016	Board of Directors	1. Adopted 2016 Business Objectives Proposition.	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.
03/21/2015	Board of Directors	1. Adopted the amendment to the principle of distributing the employee remuneration. 2. Adopted the the 2015 Distribution of Employees', Directors' and Supervisors' Remuneration 3. Adopted the 2015 financial statement. 4. Adopted the 2015 earning distribution. 5. Adopted 2015 Internal Control System Statement Proposition 6. Adopted the 15th election of Directors 7. Adopted the releasment of the Prohibition on 15th Directors from Participation in Competitive Business. 8. Adopted convening the 2016 annual shareholders' meeting. 9. Adopted Yulon 2015 Endorsement Guarantee Proposition 10. Adopted Yulon 2015 LOS Proposition 11. Adopted CPA Change and CPA Independence Evaluation Proposition 12. Adopted the amendment to the "Rules for Self Information protection" and related internal control. 13. Adopted the appointment of manager	Chairman asking for opinions from all attending directors and independent directors, which underwent full discussion with partial revision of text before adoption.

2. Review on the Execution of Resolutions made by the 2015 Annual Meeting of Shareholders:

Resolutions	Review on Execution
Acknowledge the 2014 Financial Statements.	The number of approving votes from the outcome of ballot voting met regulations and the proposition was recognized.
Acknowledge the 2014 Earnings Distribution.	The number of approving votes from the outcome of ballot voting met regulations and the proposition was recognized. Statutory reserves of NTD 221,034,618 and special surplus reserve of NTD 1,000,000,000 were appropriated and adjusted into account on June 17th, 2015, which was also disclosed on the 2015 Q2 financial report.Csah dividend to stockholders of NTD 1,101,043,936 was distributed. The base date was set to July 28th, 2015 and the reserve distributed on August 13th, 2015.

3.3.13 The objections of the directors or supervisors against the major resolutions reached in the Board meeting recorded or documented in writing in fiscal year 2015 and as of the publication date of the annual report:

Director or supervisor had no objection to the resolutions reached in the Board meeting.

3.3.14 Table of resignation and dismissal of the Chairman, President, Accounting Officer, Finance Officer, Internal Chief Auditor, and R&D Director in fiscal year 2015 and as of the publication date of the annual report:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Spokesperson	Charles Shiau, Senior Vice President	05, 22,2009	11, 09, 2015	Retirement
Chief Accounting Officer	Charles Shiau, Senior Vice President	11,11,2013	11, 09, 2015	Retirement

Note: Affiliated personnel of the company refer to the Chairman, President, Accounting Officer, Financial Supervisor, internal audit supervisor, and R&D supervisors.

3.3.15 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	Li-Wen KUO	Hsin-Wei TAI	January 1, 2015 ~ December 31, 2015	

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	Li-Wen KUO	21,255	0	198	0	2,071	2,269	1/1/2015 ~ 12/31/2015	Others are advances, travel expenses.
	Hsin-Wei TAI							1/1/2015~ 12/31/2015	

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, ratio, 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

Date of change	March 23, 2015		
Reason for the change and explanation	The attesting CPA of the Company was previously assigned to CPA Li-Wen KUO and Hsin-Wei TAI of Deloitte Taiwan and have been changed to CPA Hsin-Wei TAI and CPA Yu-Wei FAN starting the first quarter of 2016 in compliance with the provision to change CPA in shift according to the Accounting Requirement.		
Is the commission terminated by the principal or the CPA?	Client / Status	CPA	Commissioner
	Commission terminated voluntarily	N/A	N/A
	Commission rejected (not renewed)	N/A	N/A
Independent Auditor's Report with an opinion other than unqualified opinion within two years and the reasons	None		
An opinion different from the issuer	Yes		Accounting principle or practice
			Disclosure of financial report
			Auditing scope or procedures
			Others
	No	✓	
	Explanation	N/A	
Other disclosure matters (disclosures required by Article 10 Section 5 Paragraph 1 Point 4 of the Standards)	None		

(2) Successor CPA

CPA Firm	Deloitte & Touche Taiwan
Name of CPA	CPA Hsin-Wei TAI and CPA Yu-Wei FAN
Date of appointment	Passed in the Board meeting on March 21, 2016
Accounting treatment or accounting principles for specific transactions before the commission, and inquiry on the possible opinions issued on the financial reports, and results	N/A
Successor CPA's written opinion differing from the opinion of the predecessor CPA	N/A

(3) Written reply of the predecessor CPA:

None

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 2015 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 (Note 1)	Name	2015		Up to April 23 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
Director	Tai-Yuen Textile Co., Ltd.	-	(10,500,000)	-	-
Director	China Motor Corporation	-	-	-	-
Director	Yen Tjing-Ling Industrial Development Foundation	-	-	-	-
Supervisor	Lowin Industrial Co., Ltd.	-	-	-	-
Chairman	Kenneth K. T. Yen	-	-	-	-
Vice Chairman	Kuo-Rong Chen	-	-	-	-
Director	Shin-I Lin	-	-	-	-
Director	Jack J.T. Huang	-	-	-	-
Director	Li-Lien Chen	-	-	-	-
Director	Liang Zhang	-	-	-	-
Director	Zhen-Xiang Yao	-	-	-	-
Independent Directors	Sheng Fu, Yu	-	-	-	-
Independent Directors	Yi-Hong Hsieh	-	-	-	-
Supervisor	Wei-Kung Chi	-	-	-	-
Supervisor	Chun-Chung Li	-	-	-	-
Supervisor	Shintai Liu	-	-	-	-
President	Zhen-Xiang Yao	-	-	-	-
Vice President	Charles Shiau (Note 2)	-	-	-	-
Associate Vice President	Ching-Chi Chen	-	-	-	-
Associate Vice President	Min-Hui Chiu	-	-	-	-
Manager	Zheng Lang Liu	-	-	-	-
Manager	Shi Ting Chen	-	-	-	-
Manager	Lihua Wu	-	-	-	-
Manager	Binglin Chen	-	-	-	-
Manager	Wen Yuan Li (Note 3)	-	-	-	-
Manager	Wen Yi Lo (Note 4)	-	-	-	-
Manager	Jian Hui Li (Note 5)	-	-	-	-
Major shareholder	Tai-Yuen Textile Co., Ltd.	-	-	-	-
Major shareholder	China Motor Corporation	-	-	-	-
Major shareholder	Kenneth K. T. Yen	-	-	-	-

Note 1: Shareholders holding more than 10% of the total shares of the Company should be marked as major shareholders and be separately disclosed.]
Note 2: Retired at November 9th 2015.
Note 3: Appointed at May 11th 2015.
Note 4: Appointed at Novermber 9th 2015.
Note 5: Appointed at March 21st 2016.

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 23, 2016

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: Kenneth K. T. Yen	284,901,045 160,126,140	18.11 10.18	- 377,924	- 0.024	- -	- -	China Motor Corporation	Same chairman	
							CMC Investment Co., Ltd.	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: Kenneth K. T. Yen	236,900,689 160,126,140	15.06 10.18	- 377,924	- 0.024	- -	- -	Tai-Yuen Textile Co., Ltd.	Same chairman	
							CMC Investment 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	-	-	Tai-Yuen Textile Co., Ltd.	Chairman	
							China Motor Corporation	Chairman	
							CMC Investment Co., Ltd.	Chairman	
							Yen Ching Ling Industrial Development Foundation	Chairman	
Nan Shan Life Insurance Co., Ltd. Representative: Ying-Tsung Tu	69,058,000	4.39	-	-	-	-	-	-	
CMC Investment Co., Ltd. Representative: Kenneth K. T. Yen	25,327,477 160,126,140	1.61 10.18	- 377,924	- 0.024	- -	- -	Tai-Yuen Textile Co., Ltd.	Same chairman	
							China Motor Corporation	Same chairman	
							Yen Ching Ling Industrial Development Foundation	Same chairman	
Civil Service Pension Fund Administration Committee	24,882,000	1.58	-	-	-	-	-	-	
Fande Investment Co., Ltd. Representative: Wei-Kung Chi	23,834,566 237	1.51 0.00002	- -	- -	- -	- -	Tai-Yuen Textile Co., Ltd.	General Manager of Tai-Yuen Textile Co., Ltd. is the Chairman of Fande Investment Co., Ltd.	
Mercuries Life Insurance Co., Ltd.	19,294,000	1.22	-	-	-	-	-	-	
Yen Ching Ling Industrial Development Foundation Representative: Zhen-Xiang Yao	17,287,844 15,412	1.09 0.001	- -	- -	- -	- -	China Motor Corporation	Same chairman	
							Tai-Yuen Textile Co., Ltd.	Same chairman	
							CMC Investment Co., Ltd.	Same chairman	
Labor Insurance Funds	15,682,000	0.99	-	-	-	-	-	-	

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 23, 2016

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	%	Shares	%	Shares	%
China Motor Corporation	111,480,444	8.05%	458,854,807	33.15%	570,335,251	41.21%
Taiwan Acceptance Corporation	125,656,568	46.90%	3,254,427	1.21%	128,910,995	48.12%
Myson - Century Technology Inc.	5,024,617	8.37%	0	0.00%	5,024,617	8.37%
Tai-Yuen Textile Co., Ltd.	170,685,389	20.85%	153,968,784	18.81%	324,654,173	39.66%
Yueki Industrial Co., Ltd.	9,846,057	50.58%	65,888	0.34%	9,911,945	50.92%
Yue Sheng Industrial Co., Ltd.	14,680,250	50.97%	7,750	0.03%	14,688,000	51.00%
Sin Chi Co., Ltd.	87,000,000	100.00%	0	0.00%	87,000,000	100.00%
China Cast Iron Pipe Co., Ltd.	24,850	77.66%	6,109	19.09%	30,959	96.75%
YU LIN AUTO PARTS	21,728,516	25.01%	13,032,137	15.00%	34,760,653	40.01%
Uni-Calsonic Corporation	3,447,575	17.68%	3,548,525	18.20%	6,996,100	35.88%
Yu Chang Motor Co., Ltd.	13,998,500	64.99%	1,000	0.00%	13,999,500	65.00%
China Ogihara Corporation	23,388,045	37.76%	38,555,135	62.24%	61,943,180	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.	175,000,000	100.00%	0	0.00%	175,000,000	100.00%
Yu Pong Business Co., Ltd.	65,721,236	99.99%	1,461	0.00%	65,722,697	99.99%
Yung Hong Investment Co., Ltd.	144,622,000	100.00%	0	0.00%	144,622,000	100.00%
Yushin Motor Co., Ltd.	15,999,000	80.00%	1,000	0.00%	16,000,000	80.00%
China Engine Corporation	32,000,000	18.95%	32,000,000	18.95%	64,000,000	37.89%
Cheng Long Motor Co., Ltd.	8,126,000	27.00%	1,000	0.00%	8,127,000	27.00%
Tai-Yuen Venture Capital Co., Ltd.	26,759,700	49.50%	27,289,488	50.48%	54,049,188	99.98%
ROC Spicer Co., Ltd.	1,003,584	20.46%	1,423,360	29.02%	2,426,944	49.48%
Yu Tang Motor Co., Ltd.	4,249,000	21.25%	1,000	0.01%	4,250,000	21.25%
CARPLUS AUTO LEASING CO., LTD.	2,594,926	3.46%	51,491,530	68.57%	54,086,456	72.03%
Singan Co., Ltd.	10,212,515	35.62%	9,816,071	34.24%	20,028,586	69.86%
Yumin Motor Co., Ltd.	4,899,000	20.00%	6,616,000	27.00%	11,515,000	47.00%
B-WIZ Technology Co., Ltd.	8,331,999	43.85%	10,668,001	56.15%	19,000,000	100.00%
Sinjang Co., Ltd.	8,567,950	20.01%	34,256,050	79.99%	42,824,000	100.00%
ESINN Co., Ltd.	32,519,000	90.33%	1,000	0.00%	32,520,000	90.33%
Yulon Overseas Investment Co., Ltd.	320,989,968	100.00%	0	0.00%	325,763,658	100.00%
Yulon Nissan Motors Co., Ltd.	143,500,000	47.83%	8,628,000	2.88%	152,128,000	50.71%
Y-Teks Co., Ltd.	547,725	34.00%	193,200	11.99%	740,925	45.99%
Newa Insurance Co., Ltd.	52,009,524	17.39%	70,817,524	23.68%	122,827,048	41.08%
Yu Rich Financial Services Co., Ltd.	9,900,001	17.88%	45,454,599	82.12%	55,354,600	100.00%
Qinton Motor Co., Ltd.	6,745,947	100.00%	0	0.00%	6,745,947	100.00%
Hua-Chuang Automobile Information Technical Center Co., Ltd.	200,000,000	40.00%	58,400,000	11.68%	258,400,000	51.68%
Hue-Lian Motor Co., Ltd.	6,116,138	20.34%	1,000	0.00%	6,117,138	20.35%
Luxgen Motor Co., Ltd.	280,000,000	100.00%	0	0.00%	280,000,000	100.00%
Yulon Tobe Motor Co., Ltd.	30,000,000	100.00%	0	0.00%	30,000,000	100.00%
Yulon Business Management Company	3,299,000	32.99%	6,701,000	67.01%	10,000,000	100.00%
Taiwan Mask Corporation	855,787	0.34%	0	0.00%	855,787	0.34%
First Financial Holding Co., Ltd.	881,904	0.01%	0	0.00%	881,904	0.01%
Shin Shin Bus Co., Ltd.	150,886	0.32%	0	0.00%	150,886	0.32%
Sino Aerospace of Taiwan	810,720	0.60%	0	0.00%	810,720	0.60%
Taiwan Stock Exchange Corporation	6,603,267	1.00%	0	0.00%	6,603,267	1.00%
Taiyuen Textile Co.	6,692,333	5.09%	29,031,910	22.10%	35,724,243	27.19%
dX Media	400,000	20.00%	0	0.00%	400,000	20.00%
Yulon Energy Service Co., Ltd.	30,000,000	100.00%	0	0.00%	30,000,000	100.00%
Yulon Motor Finance (China) Limited	25,500,000	51.00%	24,500,000	49.00%	50,000,000	100.00%

IV. Status of Fund Raising

4.1 Capital and Shares:

4.1.1 Source of stock capital

April 23, 2016
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
09.1997	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
06.1998	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
05.1999	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
12.2000	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
06.2001	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
09.2002	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
01.2004	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
08.2004	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
09.2005	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
09.2006	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
03.2007	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
08.2007	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
12.2007	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
04.2008	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
08.2008	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
09.2008	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
09.2009	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
01.2010	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
04.2010	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 23, 2016

Structure of Shareholders / Quantity (Qty)	Governmental Institution	Financial Institution	Other legal persons	Natural Person	Foreign Institutions and Foreign Individuals	Total
Number of persons	9	19	240	117,624	478	118,370
Shareholding	53,301,638	40,769,362	790,445,788	484,616,598	203,786,523	1,572,919,909
Shareholding ratio	3.39	2.59	50.25	30.81	12.96	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 23, 2016

(Par value per share: NT$10)

Shareholding class	No. of shareholders	Shareholding	Shareholding ratio (%)
1 to 999	62,462	12,596,234	0.80
1,000 to 5,000	43,536	93,080,358	5.92
5,001 to 10,000	6,726	52,298,528	3.33
10,001 to 15,000	1,981	24,873,351	1.59
15,001 to 20,000	1,195	22,143,512	1.40
20,001 to 30,000	890	22,713,866	1.44
30,001 to 50,000	682	27,210,894	1.72
50,001 to 100,000	461	33,602,344	2.14
100,001 to 200,000	209	29,301,545	1.86
200,001 to 400,000	95	27,628,389	1.76
400,001 to 600,000	26	13,174,301	0.84
600,001 to 800,000	12	8,345,087	0.53
800,001 to 1,000,000	9	8,606,484	0.55
More than 1,000,001	86	1,197,345,016	76.12
Total	118,370	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 23, 2016

Shares / Names of major shareholders	Shareholding	Shareholding ratio
Tai-Yuen Textile Co., Ltd.	284,901,045	18.11%
China Motor Corporation	236,900,689	15.06%
Kenneth K. T. Yen	160,126,140	10.18%
Nan Shan Life Insurance Co., Ltd.	69,058,000	4.39%
CMC Investment Co., Ltd.	25,327,477	1.61%
Civil Service Pension Fund Administration Committee	24,882,000	1.58%
Fande Investment Co., Ltd.	23,834,566	1.51%
Mercuries Life Insurance Co., Ltd.	19,294,000	1.22%
Yen Ching Ling Industrial Development Foundation	17,287,844	1.09%
Labor Insurance Funds	15,682,000	0.99%

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

Item			2014	2015	Current Fiscal Year and before April 30, 2016 (Note 8)
Market value per share (Note 1)	Highest		56.3	46.7	31.75
	Lowest		41.40	24.60	27.50
	Average		48.05	36.72	29.58
Net Value per share (Note 2)	Before distribution		44.50	45.44	45.72
	After distribution		43.8	-	-
EPS (Earning Per Share)	Weighted average number of shares		1,462,807,000 shares	1,463,684,000 shares	1,462,807,000 shares
	EPS (Earning Per Share) (Note 3)		1.51	2.29	0.43
Dividend per share (Note 2)	Cash Dividend		0.70	0.90	-
	Stock Dividend	Stock Dividend from Retained earnings	-	-	-
		Stock Dividend from Capital Reserve	-	-	-
	Cumulative un-paid dividend (Note 4)		-	-	-
Analysis on ROI (Return on Investment)	Price-Earnings (P/E) Ratio (Note 5)		31.79	16.03	-
	Price-Dividend Ratio (Note 6)		68.57	40.80	-
	Dividend Yield (Note 7)		1.46%	2.45%	-

* 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 prpoe the amendment of articles of association at the annual shareholder's meeting to clarify 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 proposes to distribute cash dividend at the rate of $0.90 per share in the 2016 Shareholders' Meeting with the record date of cash dividend scheduled on July 26th, 2016.

3. The Company's dividend is paid with cash dividend or stock dividend; also, the amount of dividend distribution is proposed by the Board of Directors and it is to be resolved in the Shareholders' Meeting. If there is material change in the distribution amount resolved by the Board of Directors, the amount of change is to be adjusted to the initially appropriated expense. If there is change in the distribution amount on the resolution date of the Shareholders' Meeting, it is to be processed as changes in accounting estimates and adjusted on the resolution date of the Shareholders' Meeting.

4. 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:

<table>
<tr><th colspan="3">Fiscal Year
Item</th><th>Fiscal Year 2015 (Estimated)</th></tr>
<tr><td colspan="3">Paid-in capital – beginning (NT$ Thousand)</td><td>15,729,199</td></tr>
<tr><td rowspan="3">Current dividend and interest</td><td colspan="2">Cash dividends per share (NT$)</td><td>0.90</td></tr>
<tr><td colspan="2">Stock dividends (shares) from capitalization of earnings</td><td>-</td></tr>
<tr><td colspan="2">Stock dividends (shares) from capitalization of additional paid-in capital</td><td>-</td></tr>
<tr><td rowspan="7">Changes in Business Performance</td><td colspan="2">Operating Income (NT$ Thousand)</td><td rowspan="13">N/A (Note)</td></tr>
<tr><td colspan="2">Operating income increase (decrease) ratio from last year (%)</td></tr>
<tr><td colspan="2">Net income (NT$ Thousand)</td></tr>
<tr><td colspan="2">Net income increase (decrease) ratio from last year (%)</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td></tr>
<tr><td colspan="2">Earnings per share increase (decrease) ratio from last year (%)</td></tr>
<tr><td colspan="2">Annual average return on investment ratio (reverse of annual average PE ratio) (%)</td></tr>
<tr><td rowspan="6">Proforma earnings per share and PE ratio</td><td rowspan="2">If capitalized earnings is converted to cash dividends</td><td>Proforma earnings per share (NT$)</td></tr>
<tr><td>Proforma annual average return on investment ratio</td></tr>
<tr><td rowspan="2">If additional paid-in capital is not capitalized</td><td>Proforma earnings per share (NT$)</td></tr>
<tr><td>Proforma annual average return on investment ratio</td></tr>
<tr><td rowspan="2">If additional paid-in capital is not capitalized and capitalized earnings is converted to cash dividends</td><td>Proforma earnings per share (NT$)</td></tr>
<tr><td>Proforma annual average return on investment ratio</td></tr>
</table>

Note: 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. The percentage or limit for employee bonus and remuneration to the directors and supervisors set forth in the Articles of Incorporation:

Should there be retained earnings after the final general accounts of the fiscal year, the Company should allocate 10% of the earnings as its legal reserve and special reserve pursuant to the rules stipulated by the competent authority, in addition to offsetting the previous loss and reserving for tax payment. The remaining earnings, if any, shall be distributed as follows:

(1) Remunerations for the board of directors and supervisors at 0.5%. Nonetheless independent directors may not participate in the aforementioned distribution of employee bonus.

(2) Employee bonus at 0.1% ~ 5%

Pursuant to the provision prescribed in Article 235-1 of Company Act, the Company prpoe the amendment of articles of association at the annual shareholder’s meeting:

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 still 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.

Apart from the appropriation of employee pay in the amount of NTD3.54 million, the company appropriated additional bonus of NTD56.58 million in January 2016.

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

(1) Proposed to distribute employee bonus in the amount of NT$ 3,540,000 and remuneration to directors/supervisors in the amount of NT$ 17,680,000 that is no difference from the estimated expense amount in 2015.

(2) The employee bonus proposed for distribution by the Board this year is paid in cash instead of stock dividend.

(3) If the employee's bonus and directors/supervisors' remuneration were treated as expenses for fiscal year 2015, the basic earning per share would be NT$2.29.

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

Resolutions of earnings distribution for the year 2014 are approved by the meeting of the board of directors. According to such resolutions, it is proposed to distribute employee bonus in the amount of NT$1,990,000 and remuneration to directors and supervisors in the amount of NT$8,360,000. These amounts are consistent with the actual amounts distribution resolved in the Shareholders' Meeting.

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

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. Hightlights of Operations

5.1 Business Content

5.1.1 Business Scope

1. Major Business

(1) The manufacturing, sales, design, test, inspection, assembling and repairing of different car models and related materials, parts & components, molding tools, jigs, instruments and other equipments. Class A car service garages, sales of automobile parts and accessories, remodeling and sales of auto body, motor vehicles inspection services, and car 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 equipments;

(5) The retails of telecommunication equipments;

(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 equipments, constituted 95.5% of the total business sales.

3. Main products

(1) NISSAN passenger vehicle:

370Z series: 7-speed automatic sports car
GT-R 3.8T series: 6-speed automated/manual transmission sports car
MURANO 3.5 series: Continuous Variable Transmission (CTV) SUV
JUKE 1.6 series: CTV SUV
ROUGE 2.5 series: CTV SUV
BIG TIIDA series: CTV automatic sedan
TEANA series: CTV sedan
LIVINA series: CTV sedan / SUV
SENTRA series: CTV sedan
MARCH series: 4-speed automatic sedan
XTRIL series: CTV SUV

(2) INFINITI:

Q50 series: 7-speed automatic/manual sedan/sports car
Q60 series: 7-speed automatic/manual sedan/sports car
Q70 series: 7-speed automatic/manual sedan/sports car
QX50 series: 7-speed automatic/manual SUV
QX60: CTV SUV
QX70: 7-speed automatic/manual SUV

(3) UD commercial vehicle:

KNP series: 17-ton commercial vehicle
KLH series: 35-ton commercial vehicle

(4) LUXGEN:

Luxgen7 CEO Series: 5-speed automatic/manual SUV

Luxgen M7 Turbo ECO series: 5-speed automatic/manual SUV

Luxgen U7 Turbo ECO series: 5-speed automatic/manual SUV

Luxgen S5 Turbo ECO series: 5/6-speed automatic/manual sedan

Luxgen U6 Turbo ECO series: 5/6-speed automatic/manual SUV

5.1.2 Industry Summary

1. Macroeconomy environment analysis:

(1) International situation:

In early 2015, multiple economic indices of the four major economies in Europe, U.S., Japan and China all presented a reserve phenomenon and were entering recovery, which most international research institutions are optimistic about. Nonetheless as the energy price and other bulk commodity price quickly drop, mainland China economy growth slows down and undergoes economic structure adjustment, and the progressive monetary policy tightening adopted by the U.S., have all contributed to the slow global capital flow(weakening intent to invest) and decline of global trade (weak global market). The growth momentum in the second half of 2015 was affected consequently. Moreover, the continuous drop in new emerging economics in China, ASEAN and Latin America, the political turbulence in Middle East, and European anti-terrorist effect, as well as other uncertainty factors, have enhanced the new variance to the path to global economic recovery. Looking into 2016, the international research institutions still hold positive perspective for the global economy, nonetheless the sluggish growth strength will inevitably becomes the new norms in the coming 2~3 years.

The 2016 global economic growth forecast is as follows:

	Global Insight	IMF	The World Bank
Global economic growth rate	2.7%	3.4%	2.9%

(2) Domestic economy:

The DGBAS of Taiwan estimated that the economic growth rate this year is 1.47% while the leading comprehensive index in February 2016 was 102.01. The signal for economic measure appears in green LED and the comprehensive judgement score is maintained at 16. In general, the domestic economy maintains the trend of mild growth and is quite optimistic.

The 2016 Taiwan economic growth forecast of each major research institution is as follows:

	Directorate-General of Budget, Accounting and Statistics	Global Insight	IMF
Taiwan economic growth rate	1.47%	2.0%	2.2%

2. Industry Current Status and Development

Taiwan’s auto industry has been developed for more than sixty years with the R&D, manufacturing quality, and management capabilities 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 stagnant growth, extended car useful life cycle, and domestic market saturation, motor 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 limited 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 market, China and Southeast Asian markets with wide recognition and acceptance from all fields.

3. Relationships of the industry's upper, middle, and down streams

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 recent years, due to the awakening of environmental consciousness, high oil prices, and global warming issue, various car makers have committed to launch environmental-friendly and fuel-efficient alternative energy vehicles, such as, Hybrid (powered vehicles), hydrogen fuel cell vehicles, biomass fuel vehicles, and pure battery-powered vehicles. The Company in response to this trend of energy-saving and carbon reduction has integrated the advantages of Taiwan's industry through heterogeneous cooperation to develop environmental-friend and energy-saving vehicles with the hope to construct the core competitive advantage in the next run of competition in the vehicle industry.

5.1.3 Technology and Research & Development

1. Technology, Research and Development (R&D) expense invested in 2015 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 (%)
2015	294,503	122,525,821	0.241%
2016Q1	69,060	29,461,746	0.234%

2. Achievement in recent 3 years

(1) September 2013: LUXGEN U7 TURBO was market launched.

(2) October 2013: NISSAN SUPER SENTRA was market launched.

(3) November 2013: The development, production, and market launch of LUXGEN U6 was completed in.

(4) December 2013: Yulon Nissan completed the pilot run of remodelled NISSAN LIVINA and entered the mass production phase.

(5) March 2014: NISSAN ALL NEW LIVINA released and went into mass production.

(6) April 2014: LUXGEN M7 TURBO model completed with model development went into mass production and released to the market.

(7) April 2015: LUXGEN U6 TURBO ECO HYPER completed development, pilot-run and entering mass production stage.

(8) May 2015: YULON NISSAN X-TRIAL completed development, pilot-run and entering mass production stage.

(9) June 2015: LUXGEN M7 TURBO ECO HYPER completed development, pilot-run and entering mass production stage.

(10) July 2015: LUXGEN U7 TURBO ECO HYPER completed development, pilot-run and entering mass production stage.

3. Future R&D plan and amount

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

(2) Establishing lithium battery production technology and testing and inspection capacity.

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

(4) Improving multi-brand hybrid production skills and boosting production quality.

(5) Establishing capacity in car unit precision.

(6) Establish the zirconium pre-treatment and ED equipment.

(7) Establish the vehicle dynamics laboratory.

(8) Promote automobile system customization manufacturing (Industry 4.0) technology.

The for capital expenditure and expense investment required for the abovementioned R&D program, the Company has prepared about NT$489 million in budget and in particular the professional technician personnel expense, labour expense and other affairs expense of the R&D program accounted for NT$198 million alone.

5.1.4 Long-term and short-term business development plan

1. Short-term business development plan

(1) 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 and U6 ECO HYPER Turbo since 2009, and the Company will introduce S3 ECO HYPER sedan in 2016. It helps complete product line, improve effectively capacity utilization, and reduce manufacturing cost. The idea is to provide consumers with diversified and beyond-expectation choices through the resources sharing of Yulon’s value chain.

(2) Enhancing production and service satisfaction:

Yulon is a professional manufacturer of multi-brand. In response to the demand of multi-brand business operation, Yulon will strive to enhance the brand manufacturing quality, cost, delivery, and service satisfaction, to provide customized service and most competitive manufacturing quality for each brand in order to achieve a multi-wins situation for the brand Yulon and customer, and to make Yulon the best and cross-strait professional automobile factory.

(3) Activating assets implementation:

Regarding the Company’s Xindian Yulon Town Development Project, it has preliminarily completed the environmental evaluation with application for urban renewal. The Company will actively carry out detailed design of architecture and license review document preparation in attempt to acquire the license successfully at the end of 2016 and implement the project in 2017. The completion of the project will contribute greatly to the regional economic development and employment opportunities, and the formation of an emerging commercial center in New Taipei City.

(4) 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.

(5) Integrate the quality resource:

The Company uses the plant as the center to connect with Taiwan 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) Independent global brand marketing:

Yulon continues the development of LUXGEN brand with LUXGEN M7 ECO HYPER/U7 ECO HYPER /S5 ECO HYPER /U6 ECO HYPER models launched successfully in domestic market since 2009. LUXGEN SUV, MPV, CEO, U6 and S5 have been successfully launched in China since 2011. In the future, Yulon intends to duplicate the successful experience in Taiwan to emerging markets, including China, Southeast Asia, Russia, Central America, and the Middle East, to substantiate Global Sourcing, integrate internal and external resources, and introduce differentiated and excellent quality goods continuously in order to meet consumer needs and realize the business goal of "Branding and global marketing."

(2) Development of new energy vehicles:

In response to the international environment protection and energy-saving trend, Yulon strives to develop green energy electric vehicle industry, to develop its own brand EV electric car to be blended in the clean science and technology, to drive a low-pollution car, and to further promote Taiwan's electric-vehicle, electric vehicle components, energy storage, and carbon-related and community energy. Construct green energy development value chain to make electric car industry another trillion-dollar industry in Taiwan in order to catch up with the trend of environmental protection of international automotive industry.

(3) Deployment of cross-strait automotive industry:

The R&D, production, and marketing of the cross-strait automobile industry are with high complementarities. Yulon actively urges the Government to construct a platform for cooperation in order to promote cross-strait industrial cooperation and creates a business opportunity to enter Chinese market, ASEAN, and international market. In addition, Dongfeng Yulon Motor, the transfer investment of the Company, has launched LUXGEN M7, U7, S5 and U6 since 2011. Look forward to the future, the success of LUXGEN in Taiwan can be replicated successfully in Chinese market and the competitiveness of Yulon can be improved by expanding the production scale for large car and reducing R&D and tooling amortization cost.

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 2015 sales in Taiwan market for the Company reached 57,115 vehicle (including Nissan & Luxgen), decrease 25.4% compared with 2014, and the market share was 13.57%.

The 2015 overall sales of Taiwan car market is shown below:

Year of Sales	2014	2015
Total Sales Volume	423,836	420,775
Domestic Cars	283,631	261,580
Import Cars	140,205	159,195

Source: Taiwan Transportation Vehicle Manufacturers Association 2016/03

2. Supply and Demand situations in the market

(1)Market overview and prospects

In view of the Taiwan automobile market in 2015, in spite of the oil price dropping back to the 2003 standard, the overall unstable environment and slowed customer demand as well as other factors, Taiwan's automobile market trend stays at the first half. Fortunately in Q4, in midst of the various preferential measures proposed by car makers and the validation and implementation of commodity tax cut as well as the year-end new car exhibition for impelling buyers, the 2015 Taiwan overall car market still achieves 420,000 units, keeping a flat sales standard as hat in 2014. Looking into 2016, multiple international and domestic economic research institutes predict that the 2016 global economic growth rate is not much different from the 2015 one. In spite of the many uncertainty factors such as oil price, exchange rate and interest reduction, in view of the policy stipulation for commodity tax cut and the release of new models by car makers, the consumers' intent to purchase will likely increase and extend the buying power form the end of 2015. Consequently the 2016 automobile car market is still optimistic.

(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, the company has landed China early with the introduction of LUXGEN brand for marketing planning, in order to acquire the first-comer advantage of the market. Recently the sales has grown with the development of Chinese automobile market (the 2015 overall sales volume reached 24.8 million units with the overall scale exceeding 60 times that of Taiwan. In 2016, the Chinese automobile market is projected to reach 26 million units in sales), while the sales volume of LUXGEN in China has surpassed Taiwan for 4 years in a row, which becomes the greatest growth momentum of Yulon's automobile business.

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

<u>Favorable factors:</u>

(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, 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 is the corporate culture of Yulon. 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 quality level closer to international standards, good management

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 to win numerous international outstanding quality awards.

(4) Seek opportunities for cross-strait cooperation of the automotive industry

The barriers to products, personnel, capital and other exchanges can be effectively reduced through the integration of the global economic and trade area or signing inter-regional FTA. Therefore, while facing the Chinese market that is likely to become a threat in the future, the Company has taken proactive development strategies to seek cross-strait car industrial cooperation opportunities and the feasibility of including vehicles in the ECFA secondary list. The R&D, production, and marketing of the cross-strait automobile industry are with high complementarities, the construction of a platform for cooperation can help reduce production cost effectively, expand production scale of single car model, reduce R&D and tooling amortization expenses, exercise complementary benefits, and work together to upgrade competitiveness.

(5)The coming of low-oil price drives down import cost

In favour of the export of shale oil from the United States in 2014, the global oil price has dropped for nearly 6 month while the cost of imported key components dropped, which indirectly increased the consumer's purchase desire. Moreover the domestic car market is entering the trend to change new car and under the release of new models form most car manufacturers, it will help boost the purchase of automobile market in 2016.

Unfavorable factors:

(1) Slow ECFA and FTA training progress

The automobile market requires economic scale and greater market, hence export is one opportunity. In midst of the international regional economic expansion and the slow negotiation progress of ECFA, custom tariff and non-custom tariff are all impendence to the outward export of automobile industries. Hence the Government is expected to quickly initiate FTA and SCFA collaboration in order to return Taiwan automobile to the Cross-Strait industry advantage, thereby building the new marketing and new model of Taiwan automobile industries.

(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) Difficult export development

Taiwan's vehicle export faces unfair tariff competition due to the delay in signing Free Trade Agreement (FTA). In addition, in recent years, Taiwan's auto market is approaching saturation, resulting in low capacity utilization, high production cost, and lack of international competitiveness. The export of vehicles is also subject to the unfavorable factor of technology restrained by the mother plant; therefore, the development of exporting business is difficult.

(4) 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.

(5)High-end cars with availability

In recent years international car manufactures promote entry-level high-end vehicles to successfully break into the domestic medium-priced car market. The new consumer group gradually formed to affect the sales of domestic vehicles.

(6)Enthusiastic second-hand market transactions

Nearly 800,000 vehicles are traded in average 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:

Competitiveness / Environment	Advantage	Disadvantage
Market opportunity	· Establishing multi-brand OEM alliance · Introduction of regional car models · Expanding the green energy vehicle series	· Combining Taiwan ICT industry innovative advantage (industrial innovative advance of Taiwan ICT)
Opponent threatening	· Solidifying local market demand · Continuing to strengthen the competitiveness of products	· Integrating the horizontal business groups (interdisciplinary integration)

Including:

(1) Establishing multi-brand OEM alliance

The profound professional manufacturing technology of the company helps the company undertake various brand OEM business to create scale-based effectiveness, achieve cost reduction and establish profound cooperation models.

(2) Introducing regional models

The Chinese market comes with massive market scale that benefits the expansion of single model scale by acquiring collective outsourcing costs reduction

(3) Combining the innovative advantage of Taiwan ICT

Taiwan owns complete electric supply chain system to help our company develop various car-use electric systems by quickly responding to the market and regulatory requirement. The Company is capable of building product differentiation with values in specific functions.

(4) Solidifying local market demand

The company has operated the Taiwanese market for some decades and is familiar with the local consumer habits in car purchase by proposing customized products of import cars that mode meet consumer demand.

(5) Continuing to strengthen the competitiveness of products

Recruit domestic and internal experts with rich experience in car model development to promote high C/P value new or re-release products through the system integrated sustainable oil consumption optimization, chassis conversion and other operation optimization. For example, the release of U6 was profoundly accepted by the market.

(6) Integrating the horizontal business groups

Provide consumer with complete integration mobility services, including purchase car, lease, low-carbon movement, and second hand transaction platform to meet the various mobility requirement from consumers, expand the blue sea market, and develop brand-new industry competition model.

(7) Expanding the green energy vehicle series

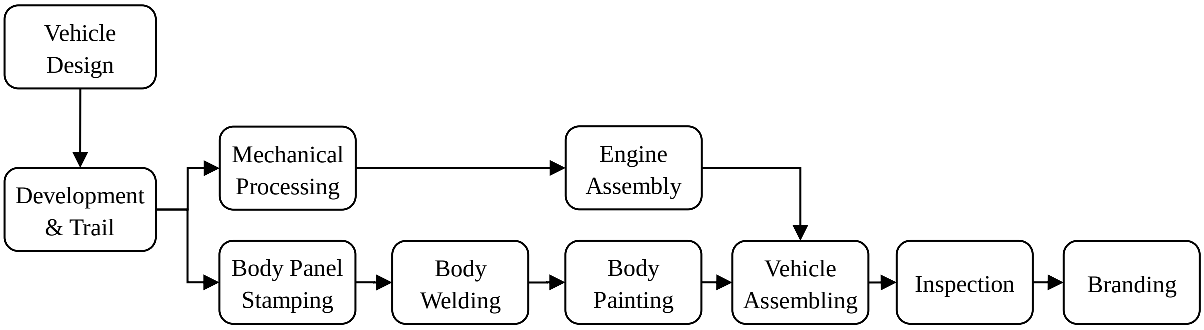
Cooping with green eco-friendly trends, the Company has not forgotten to contribute an effort to the society, using low pollution and low oil consumption to build and release a new energy car model suitable for Taiwanese people and cherish the earth resources.

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

	2014				2015				2016Q1			
Item	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer
1	Dengfeng Yulon Motor Co.Ltd	34,070,188	23.4	Invested company under the equity method	Dengfeng Yulon Motor Co.Ltd	35,095,879	24.1	Invested company under the equity method	Dengfeng Yulon Motor Co.Ltd	7,248,227	23.6	Invested company under the equity method
2	Yulon-Nissan Motor Co., Ltd.	17,884,266	12.3	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	19,097,049	13.1	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	5,331,212	17.4	Invested company under the equity method
3	Nissan Motor Co., Ltd.	9,673,461	6.6	Real related party	Nissan Motor Co., Ltd.	8,991,962	6.2	Real related party	Nissan Motor Co., Ltd.	2,395,417	7.8	Real related party
4												
5												
6												
7												
8												
9												
10												
	Other	84,238,526	57.7		Other	82,600,162	56.6		Other	15,685,592	51.2	
	Net purchase amount	145,866,441	100.0		Net purchase amount	145,785,052	100.0		Net purchase amount	30,660,448	100.0	

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.

Analysis of change in purchase ratio:

No significant change in the major suppliers and the increase or decrease ratio is adequate.

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

Unit: NT$ Thousand

Item	2014				2015				2016Q1			
	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer	Name	Amount	%	Relation with the issuer
1	Yulon-Nissan Motor Co., Ltd.	14,774,141	12.2	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	14,150,029	11.5	Invested company under the equity method	Yulon-Nissan Motor Co., Ltd.	4,074,660	13.8	Invested company under the equity method
2												
4												
5												
6												
7												
8												
9												
10												
	Others	105,836,375	87.8		Others	108,375,792	88.5		Others	25,342,086	86.2	
	Net sales	120,610,516	100.0		Net sales	122,525,821	100.0		Net sales	29,461,746	100.0	

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.

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)	2014			2015		
	Production capacity	Production quantity	Production Value	Production capacity	Production quantity	Production Value
Vehicle	80,000	60,324	23,917,892	80,000	55,584	22,816,259
Total	80,000	60,324	23,917,892	80,000	55,584	22,816,259

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)	2014				2015			
	Local Sales		Export Sales		Local Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Vehicle	62,923	34,396,805	0	0	58,712	32,426,914	0	0
Total	62,923	34,396,805	0	0	58,712	32,426,914	0	0

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

5.3 Employees

March 31, 2016

Fiscal Year		2014	2015	Data as of ending data on March 31, 2016
No. of Employee	Staff	275	277	271
	Technicians	834	834	832
	Administration Assistants	27	25	25
	Total	1,136	1,136	1,128
Average age		43.2	43.5	43.8
Average years of service		18.1	18.3	18.6
Academy Ratio	Doctor	0.1%	0.2%	0.2%
	Master	13.6%	13.8%	13.4%
	College	18.7%	20.6%	20.5%
	Senior High School	60.1%	58.7%	59.1%
	Below Senior High School	7.5%	6.8%	6.8%

Note: The information clearing time is on December 31, 2014 and 2015.

Year	2013	2014	As of March 31, 2015
Number of employees of the Company and subsidiaries	9,694	9,897	10,025

Note: The information clearing time is on December 31, 2013 and 2014.

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:

The Company violated the provision on Paragraph 2, Article 24 of the "Air Pollution Control Act" on May 6th 2014 and operated without following the content of permit (Temperature for waste discharge was 102℃ but the standard is 120~160℃), which was fined with NT$10,000 according to paragraph 1, Article 56. The parameters were changed after applying for operation with the permit, the Company completed and reported to the competent authority on May 30th, 2014.

5.4.2 The countermeasures and the potential expense

1. Estimated Future Expenditures on Pollution Control:

Fiscal Year / Item	2016	2017	2018
·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 pollution control requirements and international practice	To meet the pollution control requirements and international practice	To meet the pollution control requirements and international practice
·Estimated Expenditures	NT$35,000 thousand	NT$35,000 thousand	NT$35,000 thousand

2. Other expense:

Item \ Fiscal year	2016	2017	2018
·Content of Expense	1. Environment dues NT$13,500 thousand 2. Management expense NT$13,000 thousand	1. Environment dues NT$13,500 thousand 2. Management expense NT$13,000 thousand	1. Environment dues NT$13,500 thousand 2. Management expense NT$13,000 thousand
·Expected effect of improvement	To meet the pollution control requirements	To meet the pollution control requirements	To meet the pollution control requirements
·Estimated Expenditures (1+2)	NT$26,500 thousand	NT$26,500 thousand	NT$26,500 thousand

5.4.3 Effects of improvement performed:

Item \ Fiscal year	2016	2017	2018
·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:

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 meeting, 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) Provide night snacks for employees who take the night shift.

(5) Hold different ball games, club activities, employee family day trips, Dragon Boat Festival and Mid-Autumn Festival activities, new employee orientation party, employees’ children summer camps, year-end party and drawing, and volunteer services.

(6) Setup Employee Welfare Committee and manage children and colleagues education grants, Family travel allowances, festivals benefits, and May 1st Labor Day activities.

(7) 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.

(8) 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 summer with their family to enhance parent-child interaction and relieve work pressure.

(9) Provide pregnant workers with the designated parking spaces in the plant to help them get to work conveniently.

(10) In cooperation 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.

(11) Comply with “Act of Gender Equality in Employment” to set up breastfeeding room in the plant and sign contract with special contracted kindergartens, Fengyuan Meiluan Kindergarten and Sanyi Minren Kindergarten, to recue burden on employees.

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

(13) 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.

(14) The Company develope employees with excellent and healthy habits by maintaining good health indices and take annual healthy weight reduction competition and smoking concession promotional activities.

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

(16) The Company promotes package nurturing care (pregnancy-delivery-nurturing) by promoting relevant care during the stages. 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.

(17) The Company arranges happiness seminar by inviting experts to lecture on financing, parenthood, tourism and other themes which employees are interested to promote a balance between work and life.

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

(19) 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. The Company has the “Labor Pension Fund Supervisory Committee” setup to have the retirement plan regulated. For pension, a reserve amount is appropriated and deposited on a monthly basis to the account of the Labor Pension Fund Supervisory Committee with the Trust Department of the Bank of Taiwan and handled by the Committee. Also, actuarial pension amount payable and accruals are processed in accordance with the Government Accounting Bulletin specifications. The Company shall also appropriate reserve in accordance with Article 56 of Labor Standard Act.

B. Retirees who are qualified for the Labor Standards Act can claim pension when meet the conditions of the Labor Standards Act at the time of applying for retirement.

C. Retirees who are qualified for the Labor Pension Act, from the date of application, shall have contribution made on a monthly basis and deposited in the personal account with the Bureau of Labor by the Company. The seniority before choosing the Labor Pension Act will be retained and pension can be claimed when meets the conditions of the Labor Standards Act at the time of applying for retirement.

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

(2) 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;

(3) 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.

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; also, enhance the professional skills required to promote employees continuing to grow and applying what they have learned at work through a diversified learning channel, including on-job training, nanny system, job rotation, project implementation, digital learning, and on-job advanced study.

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$2,940,000 in 2015 that was an average of NT$2,594 per employee; also, a total of 19,537 training hours that was an average of 17.23 hours per employee per year. The Company provides the following training courses:

(1) Common Training: A common training curriculum held for all employees, including business secrets, emotional question introduction and identification, and 8 sessions of "encountering" happiness series of seminars.

(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, organize language courses to enhance employee's language proficiency. There are TOEIC Practice, TOEIC Intermediate, Beginner Japanese, and Advanced Japanese classes. Language proficiency is one of the conditions for promotion.

The Company establishes the training system through talent development quality management system and unfolds the strategy planning of mid to long term objectives in corporate vision, in order to develop educational training plan. The training results are also reflected by L1 to the action plan in pre-action and post-training. In the future, the Company will continue to devote in the promotion of employee learning.

5.5.2 Labor/employer dispute loss in 2015 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 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 Auditing 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. The hotline of complaint: 2920-2929.

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 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 CO_2 emissions reduced to 312 (kg/unit)	Electricity - to change the frequency of high-powered motors and lamps use LED or Electrodeless Fluorescent Lamp. Gas - Regenerative Thermal Oxidizer (RTO) uses high-efficiency thermal material. Heavy oil: Shortened warming up time.	1. The high-powered 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 boilder.	299 (kg/unit)
Garbage reduction to 214.8 (ton / year)	Garbage sorting and recycling, periodic inspection of the sorting	Advocate by Environmental Safety meetings and inspect the classification regularly.	213.44 (kg/unit)
Plant red solution event 12 (pieces / year)	Regularly conduct 5S inspection and TOP inspection.	Reduce the occurrence of hazard with a variety of routine inspection.	9 (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 COD 100 mg/L Heavy metal 1 mg/L	Check effluent COD and heavy metals (2 times / week).	Test water quality regularly to ensure complying with effluent regulations.	COD 49 mg/L Ni 0.43 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. Healthcare:

(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 (24 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
Vehicle OEM Agreement	Yuchia Motor Co., Ltd. China Motor Co., Ltd.	From 3.16.2012 to 3.15.2015, 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 Dongfeng truck 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, 2016 (Note 3)
		2015	2014	2013	2012	2011	
Current Assets		122,157,795	108,805,788	89,079,959	82,245,302	75,310,449	126,098,652
Property, plant, and equipment (Note 2)		33,217,023	34,730,129	35,154,316	39,236,702	35,421,269	33,103,316
Intangible assets		6,504,954	7,394,962	3,408,438	8,676,464	5,954,976	6,320,771
Other assets (Note 2)		50,122,318	51,911,808	48,371,453	42,795,511	42,922,843	50,057,566
Total assets		212,002,090	202,842,687	176,014,166	172,953,979	159,609,537	215,580,305
Current Liabilities	Before distribution	118,623,293	112,688,582	89,862,312	86,339,823	75,887,663	122,370,309
	After distribution (Note 4)	-	114,805,314	91,902,937	88,088,410	77,868,340	-
Noncurrent liabilities		12,197,154	10,005,385	8,772,702	13,198,994	11,561,808	11,466,320
Total liabilities	Before distribution	130,820,447	122,693,967	98,635,014	99,538,817	87,449,471	133,836,629
	After distribution (Note 4)	-	124,810,699	100,675,639	101,287,404	89,430,148	-
Shareholder’s equity attributable to parent company		71,477,924	70,001,021	67,712,806	65,167,033	64,308,500	71,909,897
Capital stock		15,729,199	15,729,199	15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital		6,650,489	6,561,260	6,497,817	6,477,268	6,456,219	6,754,806
Retailed earnings	Before distribution	46,911,456	44,979,810	44,222,784	43,344,702	41,850,898	47,534,301
	After distribution (Note 4)	-	42,863,078	42,182,159	41,596,115	39,870,221	-
Other equity		2,563,084	3,107,056	1,639,310	(7,832)	648,488	2,267,895
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Unrestrictive equity		9,703,719	10,147,699	9,666,346	8,248,129	7,851,566	9,833,779
Total equity	Before distribution	81,181,643	80,148,720	77,379,152	73,415,162	72,160,066	81,743,676
	After distribution (Note 4)	-	78,031,988	75,338,527	71,666,575	70,179,389	-

* If individual 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 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: 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.

Individual Condensed Balance Sheet

Unit: NT$ Thousand

Item \ Fiscal year		Financial Data in recent 5 years (Note 1)				
		2015	2014	2013	2012	2011
Current assets		18,857,280	15,364,352	12,651,520	10,091,838	15,532,229
Property, plant, and equipment (Note 2)		6,225,143	6,829,569	6,965,046	6,386,756	6,221,097
Intangible assets		85,860	61,848	165,483	174,376	187,413
Other assets (Note 2)		55,462,721	57,208,186	57,759,551	55,698,064	53,303,822
Total assets		80,631,004	79,463,955	77,541,600	73,351,034	75,244,561
Current liabilities	Before distribution	4,345,927	4,564,125	5,371,216	3,931,280	6,546,003
	After distribution (Note 3)	-	5,665,169	6,472,260	5,189,616	8,118,923
Noncurrent liabilities		4,807,153	4,898,809	4,457,578	4,252,721	4,390,058
Total liabilities	Before distribution	9,153,080	9,462,934	9,828,794	8,184,001	10,936,061
	After distribution (Note 3)	-	10,563,978	10,929,838	9,442,337	12,508,981
Shareholder's equity attributable to parent company		-	-	-	-	-
Capital stock		15,729,199	15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital		6,650,489	6,561,260	6,497,817	6,477,268	6,456,219
Retained earnings	Before distribution	46,911,456	44,979,810	44,222,784	43,344,702	41,850,898
	After distribution (Note 3)	-	43,878,766	43,121,740	42,086,366	40,277,978
Other equity		2,563,084	3,107,056	1,639,310	(7,832)	648,488
Treasury stock		(376,304)	(376,304)	(376,304)	(376,304)	(376,304)
Unrestrictive equity		-	-	-	-	-
Total equity	Before distribution	71,477,924	70,001,021	67,712,806	65,167,033	64,308,500
	After distribution (Note 3)	-	68,899,977	66,611,762	63,908,697	62,735,580

＊If individual 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 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: 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.

Consolidated Condensed Income Statement

Unit: NT$ Thousand

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)					Financial data up to March 31, 2016 (Note 2)
	2015	2014	2013	2012	2011	
Operating income	122,525,821	120,610,516	92,813,914	80,333,356		29,461,746
Gross Profit - net	17,961,166	17,352,722	14,331,334	13,313,282		4,833,246
Operating profit or loss	279,956	408,370	(373,966)	913,734		656,387
Non-Operating income and expense	4,457,921	3,202,430	3,681,260	3,433,900		476,685
Net income before tax	4,737,877	3,610,800	3,307,294	4,347,634		1,133,072
Net income of continuing operations		-	-	-		-
Loss of discontinued operation (Note 3)		-	-	-		-
Net income (loss)	3,919,292	2,809,406	2,291,068	3,409,027		785,830
Other comprehensive profit and loss (net)	(907,689)	1,530,098	1,830,145	(623,980)		(297,946)
Total current comprehensive profit and loss	3,011,603	4,339,504	4,121,213	2,785,047		487,884
Net income attributable to parent company's shareholders	3,352,078	2,210,346	2,371,183	2,965,991		628,866
Net income attributable to unrestrictive equity	567,214	599,060	(80,115)	443,036		156,964
Total comprehensive profit and loss attributable to parent company's shareholders	2,575,361	3,565,907	4,001,033	2,517,319		333,556
Total comprehensive profit and loss attributable to unrestrictive equity	436,242	773,597	120,180	267,728		154,328
Earnings per share	2.29	1.51	1.62	2.03		0.43

* If individual 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 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: 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.

Individual Condensed Income Statement

Unit: NT$ Thousand

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)				
	2015	2014	2013	2012	2011
Operating income	38,826,117	40,722,041	33,997,095	35,141,120	
Gross profit – net	2,988,547	2,947,436	2,892,367	2,838,229	
Operating profit or loss	1,784,862	1,652,282	1,296,988	1,411,622	
Non-Operating income and expense	1,730,638	597,587	1,436,611	1,893,983	
Net income before tax	3,515,500	2,249,869	2,733,599	3,305,605	
Net income of continuing operations	-	-	-	-	
Loss of discontinued operation (Note 2)	-	-	-	-	
Net income (loss)	3,352,078	2,210,346	2,371,183	2,965,991	
Other comprehensive profit and loss (net)	(776,717)	1,355,561	1,629,850	(448,672)	
Total current comprehensive profit and loss	2,575,361	3,565,907	4,001,033	2,517,319	

* If individual 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 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: 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 Condensed Balance Sheet and Income Statement – the R.O.C. Financial Accounting Standards

Consolidated Condensed Balance Sheet – the R.O.C. Financial Accounting Standards

Unit: NT$ Thousand

Item \ Fiscal year		Financial Data in recent 5 years (Note 1)				
		2013	2012	2011	2010	2009
Current assets			$82,195,686	$76,781,507	$58,311,029	$47,507,428
Fund and investment			28,590,024	28,668,929	27,579,715	25,823,981
Fixed assets			19,506,902	17,055,858	19,517,955	18,253,637
Intangible assets			9,620,268	6,680,786	2,709,034	1,707,741
Other assets			32,743,378	29,992,495	24,215,489	19,339,357
Total assets			172,656,258	159,179,575	132,333,222	112,632,144
Current liabilities	Before distribution		80,517,024	71,321,693	52,680,640	38,517,771
	After distribution		82,265,611	73,302,370	54,745,564	39,455,004
Long-term liabilities			6,008,715	5,461,348	1,527,494	373,522
Other liabilities			12,407,940	9,886,281	8,703,680	7,760,446
Total liabilities	Before distribution		98,933,679	86,669,322	62,911,814	46,651,739
	After distribution		100,682,266	88,649,999	64,976,738	47,588,972
Capital stock			15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital			9,189,425	9,011,329	8,471,998	8,497,993
Retained earnings	Before distribution		32,098,962	30,716,661	28,730,288	25,196,592
	After distribution		30,350,375	28,735,984	26,665,364	24,259,359
Cumulative Translation Adjustment			(181,847)	655,829	(118,340)	958,259
Net loss not recognized as pension cost			(102,178)	(73,611)	(52,407)	(38,673)
Unrealized gains/losses on financial instruments			547,745	374,353	1,393,150	906,569
Total shareholder's equity	Before distribution		73,722,579	72,510,253	69,421,408	65,980,405
	After distribution		71,973,992	70,529,576	67,356,484	65,043,172

Note 1: Financial data have been audited by the CPA.

Individual Condensed Balance Sheet – the R.O.C. Financial Accounting Standards

Unit: NT$ Thousand

Item \ Fiscal year		Financial Data in recent 5 years (Note 1)				
		2013	2012	2011	2010	2009
Current assets			9,567,383	$15,373,806	$14,656,689	$12,165,358
Fund and investment			46,975,571	43,023,240	41,352,970	39,040,501
Fixed assets			7,844,326	7,311,281	10,046,821	12,141,776
Intangible assets			38,550	51,587	32,136	147,805
Other assets			9,587,864	9,909,202	7,396,174	5,603,237
Total assets			74,013,694	75,669,116	73,484,790	69,098,677
Current liabilities	Before distribution		3,984,012	6,574,738	6,075,990	4,526,664
	After distribution		5,242,348	8,147,658	7,648,910	5,076,404
Long-term liabilities			-	-	-	-
Other liabilities			2,262,352	2,194,594	2,768,888	2,663,144
Total liabilities	Before distribution		8,639,441	11,162,409	11,237,955	9,582,885
	After distribution		9,897,777	12,735,330	12,810,875	10,132,625
Capital stock			15,729,199	15,729,199	15,729,199	15,729,199
Additional paid-in capital			9,189,425	9,011,329	8,471,998	8,497,993
Retained earnings	Before distribution		32,098,962	30,716,661	28,730,288	25,196,592
	After distribution		30,840,626	29,143,741	27,157,368	24,646,852
Cumulative Translation Adjustment			(181,847)	655,829	(118,340)	958,259
Net loss not recognized as pension cost			(102,178)	(73,611)	(52,407)	(38,673)
Unrealized gains/losses on financial instruments			547,745	374,353	1,393,150	906,569
Total shareholder's equity	Before distribution		65,374,253	64,506,707	62,246,835	59,515,792
	After distribution		64,115,917	62,933,787	60,673,915	58,966,052

Note 1: Financial data have been audited by the CPA.

Consolidated Condensed income statement – the R.O.C. Financial Accounting Standards

Unit: NT$ Thousands,
Except Earnings per Share in NT$

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)				
	2013	2012	2011	2010	2009
Operating income		77,688,918	76,583,954	64,507,506	48,803,467
Gross profit		13,203,684	12,214,118	10,677,547	7,630,712
Operating profit or loss		793,942	2,031,012	2,413,853	1,325,415
Non-Operating Income and profit		4,913,044	4,403,298	4,567,726	1,799,182
Non-Operating Expense and loss		1,359,331	816,258	812,120	690,446
Net income before tax		4,347,655	5,618,052	6,169,459	2,434,151
Net income		3,412,715	4,611,681	5,229,430	1,730,260
Earnings per share		1.89	2.28	2.62	0.72

Note 1: Financial data have been audited by the CPA.

Individual Condensed income statement – the R.O.C. Financial Accounting Standards

Unit: NT$ Thousands,
Except Earnings per Share in NT$

Item \ Fiscal year	Financial Data in recent 5 years (Note 1)				
	2013	2012	2011	2010	2009
Operating income		35,141,119	$38,687,163	$31,997,645	$20,944,899
Gross profit		2,838,228	2,964,866	2,799,020	2,209,134
Operating profit or loss		1,406,935	1,469,270	1,368,716	951,607
Non-Operating Income and profit		1,984,843	2,417,060	3,219,791	420,907
Non-Operating Expense and loss		96,387	50,014	218,202	37,621
Net income before tax		3,295,391	3,836,316	4,370,305	1,334,893
Net income		2,955,777	3,559,530	4,084,240	1,127,003
Earnings per share		1.89	2.28	2.62	0.72

Note 1: Financial data have been audited by the CPA.

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

Fiscal year	2015	2014	2013	2012	2011
CPA (Certified public accountant)	Li-Wen KUO Hsin-Wei TAI	Li-Wen KUO Win-Chin LIN	Li-Wen KUO Win-Chin LIN	Li-Wen KUO Win-Chin LIN	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, 2016 (Note 2)
			2015	2014	2013	2012	2011	
Finance structure (%)	Debt to assets ratio		61.71	60.49	56.30	57.55		62.08
	Long term funds to property, plant, and equipment ratio		249.38	232.99	223.76	191.96		250.98
Solvency(%)	Current ratio (%)		102.98	96.55	100.19	95.26		103.05
	Quick ratio (%)		93.34	84.98	87.23	82.89		92.72
	Interest coverage ratio		12.68	10.21	9.13	9.86		15.85
Operating ability	Receivables turnover (times)		1.94	2.24	2.07	2.09		1.73
	Accounts receivable collecting days		188.14	162.94	176.32	174.63		211
	Inventory turnover (times)		10.13	9.27	7.24	6.16		10.86
	Payables turnover (times)		9.68	10.29	8.77	7.69		7.35
	Average inventory turnover on sales		36.03	39.37	50.41	59.03		33.6
	Property, plant, and property turnover (times)		3.61	3.45	2.51	2.15		3.55
	Total asset turnover (times)		0.59	0.63	0.53	0.48		0.55
Profitability	Return on assets (%)		2.05	1.65	1.50	2.30		1.59
	Return on equity (%)		4.86	3.57	3.04	4.68		3.86
	Percentage to paid-in capital (%)	Operating Net Income (losses)	1.78	2.60	(2.34)	5.81		16.69
		Income before tax (losses)	30.12	22.96	21.03	27.64		28.81
	Profit margin (%)		3.20	2.33	2.46	4.24		2.67
	Earnings Per Share (NT$)		2.29	1.51	1.62	2.03		0.43
Cash flow	Cash flow from operations ratio (%)		(3.97)	(7.78)	1.74	2.36		3.15
	Cash Flow Adequacy Ratio (%)		6.70	5.70	12.69	13.15		10.43
	Cash Flow Re-investment Ratio (%)		(6.38)	(10.63)	(0.17)	(0.08)		3.59
Leverage	Operating leverage		27.24	17.76	(16.96)	9.25		3.94
	Financial leverage		(2.23)	25.09	0.48	2.16		1.13

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

1. The increase in inventory turnover ratio was result in 2014 cost of sales increased as compared with 2013.
2. The decline in average days of sales was a result of increase in 2014 cost of goods sold than that of 2013.
3. The real estate, property and equipment turnover ratio were up due to the increase in 2014 sales net profit than that of 2013 while the real estate, property and equipment net value in 2014 did not substantially increase compared with that in 2013.
4. The rise in profitability related ratio was a result of increase in 2014 operating income than that of 2013.
5. The cash flow ratio and cash reinvestment ratio were reduced mainly because of the 2014 subsidiary company's financing business growth that led to substantial increase in account receivables, and hence the 2013 operating activity cash flow was reduced than that of 2013.
6. The rise in operating leverage and financial leverage were the result of increased 2014 operating income than 2013.

6.2.2 Individual Financial Ratio Analysis complying with IFRS

Analysis item (Note 3)			Fiscal year (Note 1): Financial analysis in recent 5 years 2014	2013	2012	2011	2010
Finance structure	Debt to assets ratio		11.91	12.68	11.16		
	Long term funds to property, plant, and equipment ratio		1,096.70	972.18	1020.35		
Solvency	Current ratio		336.63	235.54	256.71		
	Quick ratio		227.91	144.58	149.22		
	Interest coverage ratio		642.35	1219.18	142.79		
Operating ability	Receivables turnover (times)		55.54	25.59	18.13		
	Average accounts receivable turnover days		6.57	14.27	20.13		
	Inventory turnover (times)		7.74	6.83	6.81		
	Payables turnover (times)		11.24	10.67	10.44		
	Average inventory turnover on sale		47.16	53.45	53.6		
	Property, plant, and property turnover (times)		5.90	5.09	5.57		
	Total asset turnover (times)		0.52	0.45	0.47		
Profitability	Return on assets (%)		2.82	3.15	4.02		
	Return on shareholder's equity (%)		3.21	3.57	4.58		
	Percentage to paid-in capital (%)	Operating Income (losses)	10.50	8.25	8.97		
		Net income before tax (losses)	14.30	17.38	21.02		
	Profit margin (%)		5.43	6.97	8.44		
	Earnings Per Share (NT$)		1.51	1.62	2.03		
Cash flow	Cash flow from operations ratio (%)		38.66	52.5	30.38		
	Cash Flow Adequacy Ratio (%)		66.85	37.86	16.79		
	Cash Flow Re-investment Ratio (%)		0.98	2.37	(0.82)		
Leverage	Operating leverage		1.28	1.33	1.31		
	Financial leverage		1.00	1.00	1.02		

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

1. The increase in liquidation ratio and quick ratio was because of the increase in 2014 cash and equivalent cash, mainly due to the current dividends received and reinvest company returning stock funds due to capital reduction as well as other investment activities.
2. The decline in interest protection multiplier was because of the 2014 pre-tax net income lower than that of 2013.
3. The increase in account receivable turnover rate an average days for receivables were reduced due to the increase in 2014 sales revenue and reduced bills receivables and account receivables compared with 2013.
4. The increase in operating income to paid-in capital ratio was a result of the increased 2014 operating income than 2013.
5. The reduction in profit margin was because of the increase in 2014 sales income while the net profit after tax recognizing reinvestment income was reduced compared with 2013
6. The decline in cash flow ratio and cash reinvestment ratio was down because of the reduction in 2014 operating activity cash inflow than the 2013.

* 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: The calculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weighted average number of common stock shares rather than the outstanding shares at yearend.
2. Where there is a cash capital increase or treasury stock transaction conducted, the circulation period should be included for the calculation of the weighted average number of shares.
3. Where there is a capitalization from earnings or additional paid-in capital conducted, when calculating earnings per share for the prior years and every interim, adjustment should be made proportionally to the capitalization ratio but without considering the issuance period of the capitalization.
4. If the preferred stock is non-convertible cumulative preferred stock, the annual dividend (whether distributed or not) should be deducted from net income, or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net 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. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. Inventories increase is included for calculation only when the ending balance is greater than the beginning balance. If inventory is decreased at the yearend, it is counted as zero.
4. Cash dividend includes cash dividend of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment 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.

6.2.3 Consolidated Financial Ratio Analysis complying with the Financial Accounting Standards of the R.O.C.

Analysis item \ Year			Financial analysis in recent 5 years (Note 1)				
			2013	2012	2011	2010	2009
Finance structure (%)	Debt to assets ratio			57.30	54.45	47.54	41.42
	Long term funds to property, plant, and equipment ratio			408.73	457.15	363.51	363.51
Solvency (%)	Current ratio			102.08	107.66	110.69	123.34
	Quick ratio			88.70	92.09	96.19	110.79
	Interest coverage ratio			7.79	14.55	23.09	9.27
Operating ability	Receivables turnover (times)			2.02	2.39	2.59	2.51
	Average accounts receivable turnover days			180.57	152.41	140.69	145.66
	Inventory turnover (times)			5.90	6.90	8.70	6.54
	Payables turnover (times)			7.40	10.60	17.94	17.53
	Average inventory turnover on sale			61.87	52.91	41.97	55.79
	Property, plant, and property turnover (times)			4.25	4.19	3.42	2.73
	Total asset turnover (times)			0.47	0.53	0.53	0.44
Profitability	Return on assets (%)			2.38	3.40	4.46	1.80
	Return on shareholder’s equity (%)			4.67	6.50	7.72	2.67
	Percentage to paid-in capital (%)	Operating Income (losses)		5.05	12.91	15.35	8.43
		Net income before tax (losses)		27.64	35.72	39.22	15.48
	Profit margin (%)			4.39	6.02	8.11	3.55
	Earnings per share (NT$)			1.89	2.28	2.62	0.72
Cash flow (%)	Cash flow from operations ratio (%)			2.67	(0.76)	5.43	12.01
	Cash Flow Adequacy Ratio (%)			25.24	28.45	43.69	69.38
	Cash Flow Re-investment Ratio (%)			0.44	(2.12)	2.63	5.48
Leverage	Operating leverage			10.46	3.9	3.00	4.18
	Financial leverage			5.16	1.26	1.13	1.29

Please explain the reason for variance in various financial ratios in the last 2 years (analysis may be exempt when the increase/reduction falls below 20%).

1. The interest protection multiplier and profitability indicator were lowered mainly because of the decline in 2012 operating profits than 2011.
2. The reduction in account payable turnover rate was because of the long-term contract designed for model technology development that caused the average account payable to increase.
3. The increase of cash flow ratio was because of the 2012 operating activity cash inflow increased compared with 2011.
4. The increase in cash flow ratio and cash investment ratio was a result of increase in dividend income from invested business stocks in 2012 than 2011.
5. The increase in operating leverage and financial leverage were a result of the declined in 2012 operating income than 2011.

* The financial information is audited by the CPAs.

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 + long-term 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/net average shareholder’s equity
(3) Profit Ratio = Net income/net sales
(4) Earnings per Share = (Net income - preferred stock dividend)/weighted average number of shares issued

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 asset + operating fund)

6. Leverage
(1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
(2) Financial leverage = Operating income/ (operating income - interest expense)

Note 4: The calculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weighted average number of common stock shares rather than the outstanding shares at yearend.
2. Where there is a cash capital increase or treasury stock transaction conducted, the circulation period should be included for the calculation of the weighted average number of shares.
3. Where there is a capitalization from earnings or additional paid-in capital conducted, when calculating earnings per share for the prior years and every interim, adjustment should be made proportionally to the capitalization ratio but without considering the issuance period of the capitalization.
4. If the preferred stock is non-convertible cumulative preferred stock, the annual dividend (whether distributed or not) should be deducted from net income, or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net 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. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. Inventories increase is included for calculation only when the ending balance is greater than the beginning balance. If inventory is decreased at the yearend, it is counted as zero.
4. Cash dividend includes cash dividend of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment 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.

6.2.4 Individual Financial Ratio Analysis complying with the Financial Accounting Standards of the R.O.C.

Analysis item / Year			Financial analysis in recent 5 years (Note 1)				
			2013	2012	2011	2010	2009
Finance structure (%)	Debt to assets ratio			11.7	14.8	15.3	13.9
	Long term funds to property, plant, and equipment ratio			833.4	884.0	619.6	490.2
Solvency (%)	Current ratio			240.1	234.1	241.2	268.8
	Quick ratio			135.0	154.4	171.1	227.6
	Interest coverage ratio			142.4	1,804.0	3,643.9	939.4
Operating ability	Receivables turnover (times)			18.1	25.6	40.2	40.5
	Average accounts receivable turnover days			20.1	14.2	9.1	9.0
	Inventory turnover (times)			6.9	7.5	9.5	9.6
	Payables turnover (times)			10.4	9.9	10.4	12.4
	Average inventory turnover on sale			53.3	48.5	38.3	38.0
	Property, plant, and property turnover (times)			4.6	4.5	3.2	1.7
	Total asset turnover (times)			0.5	0.5	0.5	0.3
Profitability	Return on assets (%)			4.0	4.8	5.7	1.7
	Return on shareholder's equity (%)			4.6	5.6	6.7	1.9
	Percentage to paid-in capital (%)	Operating Income (losses)		8.9	9.3	8.7	6.1
		Net income before tax (losses)		21	24.4	27.8	8.5
	Profit margin (%)			8.4	9.2	12.8	5.4
	Earnings per share (NT$)			1.88	2.28	2.62	0.72
Cash flow (%)	Cash flow from operations ratio (%)			74.0	26.2	21.6	32.6
	Cash Flow Adequacy Ratio (%)			43.8	57.7	65.9	49.2
	Cash Flow Re-investment Ratio (%)			1.7	0.3	1.1	2.0
Leverage	Operating leverage			1.32	1.4	1.4	1.5
	Financial leverage			1.02	1.0	1.0	1.0

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

1. The decrease of debt ratio is mainly due to the decrease of notes receivable and accounts receivable from the year of 2011.
2. The decrease of interest coverage ratio is mainly due to the increase of interest expense in 2012 from the year of 2011.
3. The decrease of accounts receivable turnover rate and the increase of the average accounts receivable turnover days are due to the decrease of the overall operating income in 2012 from the year of 2011. In addition, the relevant accounts receivable are increased due to the components business expansion of Luxgen brand that was sold to Dongfeng Yulon Motor Co., Ltd.
4. The increase of cash flow ratio is mainly due to the increase of dividend income from the invested business in 2012 from the year of 2011.
5. The decrease of cash flow adequacy ratio is mainly due to the capital increase for investing in Dongfeng Yulon Motor Co., Ltd. in China in 2012.

* The financial information is audited by the CPAs.

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 + long-term 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/net average shareholder's equity
(3) Profit Ratio = Net income/net sales
(4) Earnings per Share = (Net income - preferred stock dividend)/weighted average number of shares issued

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 asset + operating fund)

6. Leverage
 (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
 (2) Financial leverage = Operating income/ (operating income - interest expense)

Note 4: The calculation of earnings per share referred to above should be with the following matters included for consideration:
1. It is based on the weighted average number of common stock shares rather than the outstanding shares at yearend.
2. Where there is a cash capital increase or treasury stock transaction conducted, the circulation period should be included for the calculation of the weighted average number of shares.
3. Where there is a capitalization from earnings or additional paid-in capital conducted, when calculating earnings per share for the prior years and every interim, adjustment should be made proportionally to the capitalization ratio but without considering the issuance period of the capitalization.
4. If the preferred stock is non-convertible cumulative preferred stock, the annual dividend (whether distributed or not) should be deducted from net income, or added to the net loss. If the preferred shares are non-cumulative, when there is net income, preferred stock dividends should be deducted from net 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. Net cash flow from operating activities refers to the net cash inflow from operating activities on the statement of cash flow.
2. Capital expenditure refers to the annual cash outflow of capital investment.
3. Inventories increase is included for calculation only when the ending balance is greater than the beginning balance. If inventory is decreased at the yearend, it is counted as zero.
4. Cash dividend includes cash dividend of common stock and preferred stock.
5. Gross property, plant, and equipment meant for the total amount of property, plant, and equipment 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.

6.3 Supervisor's Report

The supervisors have reviewed the 2015 annual business reports, financial statements (including consolidated financial statements), and earnings distribution proposals prepared and presented by the Company's Board of Directors, and the independent auditor's report issued by CPA Li-Wen KUO and CPA Hsin-Wei TAI of Deloitte & Touche without any nonconformity identified; therefore, the supervisor's report is hereby issued in accordance with Article 219 of the Company Law.

Yours truly

The Company's 2016 Annual Shareholders' Meeting

Supervisors:

Lowin Industrial Co., Ltd.

Representative: Weikong Chi

Shintai Liu

Jinchung Lee

March 23, 2016

6.4 Recent annual financial statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders

Yulon Motor Company Ltd.

We have audited the accompanying balance sheets of Yulon Motor Company Ltd. (the "Company") as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yulon Motor Company Ltd. as of December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The accompanying schedules of major accounting items of Yulon Motor Company Ltd. as of and for the year ended December 31, 2015 are presented for the purpose of additional analysis. Such schedules have been subjected to the auditing procedures described in the second paragraph. In our opinion, such schedules are consistent, in all material respects, with the financial statements referred to in the first paragraph.

March 21, 2016

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, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015		2014	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 7,235,569	9	$ 7,697,376	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,578,574	4	990,262	1
Debt investments with no active market - current (Notes 4 and 9)	2,417,500	3	600,345	1
Note receivable (Notes 4 and 10)	69,278	-	62,056	-
Notes receivable from related parties (Notes 4, 10 and 23)	23,490	-	45,123	-
Trade receivables (Notes 4 and 10)	9,333	-	4,016	-
Trade receivables from related parties (Notes 4, 10 and 23)	775,404	1	398,545	-
Other receivables (Notes 4, 10 and 23)	403,553	1	575,110	1
Inventories (Notes 4 and 11)	4,020,898	5	4,542,750	6
Other current assets	323,681	-	448,769	-
Total current assets	18,857,280	23	15,364,352	19
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current (Note 4)	50,690	-	74,556	-
Financial assets measured at cost - non-current (Notes 4 and 8)	28,411	-	154,712	-
Investments accounted for using the equity method (Notes 4 and 12)	42,989,654	53	45,283,976	57
Property, plant and equipment (Notes 4 and 13)	6,225,143	8	6,829,569	9
Investment properties (Notes 4 and 14)	10,593,099	13	10,035,097	13
Other intangible assets (Note 4)	85,860	-	61,848	-
Deferred tax assets (Notes 4 and 19)	529,902	1	596,917	1
Other non-current assets (Note 24)	1,270,965	2	1,062,928	1
Total non-current assets	61,773,724	77	64,099,603	81
TOTAL	$ 80,631,004	100	$ 79,463,955	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables	$ 1,600,295	2	$ 1,671,531	2
Trade payables to related parties (Note 23)	1,431,476	2	1,470,304	2
Other payables (Notes 15 and 23)	1,220,028	1	1,147,528	2
Current tax liabilities (Notes 4 and 19)	28,984	-	208,476	-
Other current liabilities	65,144	-	66,286	-
Total current liabilities	4,345,927	5	4,564,125	6
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 19)	2,537,470	3	2,521,196	3
Accrued pension liabilities (Notes 4 and 16)	1,665,449	2	1,602,850	2
Deposits received	528,185	1	641,271	1
Credit balance on the carrying value of investments accounted for using the equity method (Notes 4 and 12)	51,660	-	108,599	-
Other non-current liabilities	24,389	-	24,893	-
Total non-current liabilities	4,807,153	6	4,898,809	6
Total liabilities	9,153,080	11	9,462,934	12
EQUITY (Note 17)				
Share capital				
Ordinary shares	15,729,199	20	15,729,199	20
Capital surplus	6,650,489	8	6,561,260	8
Retained earnings				
Legal reserve	7,380,610	9	7,159,575	9
Special reserve	35,373,565	44	34,373,565	43
Unappropriated earnings	4,157,281	5	3,446,670	5
Total retained earnings	46,911,456	58	44,979,810	57
Ordinary shares				
Exchange differences on translating foreign operations	1,484,838	2	1,721,402	2
Unrealized gain on available-for-sale financial assets	1,078,584	1	1,386,228	2
Cash flow hedges	(338)	-	(574)	-
	2,563,084	3	3,107,056	4
Treasury shares	(376,304)	-	(376,304)	(1)
Total equity	71,477,924	89	70,001,021	88
TOTAL	$ 80,631,004	100	$ 79,463,955	100

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

YULON MOTOR COMPANY LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 18 and 23)				
Sales	$ 37,230,532	96	$ 39,045,254	96
Other operating revenue	1,595,585	4	1,676,787	4
Total operating revenue	38,826,117	100	40,722,041	100
OPERATING COSTS (Notes 11, 13, 16, 18 and 23)				
Cost of goods sold	35,347,076	91	37,485,154	92
Other operating cost	499,280	1	287,131	1
Total operating costs	35,846,356	92	37,772,285	93
GROSS PROFIT	2,979,761	8	2,949,756	7
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	8,786	-	(2,320)	-
REALIZED GROSS PROFIT	2,988,547	8	2,947,436	7
OPERATING EXPENSES (Notes 16, 18 and 23)				
Selling and marketing expenses	135,490	-	159,600	-
General and administrative expenses	908,891	2	928,552	2
Research and development expenses	159,304	1	207,002	1
Total operating expenses	1,203,685	3	1,295,154	3
PROFIT FROM OPERATIONS	1,784,862	5	1,652,282	4
NON-OPERATING INCOME				
Share of loss of subsidiaries, associates and joint ventures (Notes 4 and 12)	1,135,997	3	261,510	1
Other income (Note 18)	52,250	-	52,235	-
Interest income	85,435	-	87,788	-
Finance costs	(1,536)	-	(3,508)	-
Other gains (Note 18)	458,492	1	199,562	1
Total non-operating income	1,730,638	4	597,587	2
PROFIT BEFORE INCOME TAX	3,515,500	9	2,249,869	6
INCOME TAX EXPENSE (Notes 4 and 19)	163,422	-	39,523	-
NET PROFIT FOR THE YEAR	3,352,078	9	2,210,346	6

(Continued)

YULON MOTOR COMPANY LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ (110,940)	-	$ (76,170)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method	(121,805)	(1)	(36,015)	-
	(232,745)	(1)	(112,185)	-
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on available-for-sale financial assets	(24,200)	-	13,490	-
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(519,772)	(1)	1,454,256	3
	(543,972)	(1)	1,467,746	3
Other comprehensive income (loss) for the year, net of income tax	(776,717)	(2)	1,355,561	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,575,361	7	$ 3,565,907	9
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 20)				
Basic	$ 2.29		$ 1.51	
Diluted	$ 2.29		$ 1.51	

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

YULON MOTOR COMPANY LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Amounts Per Share)

			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total Equity
BALANCE, JANUARY 1, 2014	$ 15,729,199	$ 6,497,817	$ 6,922,457	$ 31,227,565	$ 6,072,762	$ 385,612	$ 1,253,734	$ (36)	$ (376,304)	$ 67,712,806
Appropriation of the 2013 earnings										
Legal reserve	-	-	237,118	-	(237,118)	-	-	-	-	-
Special reserve	-	-	-	3,146,000	(3,146,000)	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.7 per share)	-	-	-	-	(1,101,044)	-	-	-	-	(1,101,044)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	63,443	-	-	(240,091)	-	-	-	-	(176,648)
Net profit for the year ended December 31, 2014	-	-	-	-	2,210,346	-	-	-	-	2,210,346
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	(112,185)	1,335,790	132,494	(538)	-	1,355,561
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	2,098,161	1,335,790	132,494	(538)	-	3,565,907
BALANCE, DECEMBER 31, 2014	15,729,199	6,561,260	7,159,575	34,373,565	3,446,670	1,721,402	1,386,228	(574)	(376,304)	70,001,021
Appropriation of 2014 earnings										
Legal reserve	-	-	221,035	-	(221,035)	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.7 per share)	-	-	-	-	(1,101,044)	-	-	-	-	(1,101,044)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	89,229	-	-	(86,643)	-	-	-	-	2,586
Net profit for the year ended December 31, 2015	-	-	-	-	3,352,078	-	-	-	-	3,352,078
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	-	(232,745)	(236,564)	(307,644)	236	-	(776,717)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	3,119,333	(236,564)	(307,644)	236	-	2,575,361
BALANCE, DECEMBER 31, 2015	$ 15,729,199	$ 6,650,489	$ 7,380,610	$ 35,373,565	$ 4,157,281	$ 1,484,838	$ 1,078,584	$ (338)	$ (376,304)	$ 71,477,924

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

YULON MOTOR COMPANY LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 3,515,500	$ 2,249,869
Adjustments for:		
(Reversal of impairment loss) impairment loss recognized on non-financial assets	(117,658)	417,529
Depreciation expenses	423,730	416,122
Share of profit of subsidiaries, associates and joint ventures	(1,135,997)	(261,510)
Interest income	(85,435)	(87,788)
Amortization expenses	47,204	43,171
Net loss on foreign currency exchange	21,728	36,435
Impairment loss on trade receivables	-	28,000
Realized gain on the transactions with subsidiaries, associates and joint ventures	(43,078)	(14,391)
Impairment loss recognized on financial assets	14,361	13,597
Dividend income	(12,988)	(12,804)
Finance costs	1,536	3,508
Gain on disposal of property, plant and equipment	(388)	(739)
Gain on disposal of financial assets	(418,101)	(5)
Changes in operating assets and liabilities		
Financial assets held for trading	(2,585,664)	(182,749)
Notes receivable	(360,751)	439,173
Other receivables	178,864	59,842
Inventories	639,510	(77,193)
Other current assets	(187,544)	(442,027)
Trade payables	(138,346)	(465,327)
Other payables	70,491	(238,220)
Other current liabilities	(1,143)	(7,144)
Accrued pension liabilities	(48,341)	6,770
Other operating liabilities	(502)	4,924
Cash (used in) generated from operations	(223,012)	1,929,043
Interest received	78,128	79,281
Interest paid	(1,536)	(3,508)
Income tax paid	(259,625)	(240,133)
Net cash generated from operating activities	(406,045)	1,764,683
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	6,041,482	4,664,631
Acquisition of associates	(4,255,456)	(2,194,654)
Acquisition of other non-current assets	(208,057)	(1,057,100)
Proceeds from the capital reduction of investments accounted for using the equity method	1,001,829	893,343
Proceeds from the capital reduction of financial assets measured at cost	-	82,650
Acquisition of debt investments with no active market	(1,824,111)	-
Disposal of debt investments with no active market	-	448,345

(Continued)

YULON MOTOR COMPANY LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
Acquisition of property, plant and equipment	$ (128,357)	$ (121,061)
Acquisition of investment property	-	(55,785)
Proceeds from disposal of property, plant and equipment	506	739
Decrease in refundable deposits	20	42
Purchase of available-for-sale financial assets	(334)	-
Proceeds from disposal of subsidiaries, associates and joint ventures	2,597	21
Proceeds from disposal of financial assets measured at cost	530,041	15
Acquisition of intangible assets	(7,649)	-
Net cash generated from investing activities	1,152,511	2,661,186
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(1,099,035)	(1,098,866)
(Decrease) increase in guarantee deposits received	(113,086)	328,844
Net cash used in financing activities	(1,212,121)	(770,022)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	3,848	(30,124)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(461,807)	3,625,723
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,697,376	4,071,653
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 7,235,569	$ 7,697,376

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

1. GENERAL INFORMATION

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

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

The financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 21, 2016.

3. APPLICATION OF N EW, 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 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

   Rule No. 1030029342 and Rule No. 1030010325 issued by the FSC on April 3, 2014, stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

   Except for the following, whenever applied, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have any material impact on the Company's accounting policies:

   1) IFRS 12 "Disclosure of Interests in Other Entities"

      IFRS 12 is a new disclosure standard that applies to entities with interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive.

   2) IFRS 13 "Fair Value Measurement"

      IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

      The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 33 for related disclosures.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 require the grouping of items of other comprehensive income (OCI) to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on OCI items are grouped on the same basis. Under the previous IAS 1, there were no such requirements.

The Company will retrospectively apply the above amendments starting from 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and the share of the remeasurements of subsidiaries, associates and joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gains (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except remeasurements of the defined benefit plans and the share of the remeasurements of subsidiaries, associates and joint ventures) accounted for using the equity method. However, the application of the above amendments will not result in any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 “Employee Benefits”

The interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

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

On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. Within this scope are all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, and outside of this scope are those IFRSs that are not yet effective as of January 1, 2017, such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective dates. In addition, the FSC announced that the Company should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC had not yet announced the effective dates of other new, amended and revised standards and interpretations.

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2017
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

(Concluded)

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

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition dates on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; and the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” applies prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group’s accounting policies, except for the following:

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Company’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) If the debt instruments are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continually, with any impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) If the debt instruments are held within a business model whose objective is to both collect contractual cash flows and sell financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other debt instruments are measured at fair value through profit or loss. However, the Company may, on the initial recognition of an equity instrument that is within the scope of IFRS 9 and is not held for trading, irrevocably designate this instrument as at fair value through other comprehensive income, with only dividend income recognized in profit or loss. No impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires the recognition of impairment loss on financial assets using the "Expected Credit Losses Model". The expected credit loss allowance, is required for certain financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, certain lease receivables, contract assets within the scope of IFRS 15 "Revenue from Contracts with Customers", and certain written loan commitments and financial guarantee contracts. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Company takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting include an expansion of the scope of transactions eligible for hedge accounting to better reflect an entity's risk management activities. Compared with IAS 39 "Financial Instruments: Recognition and Measurement," the main changes include: (1) increasing the types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing the retrospective effectiveness of hedge assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made a consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose the recoverable amount of an asset or each cash-generating unit only when an impairment loss has been recognized or reversed during the reporting period. The Company is also required to disclose the discount rate used in determining impairment or reversals if the recoverable amount based on fair value less costs of disposal is measured using a present value technique.

3) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue on all contracts with customers, and will supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue - related interpretations form January 1, 2017.

When applying IFRS 15, the Company shall recognize revenue by taking the following steps:

- Identify the contract with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the Company satisfies a performance obligation.

When IFRS 15 takes effect, the Company may elect to apply this Standard either (a) retrospectively to each prior reporting period presented or (b) retrospectively, with the cumulative effect of initially applying this Standard recognized at the date of initial application.

The Company may elect to apply this Standard either (a) retrospectively to each prior reporting period presented in accordance with IAS 36 “Recoverable Amount Disclosures for Non-financial Assets and related provisions of IFRS 15, or (b) retrospectively, with the cumulative effect of initially applying this Standard recognized at the date of initial application in accordance with certain sections of IFRS 15.

4) 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. When the Company loses control of a subsidiary that constitutes a business but retains significant influence or joint control, the gain or loss resulting from the transaction is also recognized in full.

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 unrelated investors’ interest in the associate or joint venture, and the Company’s share of the gain or loss is eliminated. Also, when an Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

5) Annual Improvements to IFRSs: 2012-2014 Cycle

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, IFRS 7 “Financial Instruments: Disclosures”, IAS 19 “Employee Benefits”, and IAS 34 “Interim Financial Reporting” were amended in this cycle.

IFRS 5 was amended to clarify that the reclassification of non-current assets (or disposal group) from “held for sale” to “held for distribution to owners” (or vice versa) should not be considered a change of a disposal plan, rather it is a continuation of the original plan. Thus, the accounting treatment for the assets remains the same. The amendment also explains that if assets classified as held for distribution to owners or held for sale no longer meet certain criteria stated in IFRS 5, the classification of these assets as held for distribution to owners or as held for sale should cease. There should also be a disclosure of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period.

The amendments to IFRS 7 provide additional guidance to clarify, for purposes of the disclosures required in relation to a transferred asset, whether a servicing contract is continuing involvement in a transferred asset.

IAS 19 was amended to clarify that the assessment of whether high-quality corporate bonds, which are used to estimate the discount rate for post-employment benefits, have a deep market should be based on the same currency as that used for benefit payments. Thus, determining whether or not there is a deep market in these bonds is based on the currency level instead of the country or regional level.

6) Amendment to IAS 1 “Disclosure Initiative”

The amendment clarifies that the financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its financial statements, the Company should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

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 are 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.

When preparing its financial statements, the Company uses the equity method to account for its investments in subsidiaries, associates and jointly controlled entities. For the net profit for the year, other comprehensive income for the year and total equity in the stand-alone financial statements to be the same as the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in the accounting treatment between the stand-alone basis and consolidated basis are made to the investments accounted for by equity method; share of profit or loss of subsidiaries, associates and joint ventures; and share of other comprehensive income of subsidiaries, associates and joint ventures and related equity items, as appropriate, in the stand-alone financial statements.

Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within twelve months after the reporting period; and

c. Cash and cash equivalents, unless these assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within twelve 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 twelve 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.

Assets and liabilities that are not classified as current 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's 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 and 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 Company 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 weighted-average cost on the balance sheet date.

Investment in Subsidiaries

Investments in subsidiaries and associates are accounted for by the equity method.

Subsidiaries are the entities controlled by the Company.

Under the equity method, an investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. The Company also recognizes the Company's share of the change in other equity of the subsidiary.

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 equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary 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 discontinues recognizing its share of further losses.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed on the basis of the subsidiary's entire financial statements. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a 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 previous investment at the date when control is lost is recognized as gain or loss in profit or loss. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would have been required had the Company directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

Investment in Associates and Joint Ventures

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 and joint ventures. 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 and the joint venture. The Company also recognizes the changes in the Company's share of the equity of the associates and joint ventures.

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 this difference as an adjustment to investments, and the amount of this difference is charged or credited to capital surplus. If the Company's ownership interest is reduced because of the additional subscription for 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 have been required had the investee 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 cost of acquisition in excess of the Company's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. If the Company's share of the net fair value of the identifiable assets and liabilities exceeds the cost of acquisition, after reassessment, the excess 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 forms part of 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 increases.

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

Property, Plant and Equipment

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

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Freehold land is not depreciated.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each part of an item of property, plant and equipment with a cost that 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 in estimate accounted for prospectively.

On the 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.

Investment Properties

Investment properties are properties held for earning rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. After initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

Investment properties under construction are stated at cost less accumulated depreciation and accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets starts when the assets become ready for their intended use.

On the 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 on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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 to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. If a corporate asset cannot be allocated on a reasonable and consistent basis to a CGU, this allocation should be made to the smallest grouping of CGUs.

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

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit 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 financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are 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

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investment, available-for-sale financial assets, and loans and receivables.

a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when they are either held for trading or designated as at fair value through profit or loss (FVTPL).

Financial assets may be designated as at FVTPL upon initial recognition if:

i. Such designation eliminates or significantly reduces an inconsistent measurement or recognition that would otherwise arise; or

ii. The financial asset forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy and information about the Company is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated 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.

Investments in equity instruments under financial assets at fair value through profit or loss with no quoted market prices in an active market and with fair values that cannot be reliably measured and derivatives that are linked to and must be settled by delivery of these unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

b) Held-to-maturity investments

Held-to-maturity investments are nonderivative financial assets with fixed or determinable payments and fixed maturity on which the Company has the positive intent and ability to hold to maturity. Furthermore, they are not designated as at fair value through profit or loss and are not classified as available-for-sale financial assets nor can they be considered loans and receivables. The central government bond, which the Company has the positive intent and ability to hold to maturity is classified as held-to maturity investments.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

c) Available-for-sale financial assets (AFS financial assets)

Available-for-sale financial assets are non-derivatives that either are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Available-for-sale equity investments with no quoted market prices in an active market and with fair values that cannot be reliably measured and derivatives that are linked to and must be settled by the delivery of these unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

d) Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalents, debt investments with no active market and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

2) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are assessed for impairment collectively even if they have been assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments and an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on trade receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the asset's carrying amounts and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the impairment losses decrease and the decreases can be related objectively to events occurring after impairment recognition, the previously recognized impairment losses are reversed through profit or loss to the extent that the carrying amounts of the investments at the date the impairments do not exceed what the amortized costs would have been had the impairments not been recognized.

When an available-for-sale (AFS) financial asset is considered impaired, cumulative loss previously recognized in other comprehensive income is reclassified to profit or loss in the impairment period. However, impairment loss on AFS equity securities previously recognized in profit or loss cannot be reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. On available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. This impairment loss will not be reversed in subsequent periods.

The carrying amounts of the financial assets are reduced by the impairment loss directly for all financial assets with the exception of trade receivables, of which the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance accounts. Changes in the carrying amounts of the allowance accounts are recognized in profit or loss, except for uncollectible accounts receivable that are written off against the allowance account.

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 the full derecognition of a financial asset, 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.

b. Equity instruments

Debt and equity instruments issued by a Company 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 Company 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 in the following situations, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading.

Financial liabilities at fair value through profit or loss are stated 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 interest or dividend paid on the financial liability.

2) Derecognition of financial liabilities

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

c. Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to exchange rate risks, such as forward exchange contracts, foreign currency option contracts.

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.

Revenue Recognition

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.

a. Sale of goods

   Revenue from the sale of goods is recognized when all the following conditions are satisfied:

   1) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

   2) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

   3) The amount of revenue can be measured reliably;

   4) It is probable that the economic benefits associated with the transaction will flow to the Company; and

   5) The transaction costs incurred in respect of the transaction can be measured reliably.

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

b. Rental income

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

c. Rendering of services

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

d. 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

Leases are classified as finance leases whenever the lease terms provide for the transfer of substantially all the risks and rewards of ownership to the lessee. Otherwise, the leases are classified as operating leases.

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.

Employee Benefits

a. Short-term employee benefits

Liabilities recognized on 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.

The present value of defined benefit costs (including service cost, net interest and remeasurement) is determined using the projected unit credit method. Changes in the net defined benefit liability (asset), including the immediate recognition of defined benefit costs, are fully recognized as employee benefit expense in the period they occur. Remeasurements of the net defined benefit liability or asset, which include actuarial gains and losses and the return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. These remeasurements are recognized in other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) or the present value of the defined benefit obligation less the fair value of any plan assets is the actual deficit (surplus) in the Company’s defined benefit plan as of the end of the reporting period. 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 or when the Company recognizes any related restructuring costs under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

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. If the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized.

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 tax for the year

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

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.

a. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

b. Recognition and measurement of defined benefit plans

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

6. CASH AND CASH EQUIVALENTS

	December 31 2015	December 31 2014
Cash on hand	$ 680	$ 1,528
Checking accounts and demand deposits	5,535,513	6,265,188
Cash equivalent		
Time deposits with original maturities within 3 months	1,699,376	1,430,660
	$ 7,235,569	$ 7,697,376

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

As of the dates of balance sheet, the interest rate intervals of bank deposits are as follows:

	December 31 2015	December 31 2014
Bank deposits	0.001%-4.3%	0.01%-3.50%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2015	December 31 2014
Financial assets at FVTPL - current		
Financial assets at fair value through profit or loss		
Credit-linked instruments	$ 448,813	$ 470,904
Principle guaranteed financial assets	800,019	-
	1,248,832	470,904
Financial assets held for trading		
Non-derivative financial assets		
Beneficial certificates - mutual funds	2,329,742	519,358
	$ 3,578,574	$ 990,262

8. FINANCIAL ASSETS MEASURED AT COST

	December 31 2015	December 31 2014
Non-current		
Domestic unlisted common shares	$ 28,411	$ 154,712
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 28,411	$ 154,712

The unlisted common shares held by the Company above were measured at cost less impairment at the end of each reporting period. Management believed that the fair values cannot be reliably measured because the range of fair values determined using estimation methods was significant and the probabilities of each value was unable to be determined.

In 2015, the Company disposed of certain financial assets measured at cost with carrying amounts of $111,940 thousand, and recognized a gain of $418,101 thousand on this disposal.

In 2014, Shin Sheng 2's application for capital reduction was approved by the authorities; thus, financial assets carried at cost - non-current decreased by $82,650 thousand.

Since the carrying amounts of the investments in financial assets measured at cost were higher than their respective investment values, impairment losses were recognized for the years ended December 31, 2015 and 2014 as follows:

	For the Year Ended December 31	
	2015	**2014**
Investees		
Shin Sheng 2 Company	$ 14,361	$ -
Chung Yang Venture Capital Investment Company	-	13,597
	$ 14,361	$ 13,597

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET - CURRENT

	December 31	
	2015	**2014**
Time deposits with original maturity more than 3 months	$ 2,417,500	$ 600,345

As of December 31, 2015 and 2014, the interest rate intervals of time deposits with original maturity more than 3 months were 0.75%-1.1% and 3.30%-3.50%, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2015	**2014**
Notes receivable		
Notes receivable - operating	$ 92,768	$ 107,179
Less: Allowance for impairment loss	-	-
	$ 92,768	$ 107,179
Trade receivables		
Trade receivables	$ 812,759	$ 430,583
Less: Allowance for impairment loss	28,022	28,022
	$ 784,737	$ 402,561

a. Trade and notes receivables

The average credit period on 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 receivables, any changes in the credit quality of credit grant to balance sheet dates, including financial and economic status of the counter party should be taken into consideration.

The movements of the allowance for doubtful trade receivables were as follows:

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 28,022	$ 22
Add: Impairment losses recognized on receivables	-	28,000
Balance at December 31	$ 28,022	$ 28,022

b. Other receivables

	December 31	
	2015	**2014**
Other receivable		
Subsidy receivables	$ 184,000	$ 146,264
Receivables for steel plates	23,840	13,078
Receivables for disposal of financial assets	8,421	133,966
Receivables for personnel transfer	21,046	12,849
Others	166,246	268,953
	$ 403,553	$ 575,110

11. INVENTORIES

	December 31	
	2015	**2014**
Finished goods	$ 2,253,144	$ 2,166,188
Work in progress	173,777	551,261
Raw materials	1,593,977	1,825,301
	$ 4,020,898	$ 4,542,750

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $35,464,734 thousand and $37,158,177 thousand, respectively.

The cost of goods sold for the years ended December 31, 2015 and 2014 included reversal of inventory write-downs of $117,658 thousand and inventory write-downs of $326,977 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2015	2014
Investments in subsidiaries	$ 17,774,192	$ 18,110,178
Investments in associates	25,215,462	27,173,798
	$ 42,989,654	$ 45,283,976

a. Investments in subsidiaries

A Company's subsidiary, Yulon Overseas Investment Co., Ltd. (YOIC), indirectly invested in Univation Motor Philippines, Inc. (UMPI) (original named NMPI) and STA CRUZ Island Company (SCIC) through Yulon Philippine Investment Co., Ltd., which is indirectly invested in by YOIC.

For the purpose of integrating enterprise resources and increasing efficiency of management, the Company appointed Yung Hong, as the surviving company, merged with Leader and Yu Hong by exchanging, shares of equity interests, Yung Hong acquired the merged companies' rights and assumed their obligations.

Pei-Tu Tobe Motor Co., Ltd. ("Pei-Tu Tobe") applied for dissolution on December, 31, 2014. Since the liquidation had not been completed as of December 31, 2014, the Company's share of this subsidiary's profit or loss was recognized for 2014. Furthermore, based on the most reliable information acquired as of the balance sheet date, the Company determined that the recoverable amount of the investment of Pei-Tu Tobe exceeded the carrying amount, and any reasonable situation changes in the future would not affect this result. The difference between the proceeds of liquidation and carrying amount will be recognized as gain on disposal of investment after the liquidation.

Under the approval of Taiwan's Investment Commission under the Ministry of Economic Affairs, the Company and one of its subsidiaries, TAC, 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., in China ("Yulon Motor Finance"). Because the Company and TAC held 51% and 49%, respectively, of Yulon Motor Finance's shares, TAC had substantial control over Yulon Motor Finance, which was thus treated as TAC'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.

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 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% held 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 held by 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 using cash of $419,218 thousand and all its shares of Luxgen Automobile Parts valued at $2,033,069 thousand.

The investments in China Motor Company, Uni-Calsonic 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.

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

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property under Construction	Total
Cost							
Balance at January 1, 2014	$ 4,657,447	$ 2,932,669	$ 2,478,291	$ 70,133	$ 639,457	$ 86,495	$ 10,864,492
Additions	-	7,260	699	3,641	181	109,280	121,061
Disposals	-	-	(22,100)	(480)	(13,497)	-	(36,077)
Reclassification	(109,032)	(28,529)	152,136	4,488	115,248	(97,180)	37,131
Balance at December 31, 2014	$ 4,548,415	$ 2,911,400	$ 2,609,026	$ 77,782	$ 741,389	$ 98,595	$ 10,986,607
Accumulated depreciation and impairment							
Balance at January 1, 2014	$ -	$ (1,453,655)	$ (1,989,767)	$ (55,330)	$ (400,694)	$ -	$ (3,899,446)
Disposals	-	-	22,100	480	13,497	-	36,077
Reclassification	-	26,674	-	-	-	-	26,674
Depreciation expense	-	(87,935)	(117,897)	(7,109)	(107,402)	-	(320,343)
Balance at December 31, 2014	$ -	$ (1,514,916)	$ (2,085,564)	$ (61,959)	$ (494,599)	$ -	$ (4,157,038)
Carrying amount at December 31, 2014	$ 4,548,415	$ 1,396,484	$ 523,462	$ 15,823	$ 246,790	$ 98,595	$ 6,829,569
Cost							
Balance at January 1, 2015	$ 4,548,415	$ 2,911,400	$ 2,609,026	$ 77,782	$ 741,389	$ 98,595	$ 10,986,607
Additions	-	11,065	20,759	146	28,490	67,897	128,357
Disposals	-	(171)	(15,829)	-	(47,342)	-	(63,342)
Retirements	-	-	(759)	-	-	-	(759)
Reclassification	(308,657)	(458,137)	205,607	-	43,224	(435)	(518,398)
Balance at December 31, 2015	$ 4,239,758	$ 2,464,157	$ 2,818,804	$ 77,928	$ 765,761	$ 166,057	$ 10,532,465
Accumulated depreciation and impairment							
Balance at January 1, 2015	$ -	$ (1,514,916)	$ (2,085,564)	$ (61,959)	$ (494,599)	$ -	$ (4,157,038)
Disposals	-	171	15,712	-	47,342	-	63,225
Retirements	-	-	759	-	-	-	759
Reclassification	-	119,815	-	-	-	-	119,815
Depreciation expense	-	(89,603)	(119,866)	(5,648)	(118,966)	-	(334,083)
Balance at December 31, 2015	$ -	$ (1,484,533)	$ (2,188,959)	$ (67,607)	$ (566,223)	$ -	$ (4,307,322)
Carrying amount at December 31, 2015	$ 4,239,758	$ 979,624	$ 629,845	$ 10,321	$ 199,538	$ 166,057	$ 6,225,143

The above items of property, plant and equipment were 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

14. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2014	$ 8,342,408	$ 2,191,840	$ 10,534,248
Additions	55,785	-	55,785
Reclassified to property, plant and equipment	109,032	165,005	274,037
Balance at December 31, 2014	$ 8,507,225	$ 2,356,845	$ 10,864,070
Accumulated depreciation and impairment			
Balance at January 1, 2014	$ -	$ (706,520)	$ (706,520)
Reclassified to property, plant and equipment	-	(26,674)	(26,674)
Depreciation expense	-	(95,779)	(95,779)
Balance at December 31, 2014	$ -	$ (828,973)	$ (828,973)
Carrying amount at December 31, 2014	$ 8,507,225	$ 1,527,872	$ 10,035,097
Cost			
Balance at January 1, 2015	$ 8,507,224	$ 2,356,845	$ 10,864,069
Reclassified with property, plant and equipment	308,657	458,808	767,465
Balance at December 31, 2015	$ 8,815,881	$ 2,815,653	$ 11,631,534
Accumulated depreciation and impairment			
Balance at January 1, 2015	$ -	$ (828,973)	$ (828,973)
Reclassified with property, plant and equipment	-	(119,815)	(119,815)
Depreciation expense	-	(89,647)	(89,647)
Balance at December 31, 2015	$ -	$ (1,038,435)	$ (1,038,435)
Carrying amount at December 31, 2015	$ 8,815,881	$ 1,777,218	$ 10,593,099

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

As of December 31, 2015 and 2014, the fair values of the Company’s investment property were $40,394,660 thousand and $38,375,874 thousand, respectively. Both fair values were appraised by an independent qualified professional appraiser.

15. OTHER LIABILITIES

	December 31	
	2015	2014
Current		
Other payables		
Payables for employees bonus	$ 409,360	$ 392,631
Payables for other taxes	227,527	146,838
Payables for dividends	96,577	94,568
Payables for annual leave	140,807	120,004
Others	345,757	393,487
	$ 1,220,028	$ 1,147,528

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. 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 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 (the "Bureau") under the Ministry of Labor; 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	
	2015	2014
Present value of defined benefit obligation	$ 1,756,654	$ 1,716,446
Fair value of plan assets	(88,045)	(110,276)
Net defined benefit liability (asset)	$ 1,668,609	$ 1,606,170

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, 2014	$ 1,605,923	$ (82,388)	$ 1,523,535
Service cost			
Current service cost	27,034	-	27,034
Past service cost and loss (gain) on settlements	6,077	-	6,077
Net interest expense (income)	27,006	(1,556)	25,450
Recognized in profit or loss	60,117	(1,556)	58,561
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(860)	(860)
Actuarial loss - changes in demographic assumptions	6,245	-	6,245
Actuarial loss - experience adjustments	70,785	-	70,785
Recognized in other comprehensive income	77,030	(860)	76,170
Contributions from the employer	-	(43,420)	(43,420)
Benefits paid	(27,831)	17,948	(9,883)
Business combinations	1,207	-	1,207
Balance at December 31, 2014	$ 1,716,446	$ (110,276)	$ 1,606,170
Balance at January 1, 2015	$ 1,716,446	$ (110,276)	$ 1,606,170
Service cost			
Current service cost	26,293	-	26,293
Past service cost and loss on settlements	6,832	-	6,832
Net interest expense	28,751	(1,849)	26,902
Recognized in profit or loss	61,876	(1,849)	60,027
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(730)	(730)
Actuarial loss - changes in demographic assumptions	26,225	-	26,225
Actuarial loss - changes in financial assumptions	47,244	-	47,244
Actuarial loss - experience adjustments	38,201	-	38,201
Recognized in other comprehensive income	111,670	(730)	110,940
Contributions from the employer	-	(40,765)	(40,765)
Benefits paid	(96,827)	65,575	(31,252)
Business combinations	(36,511)	-	(36,511)
Balance at December 31, 2015	$ 1,756,654	$ (88,045)	$ 1,668,609

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

1) Investment risk: Plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is made at the discretion of the Bureau or of fund managers designated by the Bureau to make the investments. However, under 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 decrease 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	
	2015	**2014**
Discount rate(s)	1.50%	1.75%
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 decrease/increase as follows:

	December 31, 2015
Discount rate(s)	
0.25% increase	$ (47,647)
0.25% decrease	49,545
Expected rate(s) of salary increase	
0.25% increase	48,479
0.25% decrease	(46,855)

The sensitivity analysis presented above may not have been representative of the actual change in the present value of the defined benefit obligation as it was unlikely that the change in assumptions would have occurred in isolation of one another as some of the assumptions might have been correlated.

	December 31	
	2015	**2014**
Expected contributions to the plan for the next year	$ 644,910	$ 40,800
Average duration of the defined benefit obligation	11.3 years	11.8 years

17. EQUITY

a. Share capital

Common shares

	December 31	
	2015	**2014**
Numbers 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 thousands)	1,572,920	1,572,920

(Continued)

	December 31	
	2015	2014
Shares issued	$ 15,729,199	$ 15,729,199
Capital surplus	4,508,131	4,508,131
	$ 20,237,330	$ 20,237,330

(Concluded)

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

b. Capital surplus

	December 31	
	2015	2014
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	1,985,549	1,976,580
Arising from the differences between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	143,846	69,467
May be used to offset a deficit only		
Arising from share of changes in capital surplus of associates or joint ventures	12,963	7,082
	$ 6,650,489	$ 6,561,260

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 legal reserve should be set aside at 10% of annual net income, less any accumulated deficit. The remainder of this income, less special reserve based on relevant laws and regulations, should be appropriated as follows:

1) 0.5% as remuneration to directors and supervisors;

2) 0.1%-5% as bonus to employees;

3) Dividends - in determining the ratio of cash dividends to stock dividends, the Company, as part of a mature and stable industry, takes into account the impact of dividends on reported profitability, cash required for future operations, any potential changes in the industry, interest of the shareholders and the effect on the Company's financial ratios; dividend distribution is proposed by the Board of Directors and approved by the shareholders';

4) Additional special reserve may be appropriated for specific business purposes.

Under 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 consequential amendments to the Company's Articles of Incorporation were proposed by the Company's board of directors on December 21, 2015, and these proposed amendments are expected to be approved in the 2016 annual shareholders' meeting. For information on the accrued employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 18.

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 or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

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.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations from the 2014 and 2013, including dividends per share, were approved in the shareholders' meetings on June 17, 2015 and June 19, 2014, respectively, as follows:

	Appropriation of Earnings		**Dividend Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2014	**2013**	**2014**	**2013**
Legal reserve	$ 221,035	$ 237,118		
Special reserve	1,000,000	3,146,000		
Cash dividend	1,101,044	1,101,044	$0.70	$0.70

The appropriations from the 2015 earnings were proposed by the Company's board of directors on March 21, 2016. The appropriations, including dividends per share, were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 335,208	
Special reserve	1,000,000	
Cash dividends	1,415,628	$0.9

The appropriations from the 2015 earnings are subject to the approval by the shareholders in their meeting on June 21, 2016.

d. Special reserve

	For the Year Ended December 31	
	2015	**2014**
Beginning at January 1	$ 34,373,565	$ 31,227,565
Appropriation in respect of		
Appropriation of earnings	1,000,000	3,146,000
Balance at December 31	$ 35,373,565	$ 34,373,565

On first-time adoption of IFRSs, the Company appropriated for special reserve, the amounts that were the same as the unrealized revaluation increment and cumulative translation differences transferred to retained earnings, which were $8,255,468 thousand and $655,829 thousand, respectively.

If the special reserve appropriated on the first-time adoption of 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 Company's disposal of foreign operations; on the Company's loss of significant influence, however, the entire special reserve will be reversed.

An additional special reserve should be appropriated at an 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 may be distributed after this reversal.

e. Others equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 1,721,402	$ 385,612
Share of exchange difference of subsidiaries and associates accounted for using the equity method	(236,564)	1,335,790
Balance at December 31	$ 1,484,838	$ 1,721,402

2) Unrealized gains (losses) on available-for-sale financial assets

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 1,386,228	$ 1,253,734
Unrealized gains arising on revaluation of available-for-sale financial assets	(24,200)	13,490
Share of unrealized gain on revaluation of available-for-sale financial assets of subsidiaries and associates accounted for using the equity method	(283,444)	119,004
Balance at December 31	$ 1,078,584	$ 1,386,228

3) Cash flow hedge

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ (574)	$ (36)
Share of cash flow hedging reserve of subsidiaries and associates accounted for using the equity method	236	(538)
Balance at December 31	$ (338)	$ (574)

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
Year ended December 31, 2015				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839
Year ended December 31, 2014				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839

The Company's shares held by subsidiaries as of December 31, 2015 and 2014 were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount (In Thousands)	Market Value (In Thousands)
December 31, 2015			
Yu Ching Business Co., Ltd.	11,838	$ 357,722	$ 357,722
Yu Pong Business Co., Ltd.	1	3	3
		$ 357,725	$ 357,725
December 31, 2014			
Yu Ching Business Co., Ltd.	11,838	$ 550,488	$ 550,488
Yu Pong Business Co., Ltd.	1	6	6
		$ 550,494	$ 550,494

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

18. NET PROFIT

Net profit contained the following components:

a. Other operating revenue

	For the Year Ended December 31	
	2015	2014
Revenue from sale of scraps	$ 10,585	$ 14,751
Revenue from providing guarantees	11,035	16,935
Revenue from remuneration of directors and supervisors	17,100	16,225
Others	13,530	4,324
	$ 52,250	$ 52,235

b. Other gains and losses

	For the Year Ended December 31	
	2015	2014
Gain on disposal of property, plant and equipment/investment property/intangible asset	$ 34,680	$ 17,450
Gain on disposal of financial assets	438,030	107,402
Net foreign exchange gains/(losses)	(2,933)	84,764
Net gains/(losses) arising on financial assets designated as at FVTPL	(324)	340
Net gains/(losses) arising on financial assets classified as held for trading	14,024	(9,381)
Others	(24,985)	(1,013)
	$ 458,492	$ 199,562

c. Depreciation and amortization

	For the Year Ended December 31	
	2015	2014
An analysis of deprecation by function		
Operating costs	$ 248,835	$ 240,379
Operating expenses	174,895	175,743
	$ 423,730	$ 416,122
An analysis of amortization by function		
Operating costs	$ 18,076	$ 16,279
Operating expenses	29,128	26,892
	$ 47,204	$ 43,171

d. Employee benefits expense

	For the Year Ended December 31	
	2015	2014
Short-term benefits	$ 1,413,601	$ 1,416,574
Post-employment benefits		
Defined contribution plans	17,698	17,757
Defined benefit plans	60,027	52,051
Total employee benefits expense	$ 1,491,326	$ 1,486,382
An analysis of employee benefits expense by function		
Operating costs	$ 1,094,682	$ 1,104,936
Operating expenses	396,644	381,446
	$ 1,491,326	$ 1,486,382

The current Articles of Incorporation of the Company stipulate the distribution of bonus to employees and remuneration to directors and supervisors at rates no less than 0.1% and no higher than 5% and 0.5% of net income (net of the bonus and remuneration), respectively. For the year ended December 31, 2014, the bonus to employees and the remuneration to directors and supervisors were $1,989 thousand and $8,361 thousand, respectively.

Under the Company Act as amended in May 2015 as well as the amended Articles of Incorporation of the Company proposed by the board of the directors in their meeting in December 2015, the Company will distribute employees' compensation and remuneration to directors and supervisors at rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the year ended December 31, 2015, the employees' compensation and the remuneration to directors and supervisors were estimated at $3,537 thousand and $17,684 thousand, respectively, or 0.1% and 0.5%, respectively, of the base net profit. The employees' compensation and remuneration to directors and supervisors in cash for the year ended December 31, which, were approved by the Company's board of directors on March 21, 2016, are subject to further approval under the amendments to the Company's Articles of Incorporation, which will be presented to the shareholders for passage in their meeting on June 21, 2016.

Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees and remuneration to directors and supervisors for 2014 and 2013, which were approved in the shareholders' meetings on June 17, 2015 and June 19, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	$ 1,989	$ -	$ 2,134	$ -
Remuneration to directors and supervisors	8,361	-	9,614	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 17, 2015 and June 19, 2014 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively.

Information on the employees' compensation and remuneration to directors and supervisors proposed by the Company's board of directors in 2016 and bonus to employees, directors and supervisors approved in the shareholders' meetings in 2015 and 2014 may be accessed on the Market Observation Post System website of the Taiwan Stock Exchange.

As of December 31, 2015 and 2014, the Company's employee number was 1,368 and 1,382, respectively.

e. Impairment losses on nonfinancial assets

	For the Year Ended December 31	
	2015	**2014**
Inventories	$ (117,658)	$ 326,977
Intangible assets	-	90,552
	$ (117,658)	$ 417,529

19. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense (income) were as follows:

	For the Year Ended December 31	
	2015	**2014**
Current tax		
In respect of the current year	$ -	$ 153,145
Income tax expense of unappropriated earnings	77,608	101,573
Adjustments for prior year	2,525	(139,699)
	80,133	115,019
Deferred tax		
In respect of the current year	83,289	(75,496)
Income tax expense recognized in profit or loss	$ 163,422	$ 39,523

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

	For the Year Ended December 31	
	2015	**2014**
Profit before tax from continuing operations	$ 3,515,500	$ 2,249,869
Income tax expense calculated at the statutory rate	$ 597,635	$ 382,478
Nondeductible expenses in determining taxable income	2,656	1,662
Tax-exempt income	(315,842)	(387,383)
Realized loss on investment	(348,432)	(247,860)

(Continued)

	For the Year Ended December 31	
	2015	2014
Unrecognized temporary differences	$ 147,272	$ 328,752
Additional income tax on unappropriated earnings	77,608	101,573
Adjustments for prior years' tax	2,525	(139,699)
Income tax expense recognized in profit or loss	$ 163,422	$ 39,523

(Concluded)

The applicable tax rate used above is 17%.

As the status of 2015 appropriations of earnings is uncertain, the potential income tax consequences of 2014 unappropriated earnings are not reliably determinable.

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, 2015

	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	$ -	$ 146,744
Property, plant and equipment	5,841	(333)	5,508
Defined benefit obligation	287,104	(2,040)	285,064
Others	157,228	(64,642)	92,586
	$ 596,917	$ (67,015)	$ 529,902
Deferred tax liabilities			
Temporary differences			
Land value increment tax	$ 2,397,673	$ -	$ 2,397,673
Property, plant and equipment	118,550	18,569	137,119
Others	4,973	(2,295)	2,678
	$ 2,521,196	$ 16,274	$ 2,537,470

For the year ended December 31, 2014

	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 loss of subsidiaries, associates and joint ventures	$ 146,744	$ -	$ 146,744
Property, plant and equipment	3,165	2,676	5,841
Defined benefit obligation	285,874	1,230	287,104
Others	114,271	42,957	157,228
	$ 550,054	$ 46,863	$ 596,917
Deferred tax liabilities			
Temporary differences			
Land value increment tax	$ 2,397,673	$ -	$ 2,397,673
Property, plant and equipment	131,093	(12,543)	118,550
Others	21,063	(16,090)	4,973
	$ 2,549,829	$ (28,633)	$ 2,521,196

d. Information on integrated income tax was as follows:

	December 31 2015	December 31 2014
Unappropriated earnings		
Generated on and after January 1, 1998	$ 4,157,281	$ 3,446,670
Imputation credits accounts (ICA)	$ 1,372,962	$ 688,914

	For the Year Ended December 31 2015 (Expected)	For the Year Ended December 31 2014
Creditable ratio for distribution of earning	25.10%	27.62%

e. Income tax assessed

The tax returns through 2013 have been assessed by the tax authorities.

20. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31 2015	For the Year Ended December 31 2014
Basic earnings per share	$ 2.29	$ 1.51
Diluted earnings per share	$ 2.29	$ 1.51

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	
	2015	**2014**
Earnings used in the computation of basic earnings per share	$ 3,352,078	$ 2,210,346
Earnings used in the computation of diluted earnings per share	$ 3,352,078	$ 2,210,346

Shares

	For the Year Ended December 31	
	2015	**2014**
Weighted average number of common shares in computation of basic earnings per share	1,463,684	1,462,807
Effect of potentially dilutive common shares:		
Employees' compensation or bonus issue to employees	151	64
Weighted average number of common shares used in the computation of diluted earnings per share	1,463,835	1,462,871

If the Company offered to settle compensation or 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.

21. 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.

22. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading	$ 2,329,742	$ -	$ -	$ 2,329,742
Others	-	-	1,248,832	1,248,832
	$ 2,329,742	$ -	$ 1,248,832	$ 3,578,574
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 50,690	$ -	$ 50,690	$ 50,690

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets held for trading	$ 519,358	$ -	$ -	$ 519,358
Others	-	-	470,904	470,904
	$ 519,358	$ -	$ 470,904	$ 990,262
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 74,556	$ -	$ -	$ 74,556

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 years ended December 31, 2015 and 2014

	Financial Assets at Fair Value Through Profit or Loss - Held for Trading	
	December 31	
	2015	2014
Balance at the beginning of the year	$ 470,904	$ 344,356
Recognized in profit or loss	13,432	548
Purchases	4,164,426	2,393,000
Disposals/settlements	(3,399,930)	(2,267,000)
Balance at the end of the year	$ 1,248,832	$ 470,904

b. Categories of financial instruments

	December 31	
	2015	**2014**
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 2,329,742	$ 519,358
Designated as at FVTPL	1,248,832	470,904
Loans and receivables (1)	10,934,127	9,382,571
Available-for-sale financial assets (2)	79,101	229,268
<u>Financial liabilities</u>		
Amortized cost (3)	4,251,799	4,289,363

1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, and trade and other receivables.

2) The balances included the carrying amounts of available-for-sale financial assets measured at cost.

3) The balances included financial liabilities measured at amortized cost, which comprised short-term loans, notes payable, trade and other payables.

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.

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 26.

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**	
	2015	**2014**	**2015**	**2014**
Profit or loss	$ 1,726	$ (4,987)	$ 2,261	$ 1,142

	RMB Impact		**EUR Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2015	**2014**	**2015**	**2014**
Profit or loss	$ (5,234)	$ (10,215)	$ (427)	$ (404)

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	
	2015	**2014**
Fair value interest rate risk		
Financial assets	$ 4,116,876	$ 2,031,005
Cash flow interest rate risk		
Financial assets	5,763,947	6,244,616

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 $57,639 thousand in 2015 and $62,446 thousand in 2014.

c) Other price risk

The Company was exposed to equity price risk on its investments in listed equity securities.

<u>Sensitivity analysis</u>

The Company assesses equity price risk using sensitivity analysis.

The following sensitivity analyses was based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, the fair values of available-for-sale investments and held-for-trading investments would have decreased by $23,804 thousand and $5,939 thousand as of December 31, 2015 and 2014, 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.

There is no concentration of credit risk, and the Company closely monitors the financial status of those clients with trade payables.

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.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2015 and 2014, the Company had available unutilized short-term bank loan facilities of $6,783,960 thousand and $5,665,000 thousand, respectively.

23. TRANSACTIONS WITH RELATED PARTIES

Besides as disclosed else where in the other notes, detail of transactions between the Company and other related parties are disclosed below:

a. Transactions in operating activities

1) Sales of goods

Related Party Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 10,087,651	$ 10,830,298
Associates	27,012,244	28,207,140
Other related parties	31	14
	$ 37,099,926	$ 39,037,452

2) Purchases of goods

Related Party Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 3,247,158	$ 3,582,484
Associates	2,556,353	2,971,416
Other related parties	9,576,787	10,358,178
	$ 15,380,298	$ 16,912,078

Except for the transactions with UMPI, which is given a credit period of 180 days by the Company considering fluctuations of foreign exchange rate and quantity discounts, other transactions with related parties are made under the same terms of pricings, receipts and payments as of those with unrelated parties.

3) Operating expense

Related Party Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 64,657	$ 86,073
Associates	120,092	98,359
Other related parties	5,964	7,742
	$ 190,713	$ 192,174

4) Other operating revenue

Related Party Categories	For the Year Ended December 31 2015	2014
Subsidiaries	$ 313,304	$ 462,590
Associates	826,916	601,213
Other related parties	4,581	5,838
	$ 1,144,801	$ 1,069,641

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

5) Notes and trade receivable

Related Party Categories	December 31 2015	2014
Subsidiaries	$ 220,023	$ 214,146
Associates	558,879	187,241
Other related parties	19,992	42,281
	$ 798,894	$ 443,668

6) Other financial assets (recognized as other receivables)

Related Party Categories	December 31 2015	2014
Subsidiaries	$ 52,764	$ 81,266
Associates	291,239	217,525
Other related parties	1,943	4,226
	$ 345,946	$ 303,017

On the balance sheet dates, the amounts payable to related parties were as follow:

7) Trade payables

Related Party Categories	December 31 2015	2014
Subsidiaries	$ 575,741	$ 696,617
Associates	369,366	252,834
Other related parties	486,369	520,853
	$ 1,431,476	$ 1,470,304

8) Other payables

Related Party Categories	December 31 2015	2014
Subsidiaries	$ 33,040	$ 18,625
Associates	10,447	4,532
Other related parties	-	18
	$ 43,487	$ 23,175

b. Compensation of key management personnel

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	$ 57,373	$ 54,269
Post-employment benefits	1,734	2,125
	$ 59,107	$ 56,394

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

24. 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") 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.

c. For the purpose of enhancing investment benefit on the developing project, the Group acquired right of building bulk arising from three parcels of land located in "Fuzhong" section with parcel Number 1686, 1697 and 1701, respectively, from a nonrelated party - "Ben-Yuan Lin Ancestor Worship Guild" at July 2014. According to the contract of acquisition that total amount was $3,300,000 thousand, the terms of payments are made for three stages, $400,000 thousand advanced payment paid upon contract signed and sealed by both parties, and the balance payment is $2,500,000 thousand. As of December 31, 2015, the payments had been made by the first and second stages which total amounts was $800,000 thousand. In addition, the payment of the third stage will be made less than five work days after the

Group acquire the permission of transfer of building bulk arising from the transaction mentioned above, issued by the regulating authorities.

The transaction is a simple acquisition of the right to construct buildings within bulk limitations under relevant zoning designations. Both sides agree to rescind the contract unconditionally (a) if the transaction cannot be completed because of government policy changes or regulatory amendments, or (b) if the regulatory authorities do not approve the right to construct buildings within the bulk limitations set under zoning designations in the Xindian district of New Taipei City. In either of these situations, the proceeds (net of business tax) received by the selling party will then be returned to the Company without interest.

Supposing that the regulating authorities ratify the right of building bulk can be partially used in Xindian district of New Taipei City, the contract will remain valid and the selling party will agree the Company has the right to use the remaining right of building bulk in other developing projects.

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

25. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 10,350	32.825 (USD:NTD)	$ 339,739
JPY	102,693	0.273 (JPY:NTD)	28,004
RMB	109,206	4.995 (RMB:NTD)	545,484
EUR	1,209	35.880 (EUR:NTD)	43,379
			$ 956,606
Nonmonetary items			
USD	3,026	32.825 (USD:NTD)	$ 99,344
RMB	255,000	5.122 (RMB:NTD)	1,306,110
			$ 1,405,454
Financial liabilities			
Monetary items			
USD	15,608	32.825 (USD:NTD)	$ 512,333
JPY	931,665	0.273 (JPY:NTD)	254,065
RMB	4,417	4.995 (RMB:NTD)	22,063
EUR	18	35.880 (EUR:NTD)	646
			$ 789,106

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31,305	31.650 (USD:NTD)	$ 990,803
JPY	96,326	0.265 (JPY:NTD)	25,488
RMB	202,624	5.092 (RMB:NTD)	1,031,761
EUR	1,069	38.470 (EUR:NTD)	41,124
			$ 2,089,176
Financial liabilities			
Monetary items			
USD	15,549	31.650 (USD:NTD)	$ 492,126
JPY	527,807	0.265 (JPY:NTD)	139,658
RMB	2,013	5.092 (RMB:NTD)	10,250
EUR	18	38.470 (EUR:NTD)	692
			$ 642,726

For the years ended December 31, 2015 and 2014, realized and unrealized net foreign exchange losses were $2,933 thousand and $84,764 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.

26. 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.

TABLE 1

YULON MOTOR COMPANY LTD.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2015
(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			
1	Luxgen Overseas Holdings	Luxgen Limited Liability	Other receivables	Y	$ 196,117	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 500,000	$ 500,000	Note
2	Hong Shou Culture	Singan	Other receivables	Y	20,000	20,000	20,000	1%	Operating capital	-	Operating capital	-	-	-	21,208	21,208	Note
3	Hsiang Shou	Singan	Other receivables	Y	70,000	70,000	55,000	1%	Operating capital	-	Operating capital	-	-	-	74,293	74,293	Note
4	Singgual Travel	Singan	Other receivables	Y	80,000	-	-	-	Operating capital	-	Operating capital	-	-	-	88,690	88,690	Note
5	Yulon Motor Investment	Shanghai Yuming	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	277,627	277,627	Note
		Chang Sha Yu Lu	Other receivables	Y	41,690	40,737	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Jiangmen Yuli	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Zhuhai Yuhsin	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Fu Jian Yu Xin	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		HangZhou Yu Zhong	Other receivables	Y	7,817	7,638	7,638	6%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Shanghai Yuexing	Other receivables	Y	20,845	20,368	15,276	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Nan Jing Yu Shang	Other receivables	Y	20,845	20,368	20,368	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Jiangmen Junxing	Other receivables	Y	78,168	76,382	66,197	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Shenzhen Yu Zhi	Other receivables	Y	156,336	152,763	86,566	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Wuhan Yu Hsin	Other receivables	Y	156,336	152,763	124,756	4%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Sheng Qing	Other receivables	Y	781,680	763,815	152,763	4%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Hang Zhou Haitec	Other receivables	Y	193,500	193,500	185,862	-	Operating capital	-	Operating capital	-	-	-	277,627	277,627	Note
6	Sheng Qing	Shi Cheng	Other receivables	Y	257,280	-	-	-	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Hang Zhou Hua You	Other receivables	Y	64,735	63,256	12,335	-	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Shenzhen Yu Zhi	Other receivables	Y	51,923	50,921	12,730	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Jiangmen Yuli	Other receivables	Y	51,312	50,921	50,773	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Chang Sha Yu Lu	Other receivables	Y	51,923	50,921	50,921	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Zhuhai Yuhsin	Other receivables	Y	103,846	101,842	61,105	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Hang Zhou Hua Zhi	Other receivables	Y	125,069	122,210	71,289	4%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Shanghai Yuexing	Other receivables	Y	152,763	152,763	76,382	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Jiangmen Junxing	Other receivables	Y	102,624	101,842	86,566	575%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Guang Zhou Yuan Zhi	Other receivables	Y	127,674	124,756	106,323	5.75%-6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Fu Jian Yu Xin	Other receivables	Y	130,280	127,303	107,263	5.75%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Guang Zhou Yuan Du	Other receivables	Y	182,392	178,224	127,303	6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Nanjing Hanhong	Other receivables	Y	238,673	233,218	128,830	0%-5.6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Xiao Gan Yu Feng	Other receivables	Y	192,814	188,408	147,671	5.58%-5.75%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Qingdao Yuanhuang	Other receivables	Y	156,336	152,763	152,763	5.58%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Shen Jun Yu Peng	Other receivables	Y	216,161	211,220	211,220	6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Wuhan Yu Hsin	Other receivables	Y	217,828	212,850	212,850	0%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Zhu Hai Fu Te En	Other receivables	Y	241,279	235,764	235,764	0%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
7	Zhu Hai Fu Te En	Shen Jun Yu Peng	Other receivables	Y	15,634	15,276	-	-	Operating capital	-	Operating capital	-	-	-	58,675	58,675	Note
		Wuhan Yu Hsin	Other receivables	Y	5,211	5,092	-	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Sheng Qing	Other receivables	Y	10,068	9,838	-	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Nanjing Hanhong	Other receivables	Y	8,338	8,147	8,147	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Zhuhai Yuhsin	Other receivables	Y	104,224	101,842	61,105	6%	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
8	Nanjing Hanhong	Shen Jun Yu Peng	Other receivables	Y	10,422	10,184	-	-	Operating capital	-	Operating capital	-	-	-	133,270	133,270	Note
		Wuhan Yu Hsin	Other receivables	Y	26,056	25,461	-	-	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Sheng Qing	Other receivables	Y	31,267	30,553	-	-	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Zhu Hai Fu Te En	Other receivables	Y	26,056	25,461	25,461	7%	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Nan Jing Yu Shang	Other receivables	Y	57,323	56,013	56,013	7%	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
9	Su Zhou Feng Shun	Su Zhou Cheng Li	Other receivables	Y	31,267	30,553	-	-	Operating capital	-	Operating capital	-	-	-	68,951	68,951	Note
10	Wu Jiang Lian Cheng	Su Zhou Cheng Pang	Other receivables	Y	5,211	5,092	5,092	7%	Operating capital	-	Operating capital	-	-	-	30,731	30,731	Note
11	Shanghai Yuming	Shanghai Yuexing	Other receivables	Y	26,056	25,461	12,730	6%	Operating capital	-	Operating capital	-	-	-	57,805	57,805	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			
12	Su Zhou Chen Long	Suzhou Yueshun	Other receivables	Y	$ 4,690	$ 4,583	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 94,601	$ 94,601	Note
		Su Zhou Cheng Li	Other receivables	Y	9,641	9,420	-	-	Operating capital	-	Operating capital	-	-	-	94,601	94,601	Note
13	Su Zhou Cheng Hung	Su Zhou Cheng Li	Other receivables	Y	15,634	15,276	-	-	Operating capital	-	Operating capital	-	-	-	20,368	20,368	Note
14	HangZhou Yu Zhong	Sheng Qing	Other receivables	Y	422,107	412,460	170	2%	Operating capital	-	Operating capital	-	-	-	835,401	1,253,101	Note
15	Hang Zhou Tang Yu	Shenzhen Yu Zhi	Other receivables	Y	10,422	10,184	-	-	Operating capital	-	Operating capital	-	-	-	53,681	107,361	Note
		Sheng Qing	Other receivables	Y	23,450	22,914	-	-	Operating capital	-	Operating capital	-	-	-	53,681	107,361	Note
16	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	476,150	476,150	458,289	3%	Operating capital	-	Operating capital	-	-	-	826,650	826,650	Note
17	TAC Leasing (Suzhou)	Changzhou Asia Power	Account receivables	Y	55,433	26,908	26,908	6%	Operating capital	-	Operating capital	336	-	9990	276,888	553,776	Note
		TAC Finance Company	Account receivables	Y	498,040	354,229	354,229	4.35%-4.85%	Operating capital	-	Operating capital	4428	-	-	553,776	553,776	Note
18	TAC Finance Company	Zhe Jiang Kang Da	Account receivables	Y	51,922	49,950	49,950	9%	Operating capital	-	Operating capital	624	-	-	57,687	115,374	Note
19	Su Zhou Feng Shen	Su Zhou Cheng Li	Other receivables	Y	50,921	50,921	10,184	7%	Operating capital	-	Operating capital	-	-	-	265,260	265,260	Note

Note: Luxgen Overseas Holdings Private Limited: It is allowed to provide financing to 100% held oversea subsidiaries only. Credit financing limit for each borrower and aggregate financing limits were NT$500 million.

Hong Shou Culture: 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.

Singgual Travel: 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 $150 million and aggregate financing limits was $414 million.

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 Shun: 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.

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

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

Su Zhou Cheng Hung: 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.

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 100% of the lender's net equity and aggregate financing limits was 200% 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 US$25 million and aggregate financing limits was US$$25 million.

TAC Leasing (Suzhou): Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

TAC Finance Company: Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

Su Zhou Feng Shen: Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

(Concluded)

YULON MOTOR COMPANY LTD.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	Yu Chang	b	$ 10,006,909	$ 200,000	$ -	$ -	$ -	-	$ 28,591,169	Y	N	N	Note 1
		Yu Yuen	c	10,006,909	250,000	-	-	-	-	28,591,169	Y	N	N	Note 1
		Luxgen Limited Liability	c	10,006,909	788,875	-	-	-	-	28,591,169	Y	N	N	Note 1
		Yushin	b	10,006,909	150,000	50,000	30,000	-	0.07	28,591,169	Y	N	N	Note 1
		Yu Sing	b	10,006,909	690,000	690,000	570,000	-	0.97	28,591,169	Y	N	N	Note 1
		UMPI	c	10,006,909	1,722,656	1,719,432	683,474	-	2.41	28,591,169	Y	N	N	Note 1
		Luxgen	b	10,006,909	7,400,000	7,400,000	3,000,000	-	10.35	28,591,169	Y	N	N	Note 1
1	Union & NKH Auto Parts	Hangchow Liangrun	c	326,713	279,142	241,636	190,764	-	10.35	933,467	N	N	Y	Note 1
2	Car-plus Corporation	Diamond Leasing	b	4,548,738	170,000	170,000	100,000	-	9.34	9,097,475	N	N	N	Note 1
		Car-Plus Leasing (Shanghai)	c	4,548,738	480,000	480,000	341,235	-	26.38	9,097,475	N	N	Y	Note 1
		Car-Plus (Suzhou)	c	4,548,738	960,000	960,000	-	-	52.76	9,097,475	N	N	Y	Note 1
3	TAC	Car-Plus (Suzhou)	c	22,976,095	640,000	-	-	-	-	45,952,190	N	N	Y	Note 1
		Car-Plus Leasing (Shanghai)	c	22,976,095	320,000	320,000	227,490	-	3.48	45,952,190	N	N	Y	Note 1
		TAC Finance Company	c	22,976,095	3,000,000	3,000,000	1,641,250	-	32.64	45,952,190	N	N	Y	Note 1
4	Y-Teks	Hangchow Y-Teks	c	266,675	82,820	82,665	18,895	-	9.30	444,458	N	N	Y	Note 1
5	Yueki	Yue Ki HK	b	474,971	99,384	99,198	99,198	-	10.44	474,971	N	N	Y	Note 1
6	Sheng Qing	Guang Zhou Yuan Zhi	c	8,828,857	102,040	-	-	-	-	44,144,285	N	N	Y	Note 1
		Shenzhen Yu Zhi	c	8,828,857	132,652	-	-	-	-	44,144,285	N	N	Y	Note 1
		Wuhan Yu Hsin	b	8,828,857	153,060	-	-	-	-	44,144,285	N	N	Y	Note 1
		HangZhou Yu Zhong	b	8,828,857	510,200	-	-	-	-	44,144,285	N	N	Y	Note 1
		Zhuhai Yuhsin	c	8,828,857	88,590	86,566	86,566	-	4.90	44,144,285	N	N	Y	Note 1
		Chang Sha Yu Lu	b	8,828,857	156,336	152,763	101,842	-	8.65	44,144,285	N	N	Y	Note 1
		Shen Jun Yu Peng	b	8,828,857	156,336	152,763	152,763	-	8.65	44,144,285	N	N	Y	Note 1
		Fu Jian Yu Xin	b	8,828,857	173,468	152,763	152,763	-	8.65	44,144,285	N	N	Y	Note 1
		Qingdao Yuanhuang	b	8,828,857	416,896	407,368	407,368	-	23.07	44,144,285	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	8,828,857	416,896	407,368	407,368	-	23.07	44,144,285	N	N	Y	Note 1
7	Nanjing Hanhong	Zhu Hai Fu Te En	c	666,350	187,603	183,316	47,099	-	55.02	832,938	N	N	Y	Note 1
8	Zhu Hai Fu Te En	Wuhan Yu Hsin	c	407,368	104,224	-	-	-	-	611,052	N	N	Y	Note 1
		Nanjing Hanhong	c	407,368	286,616	280,066	110,174	-	190.93	611,052	N	N	Y	Note 1
9	Qingdao Yuanhuang	Sheng Qing	d	407,368	78,168	76,382	50,921	-	659.56	763,815	N	N	Y	Note 1
10	Su Zhou Feng Shen	Wu Jiang Lian Cheng	c	663,150	52,112	50,921	35,645	-	7.68	1,989,451	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	663,150	104,224	101,842	77,059	-	15.36	1,989,451	N	N	Y	Note 1
		Su Zhou Feng Shun	b	663,150	364,784	356,447	56,013	-	53.75	1,989,451	N	N	Y	Note 1
11	Wu Jiang Lian Cheng	Su Zhou Feng Shun	d	458,289	286,616	280,066	280,066	-	364.53	1,018,420	N	N	Y	Note 1
		Su Zhou Feng Shen	d	458,289	338,728	330,987	101,842	-	430.81	1,018,420	N	N	Y	Note 1

(Continued)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
12	Su Zhou Feng Shun	Su Zhou Feng Shen	d	$ 861,893	$ 78,168	$ 76,382	$ 76,382	$ -	44.31	$ 1,723,786	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	861,893	208,448	203,684	141,798	-	118.16	1,723,786	N	N	Y	Note 1
13	Su Zhou Cheng Pang	Su Zhou Feng Shen	d	458,289	234,504	229,145	156,084	-	564.87	916,578	N	N	Y	Note 1
14	Xiao Gan Yu Feng	Sheng Qing	d	204,239	52,112	50,921	15,276	-	124.66	408,477	N	N	Y	Note 1
15	Jiangmen Junxing	Sheng Qing	d	244,416	52,112	50,921	50,921	-	104.17	488,833	N	N	Y	Note 1
16	Ning Bo Yu Cheng	Sheng Qing	d	152,763	52,112	50,921	-	-	136.66	254,605	N	N	Y	Note 1
17	Fu Jian Yu Xin	Sheng Qing	d	203,684	52,112	-	-	-	-	356,447	N	N	Y	Note 1

Note 1: The Company: 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.

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.

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.

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.

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 was calculated for 50% 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.

Nanjing Hanhong: The aggregate endorsement/guarantee limit was calculated for 250% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.

Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was RMB120 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Qingdao Yuanhuang: The aggregate endorsement/guarantee limit was RMB150 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. (Equal to $2,035,982 thousand.) The limits on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity. (Equal to $678,661 thousand.)

Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.

Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. (Equal to $1,764,104 thousand.) The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $882,052 thousand.)

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. (Equal to $418,031 thousand.) The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $209,016 thousand.)

Jiangmen Junxing: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. (Equal to $500,266 thousand.) The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $250,133 thousand.)

Ning Bo Yu Cheng: The aggregate endorsement/guarantee limit was RMB50 million. The limits on each endorsement/guarantee given on behalf of each party was RMB30 million.

Fu Jian Yu Xin: The aggregate endorsement/guarantee limit was RMB70 million. The limits on each endorsement/guarantee given on behalf of each party was RMB40 million.

(Continued)

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 50%.
e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.

(Concluded)

YULON MOTOR COMPANY LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(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, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Beneficiary certificates							
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	34,981	$ 511,480	-	$ 511,480	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	38,555	601,818	-	601,818	-
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	6,653	100,439	-	100,439	-
	Mega Diamond Money Market	-	Financial assets at fair value through profit or loss - current	40,505	501,323	-	501,323	-
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	49,034	500,049	-	500,049	-
	Spectra SPC Power Fund	-	Financial assets at fair value through profit or loss - current	1,355	99,344	-	99,344	-
	Capital SZSE SME Price ETF	-	Financial assets at fair value through profit or loss - current	300	5,829	-	5,829	-
	SinoPac Europe 50 Index TWD	-	Financial assets at fair value through profit or loss - current	1,000	9,460	-	9,460	-
	SinoPac Securities CLNT0016 - Xing Nung 1st	-	Financial assets at fair value through profit or loss - current	500	50,125	-	50,125	-
	SinoPac Securities CLNT0023 - Jing Li 1st	-	Financial assets at fair value through profit or loss - current	200	20,062	-	20,062	-
	KGI Securities CLN20140731002 - FRMSL 2nd	-	Financial assets at fair value through profit or loss - current	180	18,091	-	18,091	-
	KGI Securities CLN20140731001 - FRMSL 2nd	-	Financial assets at fair value through profit or loss - current	45	4,523	-	4,523	-
	SinoPac Securities CLN0030 - Orise tech 1st	-	Financial assets at fair value through profit or loss - current	250	25,024	-	25,024	-
	SinoPac Securities CLN0031 - Lextar 2nd	-	Financial assets at fair value through profit or loss - current	300	30,220	-	30,220	-
	Yuanta Securities CLN0001-0654 - Union 1st	-	Financial assets at fair value through profit or loss - current	300	30,103	-	30,103	-
	Yuanta Securities CLN0001-0682 - Union 1st	-	Financial assets at fair value through profit or loss - current	300	30,108	-	30,108	-
	Yuanta Securities CLN0001-0681 - Taiching 3rd	-	Financial assets at fair value through profit or loss - current	150	15,032	-	15,032	-
	SinoPac Securities CLN0032 - DaFeng 1st	-	Financial assets at fair value through profit or loss - current	100	10,025	-	10,025	-
	Fubon Security CLN-shihhsin 1st	-	Financial assets at fair value through profit or loss - current	200	20,062	-	20,062	-
	Yuanta Securities CLN-I-chiun 5th	-	Financial assets at fair value through profit or loss - current	300	30,015	-	30,015	-
	SinoPac Securities CLNT0033-feihung 1st	-	Financial assets at fair value through profit or loss - current	300	30,058	-	30,058	-
	KGI Securities CLN20150303001 - Chime Ball Tech 1st	-	Financial assets at fair value through profit or loss - current	150	15,033	-	15,033	-
	SinoPac Securities CLN000035 - Jin Ke 1	-	Financial assets at fair value through profit or loss - current	400	40,264	-	40,264	-
	KGI Securities CLN20150604001-Wan Zhou 3	-	Financial assets at fair value through profit or loss - current	250	25,031	-	25,031	-
	FarEast Business Department - Asset Swap - Zheng Wen 3rd	-	Financial assets at fair value through profit or loss - current	305	30,655	-	30,655	-
	KGI Securities CLN20150813001 - Rechi 1st	-	Financial assets at fair value through profit or loss - current	200	20,066	-	20,066	-
	KGI Securities CLN20151106001 - YFC 7th	-	Financial assets at fair value through profit or loss - current	43	4,316	-	4,316	-
	Capital Securities PGN233-Taiwan 50	-	Financial assets at fair value through profit or loss - current	2,500	250,006	-	250,006	-
	Capital Securities PGN234-Taiwan 50	-	Financial assets at fair value through profit or loss - current	2,500	250,006	-	250,006	-
	Capital Securities PGN151229102-CHT	-	Financial assets at fair value through profit or loss - current	3,000	300,007	-	300,007	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Photronics DNP Mask Company	Related party in substance	Available-for-sale financial assets - non-current	856	$ 7,702	0.33	$ 7,702	-
	First Financial Holding Company	-	Available-for-sale financial assets - non-current	882	13,493	0.01	13,493	-
	Mison - Century Technology, Ltd	Related party in substance	Available-for-sale financial assets - non-current	5,025	29,495	8.37	29,495	-
	Taiwin Company	The same chairman	Financial assets measured at cost - non-current	6,692	26,240	5.09	Not applicable	-
	Shin Bus Company	-	Financial assets measured at cost - non-current	151	485	0.32	Not applicable	-
	Taiwan Stock Exchange	-	Financial assets measured at cost - non-current	6,603	1,206	1.00	Not applicable	-
	Taiwan Aerospace Company	-	Financial assets measured at cost - non-current	811	-	0.60	Not applicable	-
	Oculon Optoelectronics Company	-	Financial assets measured at cost - non-current	383	481	2.31	Not applicable	-
TAC	Bonds							
	Government bonds	-	Held-to-maturity financial assets - non-current	-	5,828	-	5,859	-
SCC	Bonds							
	Government bonds	-	Held-to-maturity financial assets - non-current	-	11,729	-	12,052	-
H. K. Manpower	Beneficiary certificates							
	Capital Money Market	-	Financial assets at fair value through profit or loss - current	129	2,050	-	2,050	-
	Union Money Market	-	Financial assets at fair value through profit or loss - current	235	3,061	-	3,061	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,002	-	3,002	-
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	206	3,008	-	3,008	-
Yue Sheng	Common stocks							
	Yueki Company	The same parent company	Financial assets measured at cost - non-current	10	100	0.08	Not applicable	-
China Cast Iron Pipe	Beneficiary certificates							
	Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	2,803	28,587	-	28,587	-
Sin Chi	Beneficiary certificates							
	The RSIT Enhanced	-	Financial assets at fair value through profit or loss - current	2,457	29,049	-	29,049	-
	Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	991	10,106	-	10,106	-
Hsiang Shou	Beneficiary certificates							
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	685	10,014	-	10,014	-
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	982	10,011	-	10,011	-
Yu Yuen	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	118	616	-	616	-
	RECTRON Company	-	Financial assets at fair value through profit or loss - current	16	100	-	100	-
	YangMing Marine Transport Corp.	-	Financial assets at fair value through profit or loss - current	12	104	-	104	-
	Taiwan Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,972	-	1,972	-
	Compal Electronics Company	-	Financial assets at fair value through profit or loss - current	14	260	-	260	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Beneficiary certificates							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	3,507	$ 52,957	-	$ 52,957	-
	Common stocks							
	Yue Sheng Company	The same parent company	Financial assets measured at cost - non-current	2	33	-	Not applicable	-
Yu Ching	Beneficiary certificates							
	CCIB-SPC FX Fund	-	Financial assets at fair value through profit or loss - current	698	67,340	-	67,340	-
	Taishin Asia-America Short Duration Bd	-	Financial assets at fair value through profit or loss - current	3,033	32,559	-	32,559	-
	Taishin Lucky Money Market	-	Financial assets at fair value through profit or loss - current	7,402	81,381	-	81,381	-
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,371	80,210	-	80,210	-
	CTBC Asia Pacific Multiple Inc. TWD Acc	-	Financial assets at fair value through profit or loss - current	1,000	10,028	-	10,028	-
	Common stocks							
	Gongin Company	-	Financial assets measured at cost -current	147	1,911	-	Not applicable	-
	Yulon Motor Company	Parent company	Available-for-sale financial assets - non-current	11,838	357,522	-	357,522	-
	Fubon Financial Company	-	Available-for-sale financial assets - non-current	7,342	330,397	-	330,397	-
	Yulon Management	Related party in substance	Financial assets measured at cost - non-current	1	9	-	Not applicable	-
Chinh-Ling	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	1,724	17,579	-	17,579	-
Yu Pong	Beneficiary certificates							
	Union Global ETF Fund of Funds	-	Financial assets at fair value through profit or loss - current	755	7,448	-	7,448	-
	SinoPac Europe 50 Index TWD	-	Financial assets at fair value through profit or loss - current	291	2,755	-	2,755	-
	FSITC RMB High Yield Bond CNH Acc		Financial assets at fair value through profit or loss - current	1,000	10,030	-	10,030	-
	CLNF20130926001-Fu Ciao 4th	-	Financial assets at fair value through profit or loss - current	-	15,124	-	15,124	-
	CLNF20130923002 Fu Ciao 4th	-	Financial assets at fair value through profit or loss - current	-	3,025	-	3,025	-
	CLNF20151105001-Tarako Textile Corp.	-	Financial assets at fair value through profit or loss - current	-	15,044	-	15,044	-
	Common stocks							
	Yulon Motor Company	Parent company	Available-for-sale financial assets - current	-	3	-	3	-
	Fubon Financial Company	-	Available-for-sale financial assets - current	2,419	108,844	-	108,844	-
Yung Hong	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	283	1,472	-	1,472	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	76	5,890	-	5,890	-
	Asia Plastic	-	Financial assets at fair value through profit or loss - current	2,203	39,875	-	39,875	-
	TAC Corporation	The same parent company	Financial assets at fair value through profit or loss - current	4	320	-	320	-
	Beneficiary certificates							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	23,621	356,604	-	356,604	-
	FSITC Money Market	-	Financial assets at fair value through profit or loss - current	894	157,450	-	157,450	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Asia Plastic	-	Available-for-sale financial assets - current	1,827	$ 33,061	-	$ 33,061	-
	Fubon Momo Company	-	Available-for-sale financial assets - current	121	25,834	-	25,834	-
	Gongin Company	-	Financial assets measured at cost -current	148	1,099	-	Not applicable	-
	The Risk on Rock	-	Financial assets measured at cost - non-current	330	9,900	-	Not applicable	-
	Tai Yuen Company	The same parent company	Financial assets measured at cost - non-current	11	96	-	Not applicable	-
	Zhao Bang Company	-	Financial assets measured at cost - non-current	1,101	2	-	Not applicable	-
	Orgchem Technology Company	-	Financial assets measured at cost - non-current	291	5,298	-	Not applicable	-
	T-Car Inc.	-	Financial assets measured at cost - non-current	425	58,519	-	Not applicable	-
	Emapgo Technologies	-	Financial assets measured at cost - non-current	1,608	-	-	Not applicable	-
	ADTO Company	-	Financial assets measured at cost - non-current	1	10	-	Not applicable	-
	Goldman Sachs (Asia) L.L.C.	-	Financial assets measured at cost - non-current	-	1,921	-	Not applicable	-
Tai Yuen Venture Capital	Beneficiary certificates							
	Cathay Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,328	16,355	-	16,355	-
	Common stocks							
	Asia Plastic	-	Available-for-sale financial assets - current	519	9,392	-	9,392	-
	JOYIN Company	-	Financial assets measured at cost - non-current	1,880	5,639	-	Not applicable	-
	Subtron Technology Company	-	Financial assets measured at cost - non-current	2,039	9,061	-	Not applicable	-
	Orgchem Technology Company	-	Financial assets measured at cost - non-current	242	4,387	-	Not applicable	-
	Phalanx Biotech Group	-	Financial assets measured at cost - non-current	697	4,877	-	Not applicable	-
	Tennrich International Company	-	Financial assets measured at cost - non-current	231	463	-	Not applicable	-
	UOG Industrial Company	-	Financial assets measured at cost - non-current	229	3,783	-	Not applicable	-
	Solidlite Company	-	Financial assets measured at cost - non-current	344	1,031	-	Not applicable	-
	Jouge Company	-	Financial assets measured at cost - non-current	740	3,567	-	Not applicable	-
	Paragon Semiconductor Lighting Technology Company	-	Financial assets measured at cost - non-current	1,500	10,500	-	Not applicable	-
	Neutron	-	Financial assets measured at cost - non-current	2,929	17,571	-	Not applicable	-
	Hero Cinema Company	-	Financial assets measured at cost - non-current	152	253	-	Not applicable	-
	IQ Technology	-	Financial assets measured at cost - non-current	258	103	-	Not applicable	-
	Ecrowd Media	-	Financial assets measured at cost - non-current	1,000	3,230	-	Not applicable	-
	Gongin Company	-	Financial assets measured at cost - non-current	225	3,283	-	Not applicable	-
	Mosa Industrial Company	-	Financial assets measured at cost - non-current	740	10,992	-	Not applicable	-
Yu Sing	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	842	6.96	Not applicable	-
Yushin	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	781	6.96	Not applicable	-
Yu Pool	Common stocks							
	Yu Pool Company	-	Financial assets measured at cost - non-current	150	1,500	4.69	Not applicable	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yu Chang	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	$ 726	6.96	Not applicable	-
Yu Rich	Beneficiary certificates							
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	763	10,195	-	$ 10,195	-
Qinton	Beneficiary certificates							
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	97	1,296	-	1,296	
Yulon Overseas	Beneficiary certificates							
	Powerfund-Class A	-	Financial assets at fair value through profit or loss - current	279,901	16,412	-	16,412	-
Yulon China	Common stocks							
	Historic Enterprise Limited	-	Financial assets measured at cost - non-current	-	3,283	4.76	Not applicable	-
	Auto King (Samoa)	-	Financial assets measured at cost - non-current	-	3,283	2.10	Not applicable	
	Yung Jen Industrial (Samoa)	-	Financial assets measured at cost - non-current	-	2,462	2.59	Not applicable	-
Qing Yi	Beneficiary certificates							
	Powerfund-Class A	-	Financial assets at fair value through profit or loss - current	223,919	16,457	-	16,457	-
Wen Yang	Beneficiary certificates							
	CCIB SPC-Diversified FX Trading Segregated Portfolio A	-	Financial assets at fair value through profit or loss - current	678,734	50,559	-	50,559	-

(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, 2015
(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	Eastspring Inv Well Pool Money Market	Financial assets at fair value through profit or loss - current	-	-	-	$ -	126,932	$ 1,700,000	126,932	$ 1,700,292	$ 1,700,000	$ 292	-	$ -
	Yuanta De-Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	137,380	1,628,233	137,380	1,628,864	1,628,233	631	-	-
	The RSIT Enhanced Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	64,248	757,264	64,248	757,796	757,264	532	-	-
	Fuh Hwa You Li Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	22,535	300,000	22,535	300,036	300,000	36	-	-
	Fubon Chi-Hsiang Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	100,763	1,557,798	100,763	1,558,378	1,557,798	580	-	-
	Yuanta Wan Tai Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	93,817	1,400,000	93817	1400967	1400000	967	-	-
	Jih Sun Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	105,070	1,530,162	70089	1021357	1019977	1380	34,981	511,479
	Capital Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	145,257	2,307,377	145,257	2,308,495	2,307,377	1118	-	-
	Prudential Financial Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	91,961	1,430,306	53,407	831,067	830,000	1067	38555	601818
	FSITC Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	2,760	485,150	2,760	486,113	485,150	963	-	-
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	60,848	915,000	54196	815608	814738	870	6,653	100,439
	UPAMC James Bond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	120,983	1,990,000	120,983	1,991,807	1,990,000	1807	-	-
	Union Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	99,936	1,300,000	99936	1300930	1300000	930	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,543	200,716	156,671	1,700,000	175,213	1,902,253	1,900,418	1836	-	-
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	68,969	918,997	68,969	919,746	918,997	749	-	-
	Taishin Ta-Chong Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	107,989	1,510,000	107,989	1,511,252	1,510,000	1252	-	-
	Taishin Lucky Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	32,799	360,000	32799	360264	360000	264	-	-
	Allianz Glbl Investors Taiwan Money Mkt	Financial assets at fair value through profit or loss - current	-	-	-	-	80,427	991,110	80427	993508	991110	2397	-	-
	Nomura Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	107,050	1,720,000	107,050	1,721,638	1,720,000	1638	-	-
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	102,114	1,270,000	102,114	1,270,326	1,270,000	326	-	-
	Mega Diamond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	81,115	1,000,000	40,611	501,258	500,000	1258	40505	501323
	SinoPac TWD Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	109,332	1,500,000	109,332	1,500,543	1,500,000	543	-	-
	Paradigm Pion Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	100,171	1,140,000	100,171	1,141,844	1,140,000	1844	-	-
	Franklin Templeton Sinoam Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	78,620	799,138	29,586	300,873	300,000	873	49,034	500,049
	The RSIT Felong	Financial assets at fair value through profit or loss - current	-	-	18,515	309,015	-	-	18,515	310,399	309,759	640	-	-

(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)
	Capital Securities PGN151229102-CHT	Financial assets at fair value through profit or loss - current	-	-	-	$ -	3	$ 300,000	3	$ 300,210	$ 300,000	$ 210	-	$ -
	Capital Securities PGN151001102-CHT	Financial assets at fair value through profit or loss - current	-	-	-	-	3	300,000	3	300,375	300,000	375	-	-
	Shin Bus Company	Financial assets measured at cost	-	-	11,607	37,763	151	-	11,607	425,616	37,278	388337	151	485
	Yulon Motor Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	TAC Corporation's subsidiary	-	-	-	1,306,110	-	-	-	-	-	1,306,110
	Luxgen	Investments accounted for using equity method	Issuance of common stock for cash	Subsidiary	200,000	249,552	280,000	2,800,000	-	-	-	-	280,000	335,744
TAC	Yulon Motor Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	TAC Corporation's subsidiary	-	-	-	1,239,718	-	-	-	-	-	1,239,718
SCC	Shin Shin Global Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	Issuance of common stock for cash	SCC Corporation's subsidiary	-	-	12,000	389,077	-	-	-	-	12,000	393,900
Shin Shin Global Investment (Samoa) Co., Ltd.	TAC Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	Yu Rong International Investment (Samoa) Co., Ltd.'s subsidiary	-	-	-	389,077	-	-	-	-	-	371,665
Luxgen	Luxgen Overseas Holdings Private Limited	Investments accounted for using equity method	Luxgen Overseas Holdings Private Limited	Luxgen Corporation's subsidiary	30,342	(350,975)	33,245	769,265	-	-	-	-	63,587	147,189
Luxgen Overseas Holdings	Luxgen Motor Limited Liability Company	Investments accounted for using equity method	Luxgen motor limited liability company	Luxgen Overseas Hondings Private Limited's subsidiary	-	(466,432)	-	724,713	-	-	-	-	-	6,073

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

(Concluded)

YULON MOTOR COMPANY LTD.

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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.

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, 2015
(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	$(25,814,821)	70	Within 180 days	-	60 days to 180 days	$ 403,789	46	
	Luxgen	The Company's subsidiary	Sales	(9,987,663)	27	Within 90 days	-	60 days to 180 days	216,083	25	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(1,049,006)	3	Within 60 days	-	60 days to 180 days	179,815	20	
TAC	Yu Chang	The same ultimate parent company	Sales	(4,686,884)	11	Receipt of payment on the day	-	-	7,950	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(4,494,025)	9	Receipt of payment on the day	-	-	15,105	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(3,558,273)	9	Receipt of payment on the day	-	-	7,549	-	
	Yu Sing	The same ultimate parent company	Sales	(3,546,993)	8	Receipt of payment on the day	-	-	13,253	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(3,341,101)	7	Receipt of payment on the day	-	-	14,112	-	
	Empower	The same ultimate parent company	Sales	(2,928,947)	6	Receipt of payment on the day	-	-	26,239	-	
	Cheng Long	An investee accounted for by equity method	Sales	(2,702,170)	11	Receipt of payment on the day	-	-	41,489	-	
	Yushin	The same ultimate parent company	Sales	(2,621,537)	7	Receipt of payment on the day	-	-	10,221	-	
	Yu Tang	An investee accounted for by equity method	Sales	(2,322,656)	5	Receipt of payment on the day	-	-	12,429	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(2,318,295)	5	Receipt of payment on the day	-	-	6,342	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(2,168,047)	6	Receipt of payment on the day	-	-	7,597	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(1,658,311)	6	Receipt of payment on the day	-	-	2,421	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(1,315,716)	6	Receipt of payment on the day	-	-	2,150	-	
	Ding Long	An investee accounted for by equity method	Sales	(963,815)	6	Receipt of payment on the day	-	-	228	-	
	Yuan Zhi	An investee accounted for by equity method	Sales	(516,725)	6	Receipt of payment on the day	-	-	977	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(422,914)	6	Receipt of payment on the day	-	-	2,037	-	
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	Sales	(174,414)	6	1 day	-	-	202,514	37	
Diamond Leasing	Car-plus Corporation	The same ultimate parent company	Sales	(503,082)	6	1 day	-	-	10,979	44	
Yu Sing	Car-plus Corporation	The same ultimate parent company	Sales	(372,728)	8	30 days	-	-	6,473	2	
Yu-Jan	Yu Sing	The same ultimate parent company	Sales	(168,456)	92	At sight or a month	-	-	13,461	94	
Luxgen	TAC	The same ultimate parent company	Sales	(12,004,265)	93	Within 3 days	-	-	39,300	24	
	Hui-Fong	A related party in substance	Sales	(288,492)	2	At sight	-	-	86,382	52	
	Luxgen Taipei	The same ultimate parent company	Sales	(132,553)	1	At sight	-	-	1,823	1	
Luxgen Taipei	Car-plus Corporation	The same ultimate parent company	Sales	(277,943)	5	1 day	-	-	1,022	1	
Singan	The Company	The parent company	Sales	(169,223)	72	At sight or a month	Bargaining	At sight or a month	35,468	86	
Singgual Travel	The Company	The parent company	Sales	(181,135)	25	At sight or a month	Bargaining	At sight or a month	31,518	28	
	Luxgen Taipei	The same ultimate parent company	Sales	(138,921)	19	At sight or a month	Bargaining	At sight or a month	13,570	12	
NISSAN Taiwan Ltd. (Shanghai)	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(174,697)	78	60 days to 90 days	Bargaining	-	10,806	55	
Y-Teks	The Company	The parent company	Sales	(280,308)	74	45 days	-	-	47,295	67	
Hangchow Y-Teks	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(560,014)	88	60 days	Bargaining	60 days	135,091	63	

(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	
Union & NKH Auto Parts	The Company	The parent company	Sales	$ (1,307,654)	54	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	$ 230,541	62	
	China Motor	An investee accounted for by equity method	Sales	(640,883)	27	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	95,235	26	
Fuzhou Lianghong	Southeast Bus	A related party in substance	Sales	(990,431)	66	45 days	-	Same as normal transactions	439,010	66	
Hangchow Liangrun	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(1,304,644)	97	65 days	Note 1	Note 1	508,948	95	
Yueki	The Company	The parent company	Sales	(998,007)	67	45 days	Bargaining	45 days	167,660	33	
	China Motor	An investee accounted for by equity method	Sales	(142,132)	9	45 days	Bargaining	45 days	27,227	5	
	Kian-shen	A related party in substance	Sales	(128,863)	9	45 days	Bargaining	45 days	35,390	7	
Hangchow Yue Wan	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(414,345)	95	65 days	Bargaining	65 days	257,281	94	
Yue Sheng	The Company	The parent company	Sales	(262,370)	58	At sight or a month	Bargaining	At sight or a month	47,699	64	
Dong Feng Yulon Sales Company	Suzhou Yueshun	The same ultimate parent company	Sales	(224,032)	1	Sales revenue received in advance	-	-	-	-	
	Zhuhai Yuhsin	The same ultimate parent company	Sales	(400,643)	1	Sales revenue received in advance	-	-	-	-	
	Shanghai Yuming	The same ultimate parent company	Sales	(562,229)	2	Sales revenue received in advance	-	-	-	-	
	Ning Bo Yu Cheng	The same ultimate parent company	Sales	(306,769)	1	Sales revenue received in advance	-	-	768	-	
	Fu Jian Yu Xin	The same ultimate parent company	Sales	(451,110)	1	Sales revenue received in advance	-	-	1,501	-	
	Hang Zhou Hua Zhi	The same ultimate parent company	Sales	(319,393)	1	Sales revenue received in advance	-	-	46,758	4	
	Guang Zhou Yuan Zhi	The same ultimate parent company	Sales	(458,224)	1	Sales revenue received in advance	-	-	-	-	
	Hang Zhou Hua You	The same ultimate parent company	Sales	(331,403)	1	Sales revenue received in advance	-	-	50,652	5	
	Shenzhen Yu Zhi	The same ultimate parent company	Sales	(381,996)	1	Sales revenue received in advance	-	-	2,769	-	
	Chang Sha Yu Lu	The same ultimate parent company	Sales	(442,848)	1	Sales revenue received in advance	-	-	-	-	
	Jiangmen Yuli	The same ultimate parent company	Sales	(350,999)	1	Sales revenue received in advance	-	-	-	-	
	Ka Shing Yu Da	The same ultimate parent company	Sales	(183,430)	1	Sales revenue received in advance	-	-	-	-	
	An Hui Min Tung	The same ultimate parent company	Sales	(348,170)	1	Sales revenue received in advance	-	-	53,383	5	
	An Ching Tsai Tung	The same ultimate parent company	Sales	(210,671)	1	Sales revenue received in advance	-	-	47,485	4	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(224,106)	1	Sales revenue received in advance	-	-	-	-	
The Company	Singan	The Company's subsidiary	Purchase	169,223	1	At sight or a month	Bargaining	-	(35,468)	1	
	Singgual Travel	The Company's subsidiary	Purchase	181,135	1	At sight or a month	Bargaining	-	(31,518)	1	
	Y-Teks	The Company's subsidiary	Purchase	280,308	1	45 days	-	-	(47,295)	2	
	Union & NKH Auto Parts	The Company's subsidiary	Purchase	1,307,654	5	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(230,541)	8	
	Yueki	The Company's subsidiary	Purchase	998,007	4	45 days	Bargaining	45 days	(167,660)	6	
	Yue Sheng	The Company's subsidiary	Purchase	262,370	1	At sight or a month	Bargaining	At sight or a month	(47,699)	2	
	Uni-calsonic	An investee accounted for by equity method	Purchase	145,943	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(23,222)	1	
	China Ogihara	An investee accounted for by equity method	Purchase	418,285	2	45 days after monthly closing	Bargaining	45 days after monthly closing	(58,399)	2	
	China Engine	An investee accounted for by equity method	Purchase	247,830	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(36,933)	1	
	Taiway	An investee accounted for by equity method	Purchase	179,428	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(28,951)	1	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	8,991,962	32	12 days after bill of lading	-	12 days after bill of lading	(399,425)	13	
	Yuen-jin	An investee accounted for by equity method	Purchase	129,643	-	45 days after monthly closing	-	45 days after monthly closing	(20,977)	1	
	Kian-shen	A related party in substance	Purchase	102,520	-	45 days after monthly closing	Bargaining	45 days after monthly closing	(8,633)	-	
	Lowin	A related party in substance	Purchase	123,047	-	12 days after bill of lading	-	12 days after bill of lading	(21,816)	1	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Purchase	1,638,044	6	60 days after monthly closing	-	60 days after monthly closing	(239,718)	8	

(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	
TAC	Yulon Nissan	An investee accounted for by equity method	Purchase	$ 29,604,211	70	Within 3 days	-	-	$ (253,945)	51	
	Luxgen	The same ultimate parent company	Purchase	12,004,265	29	Within 3 days	-	-	(39,300)	8	
	Sin Jiang	The same ultimate parent company	Purchase	397,781	1	1 day	-	-	(1,411)	-	
Car-plus Corporation	Hui-Fong	A related party in substance	Purchase	483,082	7	10 days	-	-	(24,649)	10	
	Diamond Leasing	The same ultimate parent company	Purchase	503,082	7	1 day	-	-	(10,979)	4	
	Luxgen Taipei	The same ultimate parent company	Purchase	277,943	4	1 day	-	-	(1,022)	-	
	Yu Sing	The same ultimate parent company	Purchase	372,728	5	30 days	-	-	(6,473)	3	
	Shug Ye Motor	A related party in substance	Purchase	137,059	2	30 days	-	-	(13,013)	5	
Diamond Leasing	Car-plus Corporation	The same ultimate parent company	Purchase	174,414	42	1 day	-	-	(202,514)	98	
Yu Sing	TAC	The same ultimate parent company	Purchase	3,546,993	85	Receipt of payment on the day	-	-	(13,253)	26	
	Yulon Nissan	An investee accounted for by equity method	Purchase	367,897	9	At sight	-	-	(2,576)	5	
	Yu-Jan	The same ultimate parent company	Purchase	168,456	4	At sight or a month	-	-	(13,461)	26	
Yushin	TAC	The same ultimate parent company	Purchase	2,621,537	85	Receipt of payment on the day	-	-	(10,221)	13	
	Yulon Nissan	An investee accounted for by equity method	Purchase	244,520	8	At sight	-	-	(13,759)	18	
Yu Chang	TAC	The same ultimate parent company	Purchase	4,686,884	88	Receipt of payment on the day	-	-	(7,950)	15	
	Yulon Nissan	An investee accounted for by equity method	Purchase	396,823	7	At sight	-	-	(8,033)	15	
Empower	TAC	The same ultimate parent company	Purchase	2,928,947	49	Receipt of payment on the day	-	-	(26,239)	45	
Luxgen	The Company	The parent company	Purchase	9,987,663	97	Within 90 days	-	60 days to 180 days	(216,083)	94	
Luxgen Taipei	TAC	The same ultimate parent company	Purchase	4,494,025	93	Receipt of payment on the day	-	-	(15,105)	44	
	Luxgen	The same ultimate parent company	Purchase	132,553	3	Receipt of payment on the day	-	-	(1,823)	5	
Luxgen Taoyuan	TAC	The same ultimate parent company	Purchase	2,168,047	48	Receipt of payment on the day	-	-	(7,597)	24	
Luxgen Taichung	TAC	The same ultimate parent company	Purchase	2,318,295	93	Receipt of payment on the day	-	-	(6,342)	32	
Luxgen Tainan	TAC	The same ultimate parent company	Purchase	1,315,716	93	Receipt of payment on the day	-	-	(2,150)	41	
Luxgen Kaohsiung	TAC	The same ultimate parent company	Purchase	1,658,311	94	Receipt of payment on the day	-	-	(2,421)	93	
Suzhou Yueshun	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	224,032	73	Payment in advance	-	-	-	-	
Zhuhai Yuhsin	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	400,643	96	Payment in advance	-	-	-	-	
Shanghai Yuming	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	562,229	82	Payment in advance	-	-	-	-	
Ning Bo Yu Cheng	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	306,769	83	Payment in advance	-	-	(768)	63	
Fu Jian Yu Xin	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	451,110	84	Payment in advance	-	-	(1,501)	86	
Hang Zhou Hua Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	319,393	79	Payment in advance	-	-	(46,758)	77	
Guang Zhou Yuan Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	458,224	88	Payment in advance	-	-	-	-	
Hang Zhou Hua You	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	331,403	49	Payment in advance	-	-	(50,652)	88	
Shenzhen Yu Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	381,996	97	Payment in advance	-	-	(2,769)	73	
Chang Sha Yu Lu	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	442,848	86	Payment in advance	-	-	-	-	

(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	
Jiangmen Yuli	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	$ 350,999	83	Payment in advance	-	-	$ -	-	
Ka Shing Yu Da	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	183,430	87	Payment in advance	-	-	-	-	
An Hui Min Tung	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	348,170	100	Payment in advance	-	-	(53,383)	100	
An Ching Tsai Tung	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	210,671	100	Payment in advance	-	-	(47,485)	100	
Dong Feng Yulon Sales Company	Dong Feng Yulon Motors	An investee accounted for by equity method	Purchase	32,366,624	97	Payment in advance	-	-	(4,874,496)	93	

Note: Till the end of balance sheet date, no other transaction parties were available for comparison, since Hangchow Liangrun Parts Company had traded with Dong Feng Yulon Motors and Union & NKH Auto Parts Company only.

(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
DECEMBER 31, 2015
(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	$ 608,488 (Note 1)	60.03	$ -	-	$ 431,427	$ -
	Luxgen	The Company's subsidiary	256,497 (Note 2)	35.37	-	-	82,341	-
	Dong Feng Yulon Motors	An investee accounted for by equity method	179,815	5.43	-	-	170,017	-
Union & NKH Auto Parts	The Company	The parent company	143,807	8.73	-	-	143,806	-
	Hangchow Liangrun	The same ultimate parent company	206,407 (Note 3)	0.94	-	-	-	-
Hangchow Liangrun	Dong Feng Yulon Motors	An investee accounted for by equity method	508,948	2.20	684	Actively recover Receivables	161,030	-
Yueki	The Company	The parent company	174,489	4.27	4,542	Actively demand for settlement	127,314	-
	Hangchow Yue Wan	The same ultimate parent company	367,668 (Note 4)	0.07	187,854	Actively demand for settlement	-	-
Hangchow Yue Wan	Dong Feng Yulon Motors	An investee accounted for by equity method	257,281	1.1	87,914	Actively demand for settlement	1,769	-
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	202,514	8.0	190,024	Depend on capital status	12,490	-
Sheng Qing	Guang Zhou Yuan Zhi	The same ultimate parent company	106,731 (Note 5)	-	-	-	14,029	-
	Shen Jun Yu Peng	The same ultimate parent company	258,892 (Note 5)	-	-	-	39	-
	Nanjing Hanhong	The same ultimate parent company	128,534 (Note 5)	-	-	-	651	-
	Guang Zhou Yuan Du	The same ultimate parent company	128,419 (Note 5)	-	-	-	2,053	-
	Zhu Hai Fu Te En	The same ultimate parent company	237,011 (Note 5)	-	-	-	2,980	-
	Wuhan Yu Hsin	The same ultimate parent company	213,104 (Note 5)	-	-	-	32,147	-
	Qingdao Yuanhuang	The same ultimate parent company	153,032 (Note 5)	-	-	-	1,392	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
	Xiao Gan Yu Feng	The same ultimate parent company	$ 148,177 (Note 5)	-	$ -	-	$ 36,974	-
	Fu Jian Yu Xin	The same ultimate parent company	107,214 (Note 5)	-	-	-	6,096	-
Yulon Motor Investment	Sheng Qing	The same ultimate parent company	155,233 (Note 5)	-	-	-	154,194	-
	Wuhan Yu Hsin	The same ultimate parent company	123,839 (Note 5)	-	-	-	-	-
Yulon China (HK) Holding	Sheng Qing	The same ultimate parent company	463,754 (Note 5)	-	-	-	-	-
Ke Yu	Sheng Qing	The same ultimate parent company	505,467 (Note 5)	-	-	-	-	-
Mei De	Sheng Qing	The same ultimate parent company	353,827 (Note 5)	-	-	-	-	-
Gao Te	Tai Feng	The same ultimate parent company	100,335 (Note 5)	-	-	-	-	-
Guang Zhou Yuan Du	Qingdao Yuanhuang	The same ultimate parent company	126,367 (Note 5)	-	-	-	-	-
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	128,843 (Note 5)	-	-	-	-	-

Note 1: The receivables comprised account and notes receivables of $403,789 thousand and other receivables of $204,699 thousand.

Note 2: The receivables comprises account receivables of $216,083 thousand and other receivables of $40,414 thousand.

Note 3: The receivables are recognized as account receivables of $43,174 thousand and other receivables of $163,233 thousand.

Note 4: The receivables are recognized as account receivables of $201,952 thousand and other receivables of $165,716 thousand.

Note 5: The receivables comprises other receivables.

(Concluded)

TABLE 9

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, 2015
(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, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	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	$ 10,414,573	$ 4,158,980	$ 2,031,218	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	810,409	810,409	111,480	8.05	4,404,251	3,174,385	232,667	-
	TAC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	125,657	46.90	3,180,083	1,425,055	674,616	-
	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	44,956	44,956	170,685	20.85	7,338,667	1,716,576	302,478	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	60,651	60,700	9,846	50.58	419,105	(8,606)	(3,113)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	106,948	106,965	14,680	50.97	227,319	30,458	15,846	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	50,962	(3,446)	(2,676)	-
	Union & NKH Auto Parts	Taipei, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,723	21,729	25.01	624,337	241,221	60,526	-
	Uni-calsonic	Miaoli, Taiwan	Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	39,372	39,372	3,448	17.68	79,734	35,881	6,367	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	91,127	68,976	44,388	-
	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	23,388	37.76	439,776	154,948	60,804	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,420	7,999	20.00	114,051	39,575	7,828	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	1,749,940	1,749,940	175,000	100.00	1,852,694	156,795	149,556	-
	Yu Pong	Taipei, Taiwan	Yulon basketball team management and related services	449,940	449,940	65,721	99.99	823,780	10,478	11,523	-
	Yung Hong	Taipei, Taiwan	Investments	537,311	1,249,637	144,622	100.00	1,438,131	123,573	122,815	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	132,986	133,000	15,999	80.00	184,516	9,401	14,511	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	320,000	320,000	32,000	18.95	186,401	1,788	1,666	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,696	8,126	27.00	153,921	67,787	14,925	-
	Tai Yuen Venture Capital	Taipei, Taiwan	Investments	237,897	495,000	26,760	49.50	113,874	(42,425)	(21,044)	-
	Chi Ho	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	27,540	59,940	360	20.00	6,814	684	294	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	42,485	42,500	4,249	21.25	68,535	41,615	8,271	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	566,868	567,589	1,004	20.46	719,023	333,786	68,584	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	2,595	3.46	61,385	360,076	12,444	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	99,935	99,935	10,213	35.62	154,302	114,158	40,686	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	30,000	4,899	20.00	58,068	74,914	12,916	-
	Chan Yun	Taipei, Taiwan	Wholesale and retail of information software	40,680	40,680	8,332	43.85	22,435	655	287	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	85,895	85,895	8,568	20.01	94,484	18,245	3,650	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	871,157	871,157	87,000	100.00	1,040,315	54,382	58,572	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	325,199	325,199	32,519	90.33	3,694	27,746	24,973	-
	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	61,307	42,183	548	34.00	360,380	228,880	65,173	-
	Yulon Overseas	B.V.I.	Investments	9,885,917	9,755,697	320,990	100.00	5,061,040	(326,538)	(294,306)	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,203,791	857,378	149,114	-
	Yu Rich	New Taipei City, Taiwan	Wholesale of cars and parts	99,000	99,000	9,900	100.00	103,203	381	(33)	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	67,459	67,459	6,746	100.00	80,875	6,571	6,331	-
	Haitec	New Taipei City, Taiwan	Product design	2,007,456	2,007,456	200,000	40.00	(51,660)	(239,621)	3,857	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,375	6,116	20.34	60,031	46,048	8,200	-
	DXMEDIA	Taipei, Taiwan	Publication	10,000	10,000	400	20.00	1,701	6,141	1,228	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	7,540,000	4,740,000	480,000	100.00	335,744	(2,681,461)	(2,699,682)	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	500,000	500,000	30,000	100.00	27,248	1,556	2,994	-
	Peidu TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	67,600	-	-	-	-	(588)	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,991	32,991	3,299	32.99	24,193	1,644	880	-
	Yulon Energy	New Taipei City, Taiwan	Wholesale and retail sale of batteries	300,000	300,000	30,000	100.00	58,981	(65,997)	(62,751)	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
TAC	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	$ 757,288	$ 757,288	51,492	68.57	$ 1,225,054	$ 360,076	$ -	-
	SCC	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	98,969	100.00	2,157,746	367,972	-	-
	TAC Global	Samoa	Shareholding company	1,564,612	1,433,452	50,537	100.00	2,003,211	(128,696)	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	133,297	857,378	-	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	48,843	48,843	6,615	27.00	83,346	74,914	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	181,731	181,731	17,128	40.00	188,858	18,245	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Sales and lease of cars	85,000	85,000	8,500	100.00	74,771	(14,723)	-	-
	Car-Plus Samoa	Samoa	Shareholding company	378,187	378,187	12,000	100.00	560,415	31,115	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	90,811	90,811	8,559	19.99	94,372	18,245	-	-
SCC	Shinshin Samoa	Samoa	Shareholding company	389,077	-	12,000	100.00	393,900	-	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	15,905	1,866	-	-
Sin Jiang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	24,243	24,243	810	60.00	17,154	(5,329)	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	362,250	43,636	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	198,165	8,223	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	241,500	43,636	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	132,110	8,223	-	-
	Yu Rong International	Samoa	Shareholding company	1,296,290	1,165,130	42,000	100.00	1,618,162	(147,308)	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	540	40.00	11,436	(5,329)	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	408	408	27	-	747	3,174,385	-	-
	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	35,881	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	611,619	41,092	-	-
	Yue Ki HK	Hong Kong	Investments	120,016	120,016	-	100.00	(4,004)	(89,692)	-	-
Yue Sheng	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	18,430	18,430	122	11.99	129,422	228,880	-	-
Y-Teks	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	435	435	28	-	613	3,174,385	-	-
	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	1,052,690	359,918	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	692,796	149,980	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	640	640	64	-	1,389	3,174,385	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	2,104,261	159,742	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	223,700	4,158,980	-	-
	Yu Chia	Taipei, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	50,100	50,100	5,010	100.00	3,772	(15,449)	-	-
	Chanchen	Taipei, Taiwan	Management consulting, leases of real estate and general advertising	10,000	10,000	1,000	100.00	10,629	(1,363)	-	-
Singan	Singgual Travel	New Taipei City, Taiwan	Sales of car parts	130,591	130,591	13,000	100.00	227,133	41,215	-	-
	Hsiang Shou	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	193,553	62,760	-	-
	Hong Shou Culture	New Taipei City, Taiwan	Publication	64,100	64,100	5,000	100.00	50,884	(756)	-	-
Yu Yuen	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	1,690	1,690	32	-	699	3,174,385	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	$ 55,467	$ 55,467	3,500	1.17	$ 72,786	$ 857,378	$ -	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	256,705	4,158,980	-	-
	Yu Yuen	Taipei, Taiwan	Construction industry	358,514	358,514	40,324	33.30	677,082	48,418	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	19,914	19,914	2,742	9.56	42,508	114,158	-	-
	Chinh-Ling	Taipei, Taiwan	Product design	36,098	36,098	5,000	100.00	18,430	22	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	9	9	1	0.01	9	1,644	-	-
Yu Pong	Yu Yuen	Taipei, Taiwan	Construction industry	89,058	89,058	39,543	32.65	664,073	41,550	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	42,080	42,080	1,135	0.08	24,633	3,174,385	-	-
Yung Hong	Blue Water	B.V.I.	Investments in the manufacturing, service and financial industries	-	208,252	-	-	-	-	-	-
	Prosperity	B.V.I.	Investments in the manufacturing, service and financial industries	-	38,012	-	-	-	-	-	-
	Yu Yuen	Taipei, Taiwan	Construction industry	745,292	745,292	39,543	32.65	663,388	41,550	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	253,834	253,834	9,994	0.72	216,872	3,174,385	-	-
	Shin Sheng 3	Taipei, Taiwan	Investments	-	280,000	-	-	-	-	-	-
Tai Yuen Venture Capital	Haitec	New Taipei City, Taiwan	Product design	112,418	112,418	11,200	2.24	125,458	(239,621)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,800	3,779	44.99	38,302	9,335	-	-
	Luxgen Taipei	New Taipei City, Taiwan	Sales, maintenance and repair of cars and related products	22,050	22,050	239	1.29	-	(8,704)	-	-
	Yu-Jan	Taipei, Taiwan	Sales and arrangement of cars and related products	5,000	5,000	500	100.00	10,124	1,257	-	-
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	32,156	4,082	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	16,630	6,333	-	-
	Yu Shin Investment	Samoa	Investments	46,331	46,331	-	100.00	25,294	(28,106)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	10,740	415	-	-
	Hong Yen	Samoa	Investments	47,082	47,082	45,995	100.00	129,656	(5,342)	-	-
	Luxgen Taichung	Taichung, Taiwan	Sales, maintenance and repair of cars and related products	27,446	27,446	2,120	20.00	10,612	2,243	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	3,000	3,000	300	100.00	3,533	99	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	29,520	8,727	-	-
	Yu Chang China	Samoa	Investments	47,422	47,422	1,564	100.00	14,970	(797)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Sales, maintenance and repair of cars and related products	26,450	26,450	1,420	20.00	7,044	3,400	-	-
Luxgen	Luxgen Taipei	New Taipei City, Taiwan	Sales, maintenance and repair of cars and related products	157,625	157,632	13,635	73.70	70,896	(8,704)	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	64,883	64,892	6,299	59.99	52,231	6,333	-	-
	Luxgen Taichung	Taichung, Taiwan	Sales, maintenance and repair of cars and related products	71,624	71,630	6,359	59.99	32,079	2,243	-	-
	Luxgen Tainan	Tainan, Taiwan	Sales, maintenance and repair of cars and related products	101,397	101,400	6,239	59.99	7,428	(21,937)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Sales, maintenance and repair of cars and related products	58,344	58,350	4,259	59.99	23,192	3,400	-	-
	Luxgen Overseas Holdings	Singapore	Investments	1,300,595	721,108	63,587	100.00	147,189	(256,156)	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	87,021	114,158	-	-
Luxgen Overseas Holdings	Luxgen Limited Liability	Russia	Sale, maintenance and repair of cars and parts	1,126,980	397,561	-	99.99	6,073	(241,730)	-	-
Yulon Energy	Power Engineering	New Taipei City, Taiwan	Construction project contracting	2,000	2,000	150	100.00	1,395	(107)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
Yulon Overseas	Yulon Philippine	Cayman	Investments	$ 1,172,994	$ 1,172,994	32,791	100.00	$ (444,914)	$ (89,377)	$ -	-
	Yulon China	B.V.I.	Investments	9,715,018	9,583,718	290,564	100.00	5,571,445	(218,067)	-	-
Yulon Philippine	UMPI & SCIC	Philippine	Manufacturing of cars and factory lease	958,293	958,293	-	100.00	(391,080)	(13,080)	-	-
	NPI	Philippine	Sale, maintenance and repair of cars and parts	77,210	77,210	12	24.50	(8,981)	(310,654)	-	-
Yulon China	Qing Yi	Samoa	Investments	520,276	520,276	15,850	100.00	553,300	(21,126)	-	-
	Wen Yang	Samoa	Investments	528,483	528,483	16,100	100.00	605,492	14,524	-	-
	Tai Xin	Samoa	Investments	643,370	643,370	19,600	100.00	771,202	(1,528)	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	6,130,344	6,130,344	-	100.00	4,703,269	770,100	-	-
	Mega Elegant	Hong Kong	Investments	-	61,055	-	-	-	(54,612)	-	-
	Yulon China Holding	Cayman	Investments	869,863	738,563	22,500	100.00	(1,243,787)	(935,136)	-	-
	Feng Hua	Hong Kong	Investments	91,910	91,910	-	40.00	91,601	(6,570)	-	-
Yulon China Holding	Yulon Motor Investment	Hong Kong	Investments	869,863	738,563	-	100.00	(1,243,793)	(935,136)	-	-

(Concluded)

TABLE 10

YULON MOTOR COMPANY LTD.

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	$ 78,214	b.	$ 61,055	$ -	$ -	$ 61,055	$ (44,538)	100.00	$ (44,538)	$ 606,678	$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	778,918	b.	640,088	-	-	640,088	(1,493)	100.00	(1,493)	768,522	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	577,313	b.	487,451	-	-	487,451	11,244	100.00	11,244	552,149	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	607,900	b.	503,864	-	-	503,864	(22,554)	100.00	(22,554)	535,227	-	2, b.
Dong Feng Yulon Motors	Manufacturing of key car components, electric cars and related parts	13,900,332	b.	6,858,262	-	-	6,858,262	1,548,422	50.00	774,211	4,703,528	-	2, a.
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	223,207	b.	91,910	-	-	91,910	(6,570)	40.00	(2,628)	229,002	-	2, b.
Yulon Motor Investment	Investment, shareholding and related business	844,499	b.	738,563	131,300	-	869,863	(933,740)	100.00	(933,740)	(1,792,640)	-	2, b.
Hang Zhou Haitec	Product design	156,034	b.	16,413	-	-	16,413	5,245	10.00	525	16,906	-	2, a.
Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	2,527,333	a.	-	1,306,110	-	1,306,110	-	-	-	2,545,828	-	Note 4
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chassises, connection arms, crossrails of engines and other stamping and welding parts	161,712	b.	3,283	-	-	3,283	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	69,078	b.	3,283	-	-	3,283	-	-	-	-	-	-
Hang Zhou Xian Bo	Manufacturing and design of fixtures and jigs of vehicles, mechanical and electrical products; inner and external fittings and furnishing	86,873	b.	3,283	-	-	3,283	(4,823)	4.76	-	3,283	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	126,306	b.	2,462	-	-	2,462	18,927	2.59	-	2,462	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	400,831	b.	3,283	-	-	3,283	(118)	2.10	-	3,283	-	-
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	758,200	b.	-	-	-	-	120,854	17.00	20,545	595,537	-	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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Hangchow Yue Wan	Manufacturing of car parts	$ 153,881	b.	$ -	$ -	$ -	$ -	$ (89,443)	51.00	$ (45,616)	$ 11,740	$ -	2, c.
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	301,813	b.	-	-	-	-	110,409	27.00	29,811	425,709	-	2, c.
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	58,858	b.	-	-	-	-	24,641	14.00	3,450	88,079	-	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	164,125	b.	-	-	-	-	205,137	5.00	10,257	159,934	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	216,645	b.	-	-	-	-	1,031,265	6.00	61,876	895,196	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	525,504	b.	-	-	-	-	32,338	17.00	5,497	566,960	-	2, c.
Hangchow Liangrun	Manufacturing of car seats	493,533	b.	-	-	-	-	(10,849)	25.00	(2,712)	292,676	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	878,069	b.	-	-	-	-	311,542	10.00	31,154	1,203,783	-	2, c.
Shang Hai Jing-Huei	Sales of car parts	57,012	a.	-	-	-	-	30,353	65.00	19,730	97,845	-	2, c.
Car-Plus (Suzhou)	Lease of cars and related services	328,250	b.	-	-	-	-	43,636	40.13	17,511	602,520	-	2, c.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	328,250	b.	-	-	-	-	8,223	40.13	3,300	330,253	-	2, c.
TAC Leasing (Suzhou)	Equipments and cars leasing business	984,750	b.	-	-	-	-	(133,375)	46.90	(62,553)	1,268,710	-	2, c.
TAC Finance Company	Equipments and cars leasing business	984,750	b.	-	-	-	-	(17,416)	57.52	(10,018)	5,439,944	-	2, c.
Zhe Jiang Cheng Yi Company	Sale and brokerage of secondhand vehicles	107,502	b.	-	-	-	-	(13,261)	28.52	(3,782)	34,550	-	2, c.
Su Zhou Yu Guo	Sales of cars	10,109	b.	-	-	-	-	(744)	17.26	(128)	2,813	-	2, c.
Dong Yu Tech. Company	Car manufacture and furnishing; manufacture, installation and sale of car parts	76,455	b.	-	-	-	-	(4,450)	45.00	(1,991)	53,555	-	2, c.
Dong Feng Yulon Sales Company	Sales of cars and car parts	249,798	b.	-	-	-	-	(1,614,443)	50.00	(807,222)	(1,969,126)	-	2, a.
Sheng Qing	Investments	2,222,470	b.	-	-	-	-	(96,114)	100.00	(96,114)	1,416,191	-	2, b.
Mei De	Computer software maintenance and computer system integration	397,178	b.	-	-	-	-	866	100.00	866	407,745	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	211,479	b.	-	-	-	-	(24,777)	100.00	(24,777)	162,326	-	2, b.
Jin Ce	Computer software maintenance and computer system integration	98,271	b.	-	-	-	-	(1,815)	100.00	(1,815)	95,751	-	2, b.
Yi Ding	Computer software maintenance and computer system integration	275,777	b.	-	-	-	-	1,351	100.00	1,351	265,961	-	2, b.
Dong Tai	Investments	218,324	b.	-	-	-	-	(28,482)	100.00	(28,482)	157,362	-	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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Gao Te	Investments	$ 289,765	b.	$ -	$ -	$ -	$ -	$ 754	100.00	$ 754	$ 272,335	$ -	2, b.
Shen Jun Yu Peng	Sales of cars	59,952	b.	-	-	-	-	(4,434)	65.00	(2,882)	(20,918)	-	2, b.
Su Zhou Feng Shen	Sales of cars	239,806	b.	-	-	-	-	24,241	40.00	9,697	262,993	-	2, b.
Guang Zhou Yuan Du	Sales of cars	174,858	b.	-	-	-	-	27,427	61.00	16,730	123,563	-	2, b.
Zhu Hai Fu Te En	Sales of cars	24,980	b.	-	-	-	-	1,687	100.00	1,687	93,319	-	2, b.
Nanjing Hanhong	Sales of cars	350,980	b.	-	-	-	-	(49,670)	100.00	(49,670)	272,785	-	2, b.
Wuhan Yu Hsin	Sales of cars	139,887	b.	-	-	-	-	382	100.00	382	(89,655)	-	2, b.
HangZhou Yu Zhong	Trading	49,959	b.	-	-	-	-	2,385	100.00	2,385	85,292	-	2, b.
Shanghai Yuexing	Sales of cars	130,905	b.	-	-	-	-	(39,665)	100.00	(39,665)	(49,824)	-	2, b.
Jiangmen Junxing	Sales of cars	100,929	b.	-	-	-	-	12,544	100.00	12,544	50,991	-	2, b.
Jiangmen Yuli	Sales of cars	50,970	b.	-	-	-	-	8,512	100.00	8,512	55,323	-	2, b.
Qingdao Yuanhuang	Sales of cars	149,878	b.	-	-	-	-	(48,467)	100.00	(48,467)	(44,926)	-	2, b.
Shanghai Yuming	Sales of cars	191,868	b.	-	-	-	-	(13,028)	67.00	(8,729)	120,215	-	2, b.
Guang Zhou Yuan Zhi	Sales of cars	49,959	b.	-	-	-	-	(2,543)	61.00	(1,551)	26,374	-	2, b.
Ning Bo Yu Cheng	Sales of cars	99,919	b.	-	-	-	-	(8,634)	82.85	(7,154)	28,422	-	2, b.
Fu Jian Yu Xin	Sales of cars	99,919	b.	-	-	-	-	(17,452)	100.00	(17,452)	45,042	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	99,919	b.	-	-	-	-	(26,810)	80.00	(21,448)	(41,367)	-	2, b.
Chang Sha Yu Lu	Sales of cars	99,919	b.	-	-	-	-	5,953	100.00	5,953	88,507	-	2, b.
Hang Zhou Tang Yu	Investments	49,959	b.	-	-	-	-	3,542	100.00	3,542	54,373	-	2, b.
Hang Zhou Chien Yu	Investments	49,959	b.	-	-	-	-	(224)	100.00	(224)	45,957	-	2, b.
Zhuhai Yuhsin	Sales of cars	24,980	b.	-	-	-	-	19,435	100.00	19,435	(11,964)	-	2, b.
Shenzhen Yu Zhi	Sales of cars	49,959	b.	-	-	-	-	26,408	100.00	26,408	31,046	-	2, b.
Xiao Gan Yu Feng	Sales of cars	79,935	b.	-	-	-	-	301	100.00	301	40,847	-	2, b.
Su Zhou Feng Shun	Sales of cars	125,607	b.	-	-	-	-	-	40.00	6,000	190,586	-	2, b.
Suzhou Yueshun	Sales of cars	49,959	b.	-	-	-	-	4,256	40.00	1,702	64,821	-	2, b.
Su Chou Cheng Pin	Sales of cars	201,859	b.	-	-	-	-	(4,873)	40.00	(1,949)	195,444	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	49,959	b.	-	-	-	-	6,198	40.00	2,479	77,736	-	2, b.
Su Zhou Cheng Li	Sales of cars	75,444	b.	-	-	-	-	(2,829)	40.00	(1,132)	50,001	-	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, 2015	Remittance of Funds: Outward	Remittance of Funds: Inward	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
Hang Zhou Hsiao Yu	Investments	$ 49,959	b.	$ -	$ -	$ -	$ -	$ (117)	99.00	$ (116)	$ 45,668	$ -	2, b.
Nan Jing Yu Shang	Sales of cars	39,968	b.	-	-	-	-	(22,213)	100.00	(22,213)	(28,594)	-	2, b.
Hang Zhou Hua You	Sales of cars	39,968	b.	-	-	-	-	-	80.00	(21,542)	(77,235)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	49,959	b.	-	-	-	-	(5,377)	40.00	(2,151)	34,665	-	2, b.
Nan Jing Yu Hua	Sales of cars	149,878	b.	-	-	-	-	(5)	100.00	(5)	151,630	-	2, b.
Ka Shing Yu Da	Sales of cars	61,164	b.	-	-	-	-	(3,721)	67.00	(2,493)	48,545	-	2, b.
Su Zhou Cheng Guo	Sales of cars	50,970	b.	-	-	-	-	(1,137)	40.00	(455)	49,425	-	2, b.
Su Zhou Cheng Hung	Sales of cars	50,970	b.	-	-	-	-	(1,499)	40.00	(599)	49,061	-	2, b.
Tai Chang Cheng Mau	Sales of cars	50,970	b.	-	-	-	-	(1,386)	40.00	(555)	49,045	-	2, b.
An Hui Min Tung	Sales of cars	50,970	b.	-	-	-	-	821	100.00	821	51,790	-	2, b.
An Ching Tsai Tung	Sales of cars	25,485	b.	-	-	-	-	(9,001)	100.00	(9,001)	1,456	-	2, b.
An Ching Ling Tung	Sales of cars	20,388	b.	-	-	-	-	(841)	100.00	(841)	18,819	-	2, b.
Tung Ling Kuo Tung	Sales of cars	25,485	b.	-	-	-	-	(7,457)	100.00	(7,457)	(9,427)	-	2, b.
Ho Fei Chun Hui	Sales of cars	2,548	b.	-	-	-	-	97	100.00	97	2,229	-	2, b.
Zi Bo Yu An	Sales of cars	25,485	b.	-	-	-	-	(9,022)	100.00	(9,022)	16,327	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2015	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	$10,850,610	$16,889,159	$48,708,985

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: The amounts of investment gain (loss) was recognized on following bases:

a. Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
b. Based on the financial statements audited by the auditor of parent company.
c. 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.

Note 4: The Company is preparing for operation; thus, there is no investment gain (loss). And the Company has acquired operation license on February 19, 2016.

(Concluded)

YULON MOTOR COMPANY LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

EXHIBIT 1

YULON MOTOR COMPANY LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Foreign Currencies	Exchange Rate	Carrying Amount
Cash on hand			
NTD	$ 680	1.000	$ 680
Bank deposits			
Demand deposits			
NTD	5,283,240	1.000	5,283,240
USD	4,763	32.825	156,358
EUR	1,209	35.880	43,370
JPY	102,693	0.273	28,004
RMB	140	4.995	701
			5,511,673
Checking accounts	23,840	1.000	23,840
Total bank deposits			5,535,513
Cash equivalents			
Time deposits with original maturities within 3 months			
NTD	1,154,591	1.000	1,154,591
RMB	109,066	4.995	544,785
			1,699,376
Total cash and cash equivalents			$ 7,235,569

EXHIBIT 2

YULON MOTOR COMPANY LTD.

STATEMENT OF INVENTORIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value	Note
Finished goods	$ 2,253,144	$ 2,365,973	-
Work in progress	173,777	176,600	-
Raw materials	1,593,977	1,755,215	-
			-
	$ 4,020,898	$ 4,297,788	

YULON MOTOR COMPANY LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Investees	Balance, January 1, 2015		Additions		Decrease		Reclassification		Increase (Decrease) in Using the Equity Method	Balance, December 31, 2015			Market Value or Net Assets Value	Note
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Amount (Note 1)	Shares (In Thousands)	%	Amount		
Listed stocks														
Yulon Nissan Company	143,500	$ 12,755,908	-	$ -	-	$ -	-	$ -	$ (2,341,335)	143,500	47.83	$ 10,414,573	$ 40,323,500	Note 2
China Motor Company	111,480	4,338,960	-	-	-	-	-	-	65,291	111,480	8.05	4,404,251	2,419,126	Note 2
TAC Corporation	125,657	3,248,853	-	-	-	-	-	-	(68,770)	125,657	46.90	3,180,083	9,248,323	Note 2
		20,343,721		-		-		-	(2,344,814)			17,998,907	51,990,949	
Stocks with no quoted market prices														
Tai-Yuen Textiles Company	170,685	7,069,330	-	-	-	-	-	-	269,337	170,685	20.85	7,338,667	10,294,026	Note 3
Yu ki Company	9,847	440,814	-	-	1	49	-	-	(21,660)	9,846	50.58	419,105	432,496	Note 3
Yu Sheng Company	14,681	223,526	-	-	1	17	-	-	3,810	14,680	50.97	227,319	231,792	Note 3
China Cast Iron Pipe Company	25	53,638	-	-	-	-	-	-	(2,676)	25	77.66	50,962	50,962	Note 3
Union & NKH Auto Parts Company	19,754	586,440	1,975	-	1	31	-	-	37,928	21,728	25.01	624,337	625,978	Note 3
Uni-calsonic Company	3,448	78,538	-	-	-	-	-	-	1,196	3,448	17.68	79,734	81,183	Note 3
Yu Chang Company	13,999	78,873	-	-	-	-	-	-	12,254	13,999	64.99	91,127	91,499	Note 3
China Ogihara Company	21,359	402,819	2,029	-	-	-	-	-	36,957	23,388	37.76	439,776	451,598	Note 3
Yuan Lon Company	8,000	106,740	-	-	1	15	-	-	7,326	7,999	20.00	114,051	115,846	Note 3
Yu Ching Company	175,000	1,955,788	-	-	-	-	-	-	(103,094)	175,000	100.00	1,852,694	2,292,664	Note 3
Yu Pong Company	65,721	890,873	-	-	-	-	-	-	(67,093)	65,721	99.99	823,780	894,191	Note 3
Yung Hong Company	215,855	2,261,052	-	-	71,233	712,326	-	-	(110,595)	144,622	100.00	1,438,131	1,689,853	Note 3
Yushin Company	16,000	189,404	-	-	1	14	-	-	(4,874)	15,999	80.00	184,516	182,941	Note 3
China Engine Company	32,000	185,116	-	-	-	-	-	-	1,285	32,000	18.95	186,401	193,041	Note 3
Cheng Long Company	8,127	144,958	-	-	1	19	-	-	8,982	8,126	27.00	153,921	161,852	Note 3
Tai Yuen Venture Capital Company	52,470	395,943	-	-	25,710	257,103	-	-	(24,966)	26,760	49.50	113,874	113,874	Note 3
Chi Ho Company	3,600	99,438	-	-	3,240	32,400	-	-	(60,224)	360	20.00	6,814	8,184	Note 3
Yu Tang Company	4,250	64,341	-	-	1	15	-	-	4,209	4,249	21.25	68,535	68,077	Note 3
ROC-Spicer Company	1,005	703,558	-	-	1	721	-	-	16,186	1,004	20.46	719,023	729,525	Note 3
Car-plus Corporation	2,595	61,245	-	-	-	-	-	-	140	2,595	3.46	61,385	61,812	Note 3
Singan Company	10,213	150,340	-	-	-	-	-	-	3,962	10,213	35.62	154,302	154,902	Note 3
Empower Company	4,200	44,539	700	-	1	13	-	-	13,542	4,899	20.00	58,068	61,738	Note 3
Chan Yun Company	8,332	22,405	-	-	-	-	-	-	30	8,332	43.85	22,435	22,395	Note 3
Sin Jiang Enterprises	8,568	95,291	-	-	-	-	-	-	(807)	8,568	20.01	94,484	94,483	Note 3
Sin Chi Company	87,000	1,200,356	-	-	-	-	-	-	(160,041)	87,000	100.00	1,040,315	1,052,087	Note 3
Yu Sing Company	32,519	-	-	-	-	-	-	(20,207)	23,901	32,519	90.33	3,694	30,428	Note 3
Y-Teks Company	357	249,172	191	19,126	-	-	-	-	92,082	548	34.00	360,380	359,761	Note 3
Yulon Overseas Company	312,640	5,371,700	-	130,220	-	-	-	-	(440,880)	312,640	100.00	5,061,040	5,086,211	Note 3
Tokio Marine Newa Insurance Company	52,010	1,151,330	-	-	-	-	-	-	52,461	52,010	17.39	1,203,791	1,193,574	Note 3
Haitec Company	200,000	-	-	-	-	-	-	(36,732)	36,732	200,000	40.00	-	-	
Hui-Lian Company	6,117	48,976	-	-	1	11	-	-	11,066	6,116	20.34	60,031	60,181	Note 3
DXMEDIA Company	400	473	-	-	-	-	-	-	1,228	400	20.00	1,701	1,701	Note 3
Yulon TOBE Company	30,000	24,254	-	-	-	-	-	-	2,994	30,000	100.00	27,248	27,326	Note 3
Yulon Management Company	3,299	23,313	-	-	-	-	-	-	880	3,299	32.99	24,193	28,019	Note 3
Yulon Energy Company	30,000	121,732	-	-	-	-	-	-	(62,751)	30,000	100.00	58,981	64,204	Note 3
Yu Rich Company	9,900	107,691	-	-	-	-	-	-	(4,488)	9,900	100.00	103,203	105,996	Note 3
Qinton Company	6,746	84,416	-	-	-	-	-	-	(3,541)	6,746	100.00	80,875	77,066	Note 3
Peidu Tobe Company	4,960	2,281	-	-	4,960	1,694	-	-	(587)	-	-	-	-	
Luxgen Company	200,000	249,552	280,000	2,800,000	200,000	-	-	-	(2,713,808)	280,000	100.00	335,744	428,545	Note 3
Yulon Motor Finance Company	-	-	-	1,306,110	-	-	-	-	-	-	51.00	1,306,110	-	Note 4
		24,940,255		4,255,456		1,004,428		(56,939)	(3,143,597)			24,990,747	27,620,011	
		$ 45,283,976		$ 4,255,456		$ 1,004,428		$ (56,939)	$ (5,488,411)			$ 42,989,654	$ 79,610,960	

(Continued)

Investees	Balance, January 1, 2014 Shares (In Thousands)	Balance, January 1, 2014 Amount	Additions Shares (In Thousands)	Additions Amount	Decrease Shares (In Thousands)	Decrease Amount	Reclassification Shares (In Thousands)	Reclassification Amount	Increase (Decrease) in Using the Equity Method Amount (Note 1)	Balance, December 31, 2014 Shares (In Thousands)	Balance, December 31, 2014 %	Balance, December 31, 2014 Amount	Market Value or Net Assets Value	Note
Credit balance on the carrying value of investments accounted for using the equity method														
Yu Shin Company	32,519	$ (20,207)	-	$ -	-	$ -	-	$ 20,207	$ -	32,519	90.33	$ -	$ -	
Haitec Company	200,000	(88,392)	-	-	-	-	-	36,732	-	200,000	40.00	(51,660)	2,228,667	Note 3
		$ (108,599)		$ -		$ -		$ 56,939	$ -			$ (51,660)	$ 2,228,667	

Note 1: Including:

a.	Share of profit or loss of subsidiaries and associates	$ 1,135,997
b.	Adjustments to share of changes in capital surplus of subsidiaries and associates	89,229
c.	Adjustments to share of changes in retain earnings of subsidiaries and associates	(86,643)
d.	Share of other comprehensive income of subsidiaries and associates	(641,577)
e.	Dividends received from subsidiaries and associates	(6,028,494)
f.	Adjustments to unrealized gain from downstream transactions	43,077
		$ (5,488,411)

Note 2: The unit price is calculated by closing price of the Taiwan Stock Exchange as of December 31, 2015.

Note 3: Calculated by the net equity of audited financial statements as of December 31, 2015.

Note 4: The Company is preparing for operation; thus, there is no investment gain (loss). And the Company has acquired operation license on February 19, 2016.

(Concluded)

EXHIBIT 4

YULON MOTOR COMPANY LTD.

STATEMENT OF NOTES AND TRADE PAYABLES
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Notes Payable	Trade Payable	Total
Related parties			
Nissan Motor Co., Ltd.	$ -	$ 399,425	$ 399,425
Dongfeng Yulon Motors	-	239,718	239,718
Union & NKH Auto Parts Company	-	230,541	230,541
Yueki Company	-	167,660	167,660
Other (Note)	-	394,132	394,132
	-	1,431,476	1,431,476
Unrelated parties			
Other (Note)	-	1,600,295	1,600,295
	$ -	$ 3,031,771	$ 3,031,771

Note: The amount of each item in others does not exceed 5% of the account balance.

EXHIBIT 5

YULON MOTOR COMPANY LTD.

STATEMENT OF NET OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Domestic car	55,826	$ 29,329,916
Imported car	2,886	3,096,998
Parts for domestic sale	-	3,733,001
Parts for export	-	1,049,010
Rental income	-	396,841
Rendering of services	-	316,291
Maintenance and repair services	-	150,000
Other income	-	882,452
Total operating revenue		38,954,509
Less: Sales return and allowance		128,392
Net operating revenue		$ 38,826,117

EXHIBIT 6

YULON MOTOR COMPANY LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials	
Balance, beginning of year	$ 1,825,301
Add: Raw material purchased	27,570,271
Raw material manufactured	112,943
Less: Raw materials, end of year	(1,593,977)
Transferred to operating expenses	(173,408)
Total direct materials	27,741,130
Direct labor	651,608
Manufacturing expenses	1,919,080
Manufacturing cost	30,311,818
Add: Work in process, beginning of year	551,261
Work in process purchased	367,796
Less: Transferred to manufacturing	(4,870)
Work in process, end of year	(173,777)
Cost of finished goods	31,052,228
Add: Finished goods, beginning of year	2,166,188
Less: Finished goods, end of year	(2,253,144)
Cost of goods sold	30,965,272
Add: Commodity tax	4,821,737
Others	59,347
	$ 35,846,356

EXHIBIT 7

YULON MOTOR COMPANY LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Service expense	$ 16,955	$ 252,871	$ 3,853	$ 273,679
Payroll expense	37,410	248,421	119,322	405,153
Depreciation expense	7,033	157,450	10,412	174,895
Other tax expense	-	81,551	323	81,874
Others (Note)	74,092	168,598	25,394	268,084
	$ 135,490	$ 908,891	$ 159,304	$ 1,203,685

Note: The amount of each item in others does not exceed 5% of the account balance.

6.5 The audited consolidated financial statements of the parent company and subsidiaries in recent year

The Board of Directors and Shareholders
Yulon Motor Company Ltd.

We have audited the accompanying consolidated balance sheets of Yulon Motor Company Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Yulon Motor Company Ltd. and its subsidiaries as of December 31, 2015 and 2014, and their consolidated financial performance and their consolidated cash flows for the years then ended, in conformity with the Guidelines 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 by the Financial Supervisory Commission of the Republic of China.

We have also audited the financial statements of the parent company, Yulon Motor Company Ltd., as of and for the years ended December 31, 2015 and 2014 on which we have issued an unqualified report.

March 21, 2016

<u>*Notice to Readers*</u>

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

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

ASSETS	2015 Amount	%	2014 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 16,305,124	8	$ 19,346,561	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,748,673	2	2,241,923	1
Available-for-sale financial assets - current (Notes 4 and 8)	177,134	-	322,674	-
Derivative financial assets for hedging - current (Notes 4 and 10)	1,135	-	-	-
Financial assets measured at cost - current (Notes 4 and 11)	3,010	-	45,689	-
Debt investments with no active market - current (Notes 4, 12 and 35)	6,015,982	3	1,775,928	1
Notes receivable (Notes 4, 13 and 35)	21,381,924	10	18,817,203	9
Notes receivable from related parties (Notes 4, 13 and 34)	101,499	-	61,201	-
Trade receivables (Notes 4, 13 and 35)	43,070,983	20	37,955,957	19
Finance lease receivables (Notes 4 and 14)	10,089,962	5	6,857,460	4
Trade receivables from related parties (Notes 13 and 34)	2,610,634	1	2,319,615	1
Other receivables (Note 34)	2,592,732	1	2,627,063	1
Inventories (Notes 4 and 15)	9,413,898	5	10,527,066	5
Other current assets (Note 21)	5,645,105	3	5,907,448	3
Total current assets	122,157,795	58	108,805,788	54
NON-CURRENT ASSETS				
Available-for-sale financial assets - non-current, net of current portion (Notes 4 and 8)	383,315	-	745,295	-
Held-to-maturity financial assets - non-current (Notes 4 and 9)	17,557	-	18,019	-
Financial assets measured at cost - non-current, net of current portion (Notes 4 and 11)	195,679	-	465,421	-
Debt investment with no active market - non-current, net of current portion (Notes 4, 12 and 35)	13,788	-	82,972	-
Investments accounted for using the equity method (Notes 4 and 17)	33,814,732	16	35,059,764	17
Property, plant and equipment (Notes 4, 18 and 35)	33,217,023	16	34,730,129	17
Investment properties (Notes 4 and 19)	10,710,609	5	10,224,499	5
Goodwill (Note 4)	882	-	882	-
Vehicle model development cost (Notes 4 and 20)	6,101,837	3	7,016,887	4
Other intangible assets (Notes 4 and 20)	402,235	-	377,193	-
Deferred tax assets (Notes 4 and 29)	1,071,551	-	1,036,404	1
Long-term finance lease receivables (Notes 4 and 14)	1,177,911	1	1,877,583	1
Guarantee deposits	564,900	-	487,222	-
Long-term prepayments for lease (Note 21)	696,937	-	692,223	-
Other non-current assets	1,475,339	1	1,222,406	1
Total non-current assets	89,844,295	42	94,036,899	46
TOTAL	$ 212,002,090	100	$ 202,842,687	100

LIABILITIES AND EQUITY	2015 Amount	%	2014 Amount	%
CURRENT LIABILITIES				
Short-term borrowings (Note 22)	$ 32,841,275	16	$ 30,805,794	15
Short-term bills payable (Note 22)	48,764,136	23	41,633,602	20
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	2,904	-	-	-
Derivative financial liabilities for hedging - current (Notes 4 and 10)	1,856	-	1,200	-
Notes payables	305,084	-	400,247	-
Notes payable to related parties (Note 34)	183,440	-	22,568	-
Trade payables	4,764,538	2	5,587,507	3
Trade payables to related parties (Note 34)	6,193,375	3	4,152,711	2
Other payables (Notes 20, 24 and 34)	10,002,379	5	12,974,613	6
Current tax liabilities (Notes 4 and 29)	371,851	-	512,253	-
Provisions - current (Notes 4 and 25)	427,172	-	427,386	-
Current portion of long-term borrowings (Note 22)	534,512	-	1,234,903	1
Current portion of bonds payable (Notes 4 and 23)	3,368,076	2	3,710,737	2
Other current liabilities (Note 24)	10,862,695	5	11,225,061	6
Total current liabilities	118,623,293	56	112,688,582	55
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 22)	1,654,456	1	768,675	-
Provisions - non-current (Notes 4 and 25)	760,456	-	720,147	-
Deferred tax liabilities (Notes 4 and 29)	3,550,254	2	3,471,673	2
Long-term trade payables, net of current portion (Notes 20, 24 and 34)	3,318,976	2	1,940,215	1
Deferred revenue - non-current (Note 24)	73,438	-	86,741	-
Accrued pension liabilities (Notes 4 and 26)	2,274,547	1	2,169,885	1
Other non-current liabilities (Note 24)	565,027	-	848,049	1
Total non-current liabilities	12,197,154	6	10,005,385	5
Total liabilities	130,820,447	62	122,693,967	60
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 27)				
Share capital				
Ordinary shares	15,729,199	8	15,729,199	8
Capital surplus	6,650,489	3	6,561,260	3
Retained earnings				
Legal reserve	7,380,610	3	7,159,575	3
Special reserve	35,373,565	17	34,373,565	17
Unappropriated earnings	4,157,281	2	3,446,670	2
Total retained earnings	46,911,456	22	44,979,810	22
Other equity				
Exchange differences on translating foreign operations	1,484,838	1	1,721,402	1
Unrealized gain on available-for-sale financial assets	1,078,584	-	1,386,228	1
Cash flow hedges	(338)	-	(574)	-
Total other equity	2,563,084	1	3,107,056	2
Treasury shares	(376,304)	-	(376,304)	-
Total equity attributable to owners of the Company	71,477,924	34	70,001,021	35
NON-CONTROLLING INTERESTS (Note 27)	9,703,719	4	10,147,699	5
Total equity	81,181,643	38	80,148,720	40
TOTAL	$ 212,002,090	100	$ 202,842,687	100

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24, 28 and 34)				
Sales	$ 104,559,739	85	$ 103,876,276	86
Investment income	184,752	-	158,616	-
Rental revenue	7,316,199	6	7,459,189	6
Service revenue	2,588,634	2	2,649,670	2
Other operating revenue	7,876,497	7	6,466,765	6
Total operating revenue	122,525,821	100	120,610,516	100
OPERATING COSTS (Notes 4, 15, 26, 28 and 34)				
Cost of goods sold	92,198,859	75	91,955,662	76
Investment cost	48,662	-	64,497	-
Rental cost	6,109,297	5	6,032,091	5
Service cost	1,648,566	1	1,618,501	2
Other operating cost	4,560,359	4	3,587,787	3
Total operating costs	104,565,743	85	103,258,538	86
GROSS PROFIT	17,960,078	15	17,351,978	14
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	1,088	-	744	-
REALIZED GROSS PROFIT	17,961,166	15	17,352,722	14
OPERATING EXPENSES (Notes 4, 26, 28 and 34)				
Selling and marketing expenses	9,406,878	8	8,942,216	8
General and administrative expenses	7,979,829	7	7,648,022	6
Research and development expenses	294,503	-	354,114	-
Total operating expenses	17,681,210	15	16,944,352	14
PROFIT FROM OPERATIONS	279,956	-	408,370	-
NON-OPERATING INCOME				
Other income (Notes 4 and 28)	728,187	1	649,201	-
Other losses (Notes 4 and 28)	(285,627)	-	(389,502)	-
Finance costs (Notes 4 and 28)	(405,615)	-	(392,092)	-

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
Share of profit of associates and joint ventures accounted for by the equity method (Notes 4 and 17)	$ 4,124,231	3	$ 3,079,895	3
Interest income (Notes 4 and 28)	296,745	-	254,928	-
Total non-operating income	4,457,921	4	3,202,430	3
PROFIT BEFORE INCOME TAX	4,737,877	4	3,610,800	3
INCOME TAX EXPENSE (Notes 4 and 29)	818,585	1	801,394	-
NET PROFIT FOR THE YEAR	3,919,292	3	2,809,406	3
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(149,053)	-	(111,731)	-
Share of the other comprehensive losses of associates and joint ventures accounted for by the equity method	(95,968)	-	(8,777)	-
	(245,021)	-	(120,508)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation operations	(94,632)	-	754,481	-
Unrealized loss on available-for-sale financial assets	(343,246)	(1)	(24,878)	-
Cash flow hedges	479	-	(1,125)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for by the equity method	(225,269)	-	922,128	1
	(662,668)	(1)	1,650,606	1
Other comprehensive income (loss) for the year, net of income tax	(907,689)	(1)	1,530,098	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 3,011,603	2	$ 4,339,504	4
NET PROFIT ATTRIBUTABLE TO:				
Owner of the Company	$ 3,352,078	3	$ 2,210,346	2
Non-controlling interests	567,214	-	599,060	-
	$ 3,919,292	3	$ 2,809,406	2

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014	
	Amount	**%**	**Amount**	**%**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ 2,575,361	2	$ 3,565,907	3
Non-controlling interests	436,242	-	773,597	1
	$ 3,011,603	2	$ 4,339,504	4
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 30)				
Basic	$2.29		$1.51	
Diluted	$2.29		$1.51	

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Amounts Per Share)

	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 (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2014	$ 15,729,199	$ 6,497,817	$ 6,922,457	$ 31,227,565	$ 6,072,762	$ 385,612	$ 1,253,734	$ (36)	$ (376,304)	$ 67,712,806	$ 9,666,346	$ 77,379,152
Appropriation of the 2013 earnings												
Legal reserve	-	-	237,118	-	(237,118)	-	-	-	-	-	-	-
Special reserve	-	-	-	3,146,000	(3,146,000)	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.7 per share)	-	-	-	-	(1,101,044)	-	-	-	-	(1,101,044)	-	(1,101,044)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(939,581)	(939,581)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(353)	-	-	(652)	-	-	-	-	(1,005)	580	(425)
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	-	63,796	-	-	(239,439)	-	-	-	-	(175,643)	175,643	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	471,114	471,114
Net profit for the year ended December 31, 2014	-	-	-	-	2,210,346	-	-	-	-	2,210,346	599,060	2,809,406
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	(112,185)	1,335,790	132,494	(538)	-	1,355,561	174,537	1,530,098
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	2,098,161	1,335,790	132,494	(538)	-	3,565,907	773,597	4,339,504
BALANCE, DECEMBER 31, 2014	15,729,199	6,561,260	7,159,575	34,373,565	3,446,670	1,721,402	1,386,228	(574)	(376,304)	70,001,021	10,147,699	80,148,720
Appropriation of the 2014 earnings												
Legal reserve	-	-	221,035	-	(221,035)	-	-	-	-	-	-	-
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	-
Cash dividends distributed by the Company (NT$0.7 per share)	-	-	-	-	(1,101,044)	-	-	-	-	(1,101,044)	-	(1,101,044)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,015,688)	(1,015,688)
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	14,850	-	-	(38)	-	-	-	-	14,812	99	14,911
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	-	74,379	-	-	(86,605)	-	-	-	-	(12,226)	12,226	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	123,141	123,141
Net profit for the year ended December 31, 2015	-	-	-	-	3,352,078	-	-	-	-	3,352,078	567,214	3,919,292
Other comprehensive loss for the year ended December 31, 2015, net of income tax	-	-	-	-	(232,745)	(236,564)	(307,644)	236	-	(776,717)	(130,972)	(907,689)
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	3,119,333	(236,564)	(307,644)	236	-	2,575,361	436,242	3,011,603
BALANCE, DECEMBER 31, 2015	$ 15,729,199	$ 6,650,489	$ 7,380,610	$ 35,373,565	$ 4,157,281	$ 1,484,838	$ 1,078,584	$ (338)	$ (376,304)	$ 71,477,924	$ 9,703,719	$ 81,181,643

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,737,877	$ 3,610,800
Adjustments for:		
Interest income	(6,564,502)	(5,424,104)
Depreciation expenses	6,554,683	6,468,667
Share of profit of associates and joint ventures accounted for by the equity method	(4,133,829)	(3,100,167)
Impairment loss recognized on non-financial assets	2,665,278	1,973,811
Finance costs	1,318,726	1,144,821
Impairment loss recognized on trade receivables	1,066,945	989,953
Amortization expenses	791,983	376,196
Gain on disposal of financial assets	(574,804)	(117,400)
Recognition of provisions	273,934	542,487
Gain on disposal of property, plant and equipment	(246,263)	(291,927)
Net gain on foreign currency exchange	123,984	(1,364,055)
Impairment loss recognized on financial assets	75,455	112,546
Dividend income	(65,898)	(57,849)
Net gain on fair value change of financial assets and liabilities designated as at fair value through profit or loss and retirement	(13,942)	(32,748)
Realized loss on the transactions with associates and joint ventures accounted for by the equity method	(4,941)	(7,760)
Net loss on disposal of intangible assets	1,573	-
Changes in operating assets and liabilities		
Financial assets held for trading	(1,847,650)	251,481
Notes receivable	(2,587,418)	(2,926,459)
Trade receivables	(6,205,057)	(8,475,625)
Other receivables	339,230	(801,407)
Inventories	1,289,516	(22,112)
Prepayments	(198,149)	(1,640,687)
Other current assets	317,512	(275,433)
Finance lease receivables	(2,561,765)	(4,823,960)
Other operating assets	(45,520)	(7,745)
Notes payable	(3,645)	(209,371)
Trade payables	1,077,515	854,383
Other payables	(3,306,998)	211,864
Provisions	(233,571)	(323,914)
Other current liabilities	(892,552)	1,799,539
Accrued pension liabilities	(44,391)	104,821
Deferred revenue	(65,712)	23,618
Other operating liabilities	(22,497)	56,627
Cash used in operations	(8,984,893)	(11,381,109)
Interest received	6,593,752	5,551,620
Interest paid	(1,382,107)	(1,090,752)
Income tax paid	(939,742)	(792,729)
Net cash used in operating activities	(4,712,990)	(7,712,970)

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	$ (10,697,017)	$ (10,424,558)
Purchase of financial assets at fair value through profit or loss	(6,729,095)	(5,041,724)
Proceeds on sale of financial assets at fair value through profit or loss	6,090,628	5,199,933
Dividend received	5,221,098	3,385,822
Proceeds from disposal of property, plant and equipment	4,511,342	4,110,535
Purchase of debt investments with no active market	(4,167,081)	-
Proceeds on sale of financial assets measured at cost	667,002	162,612
Proceeds on sale of available-for-sale financial assets	436,374	756,203
Payments for intangible assets	(224,352)	(265,049)
Payments for other non-current assets	(208,057)	(1,057,100)
Decrease (increase) in prepayments for real estate development	96,994	(261,944)
Acquisition of financial assets measured at cost	(77,811)	(54,943)
Increase in refundable deposits	(69,825)	(102,309)
Net cash outflow on acquisition of subsidiaries	(68,615)	-
Acquisition of associates	(59,901)	(121,244)
Proceeds from the capital reduction by an associate	32,400	80,640
Purchase of available-for-sale financial assets	(2,419)	(363,843)
Net cash inflow on disposal of investments accounted for using equity method	789	7,203
Proceeds from the capital reduction of financial assets measured at cost	655	138,070
Proceeds on sale of debt investments with no active market	-	729,486
Net cash used in investing activities	(5,246,891)	(3,122,210)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bills payable	9,225,714	10,610,787
Proceeds from short-term borrowings	6,689,607	9,529,513
Repayment of short-term borrowings	(4,735,019)	(2,142,856)
Dividends paid	(2,116,732)	(2,040,625)
Repayment of short-term bills payable	(2,102,830)	(1,882,954)
Proceeds from long-term borrowings	306,379	1,376,515
Change in non-controlling interests	(226,760)	(153,692)
Proceeds from guarantee deposits received	138,387	1,381,047
Repayment of long-term borrowings	(121,706)	(733,126)
Proceeds from issue of bonds payable	-	3,000,000
Repayment of bonds payable	-	(2,000,000)
Net cash generated from financing activities	7,057,040	16,944,609
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(138,596)	468,517

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$ (3,041,437)	$ 6,577,946
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	19,346,561	12,768,615
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 16,305,124	$ 19,346,561

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 21, 2016.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC

   Rule No. 1030029342 and Rule No. 1030010325 issued by the Financial Supervisory Commission (FSC) on April 3, 2014, stipulated that the Group (i.e., the Company and its subsidiaries) should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers starting January 1, 2015.

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 IFRSs version would not have any material impact on the Group's accounting policies:

   1) IFRS 12 "Disclosure of Interests in Other Entities"

      IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

   2) IFRS 13 "Fair Value Measurement"

      IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive, for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 33 for related disclosures.

3) Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Group retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and share of the other comprehensive income (the share of remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments will not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

4) Revision to IAS 19 "Employee Benefits"

The interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

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

The Group has not applied the following New IFRSs issued by the IASB because they have not yet been endorsed by the FSC. On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. Within this scope are all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, and outside of this scope are those IFRSs that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Group should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC had not yet announced the effective dates of other new, amended and revised standards and interpretations.

The New IFRSs Not Included in the 2014 IFRSs Version	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
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

(Continued)

The New IFRSs Not Included in the 2014 IFRSs Version	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
IFRS 16 "Leases"	January 1, 2019
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

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

Note 2: The amendment to IFRS 2 applies to share-based payment transactions for which the grant date is on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations for which the acquisition date is on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, the future initial application of the above New IFRSs is not expected to have any material impact on the Group's accounting policies:

1) IFRS 9 "Financial Instruments"

   Recognition and measurement of financial assets

   With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Group is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

Several standards including IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations” and IFRS 8 “Operating Segments” were amended in this annual improvement.

The amended IFRS 2 changes the definitions of “vesting condition” and “market condition” and adds definitions for “performance condition” and “service condition”. The amendment clarifies that a performance target can be based on the operations (i.e. a non-market condition) of the Group or another entity in the same group or the market price of the equity instruments of the Group or another entity in the same group (i.e. a market condition); that a performance target can relate either to the performance of the Group as a whole or to some part of it (e.g. a division); and that the period for achieving a performance condition must not extend beyond the end of the related service period. In addition, a share market index target is not a performance condition because it not only reflects the performance of the Group, but also of other entities outside the Group.

IFRS 3 was amended to clarify that contingent consideration should be measured at fair value, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39. Changes in fair value should be recognized in profit or loss.

The amended IFRS 8 requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Group is a related party of the Group. Consequently, the Group is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

4) Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”

The entity should use appropriate depreciation and amortization method to reflect the pattern in which the future economic benefits of the property, plant and equipment and intangible asset are expected to be consumed by the entity.

The amended IAS 16 “Property, Plant and Equipment” requires that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amended standard does not provide any exception from this requirement.

The amended IAS 38 “Intangible Assets” requires that there is a rebuttable presumption that an amortization method that is based on revenue that is generated by an activity that includes the use of an intangible asset is not appropriate. This presumption can be overcome only in the following limited circumstances:

a) In which the intangible asset is expressed as a measure of revenue (for example, the contract that specifies the entity’s use of the intangible asset will expire upon achievement of a revenue threshold); or

b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

An entity should apply the aforementioned amendments prospectively for annual periods beginning on or after the effective date.

5) IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

6) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when an entity 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 an entity 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 an entity 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 unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated. Also, when an entity loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate or joint venture, i.e. the entity’s share of the gain or loss is eliminated.

7) Annual Improvements to IFRSs: 2012-2014 Cycle

Several standards including IFRS 5 “Non-current assets held for sale and discontinued operations”, IFRS 7, IAS 19 and IAS 34 were amended in this annual improvement.

IFRS 5 was amended to clarify that reclassification between non-current assets (or disposal group) "held for sale" and non-current assets "held for distribution to owners" does not constitute a change to a plan of sale or distribution. Therefore, previous accounting treatment is not reversed. The amendment also explains that assets that no longer meet the criteria for "held for distribution to owners" and do not meet the criteria for "held for sale" should be treated in the same way as assets that cease to be classified as held for sale.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. In addition, the amendments clarify that the offsetting disclosures are not explicitly required for all interim periods; however, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 under specific conditions.

IAS 19 was amended to clarify that the depth of the market for high quality corporate bonds used to estimate discount rate for post-employment benefits should be assessed by the market of the corporate bonds denominated in the same currency as the benefits to be paid, i.e. assessed at currency level (instead of country or regional level).

Except for the above impacts, as of the date the consolidated financial statements were authorized for issue, the Group is continuingly assessing the possible impact that the application of the above New IFRSs will have on the Group's financial position and operating result, and will disclose the relevant impact when the assessment is complete.

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 and IFRSs as endorsed by the FSC.

Basis of Preparation

The consolidated 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 basis of the degree to which the fair value measurement inputs are observable and significant of the inputs to the fair value measurement in its entirety; the inputs by level 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 one operating cycle 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 one operating cycle after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Since the operating cycles of TAC Co., Ltd., Sinshing Co., Ltd., TAC Financing Leasing Co., Ltd., TAC Financial Leasing Co., Ltd., Yulon Motor Finance (China) Co., Ltd., Yu Yuen 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.

  <u>Attribution of total comprehensive income to non-controlling interests</u>

  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.

  <u>Changes in the Group's ownership interests in existing subsidiaries</u>

  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, Table 9 and Table 10 for the subsidiaries' name, percentage of shares owned by the Company and main businesses.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire 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 acquire and the fair value of the acquirer's previously held interest in the acquire, the excess is recognized immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is incompleted 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 owner's 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/is included in the calculation of equity transactions but 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.

Taiwan Acceptance Corporation (TAC) 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 TAC's inventories.

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 forms part of 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 increase.

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 the joint venture on the same basis as would be required if that associate 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' consolidated financial statements only to the extent of interests in the associate and the joint venture that are not related to the Group.

Property, Plant and Equipment

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

Properties, 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 significant in relation to the total cost of the item is depreciated separately. If the lease term is shorter than the useful lives, assets are 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 the 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.

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.

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

On the 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 basis of the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for 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 the derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

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 carrying amount allocated to the CGU, with the recoverable amount of the CGU to which the asset belongs. If this reasonable and consistent basis of allocation cannot be applied to the CGU to which the asset belongs and can be applied instead to the smallest group of CGUs to which the CGU belongs, this smallest group is used for impairment testing.

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

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit (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 an impairment loss reserves the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for 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 that are 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

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, held-to-maturity investment, available-for-sale financial assets, and loans and receivables.

a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when they are either held for trading or designated as at fair value through profit or loss (FVTPL).

Financial assets may be designated as at FVTPL upon initial recognition if:

i. Such designation eliminates or significantly reduces an inconsistent measurement or recognition that would otherwise arise; or

ii. The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy and information about the Company is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated 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.

Investments in equity instruments under financial assets at fair value through profit or loss with no quoted market prices in an active market and with fair values that cannot be reliably measured and derivatives that are linked to and must be settled by delivery of these unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

b) Held-to-maturity investments

Held-to-maturity investments are nonderivative financial assets with fixed or determinable payments and fixed maturity on which the Group has the positive intent and ability to hold to maturity. Furthermore, they are not designated as at fair value through profit or loss and are not classified as available-for-sale financial assets nor can they be considered loans and receivables. The central government bond, which the Group has the positive intent and ability to hold to maturity is classified as held-to maturity investments.

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

c) Available-for-sale financial assets (AFS financial assets)

Available-for-sale financial assets are non-derivatives that either are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of or is determined to be impaired.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established.

Available-for-sale equity investments with no quoted market prices in an active market and with fair values that cannot be reliably measured and derivatives that are linked to and must be settled by the delivery of these unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

d) Loans and receivables

Loans and receivables (including trade receivables, cash and cash equivalents, debt investments with no active market and other receivables) are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

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

2) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, such as trade receivables, assets are assessed for impairment collectively even if they have been assessed as not impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments and an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on trade receivables.

For financial assets carried at amortized cost, the amount of impairment loss recognized is the difference between the asset’s carrying amounts and the present value of estimated future cash flows, discounted at the financial assets’ original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the impairment losses decrease and the decreases can be related objectively to events occurring after impairment recognition, the previously recognized impairment losses are reversed through profit or loss to the extent that the carrying amounts of the investments at the date the impairments do not exceed what the amortized costs would have been had the impairments not been recognized.

When an available-for-sale (AFS) financial asset is considered impaired, cumulative loss previously recognized in other comprehensive income is reclassified to profit or loss in the impairment period. However, impairment loss on AFS equity securities previously recognized in profit or loss cannot be reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. On available-for-sale debt securities, the impairment loss is subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. This impairment loss will not be reversed in subsequent periods.

The carrying amounts of the financial assets are reduced by the impairment loss directly for all financial assets with the exception of trade receivables, of which the carrying amount is reduced through the use of an allowance account. When trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance accounts. Changes in the carrying amounts of the allowance accounts are recognized in profit or loss, except for uncollectible accounts receivable that are written off against the allowance account.

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 the full derecognition of a financial asset in its entirety, 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.

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

<u>Financial liabilities at fair value through profit or loss (FVTPL)</u>

Financial liabilities are classified as at FVTPL when the financial liabilities are held for trading.

Financial liabilities at fair value through profit or loss are stated 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 interest or dividend paid on the financial liability.

2) Derecognition of financial liabilities

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

d. Convertible bonds

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

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

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

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds.

e. Derivative financial instruments

The Group uses derivative financial instruments, such as forward exchange contracts, foreign currency option contracts and interest rate swaps, to manage its exposure to interest rate risks and exchange rate risks.

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 non-derivative host contracts 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 contracts are not measured at fair value through profit or loss.

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 on the ineffective portion 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

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.

a. Sale of goods

   Revenue from the sale of goods is recognized when all the following conditions are satisfied:

   1) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

   2) The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

3) The amount of revenue can be measured reliably;

4) It is probable that the economic benefits associated with the transaction will flow to the Group; and

5) The transaction costs incurred in respect of the transaction can be measured reliably.

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 materials ownership.

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 a multiple element revenue transaction, and award credits should be accounted for 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 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.

c. Investment income

For security transactions by Yung Hong Investment Company and Tai Yuen Venture Capital Company, the difference between a security carrying amount 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.

Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract at the end of the reporting period and are measured on the basis of the percentage of contract costs incurred to date to the estimated total contract costs, except this measurement is not representative of actual substance. Variations in contract work, claims and incentive payments are included to the extent the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized profits less recognized losses exceed progress billings, the excess is shown as construction contracts receivable. When progress billings exceed contract costs incurred to date plus recognized profits less recognized losses, the surplus is shown as construction contracts payable.

Leasing

Leases are classified as finance leases whenever the lease terms provide for the transfer of substantially all the risks and rewards of ownership to the lessee. Otherwise, the leases are classified as operating leases.

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 as the assets are substantially ready for their intended use or sale.

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

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

Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

c. Termination benefits

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

Taxation

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

a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

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

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized.

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 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 tax for the year

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

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 trade receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Write-down of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

c. 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.

d. Recognition and measurement of defined benefit plans

The present value of a defined benefit obligation, the related current service cost, and past service cost are calculated using the projected unit credit method. This method involves the use of actuarial assumptions on the discount rate, rate of employee turnover, future salary increase, and other variables that will determine the final cost of postemployment benefits. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash on hand	$ 76,180	$ 252,204
Checking accounts and demand deposits	13,475,800	15,504,692
Cash equivalent		
Commercial paper	-	10,860
Time deposits with original maturities within 3 months	2,601,402	3,353,915
Repurchase agreements collateralized by bonds	151,742	224,890
	$ 16,305,124	$ 19,346,561

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial assets at FVTPL - current		
Financial assets designated as at FVTPL		
Credit-linked instruments	$ 482,006	$ 518,613
Principal guaranteed financial assets	800,019	134,483
	1,282,025	653,096
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Interest swap contracts*	-	20
Convertible bond redemption rights and put provision (Note 23)	115	77
Non-derivative financial assets		
Quoted stocks	50,747	98,789
Beneficial certificates - mutual funds	3,415,786	1,489,941
	3,466,648	1,588,827
	$ 4,748,673	$ 2,241,923
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Interest rate swap contracts*	$ 2,904	$ -

* The Group entered into interest rate swap contracts to hedge against exposures due to interest rate fluctuations of assets and liabilities. Interest rate swap contracts in the Company's possession did not qualify for hedge accounting; thus, the Group did not apply hedge accounting.

At the end of the reporting period, outstanding interest swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Interest Rate-Payment	Interest Rate Receipt
December 31, 2015			
$ 300,000	2017.06.01	0.98%	Note 2
200,000	2017.07.31	0.95%	Note 2
200,000	2017.06.19	0.97%	Note 2
200,000	2017.03.27	0.95%	Note 2
December 31, 2014			
$ 500,000	2015.01.26	0.88%	Note 1
500,000	2015.01.26	0.88%	Note 1

Note 1: Based on the 90 days' Reuters-6165 interest rate prevailing on two operating days before issue date.

Note 2: Based on the three months' TAIBOR - Reuters interest rate prevailing on two operating days before the IRS contract issue date.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Current		
Quoted stocks	$ 177,134	$ 322,674
Non-current		
Quoted stocks	$ 381,081	$ 740,881
Others	2,234	4,414
	$ 383,315	$ 745,295

9. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31	
	2015	2014
Non-current		
Bond investment - Central Government Development Bonds	$ 17,557	$ 18,019

Taiwan Acceptance Corporation ("TAC") and Shin Shin Credit Corporation ("SCC") have invested in Central Government Development Bonds with the yearly payment coupon rates of 3.75% and 1.42% and maturity dates of August 16, 2022 and February 13, 2021.

As of December 31, 2015 and 2014, TAC and SCC pledged Central Government Development Bonds with the face value of $6,400 thousand and $5,200 thousand, respectively as guaranteed deposits for evidence of claims from the courthouse.

10. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING - CURRENT

	December 31	
	2015	**2014**
Derivative financial assets under hedge accounting		
Cash flow hedges - cross-currency swaps (a)	$ 1,135	$ -
Derivative financial liabilities under hedge accounting		
Cash flow hedges - interest rate swaps (b)	$ 1,856	$ 1,200

a. The Group uses cross-currency swaps (CCS) mainly to avoid adverse risks due to exchange rate and interest rate fluctuations. The CCS contract terms are identical to those for debts under hedging; thus, the Company's management considered CCS contracts as highly effective hedging tools. The outstanding CCS contract at the end of the reporting period was as follows:

Notional Amount (In Thousands)	Maturity Date	Interest Rate - Payment	Interest Rate - Receipt
December 31, 2015			
US$20,000	2016.11.10	0.84%	3-month London InterBank Offer Rate plus 0.5%

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 Group's management considered these contracts a highly effective tool for hedging. The outstanding IRS contracts at the end of the reporting period were as follows:

Notional Amounts (In Thousands)	Maturity Date	Interest Rate - Payment	Interest Rate - Receipt
December 31, 2015			
$ 100,000	2016.09.29	Note 2	1.055%
200,000	2016.10.11	Note 2	1.030%
200,000	2016.10.11	Note 2	1.030%
200,000	2016.10.28	Note 2	0.990%
200,000	2016.10.28	Note 2	0.990%

(Continued)

Notional Amounts (In Thousands)	Maturity Date	Interest Rate - Payment	Interest Rate - Receipt
December 31, 2014			
$ 200,000	2015.02.20	Note 1	0.94%
200,000	2016.10.11	Note 1	1.03%
200,000	2016.10.11	Note 1	1.03%
200,000	2016.10.28	Note 1	0.99%
200,000	2016.10.28	Note 1	0.99%
100,000	2016.10.29	Note 1	1.06%

(Concluded)

Note 1: Based on the 90 day Reuters-6165 fixed interest rate prevailing on two operating days before the IRS contract issue date.

Note 2: Based on the three months TAIBOR - Reuters interest rate prevailing on two operating days before the IRS contract issue date.

11. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2015	2014
Current		
Domestic unlisted common shares	$ 3,010	$ 45,689
Non-current		
Domestic unlisted common shares	$ 193,758	$ 463,499
Others	1,921	1,922
	$ 195,679	$ 465,421
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 198,689	$ 511,110

The unlisted common shares held by the Group above were measured at cost less impairment at the end of each reporting period. Management believed that the fair values cannot be reliably measured because the range of fair values determined using estimation methods was significant and the probabilities of each value were unable to be determined.

12. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	December 31	
	2015	2014
Current		
Reserve account	$ 295,065	$ 839,395
Pledged time deposits	9,540	29,667

(Continued)

	December 31	
	2015	2014
Time deposits with original maturity more than 3 months	$ 3,165,549	$ 906,866
Restricted bank deposit (Note)	2,545,828	-
	$ 6,015,982	$ 1,775,928
Non-current		
Reserve account	$ -	$ 38,746
Pledged time deposits	8,709	11,772
Time deposits with original maturity more than 3 months	5,079	32,454
	$ 13,788	$ 82,972

(Concluded)

Note: Under the approval of the State Administration of Foreign Exchange in Mainland China, Yulon Motor Finance (China) Co., Ltd. may use the bank deposit only after it starts its operations.

Refer to Note 35 for information relating to debt investments with no active market pledged as security.

13. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2015	2014
Notes receivable		
Notes receivable - operating	$ 23,314,757	$ 20,581,081
Less: Allowance for impairment loss	(454,017)	(473,083)
Unrealized interest income	(1,377,317)	(1,229,594)
	$ 21,483,423	$ 18,878,404
Trade receivables		
Trade receivables - operating	$ 51,693,322	$ 45,671,765
Less: Allowance for impairment loss	(1,366,660)	(1,147,852)
Unrealized interest income	(4,645,045)	(4,248,341)
	$ 45,681,617	$ 40,275,572

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.

The trade receivables for "Horizontal Segments" within the Group are composed of receivable acquisitions from external parties, receivables on the promotion of car loans and receivables on cars on display at auto shows. Principal and interests are collected monthly. For delayed payments, interests are accrued on the basis of the number of days that payments are outstanding. Based on past experience and macroeconomic factors, the receivable settlement period is 180 days, after which receivable amounts could be considered uncollectible or default could occur. However, collection periods exceeding 180 days are extremely unlikely. If receivables remain unsettled after 180 days, the amounts are written off.

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 aging of receivables was as follows:

	December 31	
	2015	**2014**
Based on the past due date		
Not past due	$ 67,801,529	$ 60,248,629
1-180 days	1,035,995	383,587
Over 180 days	148,193	142,695
	$ 68,985,717	$ 60,774,911

The aging of receivables that were past due but not impaired was as follow:

	December 31	
	2015	**2014**
Based on the past due date		
1-180 days	$ 116,270	$ 51,205
Over 180 days	5,498	745
	$ 121,768	$ 51,950

The movements of the allowance for doubtful trade receivables were as follows:

	Individually Assessed for Impairment	**Collectively Assessed for Impairment**	**Total**
Balance at January 1, 2014	$ 16,026	$ 1,354,617	$ 1,370,643
Add: Impairment losses (gains) recognized on receivables	5,672	841,115	846,787
Deduct: Amounts written off during the period as uncollectible	(1,180)	(598,428)	(599,608)
Foreign exchange translation gains and losses	376	2,737	3,113
Balance at December 31, 2014	$ 20,894	$ 1,600,041	$ 1,620,935

(Continued)

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2015	$ 20,894	$ 1,600,041	$ 1,620,935
Add: Impairment losses recognized on receivables	8,288	794,625	802,913
Deduct: Amounts written off during the period as uncollectible	(2,877)	(583,416)	(586,293)
Foreign exchange translation gains and losses	(228)	(16,650)	(16,878)
Balance at December 31, 2015	$ 26,077	$ 1,794,600	$ 1,820,677

(Concluded)

The Group recognized impairment loss on trade receivables amounting to $26,077 thousand and $20,894 thousand as of December 31, 2015 and 2014, respectively. These amounts mainly related to customers that were in liquidation (or in severe financial difficulties). The Group did not hold any collateral over these balances.

14. FINANCE LEASE RECEIVABLES

	December 31	
	2015	2014
Gross investment in leases		
Up to one year	$ 8,249,706	$ 5,677,667
More than one year and up to five years	5,226,120	4,769,054
More than five years	10,796	982
	13,486,622	10,447,703
Less: Unearned finance income	(1,615,393)	(1,363,365)
Less: Allowance for uncollectible lease payments	(603,356)	(349,295)
Present value of minimum lease payments	$ 11,267,873	$ 8,735,043
Finance lease receivables		
Up to one year	$ 7,255,672	$ 4,825,405
More than one year and up to five years	4,605,099	4,257,969
More than five years	10,458	964
	11,871,229	9,084,338
Less: Allowance for uncollectible lease payments	(603,356)	(349,295)
Finance lease receivables	$ 11,267,873	$ 8,735,043
Current	$ 10,089,962	$ 6,857,460
Non-current	1,177,911	1,877,583
	$ 11,267,873	$ 8,735,043

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.24 years.

The implicit interest rates for the finance lease term were determined at the contract date. As of December 31, 2015 and 2014, these interest rates were between 4.62% to 14.15% and 5.30% to 14.82%, respectively.

The aging of finance lease receivables that was as follows:

	December 31	
	2015	2014
Not past due	$ 10,820,323	$ 8,523,781
1-180 days	659,284	403,113
Over 181 days	391,622	157,444
	$ 11,871,229	$ 9,084,338

The above aging schedule was based on the past due date.

Movements in the allowance for impairment loss recognized on finance lease receivables were as follows:

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 349,295	$ 188,524
Add: Impairment losses recognized on receivables	264,032	143,166
Foreign exchange translation gains and losses	(9,971)	17,605
Balance at December 31	$ 603,356	$ 349,295

15. INVENTORIES

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

	December 31	
	2015	2014
Finished goods	$ 6,140,644	$ 6,445,581
Work in progress	264,944	651,695
Raw materials	2,928,621	3,350,101
	9,334,209	10,447,377
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		
Zhong-Li Fushin Section	75,348	75,348
	$ 9,413,898	$ 10,527,066

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2015 and 2014 was $92,252,970 thousand and $91,584,375 thousand, respectively.

The cost of goods sold for the years ended December 31, 2015 and 2014 included reversal of inventory write-downs of $54,111 thousand and inventory write-downs of $371,287 thousand, respectively.

Refer to Note 35 for information relating to inventories pledged as security.

16. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Entities included in the Group's consolidated financial statements were as follows:

			% of Ownership December 31		
Investor	**Investee**	**Main Businesses**	**2015**	**2014**	**Remark**
The Company	Taiwan Acceptance Corporation ("TAC Corporation")	Sale and lease of cars and parts	46.90	47.93	For the nine months ended December 31, 2015, the issuance by TAC Corporation of common shares for the conversion of convertible resulted in the decrease in Group's percentages of ownership of the investee to 46.90%.
	Yu Sing Motor Co., Ltd. ("Yu Sing")	Sale, maintenance and repair of cars and parts	90.33	90.33	-
	Qinton Motor Co., Ltd. ("Qinton")	Sale and maintenance of cars and parts	100.00	100.00	-
	Yushin Motor Co., Ltd. ("Yushin")	Sale, maintenance and repair of cars and parts	80.00	80.00	-
	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")	Wholesale of cars and parts	100.00	100.00	-
	Yu Ching Business Co., Ltd. ("Yu Ching")	Import and export and sale of cars and parts	100.00	100.00	-
	Leader Investment Co., Ltd. ("Leader")	Investments	-	-	Yung Hong and Leader merged in the 4th quarter of 2014 with Yung Hong as survivor entity.
	Yung Hong Investment Co., Ltd. ("Yung Hong")	Investments	100.00	100.00	-
	Yu Hong Investment Co., Ltd. ("Yu Hong")	Investments	-	-	Yung Hong and Yu Hong merged in the 4th quarter of 2014 with Yung Hong as survivor entity.
	Yu Pong Business Co., Ltd. ("Yu Pong")	Yulon basketball team management and related services	99.99	99.99	-
	Singan Co., Ltd. ("Singan")	Wholesale and retail of information software	35.62	35.62	The Group's percentages of ownership in the investee were 64.96% in the two reporting periods.
	Tai Yuen Venture Capital Co., Ltd. ("Tai Yuen")	Investments	49.50	49.50	The Group's percentages of ownership in the investee were 49.52% in the two reporting periods.
	Chan Yun Technology Co., Ltd. ("Chan Yun")	Wholesale and retail of information software	43.85	43.85	-
	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	28.29	The Group's percentages of ownership in the investee were 45.99% in the 4th quarter of 2015 and 40.29% the 4th quarter of 2014.
	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	50.58	50.58	The Group owned 50.66% of Yueki in the two reporting periods.
	Yue Sheng Industrial Co., Ltd. ("Yue Sheng")	Car manufacture and furnishing; manufacture, installation and sale of car parts	50.97	50.98	The Group sold 1,000 shares to non-controlling interests in the 1st quarter of 2015. As a result, the Group ownership of Yue Sheng decrease to 50.97%.
	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 Empowerin 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	100.00	-
	Peidu TOBE Motor Co., Ltd. ("Peidu Tobe")	Sale of cars and parts	-	80.00	Peidu Tobe had been extinguished by liquidation in the 2nd quarter of 2015.
	Yulon Energy Service Co., Ltd. ("Yulon Energy")	Wholesale and retail sale of batteries	100.00	100.00	-
	Sin Jang Enterprises ("Sin Jang")	Sale and brokerage of secondhand vehicles	20.01	20.01	The Group owned 80% of Sin Jang in the two reporting periods.
	Yulon Motor Finance (China) Co., Ltd. ("Yulon Motor Finance")	Car purchases and loans to car dealers for car purchases	51.00	-	The Group owned 100% of Yulon Motor Finance in the 4th quarter of 2015.
TAC Corporation	Shin Shin Credit Corporation ("SCC")	Installment-related financing services for car and truck purchases	100.00	100.00	-
	Car-plus Auto	Car lease and trade	68.57	68.57	The Group owned 72.03% of Car-plus in the two reporting periods.
	TAC Global Investment (Samoa) Co., Ltd. ("TAC Global")	Shareholding company	100.00	100.00	-
	Empower	Sale, maintenance and repair of cars and parts	27.00	27.00	The Group owned 47% of Empower in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2015	2014	Remark
	Sin Jang Co., Ltd. (Sin Jang)	Sales and brokerage of secondhand vehicles	40.00	40.00	The Group owned 80% of Sin Jang in the two reporting periods.
	Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	49.00	-	The Group owned 100% of Yulon Motor Finance in the 4th quarter of 2015.
SCC	Shinshin Global Investment (Samoa) Co., Ltd. ("Shinshin Samoa")	Shareholding company	100.00	-	Established in 4th quarter of 2015.
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	19.99	The Group owned 80% of Sin Jang in the two reporting periods.
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	60.00	60.00	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 wholly owned 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 wholly owned Car-Plus Shanghai in the two reporting periods.
TAC Global	Car-Plus China Investment (Samoa) Co., Ltd. ("Car-Plus China")	Holding company	40.00	40.00	The Group wholly owned Car-Plus China in the two reporting periods.
	Car-Plus Shanghai Investment (Samoa) Co., Ltd. ("Car-Plus Shanghai")	Holding company	40.00	40.00	The Group wholly owned Car-Plus Shanghai in the two reporting periods.
	Yu Rong International Investment (Samoa) Co., Ltd. ("Yu Rong International")	Holding company	100.00	100.00	-
	Sinjang International Investment (Samoa) Co., Ltd. ("Sinjang Samoa")	Holding company	40.00	40.00	The Group owned 100% of Sinjang (Samoa) in the two reporting periods.
Shinshin Samoa	TAC Financial Leasing Co., Ltd. ("TAC Financial")	Financial lease of equipment	40.00	-	The Group wholly owned 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	-
Yu Rong International	TAC Leasing (Suzhou) Co., Ltd. ("TAC Leasing (Suzhou)")	Financial lease of equipment	100.00	100.00	-
	TAC Financial	Financial lease of equipment	40.00	80.00	The Group wholly owned TAC Financial in the two reporting periods.
Yu Sing Company	Yu-Jan Co., Ltd. ("Yu-Jan")	Sale, maintenance and repair of car and parts	100.00	100.00	-
	Luxgen Motor Taipei Co., Ltd. ("Luxgen Taipei")	Sale of cars and parts	1.29	1.29	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taipei decrease to 74.99%. The Group's percentages of ownership in the investee were 75% in the 4th quarter of 2014
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 sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taoyuan decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	Yu Shin Investment ("Yu Shin Investment")	Investments	100.00	100.00	-
Sin Chi Company	Yu Chia Motor Co., Ltd. ("Yu Chia")	Sale, maintenance and repair of heavy vehicles and parts	100.00	100.00	-
	Chanchen Inter Consulting ("Chanchen")	Management consulting, lease of real estate, general advertising, etc.	100.00	100.00	-
Yung Hong	Blue Water Ventures International Co., Ltd. ("Blue Water")	Investments in the manufacturing, service and financial industries	-	100.00	Blue Water had been extinguished by liquidation in the 4th quarter of 2015.
	Tai Yuen	Investments	0.02	0.02	The Group owned 49.52% of Tai Yuen in the two reporting periods.
	Leader	Investments	-	-	Yung Hong and Leader merged in the 4th quarter of 2014 with Yung Hong as survivor entity.
	Prosperity Capital Holdings Company ("Prosperity Capital")	Investments in various production, service and financial industries	-	100.00	Blue Water had been extinguished by liquidation in the 4th quarter of 2015.
	Yu Yuen Development Company ("Yu Yuen")	Construction	32.65	32.65	The Group owned 98.6% of Yu Yuen in the two reporting periods. Acquired by the mergence with Yu Hong in the 4th quarter of 2014.
Yu Ching	Chinh-Ling RTC Co., Ltd. ("Chinh-Ling")	Product design	100.00	100.00	-
	Yu Yuen	Construction	33.30	33.30	The Group owned 98.6% of Yu Yuen in the two reporting periods.
	Singan	Wholesale and retail of information software	9.56	9.56	The Group owned 64.96% of Singan in the two reporting periods.
Yu Pong	Yu Yuen	Construction	32.65	32.65	The Group owned 98.6% of Yu Yuen in the two reporting periods.
Singan	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	100.00	-
Singgual Travel	Shang Hai Jing-Huei Investment Co., Ltd. ("Shang Hai Jing-Huei")	Sale of car equipment and parts	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2015	2014	Remark
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	-
	Mega Elegant Investment Limited ("Mega Elegant")	Investments	-	100.00	Mega Elegant and Yulon China (HK) Holding merged in the 4th quarter of 2015 with Yulon China (HK) Holding as survivor entity.
	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	-
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 f equipment	20.00	20.00	The Group wholly owned TAC Finance in three reporting periods.
	Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")	Investments	54.55	54.55	The Group owned 100% of Sheng Qing in three reporting periods.
Yulon China (HK) Holding	Xiamen Young Chang Investment Co., Ltd. ("Xiamen Young Chang")	Renders consulting services on cars, electronics, textiles and related products	100.00	100.00	Acquired by the mergence with Mega Elegan in the 4th quarter of 2015.
Xiamen Young Chang	Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")	Investments	45.45	45.45	The Group owned 100% of Sheng Qing in three 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	Qing Tai (Nan Jing) Technology Co., Ltd. ("Qing Tai")	Computer software maintenance and computer system integration	100.00	100.00	-
Wen Yang	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 wholly owned Jin Ce in the two reporting periods.
	Shi Cheng (Zhang Zhou) Technology Develop Co., Ltd. ("Shi Cheng")	Computer software maintenance and computer system integration	90.00	90.00	The Group wholly owned 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 wholly owned Mei De in the two reporting periods.
Tai Feng	Jin Ce	Computer software maintenance and computer system integration	30.00	30.00	The Group wholly owned Jin Ce in the two reporting periods.
	Mei De	Computer software maintenance and computer system integration	90.00	90.00	The Group wholly owned Mei De in the two reporting periods.
	Yi Ding (Zhang Zhou) Information Technology Co., Ltd. ("Yi Ding")	Computer software maintenance and computer system integration	10.00	10.00	The Group wholly owned Yi Ding in the two reporting periods.
Ke Yu	Shi Cheng	Computer software maintenance and computer system integration	10.00	10.00	The Group wholly owned Shi Cheng in the two reporting periods.
	Yi Ding	Computer software maintenance and computer system integration	90.00	90.00	The Group wholly owned Yi Ding in the two reporting periods.
Jin Ce	Dong Tai (Bei Jin) Investment Co., Ltd. ("Dong Tai")	Investments	10.00	10.00	The Group wholly owned Dong Tai in the two reporting periods.
	Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")	Investments	10.00	10.00	The Group wholly owned Gao Te in the two reporting periods.
Shi Cheng	Dong Tai	Investments	90.00	90.00	The Group wholly owned Dong Tai in the two reporting periods.
Yi Ding	Gao Te	Investments	90.00	90.00	The Group wholly owned 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	-	The Group acquired An Hui Min Tong in the 1st quarter of 2015.
	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")	Sale and maintenance of cars and parts	100.00	-	The Group acquired An Ching Tsai Tong in the 1st quarter of 2015.
	An Ching Ling Tong Auto Sale & Service Co., Ltd. ("An Ching Ling Tong")	Sale and maintenance of cars and parts	100.00	-	The Group acquired An Ching Ling Tong in the 1st quarter of 2015.
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	Sale and maintenance of cars and parts	100.00	-	The Group acquired Tong Ling Kuo Tong in the 1st quarter of 2015.
	He Fei Chun Hui Auto Sale & Service Co., Ltd. ("He Fei Chun Hui")	Sale and maintenance of cars and parts	100.00	-	The Group acquired He Fei Chun Hui in the 1st quarter of 2015.
	Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	100.00	-	Established in the 2nd quarter of 2015.
Sheng Qing	Zhu Hai Fu Te En Industry & Trade Co, Ltd. ("Zhu Hai Fu Te En")	Sale and maintenance of cars and parts	100.00	100.00	-
	Guang Zhou Yuan Du Auto Sale & Service Co, Ltd. ("Guang Zhou Yuan Du")	Sale and maintenance of cars and parts	51.00	51.00	-
	Su Zhou Feng Shen Auto Sale & Service Co, Ltd. ("Su Zhou Feng Shen")	Sale and maintenance of cars and parts	40.00	40.00	-
	Shen Jun Yu Peng Auto Sale & Service Co, Ltd. ("Shen Jen Yu Peng")	Sale and maintenance of cars and parts	65.00	65.00	-
	Nanjing Hanhong Motor Trading Co., Ltd. ("Nanjing Hanhong")	Sale and maintenance of cars and parts	100.00	100.00	-
	Wuhan Yu Hsin Auto Sale & Service Co., Ltd. ("Wuhan Yu Hsin")	Sale and maintenance of cars and parts	100.00	100.00	-
	Shanghai Yuexing Auto Sale & Service Co., Ltd. ("Shanghai Yuexing")	Sale and maintenance of cars and parts	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2015	2014	Remark
	Jiangmen Junxing Auto Sale & Service Co., Ltd. ("Jiangmen Junxing")	Sale and maintenance of c and parts	100.00	100.00	-
	Shanghai Yuming Auto Sale & Service Co., Ltd. ("Shanghai Yuming")	Sale and maintenance of cars and parts	51.00	51.00	The Group wholly owned Shanghai Yuming in three reporting period.
	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	100.00	100.00	-
	Hang Zhou Yu Zhong Trading Co., Ltd. ("Hang Zhou Yu Zhong")	Trading	100.00	100.00	-
	Guang Zhou Yuan Zhi Auto Sales & Services Co, Ltd. ("Guang Zhou Yuan Zhi")	Sale, maintenance and repair of cars and parts	-	100.00	The Group wholly owned Guang Zhou Yuan Zhi in three reporting period.
	Ning Bo Yu Cheng Auto Sales & Services Co, Ltd. ("Ning Bo Yu Cheng")	Sale, maintenance and repair of cars and parts	51.00	51.00	The Group wholly owned Ning Bo Yu Cheng in three reporting period.
	Fu Jian Yu Xin Auto Sales & Services Co, Ltd. ("Fu Jian")	Sale, maintenance and repair of cars and parts	100.00	100.00	-
	Hang Zhou Hua Zhi Auto Sales & Services Co, Ltd. ("Huang Zhou Hua Zhi")	Sale, maintenance and repair of cars and parts	60.00	60.00	-
	Changsha Yu Lu Auto Sale & Service Co, Ltd. ("Changsha Yu Lu")	Sale and maintenance of cars and parts	100.00	100.00	-
Gao Te	Hang Zhou Qien Yu Investment Co., Ltd. ("Hang Zhou Qien Yu")	Investments	100.00	100.00	-
Su Zhou Cheng Logn	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	-	The Group owned 100% of Guang Zhou Yuan Zhi in the two reporting periods
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	Ka Shin Yu Da Auto Sale & Service Co., Ltd. ("Ka Shing Yu Da")	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	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	Had Changed the Company's name from NMPI to UMPI since the 3rd quarter of 2014. In the 4th quarter of 2014, the Group's percentages of ownership in the investee increased to 100% by acquiring 13.46% of shares.
	Sta. Cruz Island Corporation (SCIC)	Plant lease	100.00	100.00	In the 4th quarter of 2014, the Group's percentages of ownership in the investee increased to 100% by acquiring 13.46% of shares.
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 IIntl HK	Hangchow Y-Teks Automotive Trim Parts ("Hangchow Y-Teks")	Manufacturing and sale of car interior furnishing and related business	100.00	100.00	-
	Changzhou Y-Teks Automotive Trim Parts (Changzhou Y-Teks")	Manufacturing and sale of car interior furnishing and related business	51.00	51.00	-
Union & NKH Auto Parts Company	Uni Investment Co., Ltd. ("Uni Investment")	Investments	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31 2015	2014	Remark
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	100.00	100.00	-
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	Hang Zhow Yue Wan Motor Parts Co., Ltd. ("Hang Zhow Yue Wan")	Manufacturing of key car components, electric cars and related parts	100.00	100.00	-
Yue Sheng	Y-Teks	Manufacturing and decorating and import and export of car parts; serving as car parts sales agent	11.99	12.00	The Group's percentages of ownership in the investee were 45.99% in the 4th quarter of 2015 and 40.29% the 4th quarter of 2014.
	Yueki	Manufacturing and sale of car components	0.08	0.08	The Group owned 50.66% of Yueki in the two reporting periods.
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	20.00	20.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Kaohsiung decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	Yu Chang China Investment Co., Ltd.	Investments	100.00	100.00	-
Yu Chang China Investment Co., Ltd.	Ning Bo Yu Cheng Auto Sales & Service Co., Ltd. (Ning Bo Yu Cheng")	Sales, maintenance and repair of cars and parts	49.00	49.00	The Group wholly owned Ning Bo Yu Cheng in three reporting period.
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	20.00	20.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taichung decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	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 wholly owned Shanghai Yuming in the two reporting periods.
Luxgen	Luxgen Taipei	Sale, maintenance and repair of cars and parts	73.70	73.71	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taipei decrease to 74.99%. The Group's percentages of ownership in the investee were 75% in the 4th quarter of 2014
	Luxgen Taoyuan	Sale, maintenance and repair of cars and parts	59.99	60.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taoyuan decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	Luxgen Taichung	Sale, maintenance and repair of cars and parts	59.99	60.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Taichung decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	59.99	60.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Tainan decrease to 59.99%.
	Luxgen Kaohsiung	Sale, maintenance and repair of cars and parts	59.99	60.00	The Group sold 1,000 shares to non-controlling interests in the 4th quarter of 2015. As a result, the Group ownership of Luxgen Kaohsiung decrease to 79.99%. The Group's percentages of ownership in the investee were 80% in the 4th quarter of 2014
	Singan	Wholesale and retail of information software	19.78	19.78	The Group owned 64.96% of Yueki in the two reporting periods.
	Luxgen Overseas Holdings Private Limited ("Luxgen Overseas Holdings")	Investments	100.00	100.00	-
Luxgen Overseas Holdings	Luxgen Motor Limited Liability Company ("Luxgen Motor Limited Liability")	Sale of cars and parts	99.99	99.99	-
Yulon Energy Company	Power Engineering Co., Ltd.	Wholesale and retail of batteries	100.00	100.00	-

(Concluded)

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2015	2014
TAC	53.10%	52.07%

See Table 9 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests 2015	2014	Accumulated Non-controlling Interests December 31 2015	2014
TAC (excluding its subsidiaries' non-controlling interests)	$ 750,439	$ 768,449	$ 5,910,144	$ 5,490,188

The summarized financial information below represents amounts before intragroup eliminations.

TAC and TAC's subsidiaries:

	December 31 2015	2014
Current assets	$ 80,900,218	$ 66,785,130
Non-current assets	17,847,975	18,345,222
Current liabilities	(85,099,228)	(74,280,720)
Non-current liabilities	(2,216,201)	(1,197,238)
Equity	$ 11,432,764	$ 9,652,394
Equity attributable to:		
Owners of TAC	$ 4,926,517	$ 3,566,426
Non-controlling interests of TAC	5,910,144	5,490,188
Non-controlling interests of TAC's subsidiaries	596,103	595,780
	$ 11,432,764	$ 9,652,394

	December 31 2015	2014
Revenue	$ 16,835,933	$ 15,637,337
Net profit for the period	$ 1,542,030	$ 1,636,813
Other comprehensive income for the period	57,685	118,402
Total comprehensive income for the period	$ 1,599,715	$ 1,755,215

(Continued)

	December 31	
	2015	2014
Profit attributable to:		
Owners of TAC	$ 687,239	$ 759,943
Non-controlling interests of TAC	750,439	768,449
Non-controlling interests of TAC's subsidiaries	104,352	108,421
	$ 1,542,030	$ 1,636,813
Total comprehensive income attributable to:		
Owners of TAC	$ 777,937	$ 815,993
Non-controlling interests of TAC	722,673	824,544
Non-controlling interests of TAC's subsidiaries	99,105	114,678
	$ 1,599,715	$ 1,755,215
Net cash inflow (outflow) from:		
Operating activities	$ 294,283	$ (6,044,694)
Investing activities	(10,772,168)	(8,039,886)
Financing activities	11,313,101	14,455,330
Net cash inflow	$ 835,216	$ 370,750
Dividends paid to non-controlling interest:		
Non-controlling interests of TAC	$ 720,228	$ 636,661
Non-controlling interests of TAC's subsidiaries	$ 98,782	$ 88,396

(Concluded)

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2015	2014
Investment in associates	$ 33,723,813	$ 35,017,680
Investment in joint venture	90,919	42,084
	$ 33,814,732	$ 35,059,764

a. Investments in associates

	December 31	
	2015	2014
Material associates		
Yulon Nissan Motor Co., Ltd.	$ 10,894,709	$ 13,345,093
China Motor Company	4,476,654	4,481,698
	15,371,363	17,826,791
Non-material associates	18,352,450	17,190,889
	$ 33,723,813	$ 35,017,680

1) Material associates

Name	December 31	
	2015	2014
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.

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

Fair values of investments in associates are summarized as follows, based on the Level 1 fair value measurement derived from published quoted prices:

Associate	December 31	
	2015	2014
Yulon Nissan Motor Co., Ltd.	$ 42,164,050	$ 49,966,650
China Motor Company	2,663,892	3,431,142

Share of profit or loss and other comprehensive income of material associates was calculated based on the financial statements which have been audited.

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	
	2015	2014
Current assets	$ 12,313,731	$ 16,262,960
Non-current assets	18,865,304	20,243,587
Current liabilities	(6,989,699)	(6,369,203)
Non-current liabilities	(2,234,158)	(3,206,832)
Equity	$ 21,955,178	$ 26,930,512
Proportion of the Group's ownership	50.02%	50.02%

(Continued)

	December 31	
	2015	2014
Equity attributable to the Group	$ 10,981,980	$ 13,470,642
Unrealized gain or loss with associates	(87,271)	(125,549)
Carrying amount	$ 10,894,709	$ 13,345,093

(Concluded)

	For the Year Ended December 31	
	2015	2014
Revenue	$ 33,218,394	$ 33,176,837
Net income	$ 4,165,901	$ 6,523,759
Other comprehensive income	(141,235)	1,207,276
Total comprehensive income	$ 4,024,666	$ 7,731,035
Dividends received from Yulon Nissan Motor Co., Ltd.	$ 4,501,500	$ 2,921,474

China Motor Company and subsidiaries

	December 31	
	2015	2014
Current assets	$ 23,381,141	$ 22,939,000
Non-current assets	39,300,890	38,584,418
Current liabilities	(7,694,923)	(7,856,941)
Non-current liabilities	(2,327,897)	(2,267,307)
Equity	52,659,211	51,399,170
Non-controlling interest	(3,143,866)	(2,957,912)
	$ 49,515,345	$ 48,441,258
Proportion of the Group’s ownership	8.87%	8.87%
Equity attributable to the Group	$ 4,392,011	$ 4,296,740
Unrealized gain or loss with associates	(104)	(109)
Intersect shareholding (accounted for by the treasury stock method)	84,747	185,067
Carrying amount	$ 4,476,654	$ 4,481,698

	For the Year Ended December 31	
	2015	2014
Revenue	$ 36,884,447	$ 35,951,427
Net income	$ 3,504,688	$ 2,821,482
Other comprehensive income	(544,138)	732,458
Total comprehensive income	$ 2,960,550	$ 3,553,940
Dividends received from China Motor Company	$ 141,176	$ 135,038

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2015	**2014**
The Group's share of:		
Profit (loss) for the year	$ 1,481,482	$ (364,141)
Other comprehensive income (loss)	(26,622)	111,309
Total comprehensive income (loss) for the year	$ 1,454,860	$ (252,832)

As the end of the reporting period, since the Group's share of net equity of Nissan Philippines, Inc. was negative, the investments in these entities were reclassified to credit balance of investments accounted for by using equity method. (Please refer to Note 24).

Though the Group's percentage of ownership in Uni Calsonic Co., Ltd. and China Engine Co., Ltd. was not up to 20%, these entities were accounted for by using the equity method, since the Group has significant influence over them.

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the Philippine as required by Nissan Motors Company, the Group invested in Nissan Philippines, Inc., the joint venture among Nissan Motor Co., Ltd., the UMC Group and Yulon Philippine.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 was based on the associates' financial statements audited by the auditors for the same years.

b. Investment in joint ventures

	December 31	
	2015	**2014**
Joint ventures that are not individually material	$ 90,919	$ 42,084

	For the Year Ended December 31	
	2015	**2014**
The Group's share of:		
Loss for the year	$ (3,842)	$ (5,334)
Total comprehensive income for the year	$ (3,842)	$ (5,334)

The Group exercises joint control over Zhe Jiang Cheng Yi Company ("Zhe Jiang"), and its 50% investment in this entity was made through Yulon China Motor Investment and Sinjiang Samoa. Zhe Jiang's main business is the sale and brokerage of secondhand vehicles.

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.

18. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property to Lease	Construction in Progress	Total
Cost								
Balance at January 1, 2014	$ 7,218,336	$ 7,487,682	$ 11,736,085	$ 1,075,021	$ 4,714,139	$ 23,415,272	$ 307,421	$ 55,953,956
Additions	195,551	390,353	681,454	754,202	300,068	7,874,906	172,239	10,368,773
Disposals	-	(11,323)	(321,978)	(764,111)	(155,724)	(7,518,575)	-	(8,771,711)
Effect of foreign currency exchange differences	3,349	129,405	74,662	21,774	112,046	144,136	8,772	494,144
Reclassifications	(369,095)	(249,958)	164,550	54,733	389,326	(49,614)	(209,234)	(269,292)
Balance at December 31, 2014	$ 7,048,141	$ 7,746,159	$ 12,334,773	$ 1,141,619	$ 5,359,855	$ 23,866,125	$ 279,198	$ 57,775,870
Accumulated depreciation and impairment								
Balance at January 1, 2014	$ -	$ (2,932,001)	$ (6,417,274)	$ (368,397)	$ (2,499,798)	$ (8,582,170)	$ -	$ (20,799,640)
Disposals	-	10,222	224,513	179,484	118,888	4,454,678	-	4,987,785
Reclassifications	-	173,176	(804)	(24,419)	(95,486)	25,157	-	77,624
Impairment loss recognized	-	(85,750)	(529,260)	(8,041)	(3,683)	(93,865)	-	(720,599)
Depreciation expense	-	(283,264)	(786,455)	(187,134)	(624,483)	(4,510,232)	-	(6,391,568)
Effect of foreign currency exchange differences	-	(35,857)	(48,264)	(7,891)	(57,902)	(49,429)	-	(199,343)
Balance at December 31, 2014	$ -	$ (3,153,474)	$ (7,557,544)	$ (416,398)	$ (3,162,464)	$ (8,755,861)	$ -	$ (23,045,741)
Carrying amounts at December 31, 2014	$ 7,048,141	$ 4,592,685	$ 4,777,229	$ 725,221	$ 2,197,391	$ 15,110,264	$ 279,198	$ 34,730,129
Cost								
Balance at January 1, 2015	$ 7,048,141	$ 7,746,159	$ 12,334,773	$ 1,141,619	$ 5,359,855	$ 23,866,125	$ 279,198	$ 57,775,870
Additions	-	55,202	402,908	1,334,727	274,783	7,948,488	680,909	10,697,017
Disposals	-	(3,228)	(210,400)	(1,160,964)	(209,210)	(7,892,983)	-	(9,476,785)
Effect of foreign currency exchange differences	(651)	(77,352)	(37,329)	(10,213)	(51,024)	(55,631)	(3,451)	(235,651)
Reclassifications	(284,999)	(374,674)	305,787	40,159	237,655	(29,432)	(554,998)	(660,502)
Effect of the acquisition of control over subsidiaries	-	39,318	5,533	13,828	6,548	-	10,963	76,190
Balance at December 31, 2015	$ 6,762,491	$ 7,385,425	$ 12,801,272	$ 1,359,156	$ 5,618,607	$ 23,836,567	$ 412,621	$ 58,176,139
Accumulated depreciation and impairment								
Balance at January 1, 2015	$ -	$ (3,153,474)	$ (7,557,544)	$ (416,398)	$ (3,162,464)	$ (8,755,861)	$ -	$ (23,045,741)
Disposals	-	3,228	193,121	219,080	197,627	4,617,140	-	5,230,196
Reclassifications	-	149,711	6,343	(14,557)	9,831	14,352	-	165,680
Impairment loss recognized	-	-	(808,056)	(16,706)	-	(68,000)	-	(892,762)
Depreciation expense	-	(279,618)	(773,435)	(217,851)	(700,891)	(4,512,019)	-	(6,483,814)
Effect of foreign currency exchange differences	-	13,458	25,789	4,132	25,054	19,303	-	87,736
Effect of the acquisition of control over subsidiaries	-	(10,806)	(2,401)	(4,930)	(2,274)	-	-	(20,411)
Balance at December 31, 2015	$ -	$ (3,277,501)	$ (8,916,183)	$ (447,230)	$ (3,633,117)	$ (8,685,085)	$ -	$ (24,959,116)
Carrying amounts at December 31, 2015	$ 6,762,491	$ 4,107,924	$ 3,885,089	$ 911,926	$ 1,985,490	$ 15,151,482	$ 412,621	$ 33,217,023

For the years ended December 31, 2015 and 2014, since an evaluation of horizontal segments showed a market decline in the selling prices of second-hand vehicles, the estimated future cash flows were expected to decrease. In addition, an evaluation of brand segments showed that the sales volume of the remaining car models declined; in addition, the recoverable amounts of some buildings pertaining to the brand segments were lower than the carrying amounts. As a result, there were impairment losses of $892,762 thousand for 2015 and $720,599 thousand for 2014.

The above items of property, plant and equipment were 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

Property, plant and equipment pledged as collateral for bank borrowings were disclosed in Note 35.

19. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
Cost			
Balance at January 1, 2014	$ 7,911,251	$ 2,364,689	$ 10,275,940
Reclassifications to property, plant and equipment	369,095	214,528	583,623
Reclassifications to inventory	4,604	9,485	14,089
Additions	55,785	-	55,785
Disposals	(13,010)	(26,596)	(39,606)
Balance at December 31, 2014	$ 8,327,725	$ 2,562,106	$ 10,889,831
Accumulated depreciation and impairment			
Balance at January 1, 2014	$ -	$ (550,034)	$ (550,034)
Reclassifications to property, plant and equipment	-	(43,123)	(43,123)
Disposals	-	4,924	4,924
Depreciation expense	-	(77,099)	(77,099)
Balance at December 31, 2014	$ -	$ (665,332)	$ (665,332)
Carrying amount at December 31, 2014	$ 8,327,725	$ 1,896,774	$ 10,224,499
Cost			
Balance at January 1, 2015	$ 8,327,725	$ 2,562,106	$ 10,889,831
Reclassifications to property, plant and equipment	284,999	456,150	741,149
Disposals	(7,147)	(14,273)	(21,420)
Balance at December 31, 2015	$ 8,605,577	$ 3,003,983	$ 11,609,560
Accumulated depreciation and impairment			
Balance at January 1, 2015	$ -	$ (665,332)	$ (665,332)
Reclassifications to property, plant and equipment	-	(165,680)	(165,680)
Disposals	-	2,930	2,930
Depreciation expense	-	(70,869)	(70,869)
Balance at December 31, 2015	$ -	$ (898,951)	$ (898,951)
Carrying amount at December 31, 2015	$ 8,605,577	$ 2,105,032	$ 10,710,609

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

The fair values of investment assets as of December 31, 2015 and 2014 based on the valuation by an independent professional appraiser were as follows:

	December 31	
	2015	**2014**
Fair value	$ 40,750,241	$ 38,645,052

20. INTANGIBLE ASSETS

	Motor Design and Research and Development Outputs	**Others (Including Software)**	**Total**
Cost			
Balance at January 1, 2014	$ 4,114,579	$ 650,224	$ 4,764,803
Additions	4,990,999	218,077	5,209,076
Reclassifications	-	50,086	50,086
Effect of foreign currency exchange differences	-	30,101	30,101
Balance at December 31, 2014	$ 9,105,578	$ 948,488	$ 10,054,066
Accumulated amortization and impairment			
Balance at January 1, 2014	$ (1,059,987)	$ (297,260)	$ (1,357,247)
Amortization expense	(237,329)	(138,867)	(376,196)
Impairment losses recognized	(791,375)	(90,550)	(881,925)
Reclassifications	-	(27,630)	(27,630)
Effect of foreign currency exchange differences	-	(16,988)	(16,988)
Balance at December 31, 2014	$ (2,088,691)	$ (571,295)	$ (2,659,986)
Carrying amount at December 31, 2014	$ 7,016,887	$ 377,193	$ 7,394,080
Cost			
Balance at January 1, 2015	$ 9,105,578	$ 948,488	$ 10,054,066
Additions	1,539,378	118,044	1,657,422
Reclassifications	-	78,612	78,612
Disposals	-	(2,446)	(2,446)
Effect of foreign currency exchange differences	-	(15,248)	(15,248)
Balance at December 31, 2015	$ 10,644,956	$ 1,127,450	$ 11,772,406
Accumulated amortization and impairment			
Balance at January 1, 2015	$ (2,088,691)	$ (571,295)	$ (2,659,986)
Amortization expense	(627,801)	(164,182)	(791,983)
Impairment losses recognized	(1,826,627)	-	(1,826,627)

(Continued)

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
Reclassifications	$ -	$ 873	$ 873
Effect of foreign currency exchange differences	-	9,389	9,389
Balance at December 31, 2015	$ (4,543,119)	$ (725,215)	$ (5,268,334)
Carrying amount at December 31, 2015	$ 6,101,837	$ 402,235	$ 6,504,072

(Concluded)

Luxgen Motor Co., Ltd. ("Luxgen") ceased 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, 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.

For the years ended December 31, 2015 and 2014, the amounts of impairment loss on intangible assets were $1,826,627 thousand and $881,925, respectively, since the estimated future cash flows of the intangible assets were reduced and resulted the recoverable amounts were lower than the carrying amounts.

Luxgen acquired intangible asset with installment payments. The future payments are made as follows:

2015	$ 1,645,795
2016-2019	3,318,976
	4,964,771
Less: Recognized as other payables	1,645,795
Recognized as long-term trade payables	$ 3,318,976

The above intangible assets were depreciated 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

21. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2015	**2014**
Current assets (included in other current assets)	$ 28,123	$ 40,616
Non-current assets	696,937	692,223
	$ 725,060	$ 732,839

Prepaid lease payments include prepaid lease payments for properties and land located in Taiwan and land use rights in Mainland China.

22. BORROWINGS

a. Short-term borrowings

	December 31	
	2015	**2014**
Secured borrowings (Note 35)		
Bank loans	$ 8,813,505	$ 10,825,482
Unsecured borrowings		
Line of credit borrowings	24,027,770	19,980,312
	$ 32,841,275	$ 30,805,794
Interest rate	0.82%-9.50%	0.62%-9.50%

b. Short-term bills payable

	December 31	
	2015	**2014**
Commercial paper	$ 48,865,563	$ 41,701,528
Less: Unamortized discount on bills payable	101,427	67,926
	$ 48,764,136	$ 41,633,602
Interest rate	0.76-2.80%	0.97%-2.57%

c. Long-term borrowings

	December 31	
	2015	2014
Secured borrowings (Note 35)		
Bank loans	$ 230,731	$ 284,296
Unsecured borrowings		
Commercial paper (recurring)	1,896,035	1,596,141
Line of credit borrowings	62,202	123,141
	1,958,237	1,719,282
Less: Current portion	534,512	1,234,903
Long-term borrowings	$ 1,654,456	$ 768,675
Interest rates	1.01%-2.23%	1.01%-2.23%
Maturity date	2019.09.19	2019.09.19

23. BONDS PAYABLE

	December 31	
	2015	2014
Unsecured domestic bonds	$ 3,000,000	$ 3,000,000
Unsecured domestic convertible bonds	376,100	737,000
Less: Discounts on bonds payable	(8,024)	(26,263)
	368,076	710,737
	$ 3,368,076	$ 3,710,737

a. Unsecured domestic bonds

Taiwan Acceptance Corporation (TAC) issued unsecured corporate bonds on June 10, 2011, December 26, 2011, June 20, 2014 and October 17, 2014, with each issuance amounting to NT$1 billion, NT$1 billion, NT$1.5 billion and NT$1.5 billion, respectively, and the bonds having three-year maturities and simple interest rates of 1.27%, 1.24%, 1.12% and 1.25%, respectively, payable annually. The principal amounts of both bonds are repayable on the maturity date. Thus, the principal of the bonds issued on June 10, 2011 and December 26, 2011 had been repaid on June 10, 2014 and December 26, 2014, respectively.

b. Unsecured domestic convertible bonds

On June 20, 2012, TAC issued its first five-year unsecured domestic convertible bonds, with a face value of $100 thousand and a total amount of NT$2.5 billion at a price of 100.5% and coupon rate of 0%. These bonds began to be traded on the GreTai Securities Market on the issue date also. During the issuance period between July 21, 2012 and June 10, 2017, except for the book closure period, bondholders are entitled to convert bonds into TAC’s common shares at a conversion price of NT$72.15 per TAC share. In their meetings in 2015 and 2014, TAC’s shareholders approved the issuance of per-share cash dividends of NT$5.19 and NT$4.98, respectively; thus, the bond conversion prices were adjusted to NT$59.21 and NT$63.32, respectively. In the period between 1 month after issuance and 40 days before the maturity date, if the closing price of TAC’s stock listed on the Taiwan Stock Exchange exceeds 30% of the conversion price for 30 consecutive days or the total amount outstanding is below 10% of the amount of initial issuance, TAC has the right to redeem all the bonds outstanding at face value.

Thirty days before the end of the three years from bond issuance, bondholders have the right to exercise their put option and can thus request TAC to redeem the convertible bonds at face value. As of June 20, 2015, however, no request for bond redemption by TAC had been made.

The convertible bond has two components: The liability component and the equity component accounted for as “capital surplus - options”. This capital surplus was initially recognized at $179,204 thousand. Derivative and nonderivative components recognized amounted to $6,489 thousand and $2,322,657 thousand, respectively. The estimated fair value of derivative instruments as of December 31, 2015 was $115 thousand.

Proceeds of the issue (less transaction cost of $5,000 thousand)	$ 2,507,500
Equity component	(179,204)
Deferred tax assets	850
Derivative financial liability component	(6,489)
Liability component at the date of issue	2,322,657
Interest charged at an effective interest rate of 1.471606585%	64,432
Convertible bonds converted into common shares	(1,676,352)
Liability component as of December 31, 2014	710,737
Interest changed at an effective interest rate of 1.471606585% in 2015	7,277
Convertible bonds converted into common shares in 2015	(349,938)
Liability component as of December 31, 2015	$ 368,076

24. OTHER LIABILITIES

	December 31	
	2015	2014
Current		
Other payables		
Equipment payables	$ 439,266	$ 1,245,487
Payables on motor design and research and development outputs	1,645,795	3,948,332
Accrued expense payable	4,573,587	4,636,165
Dividends payable	96,577	94,568
Guarantees provided on a subsidiary’s loan payable	1,263,667	1,707,094
Others	1,983,487	1,342,967
	$ 10,002,379	$ 12,974,613
Other liabilities		
Guarantee deposits received	$ 7,828,232	$ 7,360,431
Deferred revenue - customer loyalty plan	46,947	98,536
Others	2,987,516	3,766,094
	$ 10,862,695	$ 11,225,061
Non-current		
Other payables		
Payables on motor design and research and development outputs	$ 3,318,976	$ 1,940,215

(Continued)

	December 31	
	2015	2014
Deferred revenue		
Subsidies from the government	$ 25,016	$ 30,563
Others	48,422	56,178
	$ 73,438	$ 86,741
Other liabilities		
Guarantee deposits received	$ 490,074	$ 760,538
Credit balance of long-term investments at equity (Note 17)	8,981	-
Others	65,972	87,511
	$ 565,027	$ 848,049

(Concluded)

25. PROVISIONS

	December 31	
	2015	2014
Current		
Financial guarantee provisions	$ 424,490	$ 426,000
Warranties	2,682	1,386
	$ 427,172	$ 427,386
Non-current		
Warranties	$ 760,456	$ 720,147

The customers of Taiwan Acceptance Corporation (TAC) and SCC signed car loan contracts with banks, with TAC and SCC acting as car loan agents and providing customers with account management services. Under the contracts, TAC and SCC are responsible for repaying any uncollectable loans arising from customer default. TAC and SCC have estimated their potential financial guarantee loss on any default on the basis of past experience.

Sin Jang 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. For Renault cars, the limits are 2 years of purchase or mileage of under 50,000 kilometers. For Tobe cars, the limits are 3 years of purchase but with unlimited mileage. Provisions have been estimated for possible maintenance costs.

26. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

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

	December 31	
	2015	**2014**
Present value of the defined benefit obligation	$ 2,760,035	$ 2,610,598
Fair value of plan assets	(503,579)	(467,655)
Net defined benefit liability (asset)	$ 2,256,456	$ 2,142,943

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, 2014	$ 2,472,502	$ (435,274)	$ 2,037,228
Service cost			
Current service cost	43,328	-	43,328
Past service cost and loss (gain) on settlements	(9,775)	15,976	6,201
Net interest expense (income)	43,243	(8,679)	34,564
Recognized in profit or loss	76,796	7,297	84,093
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,974)	(1,974)
Actuarial loss - changes in demographic assumptions	15,601	-	15,601
Actuarial gain - changes in financial assumptions	(4,393)	-	(4,393)
Actuarial loss - experience adjustments	102,497	-	102,497
Recognized in other comprehensive income	113,705	(1,974)	111,731
Contributions from the employer	-	(84,928)	(84,928)
Benefits paid	(53,613)	47,224	(6,389)
Business combinations	1,208	-	1,208
Balance at December 31, 2014	$ 2,610,598	$ (467,655)	$ 2,142,943

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2015	$ 2,610,598	$ (467,655)	$ 2,142,943
Service cost			
Current service cost	122,453	-	122,453
Past service cost and loss (gain) on settlements	6,223	-	6,223
Net interest expense (income)	46,033	(8,763)	37,270
Recognized in profit or loss	174,709	(8,763)	165,946
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,318)	(3,318)
Actuarial loss - changes in demographic assumptions	54,020	-	54,020
Actuarial loss - changes in financial assumptions	89,120	-	89,120
Actuarial loss - experience adjustments	9,231	-	9,231
Recognized in other comprehensive income	152,371	(3,318)	149,053
Contributions from the employer	-	(125,595)	(125,595)
Benefits paid	(141,132)	101,752	(39,380)
Business combinations	(36,511)	-	(36,511)
Balance at December 31, 2015	$ 2,760,035	$ (503,579)	$ 2,256,456

(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/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. 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 purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate(s)	1.25%-1.75%	1.625%-2.25%
Expected rate(s) of salary increase	1.75%-3.00%	1.75%-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 (decrease/increase) as follows:

	December 31, 2015
Discount rate(s)	
0.25% increase	$ (80,760)
0.25% decrease	$ 84,805
Expected rate(s) of salary increase	
0.25% increase	$ 83,018
0.25% decrease	$ (79,808)

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, i.e., some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	$ 711,616	$ 82,570
The average duration of the defined benefit obligation	8-17 years	9.1-17 years

27. EQUITY

a. Share capital

Common shares

	December 31	
	2015	2014
Numbers 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 thousands)	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	
	2015	**2014**
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	1,985,549	1,976,580
Arising from the differences between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	143,846	69,467
May be used to offset a deficit only		
Arising from share of changes in capital surplus of associates or joint ventures	12,963	7,082
	$ 6,650,489	$ 6,561,260

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 legal reserve should be set aside at 10% of annual net income, less any accumulated deficit. The remainder of this income, less special reserve based on relevant laws and regulations, should be appropriated as follows:

1) 0.5% as remuneration to directors and supervisors;

2) 0.1%-5% as bonus to employees;

3) Dividends - in determining the ratio of cash dividends to stock dividends, the Company, as part of a mature and stable industry, takes into account the impact of dividends on reported profitability, cash required for future operations, any potential changes in the industry, interest of the shareholders and the effect on the Company's financial ratios; dividend distribution is proposed by the Board of Directors and approved by the shareholders';

4) Additional special reserve may be appropriated for specific business purposes.

Under the May 2015 amendments to the Company Act, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The consequential amendments to the Company's Articles of Incorporation, which were proposed by the Company's board of directors on December 21, 2015, are expected to be approved in the 2016 annual shareholders' meeting. For information the accrued employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 28.

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 or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

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.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Company.

The appropriations from the 2014 and earnings were approved in the shareholders' meetings on June 17, 2015 and June 19, 2014, respectively, as follows:

	Appropriation of Earnings		Dividend Per Share (N.T. Dollar)	
	For the Year Ended December 31		For the Year Ended December 31	
	2014	2013	2014	2013
Legal reserve	$ 221,035	$ 237,118		
Special reserve	1,000,000	3,146,000		
Cash dividend	1,101,044	1,101,044	$ 0.70	$ 0.70

The appropriations from the 2015 earnings for 2015 were proposed by the Company's board of directors on March 21, 2016. The appropriations, including dividends per share, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 335,208	
Special reserve	1,000,000	
Cash dividends	1,415,628	$ 0.9

The appropriations of earnings for 2015 are subject to the resolution of the shareholders' meeting to be held on June 21, 2016.

d. Special reserve

	For the Year Ended December 31	
	2015	2014
Balance at January 1	$ 34,373,565	$ 31,227,565
Appropriation of earnings	1,000,000	3,146,000
Balance at December 31	$ 35,373,565	$ 34,373,565

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	
	2015	**2014**
Balance at January 1	$ 1,721,402	$ 385,612
Exchange differences arising on translating the financial statements of foreign operations	(45,006)	605,850
Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method	(191,558)	729,940
Balance at December 31	$ 1,484,838	$ 1,721,402

2) Unrealized gains (losses) on available-for-sale financial assets

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 1,386,228	$ 1,253,734
Unrealized losses arising on revaluation of available-for-sale financial assets	(338,992)	2,703
Share of unrealized gains on available-for-sale financial assets of subsidiaries, associates and jointly ventures accounted for using the equity method	31,348	129,791
Balance at December 31	$ 1,078,584	$ 1,386,228

3) Cash flow hedge

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ (574)	$ (36)
Gains/(losses) arising on changes in the fair value of hedging instruments	236	(538)
Balance at December 31	$ (338)	$ (574)

f. Non-controlling interests

	For the Year Ended December 31	
	2015	**2014**
Balance at January 1	$ 10,147,699	$ 9,666,346
Attributable to non-controlling interests:		
Share of profit for the year	567,214	599,060
Exchange difference arising on translation of foreign entities	(49,626)	148,631
Unrealized losses on available-for-sale financial assets	(4,254)	(27,581)

(Continued)

	For the Year Ended December 31	
	2015	2014
Gains/(losses) on fair value changes of cash flow hedges	$ 243	$ (587)
Remeasurement on defined benefit plans	(5,758)	(8,323)
Adjustment relating to changes in capital surplus of (associates/jointly ventures) accounted for using the equity method	99	580
Share of other comprehensive income of (associates jointly ventures) accounted for using the equity method	(71,577)	62,397
Acquisition of non-controlling interests in subsidiaries	-	(114,091)
Partial disposal of subsidiaries	386,171	739,621
Non-controlling interest relating to differences between acquisition or disposal price and carrying value of subsidiaries share	12,226	175,643
Cash dividends from subsidiaries	(1,015,688)	(939,581)
Capital return from subsidiaries	(263,030)	(154,416)
Balance at December 31	$ 9,703,719	$ 10,147,699

(Concluded)

g. Treasury shares

Reasons for Redemption	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
For the year ended December 31, 2015				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839
For the year ended December 31, 2014				
Long-term investment of subsidiary transferred to treasury stock	11,839	-	-	11,839

The Company's shares held by subsidiaries as of December 31, 2015 and 2014 were as follows:

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
December 31, 2015			
Yu Ching Business Co., Ltd.	11,838	$ 357,722	$ 357,722
Yu Pong Business Co., Ltd.	1	3	3
		$ 357,725	$ 357,725

(Continued)

Name of Subsidiaries	Number of Shares Held (In Thousands)	Carrying Amount (In Thousands)	Market Value (In Thousands)
December 31, 2014			
Yu Ching Business Co., Ltd.	11,838	$ 550,488	$ 550,488
Yu Pong Business Co., Ltd.	1	6	6
		$ 550,494	$ 550,494

(Concluded)

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

28. NET PROFIT AND OTHER COMPREHENSIVE INCOME

a. Other operating revenue

	For the Year Ended December 31	
	2015	2014
Rental revenue	$ 48,572	$ 51,278
Commission revenue	263,922	224,379
Others	415,693	373,544
	$ 728,187	$ 649,201

b. Other gains and losses

	For the Year Ended December 31	
	2015	2014
Gains/(losses) on disposal of property, plant and equipment, investment property and intangible assets	$ (20,104)	$ 74,753
Gains/(losses) on disposal of financial assets	464,213	111,643
Net foreign exchange losses	(498,130)	(379,462)
Net gains/(losses) arising on financial assets designated as at FVTPL	(674)	4,491
Net gains/(losses) arising on financial assets classified as held for trading	23,470	(21,504)
Net gains/(losses) arising on financial liabilities classified as held for trading	(2,851)	3,618
Others	(251,551)	(183,041)
	$ (285,627)	$ (389,502)

c. Finance costs

	For the Year Ended December 31	
	2015	**2014**
Interest on bank overdrafts and loans	$ 1,211,509	$ 1,032,542
Interest on corporate bonds	42,791	46,021
Other interest expense	64,426	66,258
	1,318,726	1,144,821
Less: Interest accounted for as operating cost	913,111	752,729
	$ 405,615	$ 392,092

d. Interest revenue

	For the Year Ended December 31	
	2015	**2014**
Interest revenue from acquired account receivables	$ 3,043,916	$ 2,672,055
Interest revenue from installment sales	834,406	700,835
Agency revenue	877,650	946,385
Others	1,808,530	1,104,829
	6,564,502	5,424,104
Less: Interest revenue accounted for as operating revenue	6,267,757	5,169,176
	$ 296,745	$ 254,928

e. Depreciation and amortization

	For the Year Ended December 31	
	2015	**2014**
An analysis of deprecation by function		
Operating costs	$ 5,948,872	$ 5,687,127
Operating expenses	605,811	781,540
	$ 6,554,683	$ 6,468,667
An analysis of amortization by function		
Operating costs	$ 721,256	$ 256,607
Operating expenses	70,727	119,589
	$ 791,983	$ 376,196

f. Employee benefit expense

	For the Year Ended December 31	
	2015	**2014**
Post-employment benefits		
Defined contribution plans	$ 164,336	$ 133,045
Defined benefit plans	165,946	77,583
	330,282	210,628
Other employee benefits	6,859,696	6,356,012
	$ 7,189,978	$ 6,566,640

(Continued)

	For the Year Ended December 31	
	2015	2014
An analysis of employee benefits expense by function		
Operating costs	$ 3,180,889	$ 2,999,165
Operating expenses	4,009,089	3,567,475
	$ 7,189,978	$ 6,566,640

(Concluded)

The current Articles of Incorporation of the Company stipulate the distribution of bonus to employees and remuneration to directors and supervisors at rates of no less than 0.1% and no higher than 5% and 0.5% of net income (net of the bonus and remuneration), respectively. For the year ended December 31, 2014, the bonus to employees and the remuneration to directors and supervisors were $1,989 thousand and $8,361 thousand, respectively.

To be in compliance with the Company Act as amended in May 2015 and the proposed amended Articles of Incorporation of the Company proposed by the board of the directors in December 2015, the Company estimated employees' compensation and remuneration to directors and supervisors at rates of no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors and supervisors. For the year ended December 31, 2015, the employees' compensation and the remuneration to directors and supervisors were $3,537 thousand and $17,684 thousand, respectively, or 0.1% and 0.5%, respectively, of the base net profit. The employees' compensation and remuneration to directors and supervisors in cash for the year ended December 31, 2015, which were approved by the Company's board of directors on March 21, 2016, are subject to the passage by the shareholders of the amendments to the Company's Articles of Incorporation in their meeting on June 21, 2016.

Material differences between these estimated amounts and the amounts proposed by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration are recognized. If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees and remuneration to directors and supervisors for 2014 and 2013, which were approved in the shareholders' meetings on June 17, 2015 and June 19, 2014, respectively, were as follows:

	For the Year Ended December 31			
	2014		2013	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Bonus to employees	$ 1,989	$ -	$ 2,134	$ -
Remuneration to directors and supervisors	8,361	-	9,614	-

There was no difference between the amounts of the bonus to employees and the remuneration to directors and supervisors approved in the shareholders' meetings on June 17, 2015 and June 19, 2014 and the amounts recognized in the financial statements for the years ended December 31, 2014 and 2013, respectively.

Information on the employees' compensation and remuneration to directors and supervisors approved by the Company's board of directors in 2016 and bonus to employees, directors and supervisors approved at the shareholders' meetings in 2015 and 2014 can be accessed on the Market Observation Post System website of the Taiwan Stock Exchange.

g. Impairment losses on non-financial assets

	For the Year Ended December 31	
	2015	2014
Motor designs and research and development outputs	$ 1,826,627	$ 791,375
Property, plant and equipment	892,762	720,599
Inventories (recognized under operating cost)	(54,111)	371,287
Other intangible assets	-	90,550
	$ 2,665,278	$ 1,973,811

29. 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	
	2015	2014
Current tax		
In respect of the current year	$ 654,102	$ 695,473
Income tax on unappropriated earnings	92,641	114,533
Adjustments for prior years	28,408	(113,657)
	775,151	696,349
Deferred tax		
In respect of the current year	43,434	105,045
Income tax expense recognized in profit or loss	$ 818,585	$ 801,394

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

	For the Year Ended December 31	
	2015	2014
Profit before tax	$ 4,737,877	$ 3,610,800
Income tax expense calculated at the statutory rate	$ 1,323,995	$ 815,211
Nondeductible expenses in determining taxable income	5,114	12,233
Tax-exempt income	(465,200)	(564,501)
Realized loss of investment	(348,432)	(247,860)
Additional income tax under the Alternative Minimum Tax Act	1,822	2,907
Income tax on unappropriated earnings	92,641	114,533
Unrecognized deductible temporary differences	130,206	455,502
Adjustments for prior years' tax	28,408	(113,657)
Temporary difference - share of the profit of associates and joint ventures operating in other jurisdictions	50,031	327,026
Income tax expense recognized in profit or loss	$ 818,585	$ 801,394

The applicable tax rate used above is the corporate tax rate of 17% payable by the Group in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 2015 unappropriated earnings are not reliably determinable.

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, 2015

	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 loss of subsidiaries, associates and joint ventures	$ 159,887	$ (7,912)	$ 151,975
Property, plant and equipment	156,226	14,640	170,866
Defined benefit obligation	308,739	43,608	352,347
Doubtful debts	210,439	17,918	228,357
Loss carryforward	61,666	(16,122)	45,544
Others	139,447	(16,985)	122,462
	$ 1,036,404	$ 35,147	$ 1,071,551
Deferred tax liabilities			
Temporary differences			
Property, plant and equipment	$ 678,029	$ 57,590	$ 735,619
Land value increment tax	2,509,919	(25,493)	2,484,426
Share of profit of subsidiaries, associates and joint ventures	276,635	(41,332)	235,303
Others	7,090	87,816	94,906
	$ 3,471,673	$ 78,581	$ 3,550,254

For the year ended December 31, 2014

	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 loss of subsidiaries, associates and joint ventures	$ 146,744	$ 13,143	$ 159,887
Property, plant and equipment	153,517	2,709	156,226
Defined benefit obligation	297,060	11,679	308,739
Doubtful debts	194,532	15,907	210,439
Loss carryforward	95,796	(34,130)	61,666
Others	190,279	(50,832)	139,447
	$ 1,077,928	$ (41,524)	$ 1,036,404

(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			
Property, plant and equipment	$ 658,194	$ 19,835	$ 678,029
Land value increment tax	2,509,919	-	2,509,919
Share of profit of subsidiaries, associates and joint ventures in foreign district	218,231	58,404	276,635
Others	21,808	(14,718)	7,090
	$ 3,408,152	$ 63,521	$ 3,471,673

(Concluded)

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

As of December 31, 2015 and 2014, deductible temporary differences unrecognized as deferred tax assets are $558,420 thousand and $559,130 thousand, respectively.

d. Integrated income tax:

	For the Year Ended December 31	
	2015	2014
Unappropriated earnings		
Generated on and after January 1, 1998	$ 4,157,281	$ 3,446,670
Imputation credit accounts ("ICA")	$ 1,372,962	$ 688,914

	For the Year Ended December 31	
	2015 (Expected)	2014
Creditable ratio for distribution of earning	25.10%	27.62%

e. Income tax assessed

The tax returns through 2013 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2015	2014
Basic earnings per share	$ 2.29	$ 1.51
Diluted earnings per share	$ 2.29	$ 1.51

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	
	2015	**2014**
Earnings used in the computation of basic earnings per share	$ 3,352,078	$ 2,210,346
Earnings used in the computation of diluted earnings per share	$ 3,352,078	$ 2,210,346

Shares

	For the Year Ended December 31	
	2015	**2014**
Weighted average number of ordinary shares in computation of basic earnings per share	1,463,684	1,462,807
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonus issue to employees	151	64
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,463,835	1,462,871

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.

31. OPERATING LEASE ARRANGEMENTS

Offices were leased with monthly rental payments by the Group. The future minimum lease payments of non-cancellable operating lease commitments were as follows:

	December 31	
	2015	**2014**
Not later than 1 year	$ 814,254	$ 797,955
Later than 1 year and not later than 5 years	2,332,154	2,107,499
Later than 5 years	650,127	483,821
	$ 3,796,535	$ 3,389,275

32. 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).

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

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.

33. 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			
	2015		2014	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Held-to-maturity investments	$ 17,557	$ 17,911	$ 18,019	$ 17,845
Financial liabilities				
Convertible bonds	368,076	466,740	710,737	902,088
Corporate bonds	3,000,000	3,005,198	3,000,000	2,998,352

2) Fair value hierarchy

December 31, 2015

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Held-to-maturity investments	$ 17,911	$ -	$ -	$ 17,911
Financial liabilities				
Financial liabilities measured at amortized cost				
Convertible bonds	466,740	-	-	466,740
Corporate bonds	3,005,198	-	-	3,005,198

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets				
Held-to-maturity investments	$ 17,845	$ -	$ -	$ 17,845
Financial liabilities				
Financial liabilities measured at amortized cost				
Convertible bonds	902,088	-	-	902,088
Corporate bonds	2,998,352	-	-	2,998,352

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

1) Fair value hierarchy

December 31, 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 1,250	$ -	$ 1,250
Non-derivative financial assets held for trading	3,466,533	-	-	3,466,533
Others	-	-	1,282,025	1,282,025
	$ 3,466,533	$ 1,250	$ 1,282,025	$ 4,749,808
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 558,215	$ -	$ -	$ 558,215
Others	-	2,234	-	2,234
	$ 558,215	$ 2,234	$ -	$ 560,449
Financial liabilities at FVTPL				
Other derivatives	$ -	$ 4,760	$ -	$ 4,760

December 31, 2014

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 97	$ -	$ 97
Non-derivative financial assets held for trading	1,588,730	-	-	1,588,730
Others	-	-	653,096	653,096
	$ 1,588,730	$ 97	$ 653,096	$ 2,241,923

(Continued)

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Securities listed in ROC				
Equity securities	$ 1,063,555	$ -	$ -	$ 1,063,555
Others	-	4,414	-	4,414
	$ 1,063,555	$ 4,414	$ -	$ 1,067,969
Financial liabilities at FVTPL				
Other derivatives	$ -	$ 1,200	$ -	$ 1,200

(Concluded)

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, 2015

	Financial Assets at Fair Value Through Profit or Loss	Available-for-sale Financial Assets		
	Held for Trading	Equity Instruments	Others	Total
Balance at January 1, 2015	$ 653,096	$ -	$ -	$ 653,096
Recognized in profit or loss	2,520	-	-	2,520
Purchases	6,729,095	-	-	6,729,095
Disposals/settlements	(6,099,623)	-	-	(6,099,623)
Effect of foreign currency exchange differences	(3,063)	-	-	(3,063)
Balance at December 31, 2015	$ 1,282,025	$ -	$ -	$ 1,282,025

For the year ended December 31, 2014

	Financial Assets at Fair Value Through Profit or Loss	Available-for-sale Financial Assets		
	Held for Trading	Equity Instruments	Others	Total
Balance at January 1, 2014	$ 661,586	$ -	$ -	$ 661,586
Recognized in profit or loss	8,931	-	-	8,931
Purchases	5,041,724	-	-	5,041,724

(Continued)

	Financial Assets at Fair Value Through Profit or Loss	Available-for-sale Financial Assets		
	Held for Trading	Equity Instruments	Others	Total
Disposals/settlements	$ (5,074,133)	$ -	$ -	$ (5,074,133)
Effect of foreign currency exchange differences	14,988	-	-	14,988
Balance at December 31, 2014	$ 653,096	$ -	$ -	$ 653,096

(Concluded)

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

Financial Instrument	Valuation Technique and Input
Derivatives - convertible bond redemption rights and put provision	Binomial tree model: The value of the financial asset component of convertible bonds was assessed using the following inputs: Market price of stock, risk-free interest rate, risk discount rate.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Financial Instrument	Valuation Technique and Input
Derivatives - credit-linked notes	Fair value was assessed by security companies using a valuation model that considered the financial assets' present and future market conditions, investment positions, liquidity, and hedge conditions.

c. Categories of financial instruments

	December 31	
	2015	2014
Financial assets		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 3,466,648	$ 1,588,827
Designated as at FVTPL	1,282,025	653,096
Designated hedging instruments	1,135	-
Held-to-maturity investments	17,557	18,019
Loans and receivables (Note 1)	103,360,539	91,721,543
Available-for-sale financial assets (Note 2)	759,138	1,579,079

(Continued)

	December 31	
	2015	2014
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 2,904	$ -
Derivative instruments in designated hedge accounting relationships	1,856	1,200
Amortized cost (Note 3)	120,248,553	111,352,541
Financial guaranteed contracts	424,490	426,000

(Concluded)

Note 1: The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes and trade receivables, finance lease receivables and other receivables.

Note 2: The balances included the carrying amount of available-for-sale financial assets measured at cost.

Note 3: 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.

<u>Control mechanisms</u>

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.

<u>Management tools</u>

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

<u>Key points of management</u>

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.

<u>Control mechanisms</u>

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.

<u>Management tools</u>

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 37.

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**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Profit or loss	$ 86,012	$ 72,244	$ (7,837)	$ (12,524)	$ 2,248	$ 1,143

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	
	2015	**2014**
Fair value interest rate risk		
Financial assets	$ 66,179,408	$ 58,833,574
Financial liabilities	52,132,212	45,344,339
Cash flow interest rate risk		
Financial assets	13,563,653	16,136,465
Financial liabilities	39,995,013	38,697,917

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, 2015 and 2014 would decrease by $264,314 thousand and $225,615 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

The Group assesses equity price risk using sensitivity analysis.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2015 and 2014, fair values of available-for-sale investments and held-for-trading investments would have decreased by $40,247 thousand and $26,523 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.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2015 and 2014, the Group had available unutilized short-term bank loan facilities of $58,768,256 thousand and $45,090,679 thousand, respectively.

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, 2015

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Variable interest rate liabilities	$ 35,021,581	$ 4,973,432	$ -
Fixed interest rate liabilities	48,764,136	3,368,076	-
Financial guarantee contracts	11,209,593	-	-
	$ 94,995,310	$ 8,341,508	$ -

December 31, 2014

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Variable interest rate liabilities	$ 35,989,029	$ 2,486,374	$ 222,516
Fixed interest rate liabilities	41,633,602	3,710,737	-
Financial guarantee contracts	11,165,055	-	-
	$ 88,787,686	$ 6,197,111	$ 222,516

The amount of variable interest rate liabilities included above varies as to the different floating rates estimated at the balance sheet date.

As of December 31, 2015 and 2014, the amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. The Group has estimated the probabilities of default and recognized related provisions (see Note 25).

34. 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. Operating revenue

1) Sales of goods

	For the Year Ended December 31	
Related Party Categories	**2015**	**2014**
Associates	$ 31,517,244	$ 32,864,402
Other related parties	2,453,111	1,541,148
	$ 33,970,355	$ 34,405,550

2) Other operating revenue

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 1,449,214	$ 1,457,524
Other related parties	106,797	89,178
	$ 1,556,011	$ 1,546,702

3) Installment sales interest subsidies revenue

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 438,644	$ 465,621
Other related parties	963	1,540
	$ 439,607	$ 467,161

b. Purchase of goods

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 53,914,039	$ 53,323,006
Other related parties	9,650,673	10,441,552
	$ 63,564,712	$ 63,764,558

c. Operating expenses

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 503,485	$ 299,146
Other related parties	17,037	24,289
	$ 520,522	$ 323,435

d. Acquisition of assets for lease

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 129,236	$ 175,095
Other related parties	631,725	662,127
	$ 760,961	$ 837,222

e. Acquisition of receivables

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 5,805,165	$ 6,000,553
Other related parties	336,719	293,610
	$ 6,141,884	$ 6,294,163

f. Commissions paid

Related Party Categories	For the Year Ended December 31 2015	2014
Associates	$ 187,766	$ 203,455
Other related parties	424	36
	$ 188,190	$ 203,491

g. Receivable from related parties

1) Notes receivable and trade receivables

Related Party Categories	December 31 2015	2014
Associates	$ 1,930,550	$ 2,208,200
Other related parties	781,583	172,616
	$ 2,712,133	$ 2,380,816

2) Other financial assets

Related Party Categories	December 31 2015	2014
Associates	$ 713,540	$ 833,457
Other related parties	6,426	4,840
	$ 719,966	$ 838,297

h. Payable to related parties

1) Notes payable and trade payables

Related Party Categories	December 31 2015	2014
Associates	$ 5,821,031	$ 3,573,228
Other related parties	555,784	602,051
	$ 6,376,815	$ 4,175,279

2) Other payables

Related Party Categories	December 31	
	2015	2014
Associates	$ 3,295,197	$ 6,620,859
Other related parties	10,398	12,505
	$ 3,305,595	$ 6,633,364

3) Long-term payables

Related Party Categories	December 31	
	2015	2014
Associates	$ 3,318,976	$ 1,940,215

i. Endorsement/guarantees provided

Information about endorsement/guarantee provided see Table 2.

j. Compensation of key management personnel

	For the Year Ended December 31	
	2015	2014
Short-term employee benefits	$ 57,373	$ 54,269
Post-employment benefits	1,734	2,125
	$ 59,107	$ 56,394

The compensation of the board members and the Group's management is determined by the remuneration committee based on personal performances and market conditions.

35. 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	
	2015	2014
Notes and trade receivables	$ 3,650,591	$ 3,724,057
Property, plant and equipment	930,498	1,024,285
Vehicle certificates (classified as inventories)	1,165,225	1,551,431
Reserve account and pledged time deposits (classified as debt investments with no active market)	313,314	919,580
Others	149,088	71,325
	$ 6,208,716	$ 7,290,678

36. 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.

c. For the purpose of enhancing investment benefit on the developing project, the Group acquired right of building bulk arising from three parcels of land located in "Fuzhong" section with parcel Number 1686, 1697 and 1701, respectively, from a nonrelated party - "Ben-Yuan Lin Ancestor Worship Guild" at July 2014. According to the contract of acquisition that total amount was $3,300,000 thousand, the terms of payments are made for three stages, $400,000 thousand advanced payment paid upon contract signed and sealed by both parties, and the balance payment is $2,500,000 thousand. As of December 31, 2015, the payments had been made by the first and second stages which total amounts was $800,000 thousand. In addition, the payment of the third stage will be made less than five work days after the Group acquire the permission of transfer of building bulk arising from the transaction mentioned above, issued by the regulating authorities.

   The transaction is a simple acquisition of the right to construct buildings within bulk limitations under relevant zoning designations. Both sides agree to rescind the contract unconditionally (a) if the transaction cannot be completed because of government policy changes or regulatory amendments, or (b) if the regulatory authorities do not approve the right to construct buildings within the bulk limitations set under zoning designations in the Xindian district of New Taipei City. In either of these situations, the proceeds (net of business tax) received by the selling party will then be returned to the Company without interest.

   Supposing that the regulating authorities ratify the right of building bulk can be partially used in Xindian district of New Taipei City, the contract will remain valid and the selling party will agree the Company has the right to use the remaining right of building bulk in other developing projects.

37. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2015

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 12,366	32.825 (USD:NTD)	$ 405,915
USD	16,511	6.494 (USD:RMB)	541,964
JPY	108,283	0.273 (JPY:NTD)	29,561
RMB	159,450	5.055 (RMB:NTD)	806,018
SGD	19	23.250 (SGD:NTD)	440
EUR	1,269	35.880 (EUR:NTD)	45,546
			$ 1,829,444
Non-monetary items			
USD	3,026	32.825 (USD:NTD)	$ 99,344
RMB	1,170,727	5.055 (RMB:NTD)	5,918,026
RMB	219,677	6.494 (USD:RMB)	1,110,467
			$ 7,127,837
Financial liabilities			
Monetary items			
USD	15,608	32.825 (USD:NTD)	$ 512,332
USD	275,300	6.494 (USD:RMB)	9,036,723
JPY	931,665	0.273 (JPY:NTD)	254,345
RMB	4,417	5.055 (RMB:NTD)	22,328
EUR	18	35.880 (EUR:NTD)	646
			$ 9,826,374

December 31, 2014

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 33,243	31.650 (USD:NTD)	$ 1,052,138
USD	948	6.119 (USD:RMB)	30,003
JPY	96,326	0.265 (JPY:NTD)	25,526
RMB	244,143	5.172 (RMB:NTD)	1,262,810
SGD	19	23.940 (SGD:NTD)	453
EUR	1,366	38.470 (EUR:NTD)	52,532
			$ 2,423,462

(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
Non-monetary items			
RMB	$ 199,580	6.119 (USD:RMB)	$ 1,032,313
RMB	1,001,214	5.172 (RMB:NTD)	5,178,695
PHP	92,064	0.724 (PHP:NTD)	66,654
			$ 6,277,662
Financial liabilities			
Monetary items			
USD	15,549	31.650 (USD:NTD)	$ 492,130
USD	228,300	6.119 (USD:RMB)	7,225,695
USD	18,600	56.258 (USD:RUB)	588,690
RMB	2,013	5.172 (RMB:NTD)	10,413
JPY	527,807	0.265 (JPY:NTD)	139,869
EUR	18	38.470 (EUR:NTD)	676
			$ 8,457,473

(Concluded)

For the years ended December 31, 2015 and 2014, realized and unrealized foreign exchange losses were $498,130 thousand and $379,462 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) on each significant foreign currency there were many foreign currency transactions and the Group entities had different functional currencies.

38. 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, 10 and 33)

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.

39. 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 under IFRS 8 "Operating 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, 2015								
Revenues from external customers	$ 47,725,960	$ 5,903,593	$ 18,310,493	$ 29,367,225	$ 20,536,861	$ 681,689	$ -	$ 122,525,821
Intersegment revenues	40,818,454	3,303,663	1,037,344	1,842,224	795,414	173,284	(47,970,383)	-
Segment revenues	$ 88,544,414	$ 9,207,256	$ 19,347,837	$ 31,209,449	$ 21,332,275	$ 854,973	$ (47,970,383)	$ 122,525,821
Segment income								$ 4,737,877
For the year ended December 31, 2014								
Revenues from external customers	$ 48,186,300	$ 5,340,735	$ 17,111,083	$ 30,152,306	$ 18,846,858	$ 973,234	$ -	$ 120,610,516
Intersegment revenues	42,173,689	3,693,155	944,265	2,808,871	188,906	196,630	(50,005,516)	-
Segment revenues	$ 90,359,989	$ 9,033,890	$ 18,055,348	$ 32,961,177	$ 19,035,764	$ 1,169,864	$ (50,005,516)	$ 120,610,516
Segment income								$ 3,610,800

Segment profit consisted of the profit that included the Company's share of the associates' profits; rental revenue; interest income; gain or loss on the disposal of property, plant and equipment; gain or loss on disposal of financial instruments; exchange gain or loss; valuation gain or loss on financial instruments; finance costs; and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The segment information on total assets and liabilities were not reported to the chief operating decision maker, therefore was not disclosed.

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Philippines.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2015	2014	2015	2014
Taiwan	$ 58,176,489	$ 64,095,630	$ 47,614,667	$ 49,592,578
China	64,174,875	55,688,870	7,045,704	7,993,729
Philippines	165,570	542,563	297,630	348,394
Russia	8,887	283,453	11	6,031
	$ 122,525,821	$ 120,610,516	$ 54,958,012	$ 57,940,732

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			
	2015		2014	
Customer	Amount	% on Sales	Amount	% on Sales
Yulon Nissan Motor Co., Ltd.	$ 14,150,029	12	$ 14,774,141	12

TABLE 1

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2015
(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			
1	Luxgen Overseas Holdings	Luxgen Limited Liability	Other receivables	Y	$ 196,117	$ -	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 500,000	$ 500,000	Note
2	Hong Shou Culture	Singan	Other receivables	Y	20,000	20,000	20,000	1%	Operating capital	-	Operating capital	-	-	-	21,208	21,208	Note
3	Hsiang Shou	Singan	Other receivables	Y	70,000	70,000	55,000	1%	Operating capital	-	Operating capital	-	-	-	74,293	74,293	Note
4	Singgual Travel	Singan	Other receivables	Y	80,000	-	-	-	Operating capital	-	Operating capital	-	-	-	88,690	88,690	Note
5	Yulon Motor Investment	Shanghai Yuming	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	277,627	277,627	Note
		Chang Sha Yu Lu	Other receivables	Y	41,690	40,737	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Jiangmen Yuli	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Zhuhai Yuhsin	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Fu Jian Yu Xin	Other receivables	Y	52,112	50,921	-	-	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		HangZhou Yu Zhong	Other receivables	Y	7,817	7,638	7,638	6%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Shanghai Yuexing	Other receivables	Y	20,845	20,368	15,276	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Nan Jing Yu Shang	Other receivables	Y	20,845	20,368	20,368	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Jiangmen Junxing	Other receivables	Y	78,168	76,382	66,197	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Shenzhen Yu Zhi	Other receivables	Y	156,336	152,763	86,566	5%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Wuhan Yu Hsin	Other receivables	Y	156,336	152,763	124,756	4%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Sheng Qing	Other receivables	Y	781,680	763,815	152,763	4%	Operating capital	-	Operating capital	-	-	-	763,815	2,108,129	Note
		Hang Zhou Haitec	Other receivables	Y	193,500	193,500	185,862	-	Operating capital	-	Operating capital	-	-	-	277,627	277,627	Note
6	Sheng Qing	Shi Cheng	Other receivables	Y	257,280	-	-	-	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Hang Zhou Hua You	Other receivables	Y	64,735	63,256	12,335	-	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Shenzhen Yu Zhi	Other receivables	Y	51,923	50,921	12,730	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Jiangmen Yuli	Other receivables	Y	51,312	50,921	50,773	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Chang Sha Yu Lu	Other receivables	Y	51,923	50,921	50,921	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Zhuhai Yuhsin	Other receivables	Y	103,846	101,842	61,105	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Hang Zhou Hua Zhi	Other receivables	Y	125,069	122,210	71,289	4%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Shanghai Yuexing	Other receivables	Y	152,763	152,763	76,382	6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Jiangmen Junxing	Other receivables	Y	102,624	101,842	86,566	575%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Guang Zhou Yuan Zhi	Other receivables	Y	127,674	124,756	106,323	5.75%-6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Fu Jian Yu Xin	Other receivables	Y	130,280	127,303	107,263	5.75%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Guang Zhou Yuan Du	Other receivables	Y	182,392	178,224	127,303	6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Nanjing Hanhong	Other receivables	Y	238,673	233,218	128,830	0%-5.6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Xiao Gan Yu Feng	Other receivables	Y	192,814	188,408	147,671	5.58%-5.75%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Qingdao Yuanhuang	Other receivables	Y	156,336	152,763	152,763	5.58%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Shen Jun Yu Peng	Other receivables	Y	216,161	211,220	211,220	6%	Operating capital	-	Operating capital	-	-	-	706,309	706,309	Note
		Wuhan Yu Hsin	Other receivables	Y	217,828	212,850	212,850	0%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
		Zhu Hai Fu Te En	Other receivables	Y	241,279	235,764	235,764	0%-6%	Operating capital	-	Operating capital	-	-	-	1,765,771	5,297,314	Note
7	Zhu Hai Fu Te En	Shen Jun Yu Peng	Other receivables	Y	15,634	15,276	-	-	Operating capital	-	Operating capital	-	-	-	58,675	58,675	Note
		Wuhan Yu Hsin	Other receivables	Y	5,211	5,092	-	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Sheng Qing	Other receivables	Y	10,068	9,838	-	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Nanjing Hanhong	Other receivables	Y	8,338	8,147	8,147	-	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
		Zhuhai Yuhsin	Other receivables	Y	104,224	101,842	61,105	6%	Operating capital	-	Operating capital	-	-	-	146,687	293,374	Note
8	Nanjing Hanhong	Shen Jun Yu Peng	Other receivables	Y	10,422	10,184	-	-	Operating capital	-	Operating capital	-	-	-	133,270	133,270	Note
		Wuhan Yu Hsin	Other receivables	Y	26,056	25,461	-	-	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Sheng Qing	Other receivables	Y	31,267	30,553	-	-	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Zhu Hai Fu Te En	Other receivables	Y	26,056	25,461	25,461	7%	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
		Nan Jing Yu Shang	Other receivables	Y	57,323	56,013	56,013	7%	Operating capital	-	Operating capital	-	-	-	499,763	999,526	Note
9	Su Zhou Feng Shun	Su Zhou Cheng Li	Other receivables	Y	31,267	30,553	-	-	Operating capital	-	Operating capital	-	-	-	68,951	68,951	Note
10	Wu Jiang Lian Cheng	Su Zhou Cheng Pang	Other receivables	Y	5,211	5,092	5,092	7%	Operating capital	-	Operating capital	-	-	-	30,731	30,731	Note
11	Shanghai Yuming	Shanghai Yuexing	Other receivables	Y	26,056	25,461	12,730	6%	Operating capital	-	Operating capital	-	-	-	57,805	57,805	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			
12	Su Zhou Chen Long	Suzhou Yueshun	Other receivables	Y	$ 4,690	$ 4,583	$ -	-	Operating capital	$ -	Operating capital	$ -	-	$ -	$ 94,601	$ 94,601	Note
		Su Zhou Cheng Li	Other receivables	Y	9,641	9,420	-	-	Operating capital	-	Operating capital	-	-	-	94,601	94,601	Note
13	Su Zhou Cheng Hung	Su Zhou Cheng Li	Other receivables	Y	15,634	15,276	-	-	Operating capital	-	Operating capital	-	-	-	20,368	20,368	Note
14	HangZhou Yu Zhong	Sheng Qing	Other receivables	Y	422,107	412,460	170	2%	Operating capital	-	Operating capital	-	-	-	835,401	1,253,101	Note
15	Hang Zhou Tang Yu	Shenzhen Yu Zhi	Other receivables	Y	10,422	10,184	-	-	Operating capital	-	Operating capital	-	-	-	53,681	107,361	Note
		Sheng Qing	Other receivables	Y	23,450	22,914	-	-	Operating capital	-	Operating capital	-	-	-	53,681	107,361	Note
16	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	476,150	476,150	458,289	3%	Operating capital	-	Operating capital	-	-	-	826,650	826,650	Note
17	TAC Leasing (Suzhou)	Changzhou Asia Power	Account receivables	Y	55,433	26,908	26,908	6%	Operating capital	-	Operating capital	336	-	9,990	276,888	553,776	Note
		TAC Finance Company	Account receivables	Y	498,040	354,229	354,229	4.35%-4.85%	Operating capital	-	Operating capital	4,428	-	-	553,776	553,776	Note
18	TAC Finance Company	Zhe Jiang Kang Da	Account receivables	Y	51,922	49,950	49,950	9%	Operating capital	-	Operating capital	624	-	-	57,687	115,374	Note
19	Su Zhou Feng Shen	Su Zhou Cheng Li	Other receivables	Y	50,921	50,921	10,184	7%	Operating capital	-	Operating capital	-	-	-	265,260	265,260	Note

Note: Luxgen Overseas Holdings Private Limited: It is allowed to provide financing to 100% held oversea subsidiaries only. Credit financing limit for each borrower and aggregate financing limits were NT$500 million.

Hong Shou Culture: 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.

Singgual Travel: 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 $150 million and aggregate financing limits was $414 million.

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 Shun: 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.

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

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

Su Zhou Cheng Hung: 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.

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 100% of the lender's net equity and aggregate financing limits was 200% 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 US$25 million and aggregate financing limits was US$$25 million.

TAC Leasing (Suzhou): Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

TAC Finance Company: Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

Su Zhou Feng Shen: Credit financing limit for each associates and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to non-associates, credit financing limit for each borrower was not exceeding 20% of the lender's net equity.

(Concluded)

TABLE 2

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	Yu Chang	b	$ 10,006,909	$ 200,000	$ -	$ -	$ -	-	$ 28,591,169	Y	N	N	Note 1
		Yu Yuen	c	10,006,909	250,000	-	-	-	-	28,591,169	Y	N	N	Note 1
		Luxgen Limited Liability	c	10,006,909	788,875	-	-	-	-	28,591,169	Y	N	N	Note 1
		Yushin	b	10,006,909	150,000	50,000	30,000	-	0.07	28,591,169	Y	N	N	Note 1
		Yu Sing	b	10,006,909	690,000	690,000	570,000	-	0.97	28,591,169	Y	N	N	Note 1
		UMPI	c	10,006,909	1,722,656	1,719,432	683,474	-	2.41	28,591,169	Y	N	N	Note 1
		Luxgen	b	10,006,909	7,400,000	7,400,000	3,000,000	-	10.35	28,591,169	Y	N	N	Note 1
1	Union & NKH Auto Parts	Hangchow Liangrun	c	326,713	279,142	241,636	190,764	-	10.35	933,467	N	N	Y	Note 1
2	Car-plus Corporation	Diamond Leasing	b	4,548,738	170,000	170,000	100,000	-	9.34	9,097,475	N	N	N	Note 1
		Car-Plus Leasing (Shanghai)	c	4,548,738	480,000	480,000	341,235	-	26.38	9,097,475	N	N	Y	Note 1
		Car-Plus (Suzhou)	c	4,548,738	960,000	960,000	-	-	52.76	9,097,475	N	N	Y	Note 1
3	TAC	Car-Plus (Suzhou)	c	22,976,095	640,000	-	-	-	-	45,952,190	N	N	Y	Note 1
		Car-Plus Leasing (Shanghai)	c	22,976,095	320,000	320,000	227,490	-	3.48	45,952,190	N	N	Y	Note 1
		TAC Finance Company	c	22,976,095	3,000,000	3,000,000	1,641,250	-	32.64	45,952,190	N	N	Y	Note 1
4	Y-Teks	Hangchow Y-Teks	c	266,675	82,820	82,665	18,895	-	9.30	444,458	N	N	Y	Note 1
5	Yueki	Yue Ki HK	b	474,971	99,384	99,198	99,198	-	10.44	474,971	N	N	Y	Note 1
6	Sheng Qing	Guang Zhou Yuan Zhi	c	8,828,857	102,040	-	-	-	-	44,144,285	N	N	Y	Note 1
		Shenzhen Yu Zhi	c	8,828,857	132,652	-	-	-	-	44,144,285	N	N	Y	Note 1
		Wuhan Yu Hsin	b	8,828,857	153,060	-	-	-	-	44,144,285	N	N	Y	Note 1
		HangZhou Yu Zhong	b	8,828,857	510,200	-	-	-	-	44,144,285	N	N	Y	Note 1
		Zhuhai Yuhsin	c	8,828,857	88,590	86,566	86,566	-	4.90	44,144,285	N	N	Y	Note 1
		Chang Sha Yu Lu	b	8,828,857	156,336	152,763	101,842	-	8.65	44,144,285	N	N	Y	Note 1
		Shen Jun Yu Peng	b	8,828,857	156,336	152,763	152,763	-	8.65	44,144,285	N	N	Y	Note 1
		Fu Jian Yu Xin	b	8,828,857	173,468	152,763	152,763	-	8.65	44,144,285	N	N	Y	Note 1
		Qingdao Yuanhuang	b	8,828,857	416,896	407,368	407,368	-	23.07	44,144,285	N	N	Y	Note 1
		Guang Zhou Yuan Du	b	8,828,857	416,896	407,368	407,368	-	23.07	44,144,285	N	N	Y	Note 1
7	Nanjing Hanhong	Zhu Hai Fu Te En	c	666,350	187,603	183,316	47,099	-	55.02	832,938	N	N	Y	Note 1
8	Zhu Hai Fu Te En	Wuhan Yu Hsin	c	407,368	104,224	-	-	-	-	611,052	N	N	Y	Note 1
		Nanjing Hanhong	c	407,368	286,616	280,066	110,174	-	190.93	611,052	N	N	Y	Note 1
9	Qingdao Yuanhuang	Sheng Qing	d	407,368	78,168	76,382	50,921	-	659.56	763,815	N	N	Y	Note 1
10	Su Zhou Feng Shen	Wu Jiang Lian Cheng	c	663,150	52,112	50,921	35,645	-	7.68	1,989,451	N	N	Y	Note 1
		Su Zhou Cheng Pang	b	663,150	104,224	101,842	77,059	-	15.36	1,989,451	N	N	Y	Note 1
		Su Zhou Feng Shun	b	663,150	364,784	356,447	56,013	-	53.75	1,989,451	N	N	Y	Note 1
11	Wu Jiang Lian Cheng	Su Zhou Feng Shun	d	458,289	286,616	280,066	280,066	-	364.53	1,018,420	N	N	Y	Note 1
		Su Zhou Feng Shen	d	458,289	338,728	330,987	101,842	-	430.81	1,018,420	N	N	Y	Note 1

(Continued)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
12	Su Zhou Feng Shun	Su Zhou Feng Shen	d	$ 861,893	$ 78,168	$ 76,382	$ 76,382	$ -	44.31	$ 1,723,786	N	N	Y	Note 1
		Wu Jiang Lian Cheng	b	861,893	208,448	203,684	141,798	-	118.16	1,723,786	N	N	Y	Note 1
13	Su Zhou Cheng Pang	Su Zhou Feng Shen	d	458,289	234,504	229,145	156,084	-	564.87	916,578	N	N	Y	Note 1
14	Xiao Gan Yu Feng	Sheng Qing	d	204,239	52,112	50,921	15,276	-	124.66	408,477	N	N	Y	Note 1
15	Jiangmen Junxing	Sheng Qing	d	244,416	52,112	50,921	50,921	-	104.17	488,833	N	N	Y	Note 1
16	Ning Bo Yu Cheng	Sheng Qing	d	152,763	52,112	50,921	-	-	136.66	254,605	N	N	Y	Note 1
17	Fu Jian Yu Xin	Sheng Qing	d	203,684	52,112	-	-	-	-	356,447	N	N	Y	Note 1

Note 1: The Company: 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.

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.

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.

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.

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 was calculated for 50% 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.

Nanjing Hanhong: The aggregate endorsement/guarantee limit was calculated for 250% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.

Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was RMB120 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Qingdao Yuanhuang: The aggregate endorsement/guarantee limit was RMB150 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.

Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. (Equal to $2,035,982 thousand). The limits on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity. (Equal to $678,661 thousand).

Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was RMB 200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB 90 million.

Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. (Equal to $1,764,104 thousand). The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $882,052 thousand).

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. (Equal to $418,031 thousand). The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $209,016 thousand).

Jiangmen Junxing: The aggregate endorsement/guarantee limit was calculated for 1,000% of the endorser's/guarantor's net equity. (Equal to $500,266 thousand). The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity. (Equal to $250,133 thousand).

Ning Bo Yu Cheng: The aggregate endorsement/guarantee limit was RMB50 million. The limits on each endorsement/guarantee given on behalf of each party was RMB30 million.

Fu Jian Yu Xin: The aggregate endorsement/guarantee limit was RMB70 million. The limits on each endorsement/guarantee given on behalf of each party was RMB40 million.

(Continued)

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 50%.
e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(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, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Beneficiary certificates							
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	34,981	$ 511,480	-	$ 511,480	-
	Prudential Financial Money Market	-	Financial assets at fair value through profit or loss - current	38,555	601,818	-	601,818	-
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	6,653	100,439	-	100,439	-
	Mega Diamond Money Market	-	Financial assets at fair value through profit or loss - current	40,505	501,323	-	501,323	-
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	49,034	500,049	-	500,049	-
	Spectra SPC Power Fund	-	Financial assets at fair value through profit or loss - current	1,355	99,344	-	99,344	-
	Capital SZSE SME Price ETF	-	Financial assets at fair value through profit or loss - current	300	5,829	-	5,829	-
	SinoPac Europe 50 Index TWD	-	Financial assets at fair value through profit or loss - current	1,000	9,460	-	9,460	-
	SinoPac Securities CLNT0016 - Xing Nung 1st	-	Financial assets at fair value through profit or loss - current	500	50,125	-	50,125	-
	SinoPac Securities CLNT0023 - Jing Li 1st	-	Financial assets at fair value through profit or loss - current	200	20,062	-	20,062	-
	KGI Securities CLN20140731002 - FRMSL 2nd	-	Financial assets at fair value through profit or loss - current	180	18,091	-	18,091	-
	KGI Securities CLN20140731001 - FRMSL 2nd	-	Financial assets at fair value through profit or loss - current	45	4,523	-	4,523	-
	SinoPac Securities CLN0030 - Orise tech 1st	-	Financial assets at fair value through profit or loss - current	250	25,024	-	25,024	-
	SinoPac Securities CLN0031 - Lextar 2nd	-	Financial assets at fair value through profit or loss - current	300	30,220	-	30,220	-
	Yuanta Securities CLN0001-0654 - Union 1st	-	Financial assets at fair value through profit or loss - current	300	30,103	-	30,103	-
	Yuanta Securities CLN0001-0682 - Union 1st	-	Financial assets at fair value through profit or loss - current	300	30,108	-	30,108	-
	Yuanta Securities CLN0001-0681 - Taiching 3rd	-	Financial assets at fair value through profit or loss - current	150	15,032	-	15,032	-
	SinoPac Securities CLN0032 - DaFeng 1st	-	Financial assets at fair value through profit or loss - current	100	10,025	-	10,025	-
	Fubon Security CLN-shihhsin 1st	-	Financial assets at fair value through profit or loss - current	200	20,062	-	20,062	-
	Yuanta Securities CLN-I-chiun 5th	-	Financial assets at fair value through profit or loss - current	300	30,015	-	30,015	-
	SinoPac Securities CLNT0033-feihung 1st	-	Financial assets at fair value through profit or loss - current	300	30,058	-	30,058	-
	KGI Securities CLN20150303001 - Chime Ball Tech 1st	-	Financial assets at fair value through profit or loss - current	150	15,033	-	15,033	-
	SinoPac Securities CLN000035- -Jin Ke 1	-	Financial assets at fair value through profit or loss - current	400	40,264	-	40,264	-
	KGI Securities CLN20150604001-Wan Zhou 3	-	Financial assets at fair value through profit or loss - current	250	25,031	-	25,031	-
	FarEast Business Department - Asset Swap - Zheng Wen 3rd	-	Financial assets at fair value through profit or loss - current	305	30,655	-	30,655	-
	KGI Securities CLN20150813001 - Rechi 1st	-	Financial assets at fair value through profit or loss - current	200	20,066	-	20,066	-
	KGI Securities CLN20151106001 - YFC 7th	-	Financial assets at fair value through profit or loss - current	43	4,316	-	4,316	-
	Capital Securities PGN233-Taiwan 50	-	Financial assets at fair value through profit or loss - current	2,500	250,006	-	250,006	-
	Capital Securities PGN234-Taiwan 50	-	Financial assets at fair value through profit or loss - current	2,500	250,006	-	250,006	-
	Capital Securities PGN151229102-CHT	-	Financial assets at fair value through profit or loss - current	3,000	300,007	-	300,007	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Photronics DNP Mask Company	Related party in substance	Available-for-sale financial assets - non-current	856	$ 7,702	0.33	$ 7,702	-
	First Financial Holding Company	-	Available-for-sale financial assets - non-current	882	13,493	0.01	13,493	-
	Mison - Century Technology, Ltd	Related party in substance	Available-for-sale financial assets - non-current	5,025	29,495	8.37	29,495	-
	Taiwin Company	The same chairman	Financial assets measured at cost - non-current	6,692	26,240	5.09	Not applicable	-
	Shin Bus Company	-	Financial assets measured at cost - non-current	151	485	0.32	Not applicable	-
	Taiwan Stock Exchange	-	Financial assets measured at cost - non-current	6,603	1,206	1.00	Not applicable	-
	Taiwan Aerospace Company	-	Financial assets measured at cost - non-current	811	-	0.60	Not applicable	-
	Oculon Optoelectronics Company	-	Financial assets measured at cost - non-current	383	481	2.31	Not applicable	-
TAC	Bonds							
	Government bonds	-	Held-to-maturity financial assets - non-current	-	5,828	-	5,859	-
SCC	Bonds							
	Government bonds	-	Held-to-maturity financial assets - non-current	-	11,729	-	12,052	-
H. K. Manpower	Beneficiary certificates							
	Capital Money Market	-	Financial assets at fair value through profit or loss - current	129	2,050	-	2,050	-
	Union Money Market	-	Financial assets at fair value through profit or loss - current	235	3,061	-	3,061	-
	The RSIT Enhanced Money Market	-	Financial assets at fair value through profit or loss - current	254	3,002	-	3,002	-
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	206	3,008	-	3,008	-
Yue Sheng	Common stocks							
	Yueki Company	The same parent company	Financial assets measured at cost - non-current	10	100	0.08	Not applicable	-
China Cast Iron Pipe	Beneficiary certificates							
	Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	2,803	28,587	-	28,587	-
Sin Chi	Beneficiary certificates							
	The RSIT Enhanced	-	Financial assets at fair value through profit or loss - current	2,457	29,049	-	29,049	-
	Franklin Money Fund	-	Financial assets at fair value through profit or loss - current	991	10,106	-	10,106	-
Hsiang Shou	Beneficiary certificates							
	Jih Sun Money Market	-	Financial assets at fair value through profit or loss - current	685	10,014	-	10,014	-
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	982	10,011	-	10,011	-
Yu Yuen	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	118	616	-	616	-
	RECTRON Company	-	Financial assets at fair value through profit or loss - current	16	100	-	100	-
	YangMing Marine Transport Corp.	-	Financial assets at fair value through profit or loss - current	12	104	-	104	-
	Taiwan Shin Kong Security Co., Ltd.	-	Financial assets at fair value through profit or loss - current	50	1,972	-	1,972	-
	Compal Electronics Company	-	Financial assets at fair value through profit or loss - current	14	260	-	260	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015 Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	Note
	Beneficiary certificates							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	3,507	$ 52,957	-	$ 52,957	-
	Common stocks							
	Yue Sheng Company	The same parent company	Financial assets measured at cost - non-current	2	33	-	Not applicable	-
Yu Ching	Beneficiary certificates							
	CCIB-SPC FX Fund	-	Financial assets at fair value through profit or loss - current	698	67,340	-	67,340	-
	Taishin Asia-America Short Duration Bd	-	Financial assets at fair value through profit or loss - current	3,033	32,559	-	32,559	-
	Taishin Lucky Money Market	-	Financial assets at fair value through profit or loss - current	7,402	81,381	-	81,381	-
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss - current	7,371	80,210	-	80,210	-
	CTBC Asia Pacific Multiple Inc TWD Acc	-	Financial assets at fair value through profit or loss - current	1,000	10,028	-	10,028	-
	Common stocks							
	Gongin Company	-	Financial assets measured at cost -current	147	1,911	-	Not applicable	-
	Yulon Motor Company	Parent company	Available-for-sale financial assets - non-current	11,838	357,522	-	357,522	-
	Fubon Financial Company	-	Available-for-sale financial assets - non-current	7,342	330,397	-	330,397	-
	Yulon Management	Related party in substance	Financial assets measured at cost - non-current	1	9	-	Not applicable	-
Chinh-Ling	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market	-	Financial assets at fair value through profit or loss - current	1,724	17,579	-	17,579	-
Yu Pong	Beneficiary certificates							
	Union Global ETF Fund of Funds	-	Financial assets at fair value through profit or loss - current	755	7,448	-	7,448	-
	SinoPac Europe 50 Index TWD	-	Financial assets at fair value through profit or loss - current	291	2,755		2,755	
	FSITC RMB High Yield Bond CNH Acc		Financial assets at fair value through profit or loss - current	1,000	10,030	-	10,030	-
	CLNF20130926001-Fu Ciao 4th	-	Financial assets at fair value through profit or loss - current	-	15,124	-	15,124	-
	CLNF20130923002 Fu Ciao 4th	-	Financial assets at fair value through profit or loss - current	-	3,025	-	3,025	-
	CLNF20151105001-Tarako Textile Corp	-	Financial assets at fair value through profit or loss - current	-	15,044		15,044	
	Common stocks							
	Yulon Motor Company	Parent company	Available-for-sale financial assets - current	-	3		3	
	Fubon Financial Company	-	Available-for-sale financial assets - current	2,419	108,844	-	108,844	-
Yung Hong	Common stocks							
	CARNIVAL Company	Related party in substance	Financial assets at fair value through profit or loss - current	283	1,472	-	1,472	-
	Kian-shen Company	Related party in substance	Financial assets at fair value through profit or loss - current	76	5,890	-	5,890	-
	Asia Plastic	-	Financial assets at fair value through profit or loss - current	2,203	39,875		39,875	
	TAC Corporation	The same parent company	Financial assets at fair value through profit or loss - current	4	320	-	320	-
	Beneficiary certificates							
	FSITC Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	23,621	356,604	-	356,604	-
	FSITC Money Market	-	Financial assets at fair value through profit or loss - current	894	157,450		157,450	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Common stocks							
	Asia Plastic	-	Available-for-sale financial assets - current	1,827	$ 33,061	-	$ 33,061	-
	Fubon Momo Company	-	Available-for-sale financial assets - current	121	25,834	-	25,834	-
	Gongin Company	-	Financial assets measured at cost -current	148	1,099	-	Not applicable	-
	The Risk on Rock	-	Financial assets measured at cost - non-current	330	9,900	-	Not applicable	-
	Tai Yuen Company	The same parent company	Financial assets measured at cost - non-current	11	96		Not applicable	
	Zhao Bang Company	-	Financial assets measured at cost - non-current	1,101	2	-	Not applicable	-
	Orgchem Technology Company	-	Financial assets measured at cost - non-current	291	5,298		Not applicable	
	T-Car Inc.	-	Financial assets measured at cost - non-current	425	58,519	-	Not applicable	-
	Emapgo Technologies	-	Financial assets measured at cost - non-current	1,608	-		Not applicable	
	ADTO Company	-	Financial assets measured at cost - non-current	1	10	-	Not applicable	-
	Goldman Sachs (Asia) L.L.C.	-	Financial assets measured at cost - non-current	-	1,921	-	Not applicable	-
Tai Yuen Venture Capital	Beneficiary certificates							
	Cathay Taiwan Money Market	-	Financial assets at fair value through profit or loss - current	1,328	16,355	-	16,355	-
	Common stocks							
	Asia Plastic	-	Available-for-sale financial assets - current	519	9,392	-	9,392	-
	JOYIN Company	-	Financial assets measured at cost - non-current	1,880	5,639	-	Not applicable	-
	Subtron Technology Company	-	Financial assets measured at cost - non-current	2,039	9,061	-	Not applicable	-
	Orgchem Technology Company	-	Financial assets measured at cost - non-current	242	4,387	-	Not applicable	-
	Phalanx Biotech Group	-	Financial assets measured at cost - non-current	697	4,877	-	Not applicable	-
	Tennrich International Company	-	Financial assets measured at cost - non-current	231	463	-	Not applicable	-
	UOG Industrial Company	-	Financial assets measured at cost - non-current	229	3,783	-	Not applicable	-
	Solidlite Company	-	Financial assets measured at cost - non-current	344	1,031	-	Not applicable	-
	Jouge Company	-	Financial assets measured at cost - non-current	740	3,567		Not applicable	
	Paragon Semiconductor Lighting Technology Company	-	Financial assets measured at cost - non-current	1,500	10,500	-	Not applicable	-
	Neutron	-	Financial assets measured at cost - non-current	2,929	17,571		Not applicable	
	Hero Cinema Company	-	Financial assets measured at cost - non-current	152	253	-	Not applicable	-
	IQ Technology	-	Financial assets measured at cost - non-current	258	103	-	Not applicable	-
	Ecrowd Media	-	Financial assets measured at cost - non-current	1,000	3,230	-	Not applicable	-
	Gongin Company	-	Financial assets measured at cost - non-current	225	3,283	-	Not applicable	-
	Mosa Industrial Company	-	Financial assets measured at cost - non-current	740	10,992	-	Not applicable	-
Yu Sing	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	842	6.96	Not applicable	-
Yushin	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	781	6.96	Not applicable	-
Yu Pool	Common stocks							
	Yu Pool Company	-	Financial assets measured at cost - non-current	150	1,500	4.69	Not applicable	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yu Chang	Common stocks							
	Kai Xing Insurance Agency	-	Financial assets measured at cost - non-current	43	$ 726	6.96	Not applicable	-
Yu Rich	Beneficiary certificates							
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	763	10,195	-	$ 10,195	-
Qinton	Beneficiary certificates							
	Taishin 1699 Money Market	-	Financial assets at fair value through profit or loss - current	97	1,296	-	1,296	
Yulon Overseas	Beneficiary certificates							
	Powerfund-Class A	-	Financial assets at fair value through profit or loss - current	279,901	16,412	-	16,412	-
Yulon China	Common stocks							
	Historic Enterprise Limited	-	Financial assets measured at cost - non-current	-	3,283	4.76	Not applicable	-
	Auto King (Samoa)	-	Financial assets measured at cost - non-current	-	3,283	2.10	Not applicable	
	Yung Jen Industrial (Samoa)	-	Financial assets measured at cost - non-current	-	2,462	2.59	Not applicable	-
Qing Yi	Beneficiary certificates							
	Powerfund-Class A	-	Financial assets at fair value through profit or loss - current	223,919	16,457	-	16,457	-
Wen Yang	Beneficiary certificates							
	CCIB SPC-Diversified FX Trading Segregated Portfolio A	-	Financial assets at fair value through profit or loss - current	678,734	50,559	-	50,559	-

(Concluded)

TABLE 4

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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	Eastspring Inv Well Pool Money Market	Financial assets at fair value through profit or loss - current	-	-	-	$ -	126,932	$ 1,700,000	126,932	$ 1,700,292	$ 1,700,000	$ 292	-	$ -
	Yuanta De- Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	137,380	1,628,233	137,380	1,628,864	1,628,233	631	-	-
	The RSIT Enhanced Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	64,248	757,264	64,248	757,796	757,264	532	-	-
	Fuh Hwa You Li Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	22,535	300,000	22,535	300,036	300,000	36	-	-
	Fubon Chi-Hsiang Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	100,763	1,557,798	100,763	1,558,378	1,557,798	580	-	-
	Yuanta Wan Tai Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	93,817	1,400,000	93817	1400967	1400000	967	-	-
	Jih Sun Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	105,070	1,530,162	70089	1021357	1019977	1380	34,981	511,479
	Capital Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	145,257	2,307,377	145,257	2,308,495	2,307,377	1118	-	-
	Prudential Financial Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	91,961	1,430,306	53,407	831,067	830,000	1067	38555	601818
	FSITC Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	2,760	485,150	2,760	486,113	485,150	963	-	-
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	60,848	915,000	54196	815608	814738	870	6,653	100,439
	UPAMC James Bond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	120,983	1,990,000	120,983	1,991,807	1,990,000	1807	-	-
	Union Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	99,936	1,300,000	99936	1300930	1300000	930	-	-
	CTBC Hwa-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	18,543	200,716	156,671	1,700,000	175,213	1,902,253	1,900,418	1836	-	-
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	68,969	918,997	68,969	919,746	918,997	749	-	-
	Taishin Ta-Chong Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	107,989	1,510,000	107,989	1,511,252	1,510,000	1252	-	-
	Taishin Lucky Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	32,799	360,000	32799	360264	360000	264	-	-
	Allianz Glbl Investors Taiwan Money Mkt	Financial assets at fair value through profit or loss - current	-	-	-	-	80,427	991,110	80427	993508	991110	2397	-	-
	Nomura Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	107,050	1,720,000	107,050	1,721,638	1,720,000	1638	-	-
	Mirae Asset Solomon Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	102,114	1,270,000	102,114	1,270,326	1,270,000	326	-	-
	Mega Diamond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	81,115	1,000,000	40,611	501,258	500,000	1258	40505	501323
	SinoPac TWD Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	109,332	1,500,000	109,332	1,500,543	1,500,000	543	-	-
	Paradigm Pion Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	100,171	1,140,000	100,171	1,141,844	1,140,000	1844	-	-
	Franklin Templeton Sinoam Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	78,620	799,138	29,586	300,873	300,000	873	49,034	500,049
	The RSIT Felong	Financial assets at fair value through profit or loss - current	-	-	18,515	309,015	-	-	18,515	310,399	309,759	640	-	-

(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)
	Capital Securities PGN151229102-CHT	Financial assets at fair value through profit or loss - current	-	-	-	$ -	3	$ 300,000	3	$ 300,210	$ 300,000	$ 210	-	$ -
	Capital Securities PGN151001102-CHT	Financial assets at fair value through profit or loss - current	-	-	-	-	3	300,000	3	300,375	300,000	375	-	-
	Shin Bus Company	Financial assets measured at cost	-	-	11,607	37,763	151	-	11,607	425,616	37,278	388337	151	485
	Yulon Motor Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	TAC Corporation's subsidiary	-	-	-	1,306,110	-	-	-	-	-	1,306,110
	Luxgen	Investments accounted for using equity method	Issuance of common stock for cash	Subsidiary	200,000	249,552	280,000	2,800,000	-	-	-	-	280,000	335,744
TAC	Yulon Motor Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	TAC Corporation's subsidiary	-	-	-	1,239,718	-	-	-	-	-	1,239,718
SCC	Shin Shin Global Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	Issuance of common stock for cash	SCC Corporation's subsidiary	-	-	12,000	389,077	-	-	-	-	12,000	393,900
Shin Shin Global Investment (Samoa) Co., Ltd.	TAC Finance Company	Investments accounted for using equity method	Issuance of common stock for cash	Yu Rong International Investment (Samoa) Co., Ltd.'s subsidiary	-	-	-	389,077	-	-	-	-	-	371,665
Luxgen	Luxgen Overseas Holdings Private Limited	Investments accounted for using equity method	Luxgen Overseas Holdings Private Limited	Luxgen Corporation's subsidiary	30,342	(350,975)	33,245	769,265	-	-	-	-	63,587	147,189
Luxgen Overseas Holdings	Luxgen Motor Limited Liability Company	Investments accounted for using equity method	Luxgen motor limited liability company	Luxgen Overseas Hondings Private Limited's subsidiary	-	(466,432)	-	724,713	-	-	-	-	-	6,073

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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 $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(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. 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, 2015
(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	$(25,814,821)	70	Within 180 days	-	60 days to 180 days	$ 403,789	46	
	Luxgen	The Company’s subsidiary	Sales	(9,987,663)	27	Within 90 days	-	60 days to 180 days	216,083	25	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(1,049,006)	3	Within 60 days	-	60 days to 180 days	179,815	20	
TAC	Yu Chang	The same ultimate parent company	Sales	(4,686,884)	11	Receipt of payment on the day	-	-	7,950	-	
	Luxgen Taipei	The same ultimate parent company	Sales	(4,494,025)	9	Receipt of payment on the day	-	-	15,105	-	
	Yuan Lon	An investee accounted for by equity method	Sales	(3,558,273)	9	Receipt of payment on the day	-	-	7,549	-	
	Yu Sing	The same ultimate parent company	Sales	(3,546,993)	8	Receipt of payment on the day	-	-	13,253	-	
	Hui-Lian	An investee accounted for by equity method	Sales	(3,341,101)	7	Receipt of payment on the day	-	-	14,112	-	
	Empower	The same ultimate parent company	Sales	(2,928,947)	6	Receipt of payment on the day	-	-	26,239	-	
	Cheng Long	An investee accounted for by equity method	Sales	(2,702,170)	11	Receipt of payment on the day	-	-	41,489	-	
	Yushin	The same ultimate parent company	Sales	(2,621,537)	7	Receipt of payment on the day	-	-	10,221	-	
	Yu Tang	An investee accounted for by equity method	Sales	(2,322,656)	5	Receipt of payment on the day	-	-	12,429	-	
	Luxgen Taichung	The same ultimate parent company	Sales	(2,318,295)	5	Receipt of payment on the day	-	-	6,342	-	
	Luxgen Taoyuan	The same ultimate parent company	Sales	(2,168,047)	6	Receipt of payment on the day	-	-	7,597	-	
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(1,658,311)	6	Receipt of payment on the day	-	-	2,421	-	
	Luxgen Tainan	The same ultimate parent company	Sales	(1,315,716)	6	Receipt of payment on the day	-	-	2,150	-	
	Ding Long	An investee accounted for by equity method	Sales	(963,815)	6	Receipt of payment on the day	-	-	228	-	
	Yuan Zhi	An investee accounted for by equity method	Sales	(516,725)	6	Receipt of payment on the day	-	-	977	-	
	Lian Cheng	An investee accounted for by equity method	Sales	(422,914)	6	Receipt of payment on the day	-	-	2,037	-	
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	Sales	(174,414)	6	1 day	-	-	202,514	37	
Diamond Leasing	Car-plus Corporation	The same ultimate parent company	Sales	(503,082)	6	1 day	-	-	10,979	44	
Yu Sing	Car-plus Corporation	The same ultimate parent company	Sales	(372,728)	8	30 days	-	-	6,473	2	
Yu-Jan	Yu Sing	The same ultimate parent company	Sales	(168,456)	92	At sight or a month	-	-	13,461	94	
Luxgen	TAC	The same ultimate parent company	Sales	(12,004,265)	93	Within 3 days	-	-	39,300	24	
	Hui-Fong	A related party in substance	Sales	(288,492)	2	At sight	-	-	86,382	52	
	Luxgen Taipei	The same ultimate parent company	Sales	(132,553)	1	At sight	-	-	1,823	1	
Luxgen Taipei	Car-plus Corporation	The same ultimate parent company	Sales	(277,943)	5	1 day	-	-	1,022	1	
Singan	The Company	The parent company	Sales	(169,223)	72	At sight or a month	Bargaining	At sight or a month	35,468	86	
Singgual Travel	The Company	The parent company	Sales	(181,135)	25	At sight or a month	Bargaining	At sight or a month	31,518	28	
	Luxgen Taipei	The same ultimate parent company	Sales	(138,921)	19	At sight or a month	Bargaining	At sight or a month	13,570	12	
NISSAN Taiwan Ltd. (Shanghai)	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(174,697)	78	60 days to 90 days	Bargaining	-	10,806	55	
Y-Teks	The Company	The parent company	Sales	(280,308)	74	45 days	-	-	47,295	67	
Hangchow Y-Teks	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(560,014)	88	60 days	Bargaining	60 days	135,091	63	

(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	
Union & NKH Auto Parts	The Company	The parent company	Sales	$ (1,307,654)	54	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	$ 230,541	62	
	China Motor	An investee accounted for by equity method	Sales	(640,883)	27	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	95,235	26	
Fuzhou Lianghong	Southeast Bus	A related party in substance	Sales	(990,431)	66	45 days	-	Same as normal transactions	439,010	66	
Hangchow Liangrun	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(1,304,644)	97	65 days	Note 1	Note 1	508,948	95	
Yueki	The Company	The parent company	Sales	(998,007)	67	45 days	Bargaining	45 days	167,660	33	
	China Motor	An investee accounted for by equity method	Sales	(142,132)	9	45 days	Bargaining	45 days	27,227	5	
	Kian-shen	A related party in substance	Sales	(128,863)	9	45 days	Bargaining	45 days	35,390	7	
Hangchow Yue Wan	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(414,345)	95	65 days	Bargaining	65 days	257,281	94	
Yue Sheng	The Company	The parent company	Sales	(262,370)	58	At sight or a month	Bargaining	At sight or a month	47,699	64	
Dong Feng Yulon Sales Company	Suzhou Yueshun	The same ultimate parent company	Sales	(224,032)	1	Sales revenue received in advance	-	-	-	-	
	Zhuhai Yuhsin	The same ultimate parent company	Sales	(400,643)	1	Sales revenue received in advance	-	-	-	-	
	Shanghai Yuming	The same ultimate parent company	Sales	(562,229)	2	Sales revenue received in advance	-	-	-	-	
	Ning Bo Yu Cheng	The same ultimate parent company	Sales	(306,769)	1	Sales revenue received in advance	-	-	768	-	
	Fu Jian Yu Xin	The same ultimate parent company	Sales	(451,110)	1	Sales revenue received in advance	-	-	1,501	-	
	Hang Zhou Hua Zhi	The same ultimate parent company	Sales	(319,393)	1	Sales revenue received in advance	-	-	46,758	4	
	Guang Zhou Yuan Zhi	The same ultimate parent company	Sales	(458,224)	1	Sales revenue received in advance	-	-	-	-	
	Hang Zhou Hua You	The same ultimate parent company	Sales	(331,403)	1	Sales revenue received in advance	-	-	50,652	5	
	Shenzhen Yu Zhi	The same ultimate parent company	Sales	(381,996)	1	Sales revenue received in advance	-	-	2,769	-	
	Chang Sha Yu Lu	The same ultimate parent company	Sales	(442,848)	1	Sales revenue received in advance	-	-	-	-	
	Jiangmen Yuli	The same ultimate parent company	Sales	(350,999)	1	Sales revenue received in advance	-	-	-	-	
	Ka Shing Yu Da	The same ultimate parent company	Sales	(183,430)	1	Sales revenue received in advance	-	-	-	-	
	An Hui Min Tung	The same ultimate parent company	Sales	(348,170)	1	Sales revenue received in advance	-	-	53,383	5	
	An Ching Tsai Tung	The same ultimate parent company	Sales	(210,671)	1	Sales revenue received in advance	-	-	47,485	4	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Sales	(224,106)	1	Sales revenue received in advance	-	-	-	-	
The Company	Singan	The Company's subsidiary	Purchase	169,223	1	At sight or a month	Bargaining	-	(35,468)	1	
	Singgual Travel	The Company's subsidiary	Purchase	181,135	1	At sight or a month	Bargaining	-	(31,518)	1	
	Y-Teks	The Company's subsidiary	Purchase	280,308	1	45 days	-	-	(47,295)	2	
	Union & NKH Auto Parts	The Company's subsidiary	Purchase	1,307,654	5	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(230,541)	8	
	Yueki	The Company's subsidiary	Purchase	998,007	4	45 days	Bargaining	45 days	(167,660)	6	
	Yue Sheng	The Company's subsidiary	Purchase	262,370	1	At sight or a month	Bargaining	At sight or a month	(47,699)	2	
	Uni-calsonic	An investee accounted for by equity method	Purchase	145,943	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(23,222)	1	
	China Ogihara	An investee accounted for by equity method	Purchase	418,285	2	45 days after monthly closing	Bargaining	45 days after monthly closing	(58,399)	2	
	China Engine	An investee accounted for by equity method	Purchase	247,830	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(36,933)	1	
	Taiway	An investee accounted for by equity method	Purchase	179,428	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(28,951)	1	
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	8,991,962	32	12 days after bill of lading	-	12 days after bill of lading	(399,425)	13	
	Yuen-jin	An investee accounted for by equity method	Purchase	129,643	-	45 days after monthly closing	-	45 days after monthly closing	(20,977)	1	
	Kian-shen	A related party in substance	Purchase	102,520	-	45 days after monthly closing	Bargaining	45 days after monthly closing	(8,633)	-	
	Lowin	A related party in substance	Purchase	123,047	-	12 days after bill of lading	-	12 days after bill of lading	(21,816)	1	
	Dong Feng Yulon Motors	An investee accounted for by equity method	Purchase	1,638,044	6	60 days after monthly closing	-	60 days after monthly closing	(239,718)	8	

(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	
TAC	Yulon Nissan	An investee accounted for by equity method	Purchase	$ 29,604,211	70	Within 3 days	-	-	$ (253,945)	51	
	Luxgen	The same ultimate parent company	Purchase	12,004,265	29	Within 3 days	-	-	(39,300)	8	
	Sin Jiang	The same ultimate parent company	Purchase	397,781	1	1 day	-	-	(1,411)	-	
Car-plus Corporation	Hui-Fong	A related party in substance	Purchase	483,082	7	10 days	-	-	(24,649)	10	
	Diamond Leasing	The same ultimate parent company	Purchase	503,082	7	1 day	-	-	(10,979)	4	
	Luxgen Taipei	The same ultimate parent company	Purchase	277,943	4	1 day	-	-	(1,022)	-	
	Yu Sing	The same ultimate parent company	Purchase	372,728	5	30 days	-	-	(6,473)	3	
	Shug Ye Motor	A related party in substance	Purchase	137,059	2	30 days	-	-	(13,013)	5	
Diamond Leasing	Car-plus Corporation	The same ultimate parent company	Purchase	174,414	42	1 day	-	-	(202,514)	98	
Yu Sing	TAC	The same ultimate parent company	Purchase	3,546,993	85	Receipt of payment on the day	-	-	(13,253)	26	
	Yulon Nissan	An investee accounted for by equity method	Purchase	367,897	9	At sight	-	-	(2,576)	5	
	Yu-Jan	The same ultimate parent company	Purchase	168,456	4	At sight or a month	-	-	(13,461)	26	
Yushin	TAC	The same ultimate parent company	Purchase	2,621,537	85	Receipt of payment on the day	-	-	(10,221)	13	
	Yulon Nissan	An investee accounted for by equity method	Purchase	244,520	8	At sight	-	-	(13,759)	18	
Yu Chang	TAC	The same ultimate parent company	Purchase	4,686,884	88	Receipt of payment on the day	-	-	(7,950)	15	
	Yulon Nissan	An investee accounted for by equity method	Purchase	396,823	7	At sight	-	-	(8,033)	15	
Empower	TAC	The same ultimate parent company	Purchase	2,928,947	49	Receipt of payment on the day	-	-	(26,239)	45	
Luxgen	The Company	The parent company	Purchase	9,987,663	97	Within 90 days	-	60 days to 180 days	(216,083)	94	
Luxgen Taipei	TAC	The same ultimate parent company	Purchase	4,494,025	93	Receipt of payment on the day	-	-	(15,105)	44	
	Luxgen	The same ultimate parent company	Purchase	132,553	3	Receipt of payment on the day	-	-	(1,823)	5	
Luxgen Taoyuan	TAC	The same ultimate parent company	Purchase	2,168,047	48	Receipt of payment on the day	-	-	(7,597)	24	
Luxgen Taichung	TAC	The same ultimate parent company	Purchase	2,318,295	93	Receipt of payment on the day	-	-	(6,342)	32	
Luxgen Tainan	TAC	The same ultimate parent company	Purchase	1,315,716	93	Receipt of payment on the day	-	-	(2,150)	41	
Luxgen Kaohsiung	TAC	The same ultimate parent company	Purchase	1,658,311	94	Receipt of payment on the day	-	-	(2,421)	93	
Suzhou Yueshun	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	224,032	73	Payment in advance	-	-	-	-	
Zhuhai Yuhsin	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	400,643	96	Payment in advance	-	-	-	-	
Shanghai Yuming	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	562,229	82	Payment in advance	-	-	-	-	
Ning Bo Yu Cheng	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	306,769	83	Payment in advance	-	-	(768)	63	
Fu Jian Yu Xin	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	451,110	84	Payment in advance	-	-	(1,501)	86	
Hang Zhou Hua Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	319,393	79	Payment in advance	-	-	(46,758)	77	
Guang Zhou Yuan Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	458,224	88	Payment in advance	-	-	-	-	
Hang Zhou Hua You	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	331,403	49	Payment in advance	-	-	(50,652)	88	
Shenzhen Yu Zhi	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	381,996	97	Payment in advance	-	-	(2,769)	73	
Chang Sha Yu Lu	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	442,848	86	Payment in advance	-	-	-	-	

(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	
Jiangmen Yuli	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	$ 350,999	83	Payment in advance	-	-	$ -	-	
Ka Shing Yu Da	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	183,430	87	Payment in advance	-	-	-	-	
An Hui Min Tung	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	348,170	100	Payment in advance	-	-	(53,383)	100	
An Ching Tsai Tung	Dong Feng Yulon Sales Company	The same ultimate parent company	Purchase	210,671	100	Payment in advance	-	-	(47,485)	100	
Dong Feng Yulon Sales Company	Dong Feng Yulon Motors	An investee accounted for by equity method	Purchase	32,366,624	97	Payment in advance	-	-	(4,874,496)	93	

Note: Till the end of balance sheet date, no other transaction parties were available for comparison, since Hangchow Liangrun Parts Company had traded with Dong Feng Yulon Motors and Union & NKH Auto Parts Company only.

(Concluded)

TABLE 8

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(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	$ 608,488 (Note 1)	60.03	$ -	-	$ 431,427	$ -
	Luxgen	The Company's subsidiary	256,497 (Note 2)	35.37	-	-	82,341	-
	Dong Feng Yulon Motors	An investee accounted for by equity method	179,815	5.43	-	-	170,017	-
Union & NKH Auto Parts	The Company	The parent company	143,807	8.73	-	-	143,806	-
	Hangchow Liangrun	The same ultimate parent company	206,407 (Note 3)	0.94	-	-	-	-
Hangchow Liangrun	Dong Feng Yulon Motors	An investee accounted for by equity method	508,948	2.20	684	Actively recover receivables	161,030	-
Yueki	The Company	The parent company	174,489	4.27	4,542	Actively demand for settlement	127,314	-
	Hangchow Yue Wan	The same ultimate parent company	367,668 (Note 4)	0.07	187,854	Actively demand for settlement	-	-
Hangchow Yue Wan	Dong Feng Yulon Motors	An investee accounted for by equity method	257,281	1.1	87,914	Actively demand for settlement	1,769	-
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	202,514	8.0	190,024	Depend on capital status	12,490	-
Sheng Qing	Guang Zhou Yuan Zhi	The same ultimate parent company	106,731 (Note 5)	-	-	-	14,029	-
	Shen Jun Yu Peng	The same ultimate parent company	258,892 (Note 5)	-	-	-	39	-
	Nanjing Hanhong	The same ultimate parent company	128,534 (Note 5)	-	-	-	651	-
	Guang Zhou Yuan Du	The same ultimate parent company	128,419 (Note 5)	-	-	-	2,053	-
	Zhu Hai Fu Te En	The same ultimate parent company	237,011 (Note 5)	-	-	-	2,980	-
	Wuhan Yu Hsin	The same ultimate parent company	213,104 (Note 5)	-	-	-	32,147	-
	Qingdao Yuanhuang	The same ultimate parent company	153,032 (Note 5)	-	-	-	1,392	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
	Xiao Gan Yu Feng	The same ultimate parent company	$ 148,177 (Note 5)	-	$ -	-	$ 36,974	-
	Fu Jian Yu Xin	The same ultimate parent company	107,214 (Note 5)	-	-	-	6,096	-
Yulon Motor Investment	Sheng Qing	The same ultimate parent company	155,233 (Note 5)	-	-	-	154,194	-
	Wuhan Yu Hsin	The same ultimate parent company	123,839 (Note 5)	-	-	-	-	-
Yulon China (HK) Holding	Sheng Qing	The same ultimate parent company	463,754 (Note 5)	-	-	-	-	-
Ke Yu	Sheng Qing	The same ultimate parent company	505,467 (Note 5)	-	-	-	-	-
Mei De	Sheng Qing	The same ultimate parent company	353,827 (Note 5)	-	-	-	-	-
Gao Te	Tai Feng	The same ultimate parent company	100,335 (Note 5)	-	-	-	-	-
Guang Zhou Yuan Du	Qingdao Yuanhuang	The same ultimate parent company	126,367 (Note 5)	-	-	-	-	-
Nan Jing Yu Hua	Nanjing Hanhong	The same ultimate parent company	128,843 (Note 5)	-	-	-	-	-

Note 1: The receivables comprised account and notes receivables of $403,789 thousand and other receivables of $204,699 thousand.

Note 2: The receivables comprises account receivables of $216,083 thousand and other receivables of $40,414 thousand.

Note 3: The receivables are recognized as account receivables of $43,174 thousand and other receivables of $163,233 thousand.

Note 4: The receivables are recognized as account receivables of $201,952 thousand and other receivables of $165,716 thousand.

Note 5: The receivables comprises other receivables.

(Concluded)

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, 2015
(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, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	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	$ 10,414,573	$ 4,158,980	$ 2,031,218	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	810,409	810,409	111,480	8.05	4,404,251	3,174,385	232,667	-
	TAC	Taipei, Taiwan	Sale and lease of cars and parts	512,150	512,150	125,657	46.90	3,180,083	1,425,055	674,616	-
	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	44,956	44,956	170,685	20.85	7,338,667	1,716,576	302,478	-
	Yueki	Hsinchu, Taiwan	Manufacturing and sale of car components	60,651	60,700	9,846	50.58	419,105	(8,606)	(3,113)	-
	Yue Sheng	Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	106,948	106,965	14,680	50.97	227,319	30,458	15,846	-
	China Cast Iron Pipe	Taipei, Taiwan	Metal casting and related business	24,850	24,850	25	77.66	50,962	(3,446)	(2,676)	-
	Union & NKH Auto Parts	Taipei, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	183,692	183,723	21,729	25.01	624,337	241,221	60,526	-
	Uni-calsonic	Miaoli, Taiwan	Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	39,372	39,372	3,448	17.68	79,734	35,881	6,367	-
	Yu Chang	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	91,127	68,976	44,388	-
	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	23,388	37.76	439,776	154,948	60,804	-
	Yuan Lon	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,420	7,999	20.00	114,051	39,575	7,828	-
	Yu Ching	Taipei, Taiwan	Import and export and sale of cars and parts	1,749,940	1,749,940	175,000	100.00	1,852,694	156,795	149,556	-
	Yu Pong	Taipei, Taiwan	Yulon basketball team management and related services	449,940	449,940	65,721	99.99	823,780	10,478	11,523	-
	Yung Hong	Taipei, Taiwan	Investments	537,311	1,249,637	144,622	100.00	1,438,131	123,573	122,815	-
	Yushin	Hsinchu, Taiwan	Sale, maintenance and repair of cars and parts	132,986	133,000	15,999	80.00	184,516	9,401	14,511	-
	China Engine	Taoyuan, Taiwan	Manufacturing of car engines and parts	320,000	320,000	32,000	18.95	186,401	1,788	1,666	-
	Cheng Long	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,696	8,126	27.00	153,921	67,787	14,925	-
	Tai Yuen Venture Capital	Taipei, Taiwan	Investments	237,897	495,000	26,760	49.50	113,874	(42,425)	(21,044)	-
	Chi Ho	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	27,540	59,940	360	20.00	6,814	684	294	-
	Yu Tang	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	42,485	42,500	4,249	21.25	68,535	41,615	8,271	-
	ROC-Spicer	Taoyuan, Taiwan	Manufacturing and sales of cars and parts	566,868	567,589	1,004	20.46	719,023	333,786	68,584	-
	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	2,595	3.46	61,385	360,076	12,444	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	99,935	99,935	10,213	35.62	154,302	114,158	40,686	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	30,000	4,899	20.00	58,068	74,914	12,916	-
	Chan Yun	Taipei, Taiwan	Wholesale and retail of information software	40,680	40,680	8,332	43.85	22,435	655	287	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	85,895	85,895	8,568	20.01	94,484	18,245	3,650	-
	Sin Chi	Taipei, Taiwan	General advertising planning services	871,157	871,157	87,000	100.00	1,040,315	54,382	58,572	-
	Yu Sing	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	325,199	325,199	32,519	90.33	3,694	27,746	24,973	-
	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	61,307	42,183	548	34.00	360,380	228,880	65,173	-
	Yulon Overseas	B.V.I.	Investments	9,885,917	9,755,697	320,990	100.00	5,061,040	(326,538)	(294,306)	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	796,956	796,956	52,010	17.39	1,203,791	857,378	149,114	-
	Yu Rich	New Taipei City, Taiwan	Wholesale of cars and parts	99,000	99,000	9,900	100.00	103,203	381	(33)	-
	Qinton	Tainan, Taiwan	Sales maintenance and repair of cars and parts	67,459	67,459	6,746	100.00	80,875	6,571	6,331	-
	Haitec	New Taipei City, Taiwan	Product design	2,007,456	2,007,456	200,000	40.00	(51,660)	(239,621)	3,857	-
	Hui-Lian	Changhua, Taiwan	Sale, maintenance and repair of cars and parts	74,366	74,375	6,116	20.34	60,031	46,048	8,200	-
	DXMEDIA	Taipei, Taiwan	Publication	10,000	10,000	400	20.00	1,701	6,141	1,228	-
	Luxgen	Miaoli, Taiwan	Sales and producing of cars and related parts	7,540,000	4,740,000	480,000	100.00	335,744	(2,681,461)	(2,699,682)	-
	Yulon TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	500,000	500,000	30,000	100.00	27,248	1,556	2,994	-
	Peidu TOBE	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	-	67,600	-	-	-	-	(588)	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	32,991	32,991	3,299	32.99	24,193	1,644	880	-
	Yulon Energy	New Taipei City, Taiwan	Wholesale and retail sale of batteries	300,000	300,000	30,000	100.00	58,981	(65,997)	(62,751)	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
TAC	Car-plus Corporation	Taipei, Taiwan	Sales and lease of cars	$ 757,288	$ 757,288	51,492	68.57	$ 1,225,054	$ 360,076	$ -	-
	SCC	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	98,969	100.00	2,157,746	367,972	-	-
	TAC Global	Samoa	Shareholding company	1,564,612	1,433,452	50,537	100.00	2,003,211	(128,696)	-	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	133,297	857,378	-	-
	Empower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	48,843	48,843	6,615	27.00	83,346	74,914	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	181,731	181,731	17,128	40.00	188,858	18,245	-	-
Car-plus Corporation	Diamond Leasing	Taipei, Taiwan	Sales and lease of cars	85,000	85,000	8,500	100.00	74,771	(14,723)	-	-
	Car-Plus Samoa	Samoa	Shareholding company	378,187	378,187	12,000	100.00	560,415	31,115	-	-
	Sin Jiang	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	90,811	90,811	8,559	19.99	94,372	18,245	-	-
SCC	Shinshin Samoa	Samoa	Shareholding company	389,077	-	12,000	100.00	393,900	-	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	15,905	1,866	-	-
Sin Jiang	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	24,243	24,243	810	60.00	17,154	(5,329)	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	362,250	43,636	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	198,165	8,223	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	241,500	43,636	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	132,110	8,223	-	-
	Yu Rong International	Samoa	Shareholding company	1,296,290	1,165,130	42,000	100.00	1,618,162	(147,308)	-	-
	Sinjang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	540	40.00	11,436	(5,329)	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	408	408	27	-	747	3,174,385	-	-
	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	35,881	-	-
	Yue Ki Samoa	Samoa	Investments	123,058	123,058	4,126	100.00	611,619	41,092	-	-
	Yue Ki HK	Hong Kong	Investments	120,016	120,016	-	100.00	(4,004)	(89,692)	-	-
Yue Sheng	Y-Teks	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	18,430	18,430	122	11.99	129,422	228,880	-	-
Y-Teks	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	435	435	28	-	613	3,174,385	-	-
	Yu-Hsin Intl	B.V.I.	Investments	65,854	65,854	2,208	66.67	1,052,690	359,918	-	-
Yu-Hsin Intl	Yu-Hsin Intl HK	Hong Kong	Investments	311,194	311,194	10,274	100.00	692,796	149,980	-	-
Union & NKH Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	640	640	64	-	1,389	3,174,385	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	2,104,261	159,742	-	-
Sin Chi	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	223,700	4,158,980	-	-
	Yu Chia	Taipei, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	50,100	50,100	5,010	100.00	3,772	(15,449)	-	-
	Chanchen	Taipei, Taiwan	Management consulting, leases of real estate and general advertising	10,000	10,000	1,000	100.00	10,629	(1,363)	-	-
Singan	Singgual Travel	New Taipei City, Taiwan	Sales of car parts	130,591	130,591	13,000	100.00	227,133	41,215	-	-
	Hsiang Shou	New Taipei City, Taiwan	Towing	128,400	128,400	10,000	100.00	193,553	62,760	-	-
	Hong Shou Culture	New Taipei City, Taiwan	Publication	64,100	64,100	5,000	100.00	50,884	(756)	-	-
Yu Yuen	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	1,690	1,690	32	-	699	3,174,385	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
Yu Ching	Tokio Marine Newa Insurance	Taipei, Taiwan	Property insurance	$ 55,467	$ 55,467	3,500	1.17	$ 72,786	$ 857,378	$ -	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	256,705	4,158,980	-	-
	Yu Yuen	Taipei, Taiwan	Construction industry	358,514	358,514	40,324	33.30	677,082	48,418	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	19,914	19,914	2,742	9.56	42,508	114,158	-	-
	Chinh-Ling	Taipei, Taiwan	Product design	36,098	36,098	5,000	100.00	18,430	22	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	9	9	1	0.01	9	1,644	-	-
Yu Pong	Yu Yuen	Taipei, Taiwan	Construction industry	89,058	89,058	39,543	32.65	664,073	41,550	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	42,080	42,080	1,135	0.08	24,633	3,174,385	-	-
Yung Hong	Blue Water	B.V.I.	Investments in the manufacturing, service and financial industries	-	208,252	-	-	-	-	-	-
	Prosperity	B.V.I.	Investments in the manufacturing, service and financial industries	-	38,012	-	-	-	-	-	-
	Yu Yuen	Taipei, Taiwan	Construction industry	745,292	745,292	39,543	32.65	663,388	41,550	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	253,834	253,834	9,994	0.72	216,872	3,174,385	-	-
	Shin Sheng 3	Taipei, Taiwan	Investments	-	280,000	-	-	-	-	-	-
Tai Yuen Venture Capital	Haitec	New Taipei City, Taiwan	Product design	112,418	112,418	11,200	2.24	125,458	(239,621)	-	-
Yu Sing	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,800	3,779	44.99	38,302	9,335	-	-
	Luxgen Taipei	New Taipei City, Taiwan	Sales, maintenance and repair of cars and related products	22,050	22,050	239	1.29	-	(8,704)	-	-
	Yu-Jan	Taipei, Taiwan	Sales and arrangement of cars and related products	5,000	5,000	500	100.00	10,124	1,257	-	-
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	32,156	4,082	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	16,630	6,333	-	-
	Yu Shin Investment	Samoa	Investments	46,331	46,331	-	100.00	25,294	(28,106)	-	-
Empower	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	10,740	415	-	-
	Hong Yen	Samoa	Investments	47,082	47,082	45,995	100.00	129,656	(5,342)	-	-
	Luxgen Taichung	Taichung, Taiwan	Sales, maintenance and repair of cars and related products	27,446	27,446	2,120	20.00	10,612	2,243	-	-
	Yu Ming Insurance	Taichung, Taiwan	Property insurance	3,000	3,000	300	100.00	3,533	99	-	-
Yu Chang	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	29,520	8,727	-	-
	Yu Chang China	Samoa	Investments	47,422	47,422	1,564	100.00	14,970	(797)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Sales, maintenance and repair of cars and related products	26,450	26,450	1,420	20.00	7,044	3,400	-	-
Luxgen	Luxgen Taipei	New Taipei City, Taiwan	Sales, maintenance and repair of cars and related products	157,625	157,632	13,635	73.70	70,896	(8,704)	-	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	64,883	64,892	6,299	59.99	52,231	6,333	-	-
	Luxgen Taichung	Taichung, Taiwan	Sales, maintenance and repair of cars and related products	71,624	71,630	6,359	59.99	32,079	2,243	-	-
	Luxgen Tainan	Tainan, Taiwan	Sales, maintenance and repair of cars and related products	101,397	101,400	6,239	59.99	7,428	(21,937)	-	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Sales, maintenance and repair of cars and related products	58,344	58,350	4,259	59.99	23,192	3,400	-	-
	Luxgen Overseas Holdings	Singapore	Investments	1,300,595	721,108	63,587	100.00	147,189	(256,156)	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	19.78	87,021	114,158	-	-
Luxgen Overseas Holdings	Luxgen Limited Liability	Russia	Sale, maintenance and repair of cars and parts	1,126,980	397,561	-	99.99	6,073	(241,730)	-	-
Yulon Energy	Power Engineering	New Taipei City, Taiwan	Construction project contracting	2,000	2,000	150	100.00	1,395	(107)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2015			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2015	December 31, 2014	Shares	Percentage of Ownership	Carrying Value			
Yulon Overseas	Yulon Philippine	Cayman	Investments	$ 1,172,994	$ 1,172,994	32,791	100.00	$ (444,914)	$ (89,377)	$ -	-
	Yulon China	B.V.I.	Investments	9,715,018	9,583,718	290,564	100.00	5,571,445	(218,067)	-	-
Yulon Philippine	UMPI & SCIC	Philippine	Manufacturing of cars and factory lease	958,293	958,293	-	100.00	(391,080)	(13,080)	-	-
	NPI	Philippine	Sale, maintenance and repair of cars and parts	77,210	77,210	12	24.50	(8,981)	(310,654)	-	-
Yulon China	Qing Yi	Samoa	Investments	520,276	520,276	15,850	100.00	553,300	(21,126)	-	-
	Wen Yang	Samoa	Investments	528,483	528,483	16,100	100.00	605,492	14,524	-	-
	Tai Xin	Samoa	Investments	643,370	643,370	19,600	100.00	771,202	(1,528)	-	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	6,130,344	6,130,344	-	100.00	4,703,269	770,100	-	-
	Mega Elegant	Hong Kong	Investments	-	61,055	-	-	-	(54,612)	-	-
	Yulon China Holding	Cayman	Investments	869,863	738,563	22,500	100.00	(1,243,787)	(935,136)	-	-
	Feng Hua	Hong Kong	Investments	91,910	91,910	-	40.00	91,601	(6,570)	-	-
Yulon China Holding	Yulon Motor Investment	Hong Kong	Investments	869,863	738,563	-	100.00	(1,243,793)	(935,136)	-	-

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2015
(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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	$ 78,214	b.	$ 61,055	$ -	$ -	$ 61,055	$ (44,538)	100.00	$ (44,538)	$ 606,678	$ -	2, b.
Ke Yu	Computer software maintenance and computer system integration	778,918	b.	640,088	-	-	640,088	(1,493)	100.00	(1,493)	768,522	-	2, b.
Tai Feng	Computer software maintenance and computer system integration	577,313	b.	487,451	-	-	487,451	11,244	100.00	11,244	552,149	-	2, b.
Qing Tai	Computer software maintenance and computer system integration	607,900	b.	503,864	-	-	503,864	(22,554)	100.00	(22,554)	535,227	-	2, b.
Dong Feng Yulon Motors	Manufacturing of key car components, electric cars and related parts	13,900,332	b.	6,858,262	-	-	6,858,262	1,548,422	50.00	774,211	4,703,528	-	2, a.
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	223,207	b.	91,910	-	-	91,910	(6,570)	40.00	(2,628)	229,002	-	2, b.
Yulon Motor Investment	Investment, shareholding and related business	844,499	b.	738,563	131,300	-	869,863	(933,740)	100.00	(933,740)	(1,792,640)	-	2, b.
Hang Zhou Haitec	Product design	156,034	b.	16,413	-	-	16,413	5,245	10.00	525	16,906	-	2, a.
Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	2,527,333	a.	-	1,306,110	-	1,306,110	-	-	-	2,545,828	-	Note 4
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chassises, connection arms, crossrails of engines and other stamping and welding parts	161,712	b.	3,283	-	-	3,283	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	69,078	b.	3,283	-	-	3,283	-	-	-	-	-	-
Hang Zhou Xian Bo	Manufacturing and design of fixtures and jigs of vehicles, mechanical and electrical products; inner and external fittings and furnishing	86,873	b.	3,283	-	-	3,283	(4,823)	4.76	-	3,283	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	126,306	b.	2,462	-	-	2,462	18,927	2.59	-	2,462	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	400,831	b.	3,283	-	-	3,283	(118)	2.10	-	3,283	-	-
Hui Zhou Deng Feng Yi Jing	Manufacturing of car parts	758,200	b.	-	-	-	-	120,854	17.00	20,545	595,537	-	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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Hangchow Yue Wan	Manufacturing of car parts	$ 153,881	b.	$ -	$ -	$ -	$ -	$ (89,443)	51.00	$ (45,616)	$ 11,740	$ -	2, c.
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	301,813	b.	-	-	-	-	110,409	27.00	29,811	425,709	-	2, c.
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	58,858	b.	-	-	-	-	24,641	14.00	3,450	88,079	-	2, c.
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	164,125	b.	-	-	-	-	205,137	5.00	10,257	159,934	-	2, c.
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	216,645	b.	-	-	-	-	1,031,265	6.00	61,876	895,196	-	2, c.
Fuzhou Lianghong	Manufacturing of car seats	525,504	b.	-	-	-	-	32,338	17.00	5,497	566,960	-	2, c.
Hangchow Liangrun	Manufacturing of car seats	493,533	b.	-	-	-	-	(10,849)	25.00	(2,712)	292,676	-	2, c.
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	878,069	b.	-	-	-	-	311,542	10.00	31,154	1,203,783	-	2, c.
Shang Hai Jing-Huei	Sales of car parts	57,012	a.	-	-	-	-	30,353	65.00	19,730	97,845	-	2, c.
Car-Plus (Suzhou)	Lease of cars and related services	328,250	b.	-	-	-	-	43,636	40.13	17,511	602,520	-	2, c.
Car-Plus Leasing (Shanghai)	Lease of cars and related services	328,250	b.	-	-	-	-	8,223	40.13	3,300	330,253	-	2, c.
TAC Leasing (Suzhou)	Equipments and cars leasing business	984,750	b.	-	-	-	-	(133,375)	46.90	(62,553)	1,268,710	-	2, c.
TAC Finance Company	Equipments and cars leasing business	984,750	b.	-	-	-	-	(17,416)	57.52	(10,018)	5,439,944	-	2, c.
Zhe Jiang Cheng Yi Company	Sale and brokerage of secondhand vehicles	107,502	b.	-	-	-	-	(13,261)	28.52	(3,782)	34,550	-	2, c.
Su Zhou Yu Guo	Sales of cars	10,109	b.	-	-	-	-	(744)	17.26	(128)	2,813	-	2, c.
Dong Yu Tech. Company	Car manufacture and furnishing; manufacture, installation and sale of car parts	76,455	b.	-	-	-	-	(4,450)	45.00	(1,991)	53,555	-	2, c.
Dong Feng Yulon Sales Company	Sales of cars and car parts	249,798	b.	-	-	-	-	(1,614,443)	50.00	(807,222)	(1,969,126)	-	2, a.
Sheng Qing	Investments	2,222,470	b.	-	-	-	-	(96,114)	100.00	(96,114)	1,416,191	-	2, b.
Mei De	Computer software maintenance and computer system integration	397,178	b.	-	-	-	-	866	100.00	866	407,745	-	2, b.
Shi Cheng	Computer software maintenance and computer system integration	211,479	b.	-	-	-	-	(24,777)	100.00	(24,777)	162,326	-	2, b.
Jin Ce	Computer software maintenance and computer system integration	98,271	b.	-	-	-	-	(1,815)	100.00	(1,815)	95,751	-	2, b.
Yi Ding	Computer software maintenance and computer system integration	275,777	b.	-	-	-	-	1,351	100.00	1,351	265,961	-	2, b.
Dong Tai	Investments	218,324	b.	-	-	-	-	(28,482)	100.00	(28,482)	157,362	-	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, 2015	Remittance of Funds Outward	Remittance of Funds Inward	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
Gao Te	Investments	$ 289,765	b.	$ -	$ -	$ -	$ -	$ 754	100.00	$ 754	$ 272,335	$ -	2, b.
Shen Jun Yu Peng	Sales of cars	59,952	b.	-	-	-	-	(4,434)	65.00	(2,882)	(20,918)	-	2, b.
Su Zhou Feng Shen	Sales of cars	239,806	b.	-	-	-	-	24,241	40.00	9,697	262,993	-	2, b.
Guang Zhou Yuan Du	Sales of cars	174,858	b.	-	-	-	-	27,427	61.00	16,730	123,563	-	2, b.
Zhu Hai Fu Te En	Sales of cars	24,980	b.	-	-	-	-	1,687	100.00	1,687	93,319	-	2, b.
Nanjing Hanhong	Sales of cars	350,980	b.	-	-	-	-	(49,670)	100.00	(49,670)	272,785	-	2, b.
Wuhan Yu Hsin	Sales of cars	139,887	b.	-	-	-	-	382	100.00	382	(89,655)	-	2, b.
HangZhou Yu Zhong	Trading	49,959	b.	-	-	-	-	2,385	100.00	2,385	85,292	-	2, b.
Shanghai Yuexing	Sales of cars	130,905	b.	-	-	-	-	(39,665)	100.00	(39,665)	(49,824)	-	2, b.
Jiangmen Junxing	Sales of cars	100,929	b.	-	-	-	-	12,544	100.00	12,544	50,991	-	2, b.
Jiangmen Yuli	Sales of cars	50,970	b.	-	-	-	-	8,512	100.00	8,512	55,323	-	2, b.
Qingdao Yuanhuang	Sales of cars	149,878	b.	-	-	-	-	(48,467)	100.00	(48,467)	(44,926)	-	2, b.
Shanghai Yuming	Sales of cars	191,868	b.	-	-	-	-	(13,028)	67.00	(8,729)	120,215	-	2, b.
Guang Zhou Yuan Zhi	Sales of cars	49,959	b.	-	-	-	-	(2,543)	61.00	(1,551)	26,374	-	2, b.
Ning Bo Yu Cheng	Sales of cars	99,919	b.	-	-	-	-	(8,634)	82.85	(7,154)	28,422	-	2, b.
Fu Jian Yu Xin	Sales of cars	99,919	b.	-	-	-	-	(17,452)	100.00	(17,452)	45,042	-	2, b.
Hang Zhou Hua Zhi	Sales of cars	99,919	b.	-	-	-	-	(26,810)	80.00	(21,448)	(41,367)	-	2, b.
Chang Sha Yu Lu	Sales of cars	99,919	b.	-	-	-	-	5,953	100.00	5,953	88,507	-	2, b.
Hang Zhou Tang Yu	Investments	49,959	b.	-	-	-	-	3,542	100.00	3,542	54,373	-	2, b.
Hang Zhou Chien Yu	Investments	49,959	b.	-	-	-	-	(224)	100.00	(224)	45,957	-	2, b.
Zhuhai Yuhsin	Sales of cars	24,980	b.	-	-	-	-	19,435	100.00	19,435	(11,964)	-	2, b.
Shenzhen Yu Zhi	Sales of cars	49,959	b.	-	-	-	-	26,408	100.00	26,408	31,046	-	2, b.
Xiao Gan Yu Feng	Sales of cars	79,935	b.	-	-	-	-	301	100.00	301	40,847	-	2, b.
Su Zhou Feng Shun	Sales of cars	125,607	b.	-	-	-	-	-	40.00	6,000	190,586	-	2, b.
Suzhou Yueshun	Sales of cars	49,959	b.	-	-	-	-	4,256	40.00	1,702	64,821	-	2, b.
Su Chou Cheng Pin	Sales of cars	201,859	b.	-	-	-	-	(4,873)	40.00	(1,949)	195,444	-	2, b.
Wu Jiang Lian Cheng	Sales of cars	49,959	b.	-	-	-	-	6,198	40.00	2,479	77,736	-	2, b.
Su Zhou Cheng Li	Sales of cars	75,444	b.	-	-	-	-	(2,829)	40.00	(1,132)	50,001	-	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, 2015	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2015	Accumulated Repatriation of Investment Income as of December 31, 2015	Note
					Outward	Inward							
Hang Zhou Hsiao Yu	Investments	$ 49,959	b.	$ -	$ -	$ -	$ -	$ (117)	99.00	$ (116)	$ 45,668	$ -	2, b.
Nan Jing Yu Shang	Sales of cars	39,968	b.	-	-	-	-	(22,213)	100.00	(22,213)	(28,594)	-	2, b.
Hang Zhou Hua You	Sales of cars	39,968	b.	-	-	-	-	-	80.00	(21,542)	(77,235)	-	2, b.
Su Zhou Cheng Pang	Sales of cars	49,959	b.	-	-	-	-	(5,377)	40.00	(2,151)	34,665	-	2, b.
Nan Jing Yu Hua	Sales of cars	149,878	b.	-	-	-	-	(5)	100.00	(5)	151,630	-	2, b.
Ka Shing Yu Da	Sales of cars	61,164	b.	-	-	-	-	(3,721)	67.00	(2,493)	48,545	-	2, b.
Su Zhou Cheng Guo	Sales of cars	50,970	b.	-	-	-	-	(1,137)	40.00	(455)	49,425	-	2, b.
Su Zhou Cheng Hung	Sales of cars	50,970	b.	-	-	-	-	(1,499)	40.00	(599)	49,061	-	2, b.
Tai Chang Cheng Mau	Sales of cars	50,970	b.	-	-	-	-	(1,386)	40.00	(555)	49,045	-	2, b.
An Hui Min Tung	Sales of cars	50,970	b.	-	-	-	-	821	100.00	821	51,790	-	2, b.
An Ching Tsai Tung	Sales of cars	25,485	b.	-	-	-	-	(9,001)	100.00	(9,001)	1,456	-	2, b.
An Ching Ling Tung	Sales of cars	20,388	b.	-	-	-	-	(841)	100.00	(841)	18,819	-	2, b.
Tung Ling Kuo Tung	Sales of cars	25,485	b.	-	-	-	-	(7,457)	100.00	(7,457)	(9,427)	-	2, b.
Ho Fei Chun Hui	Sales of cars	2,548	b.	-	-	-	-	97	100.00	97	2,229	-	2, b.
Zi Bo Yu An	Sales of cars	25,485	b.	-	-	-	-	(9,022)	100.00	(9,022)	16,327	-	2, b.

Accumulated Investment in Mainland China as of December 31, 2015	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	$10,850,610	$16,889,159	$48,708,985

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: The amounts of investment gain (loss) was recognized on following bases:

a. Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
b. Based on the financial statements audited by the auditor of parent company.
c. 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.

Note 4: The Company is preparing for operation; thus, there is no investment gain (loss). And the Company has acquired operation license on February 19, 2016.

(Concluded)

TABLE 11

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Company	Luxgen	1	Other receivables from related parties	$ 40,414	Based on regular terms	-
		The Company	1	Long term investment	10,858	Based on regular terms	-
		The Company	1	Long term investment	11,462	Based on regular terms	-
		The Company	1	Long term investment	672	Based on regular terms	-
		The Company	1	Long term investment	169	Based on regular terms	-
		The Company	1	Long term investment	12,249	Based on regular terms	-
		The Company	1	Long term investment	120	Based on regular terms	-
		Luxgen	1	Nonoperating revenue and expense	216,083	Based on regular terms	-
		Yushin	1	Nonoperating revenue and expense	18,134	Based on regular terms	-
		Yu Sing	1	Nonoperating revenue and expense	39,461	Based on regular terms	-
		Yu Chang	1	Nonoperating revenue and expense	21,469	Based on regular terms	-
		TAC	1	Nonoperating revenue and expense	34,856	Based on regular terms	-
		The Company	1	Nonoperating revenue and expense	14,928	Based on regular terms	-
		The Company	1	Nonoperating revenue and expense	19,279	Based on regular terms	-
		The Company	1	Nonoperating revenue and expense	19,838	Based on regular terms	-
		Yu Yuen	1	Operating revenue, net	69,707	Based on regular terms	-
		Yu Chia	1	Operating revenue, net	60,041	Based on regular terms	-
		Chanchen	1	Operating revenue, net	19,023	Based on regular terms	-
		Yu Ching	1	Operating revenue, net	19,103	Based on regular terms	-
		Luxgen	1	Operating revenue, net	10,246,490	Based on regular terms	8
		Yulon China (HK) Investment	1	Operating revenue, net	12,929	Based on regular terms	-
		Luxgen Taipei	1	Operating revenue, net	17,430	Based on regular terms	-
		Yushin	1	Operating revenue, net	42,999	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	22,957	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	43,736	Based on regular terms	-
		Empower	1	Operating revenue, net	32,760	Based on regular terms	-
		Yushin	1	Operating revenue, net	2,189,948	Based on regular terms	2
		Yu Sing	1	Operating revenue, net	2,897,665	Based on regular terms	2
		Yu Chang	1	Operating revenue, net	3,861,573	Based on regular terms	3
		Empower	1	Operating revenue, net	2,431,385	Based on regular terms	2
		Yushin	1	Operating revenue, net	37,904	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	118,081	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	113,225	Based on regular terms	-
		Empower	1	Operating revenue, net	65,811	Based on regular terms	-
		TAC	1	Operating revenue, net	80,165	Based on regular terms	-
		Yushin	1	Operating revenue, net	160,353	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	242,711	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
		Yu Chang	1	Operating revenue, net	$ 232,786	Based on regular terms	-
		Empower	1	Operating revenue, net	194,876	Based on regular terms	-
		Singan	1	Operating revenue, net	7,665	Based on regular terms	-
		UMPI	1	Operating revenue, net	-	Based on regular terms	-
		Yushin	1	Operating revenue, net	13,055	Based on regular terms	-
		Yu Sing	1	Operating revenue, net	16,352	Based on regular terms	-
		Yu Chang	1	Operating revenue, net	25,136	Based on regular terms	-
		Empower	1	Operating revenue, net	11,226	Based on regular terms	-
		Singan	1	Operating revenue, net	-	Based on regular terms	-
		UMPI	1	Operating revenue, net	11,929	Based on regular terms	-
		Luxgen Taipei	1	Operating costs	7	Based on regular terms	-
		Luxgen Taoyuan	1	Operating costs	39	Based on regular terms	-
		Luxgen Taichung	1	Operating costs	77	Based on regular terms	-
		Luxgen Tainan	1	Operating costs	24	Based on regular terms	-
		Luxgen Kaohsiung	1	Operating costs	21	Based on regular terms	-
		TAC	1	Operating costs	672	Based on regular terms	-
		Luxgen	1	Operating costs	-	Based on regular terms	-
		Luxgen Taipei	1	Operating costs	4,673	Based on regular terms	-
		Luxgen Taoyuan	1	Operating costs	2,124	Based on regular terms	-
		Luxgen Taichung	1	Operating costs	2,438	Based on regular terms	-
		Luxgen Tainan	1	Operating costs	1,242	Based on regular terms	-
		Luxgen Kaohsiung	1	Operating costs	1,773	Based on regular terms	-
		Yu Chia	1	Operating costs	120	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	10,858	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	17,390	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	11,462	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	11,693	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	840	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	771	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	12,249	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	13,204	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	120	Based on regular terms	-
		The Company	1	Unrealized gain on transactions with associates	169	Based on regular terms	-
1	UMPI	UMPI	3	Notes and trade receivables, net	31,900	Based on regular terms	-
2	Chan Yun	The Company	2	Operating revenue, net	34,358	Based on regular terms	-
3	Yu Chang	TAC	3	Notes and trade receivables, net	40,021	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	21,452	Based on regular terms	-
		Yushin	3	Operating revenue, net	47,600	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	57,251	Based on regular terms	-
		Empower	3	Operating revenue, net	35,154	Based on regular terms	-
		Tian Wang	3	Operating revenue, net	20,346	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
4	Shanghai Yuming	Shanghai Yuexing	3	Other receivables from related parties	$ 12,637	Based on regular terms	-
		Suzhou Yueshun	3	Operating revenue, net	14,951	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Notes and trade receivables, net	29,356	Based on regular terms	-
5	Sin Chi	Yu Sing	3	Operating revenue, net	56,421	Based on regular terms	-
6	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
7	Luxgen Taichung	Car-plus Corporation	3	Operating revenue, net	93,710	Based on regular terms	-
		Luxgen	3	Notes and trade receivables, net	17,727	Based on regular terms	-
8	Singgual Travel	The Company	2	Notes and trade receivables, net	31,518	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	13,570	Based on regular terms	-
		Luxgen Taichung	3	Notes and trade receivables, net	14,319	Based on regular terms	-
		The Company	2	Operating revenue, net	181,135	Based on regular terms	-
		Luxgen	3	Operating revenue, net	19,469	Based on regular terms	-
		Luxgen Taipei	3	Operating revenue, net	139,580	Based on regular terms	-
		Luxgen Taoyuan	3	Operating revenue, net	64,972	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	89,804	Based on regular terms	-
		Luxgen Tainan	3	Operating revenue, net	33,219	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	54,092	Based on regular terms	-
9	Yu Sing	The Company	2	Other receivables from related parties	17,566	Based on regular terms	-
		The Company	2	Operating revenue, net	144,358	Based on regular terms	-
		Yu-Jan	3	Operating revenue, net	21,575	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	377,126	Based on regular terms	-
10	Diamond Leasing	Y-Teks	3	Other current assets	83,368	Based on regular terms	-
		Yueki	3	Other current assets	208,126	Based on regular terms	-
		Car-plus Corporation	3	Other receivables from related parties	10,980	Based on regular terms	-
11	Singan	The Company	2	Notes and trade receivables, net	35,468	Based on regular terms	-
		The Company	2	Operating revenue, net	169,223	Based on regular terms	-
12	Yu-Jan	Yu Sing	3	Notes and trade receivables, net	13,461	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	168,456	Based on regular terms	-
13	Union & NKH Auto Parts	Uni Investment	3	Other receivables from related parties	23,723	Based on regular terms	-
		Fuzhou Lianghong	3	Other receivables from related parties	23,203	Based on regular terms	-
		Hangchow Liangrun	3	Other receivables from related parties	163,233	Based on regular terms	-
		The Company	2	Operating revenue, net	1,304,030	Based on regular terms	1
		Fuzhou Lianghong	3	Operating revenue, net	31,857	Based on regular terms	-
		Hangchow Liangrun	3	Operating revenue, net	96,638	Based on regular terms	-
		The Company	2	Notes and trade receivables, net	143,807	Based on regular terms	-
		Hangchow Liangrun	3	Notes and trade receivables, net	43,174	Based on regular terms	-
14	Sin Jiang	TAC	3	Operating revenue, net	25,925	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
15	Yue Sheng	The Company	2	Notes and trade receivables, net	$ 47,699	Based on regular terms	-
		The Company	2	Operating revenue, net	262,370	Based on regular terms	-
16	Shi Cheng	Dong Tai	3	Other receivables from related parties	10,109	Based on regular terms	-
17	Wu Jiang Lian Cheng	Su Chou Cheng Pin	3	Other receivables from related parties	18,702	Based on regular terms	-
		Su Zhou Cheng Pang	3	Other receivables from related parties	20,219	Based on regular terms	-
		Su Zhou Feng Shen	3	Operating revenue, net	40,623	Based on regular terms	-
		Su Zhou Feng Shun	3	Operating revenue, net	10,476	Based on regular terms	-
		Su Zhou Chen Long	3	Operating revenue, net	49,937	Based on regular terms	-
		Su Zhou Cheng Pang	3	Operating revenue, net	45,735	Based on regular terms	-
18	Yulon China	Yulon China (HK) Holding	3	Other receivables from related parties	61,055	Based on regular terms	-
19	Tai Yuen Venture Capital	The Company	2	Other non-current assets	21,007	Based on regular terms	-
20	Xiao Gan Yu Feng	Wuhan Yu Hsin	3	Operating revenue, net	50,343	Based on regular terms	-
21	Yulon Motor Investment	Dong Feng Yulon Sales Company	3	Notes and trade receivables, net	11,369	Based on regular terms	-
		Sheng Qing	3	Other receivables from related parties	155,233	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables from related parties	123,839	Based on regular terms	-
		Shanghai Yuexing	3	Other receivables from related parties	15,164	Based on regular terms	-
		Jiangmen Junxing	3	Other receivables from related parties	65,711	Based on regular terms	-
		Nan Jing Yu Shang	3	Other receivables from related parties	21,332	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	97,935	Based on regular terms	-
		Shenzhen Yu Zhi	3	Other receivables from related parties	85,947	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Operating revenue, net	35,660	Based on regular terms	-
22	Luxgen Taipei	Car-plus Corporation	3	Operating revenue, net	294,707	Based on regular terms	-
		Luxgen	3	Operating revenue, net	101,856	Based on regular terms	-
		Luxgen	3	Notes and trade receivables, net	22,188	Based on regular terms	-
23	Hong Shou Culture	Singan	3	Other receivables from related parties	20,093	Based on regular terms	-
24	Yulon China (HK) Holding	Sheng Qing	3	Other receivables from related parties	463,754	Based on regular terms	-
25	H. K. Manpower	Car-plus Corporation	3	Operating revenue, net	20,061	Based on regular terms	-
26	Yu Rich	Qinton	3	Operating revenue, net	28,619	Based on regular terms	-
27	Hang Zhou Hua Zhi	Hang Zhou Hua You	3	Other receivables from related parties	42,681	Based on regular terms	-
		Hang Zhou Hua You	3	Operating revenue, net	13,189	Based on regular terms	-
28	Yulon Energy	Luxgen	3	Other current assets	20,638	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	19,862	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	Hang Zhou Tang Yu	Yulon Motor Investment	3	Other receivables from related parties	$ 10,192	Based on regular terms	-
30	Yushin	The Company	2	Guarantee deposits	49,000	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	29,071	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	27,440	Based on regular terms	-
		Empower	3	Notes and trade receivables, net	18,441	Based on regular terms	-
		Yu Chang	3	Other receivables from related parties	86,834	Based on regular terms	-
31	HangZhou Yu Zhong	Sheng Qing	3	Operating revenue, net	33,544	Based on regular terms	-
		Hang Zhou Hsiao Yu	3	Operating revenue, net	20,219	Based on regular terms	-
		Hang Zhou Hua You	3	Operating revenue, net	20,724	Based on regular terms	-
32	Yue Ki Samoa	Yue Ki HK	3	Notes and trade receivables, net	15,826	Based on regular terms	-
33	Hangchow Yue Wan	Yueki	3	Operating revenue, net	10,255	Based on regular terms	-
		Yueki	3	Notes and trade receivables, net	14,730	Based on regular terms	-
34	Yueki	The Company	2	Operating revenue, net	174,489	Based on regular terms	-
		Luxgen	3	Notes and trade receivables, net	29,432	Based on regular terms	-
		Hangchow Yue Wan	3	Notes and trade receivables, net	201,952	Based on regular terms	-
		Hangchow Yue Wan	3	Other receivables from related parties	165,716	Based on regular terms	-
		The Company	2	Operating revenue, net	998,007	Based on regular terms	1
		Luxgen	3	Operating revenue, net	154,307	Based on regular terms	-
		Hangchow Yue Wan	3	Operating revenue, net	38,920	Based on regular terms	-
35	Hangchow Liangrun	Union & NKH Auto Parts	3	Notes and trade receivables, net	11,588	Based on regular terms	-
		Union & NKH Auto Parts	3	Operating revenue, net	27,181	Based on regular terms	-
36	Yu Pool	Yushin	3	Notes and trade receivables, net	23,733	Based on regular terms	-
		Yushin	3	Operating revenue, net	90,554	Based on regular terms	-
37	Dong Feng Yulon Sales Company	Hang Zhou Hua Zhi	3	Notes and trade receivables, net	46,758	Based on regular terms	-
		Hang Zhou Hua You	3	Notes and trade receivables, net	50,652	Based on regular terms	-
		An Hui Min Tung	3	Notes and trade receivables, net	53,383	Based on regular terms	-
		An Ching Tsai Tung	3	Notes and trade receivables, net	47,485	Based on regular terms	-
		Suzhou Yueshun	3	Operating revenue, net	224,032	Based on regular terms	-
		Zhuhai Yuhsin	3	Operating revenue, net	400,643	Based on regular terms	-
		Shanghai Yuming	3	Operating revenue, net	562,229	Based on regular terms	-
		Ning Bo Yu Cheng	3	Operating revenue, net	306,769	Based on regular terms	-
		Fu Jian Yu Xin	3	Operating revenue, net	451,110	Based on regular terms	-
		Hang Zhou Hua Zhi	3	Operating revenue, net	319,393	Based on regular terms	-
		Guang Zhou Yuan Zhi	3	Operating revenue, net	458,224	Based on regular terms	-
		Hang Zhou Hua You	3	Operating revenue, net	331,403	Based on regular terms	-
		Shenzhen Yu Zhi	3	Operating revenue, net	381,996	Based on regular terms	-
		Chang Sha Yu Lu	3	Operating revenue, net	442,848	Based on regular terms	-
		Jiangmen Yuli	3	Operating revenue, net	350,999	Based on regular terms	-
		Ka Shing Yu Da	3	Operating revenue, net	183,430	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details: Financial Statement Account	Amount	Transaction Terms	% to Total Revenue or Assets
		An Hui Min Tung	3	Operating revenue, net	$ 348,170	Based on regular terms	-
		An Ching Tsai Tung	3	Operating revenue, net	210,671	Based on regular terms	-
38	TAC	Yu Sing	3	Notes and trade receivables, net	13,253	Based on regular terms	-
		Yushin	3	Notes and trade receivables, net	10,221	Based on regular terms	-
		Empower	3	Notes and trade receivables, net	26,239	Based on regular terms	-
		Luxgen Taipei	3	Notes and trade receivables, net	15,105	Based on regular terms	-
39	Wuhan Yu Hsin	Xiao Gan Yu Feng	3	Operating revenue, net	35,430	Based on regular terms	-
40	TAC Leasing (Suzhou)	TAC Finance Company	3	Notes and trade receivables, net	358,460	Based on regular terms	-
		TAC Finance Company	3	Operating revenue, net	24,250	Based on regular terms	-
41	Qingdao Yuanhuang	Guang Zhou Yuan Du	3	Operating revenue, net	25,855	Based on regular terms	-
42	Fuzhou Lianghong	Union & NKH Auto Parts	3	Operating revenue, net	13,941	Based on regular terms	-
43	Jin Ce	Qing Tai	3	Other receivables from related parties	51,305	Based on regular terms	-
44	Fu Jian Yu Xin	Dong Feng Yulon Sales Company	3	Other current assets	60,847	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Operating revenue, net	13,265	Based on regular terms	-
45	Nan Jing Yu Hua	Nanjing Hanhong	3	Other receivables from related parties	128,843	Based on regular terms	-
		Yulon Motor Investment	3	Other receivables from related parties	22,746	Based on regular terms	-
46	Guang Zhou Yuan Du	Qingdao Yuanhuang	3	Other receivables from related parties	126,367	Based on regular terms	-
47	Nanjing Hanhong	Zhu Hai Fu Te En	3	Other receivables from related parties	71,162	Based on regular terms	-
		Nan Jing Yu Shang	3	Other receivables from related parties	75,666	Based on regular terms	-
48	Guang Zhou Yuan Zhi	Qingdao Yuanhuang	3	Other receivables from related parties	27,645	Based on regular terms	-
49	Luxgen Tainan	Luxgen	3	Notes and trade receivables, net	12,136	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	46,424	Based on regular terms	-
		Luxgen	3	Operating revenue, net	76,676	Based on regular terms	-
50	Qinton	The Company	2	Other non-current assets	36,516	Based on regular terms	-
51	Ke Yu	Sheng Qing	3	Other receivables from related parties	505,467	Based on regular terms	-
52	Y-Teks	The Company	2	Notes and trade receivables, net	47,295	Based on regular terms	-
		The Company	2	Operating revenue, net	280,308	Based on regular terms	-
		Hangchow Y-Teks	3	Operating revenue, net	13,625	Based on regular terms	-
53	Mei De	Sheng Qing	3	Other receivables from related parties	353,827	Based on regular terms	-
		Qing Tai	3	Other receivables from related parties	52,569	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details: Financial Statement Account	Amount	Transaction Terms	% to Total Revenue or Assets
54	Su Zhou Feng Shen	Su Zhou Cheng Li	3	Other receivables from related parties	$ 10,109	Based on regular terms	-
		Su Zhou Feng Shun	3	Operating revenue, net	122,619	Based on regular terms	-
		Wu Jiang Lian Cheng	3	Operating revenue, net	44,285	Based on regular terms	-
		Su Zhou Chen Long	3	Operating revenue, net	88,960	Based on regular terms	-
		Su Zhou Cheng Pang	3	Operating revenue, net	16,173	Based on regular terms	-
55	Yue Ki HK	Hangchow Yue Wan	3	Other non-financial assets	19,732	Based on regular terms	-
56	Su Zhou Feng Shun	Su Zhou Feng Shen	3	Operating revenue, net	99,236	Based on regular terms	-
		Wu Jiang Lian Cheng	3	Operating revenue, net	58,018	Based on regular terms	-
		Su Zhou Chen Long	3	Operating revenue, net	92,220	Based on regular terms	-
		Su Zhou Cheng Pang	3	Operating revenue, net	10,834	Based on regular terms	-
57	Car-plus Corporation	Diamond Leasing	3	Notes and trade receivables, net	183,267	Based on regular terms	-
		Diamond Leasing	3	Other receivables from related parties	19,248	Based on regular terms	-
		Yu Sing	3	Operating revenue, net	12,681	Based on regular terms	-
		Diamond Leasing	3	Operating revenue, net	12,627	Based on regular terms	-
		Luxgen	3	Operating revenue, net	22,858	Based on regular terms	
58	Su Zhou Cheng Hung	Su Chou Cheng Pin	3	Other receivables from related parties	15,265	Based on regular terms	-
59	Luxgen Taoyuan	TAC	3	Other current assets	11,097	Based on regular terms	
		Luxgen	3	Notes and trade receivables, net	15,840	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	56,998	Based on regular terms	
		Luxgen	3	Operating revenue, net	37,402	Based on regular terms	-
60	Su Chou Cheng Pin	Tai Chang Cheng Mau	3	Other receivables from related parties	30,328	Based on regular terms	-
61	Zhu Hai Fu Te En	Zhuhai Yuhsin	3	Other receivables from related parties	64,385	Based on regular terms	
		Shen Jun Yu Peng	3	Operating revenue, net	14,357	Based on regular terms	-
62	Su Zhou Cheng Guo	Su Chou Cheng Pin	3	Other receivables from related parties	11,626	Based on regular terms	-
63	Yi Ding	Dong Tai	3	Other receivables from related parties	10,109	Based on regular terms	-
64	Su Zhou Chen Long	Su Zhou Feng Shen	3	Other receivables from related parties	55,601	Based on regular terms	-
		Su Chou Cheng Pin	3	Other receivables from related parties	75,820	Based on regular terms	-
		Su Zhou Cheng Hung	3	Other receivables from related parties	20,219	Based on regular terms	-
		Su Zhou Feng Shen	3	Operating revenue, net	122,307	Based on regular terms	-
		Su Zhou Feng Shun	3	Operating revenue, net	114,916	Based on regular terms	-
		Su Zhou Cheng Pang	3	Operating revenue, net	14,525	Based on regular terms	-
65	Luxgen	TAC	3	Notes and trade receivables, net	37,663	Based on regular terms	-
		The Company	2	Other receivables from related parties	43,137	Based on regular terms	-
		Luxgen Overseas Holdings	3	Other receivables from related parties	83,696	Based on regular terms	-
		TAC	3	Operating revenue, net	12,004,265	Based on regular terms	10
		Car-plus Corporation	3	Operating revenue, net	74,956	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
		Luxgen Taipei	3	Operating revenue, net	$ 132,553	Based on regular terms	-
		Luxgen Taoyuan	3	Operating revenue, net	74,641	Based on regular terms	-
		Luxgen Taichung	3	Operating revenue, net	56,884	Based on regular terms	-
		Luxgen Tainan	3	Operating revenue, net	44,017	Based on regular terms	-
		Luxgen Kaohsiung	3	Operating revenue, net	44,604	Based on regular terms	-
		Yulon Energy	3	Operating revenue, net	11,467	Based on regular terms	-
		Dong Feng Yulon Sales Company	3	Operating revenue, net	73,895	Based on regular terms	-
66	Gao Te	Tai Feng	3	Other receivables from related parties	100,335	Based on regular terms	-
							-
67	Luxgen Kaohsiung	Luxgen	3	Notes and trade receivables, net	19,367	Based on regular terms	-
		Car-plus Corporation	3	Operating revenue, net	70,124	Based on regular terms	-
		Luxgen	3	Operating revenue, net	37,384	Based on regular terms	-
68	Shen Jun Yu Peng	Zhu Hai Fu Te En	3	Operating revenue, net	31,301	Based on regular terms	-
69	Tian Wang	Yu Chang	3	Notes and trade receivables, net	15,060	Based on regular terms	-
	Tian Wang	Yu Chang	3	Operating revenue, net	70,096	Based on regular terms	-
70	Sheng Qing	Xiamen Young Chang	3	Other receivables from related parties	33,866	Based on regular terms	-
		Shen Jun Yu Peng	3	Other receivables from related parties	258,892	Based on regular terms	-
		Guang Zhou Yuan Du	3	Other receivables from related parties	128,419	Based on regular terms	-
		Zhu Hai Fu Te En	3	Other receivables from related parties	237,011	Based on regular terms	-
		Nanjing Hanhong	3	Other receivables from related parties	128,534	Based on regular terms	-
		Wuhan Yu Hsin	3	Other receivables from related parties	213,104	Based on regular terms	-
		Dong Tai	3	Other receivables from related parties	12,950	Based on regular terms	-
		Shanghai Yuexing	3	Other receivables from related parties	75,820	Based on regular terms	-
		Zhuhai Yuhsin	3	Other receivables from related parties	60,656	Based on regular terms	-
		Jiangmen Junxing	3	Other receivables from related parties	85,929	Based on regular terms	-
		Qingdao Yuanhuang	3	Other receivables from related parties	153,032	Based on regular terms	-
		Ning Bo Yu Cheng	3	Other receivables from related parties	58,129	Based on regular terms	-
		Fu Jian Yu Xin	3	Other receivables from related parties	107,214	Based on regular terms	-
		Hang Zhou Hua Zhi	3	Other receivables from related parties	71,436	Based on regular terms	-
		Guang Zhou Yuan Zhi	3	Other receivables from related parties	106,731	Based on regular terms	-
		Xiao Gan Yu Feng	3	Other receivables from related parties	148,177	Based on regular terms	-
		Hang Zhou Hua You	3	Other receivables from related parties	12,244	Based on regular terms	-
		Shenzhen Yu Zhi	3	Other receivables from related parties	12,637	Based on regular terms	-
		Chang Sha Yu Lu	3	Other receivables from related parties	75,820	Based on regular terms	-
		Jiangmen Yuli	3	Other receivables from related parties	50,399	Based on regular terms	-
		An Ching Tsai Tung	3	Other receivables from related parties	56,612	Based on regular terms	-
		An Ching Ling Tung	3	Other receivables from related parties	30,075	Based on regular terms	-
		Tung Ling Kuo Tung	3	Other receivables from related parties	10,109	Based on regular terms	-
		Zi Bo Yu An	3	Other receivables from related parties	12,637	Based on regular terms	-
71	Hsiang Shou	Singan	3	Other receivables from related parties	55,239	Based on regular terms	-
		Luxgen	3	Operating revenue, net	17,305	Based on regular terms	-
72	Yu Yuen	The Company	2	Guarantee deposits	41,770	Based on regular terms	-

(Continued)

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	2015	2014	Difference	
			Amount	%
Current assets	122,157,795	108,805,788	13,352,007	12.27%
Noncurrent assets	89,844,295	94,036,899	(4,192,604)	(4.46)%
Total assets	212,002,090	202,842,687	9,159,403	4.52%
Current liabilities	118,623,293	112,688,582	5,934,711	5.27%
Noncurrent liabilities	12,197,154	10,005,385	2,191,769	21.91%
Total liabilities	130,820,447	122,693,967	8,126,480	6.62%
Capital stock	15,729,199	15,729,199	0	0.00%
Additional paid-in capital	6,650,489	6,561,260	89,229	1.36%
Retained earnings	46,911,456	44,979,810	1,931,646	4.29%
Total shareholder’s equity	81,181,643	80,148,720	1,032,923	1.29%

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 noncurrent liablities is due to the increase in long-term loan and long-tem account payable.
2. The rest of the accounts are without material change.

Comparison and Analysis of individual financial conditions

Unit: NT$ Thousand

Item \ Fiscal year	2015	2014	Difference	
			Amount	%
Current assets	18,857,280	15,364,352	3,492,928	22.73%
Noncurrent assts	61,773,724	64,099,603	(2,325,879)	(3.63%)
Total assets	80,631,004	79,463,955	1,167,049	1.47%
Current liabilities	4,345,927	4,564,125	(218,198)	(4.78%)
Noncurrent liabilities	4,807,153	4,898,809	(91,656)	(1.87%)
Total liabilities	9,153,080	9,462,934	(309,854)	(3.27%)
Capital stock	15,729,199	15,729,199	0	0.00%
Additional paid-in capital	6,650,489	6,561,260	89,229	1.36%
Retained earnings	46,911,456	44,979,810	1,931,646	4.29%
Total shareholder’s equity	71,477,924	70,001,021	1,476,903	2.11%

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 of current assets is mainly due to the increase of cash and cash equivalents and debt investments with no active market-current.
2. The decrease of current liabilities is mainly due to the decrease of accounts payable to the affiliates.

7.2 Analysis of Financial Performance

Comparison and Analysis of Consolidated Financial Performance

Unit: NT$ Thousand

Item \ Fiscal year	2015		2014		Increase (Decrease) Amount	Changes (%)
	Subtotal	Total	Subtotal	Total		
Operating income		122,525,821		120,610,516	1,915,305	1.59%
Operating cost		104,565,743		103,258,538	1,307,205	1.27%
Gross profit		17,960,078		17,351,978	608,100	3.50%
Realized (unrealized) sales profit or loss		1,088		744	344	46.24%
Gross profit – net		17,961,166		17,352,722	608,444	3.51%
Operating expense		17,681,210		16,944,352	736,858	4.35%
Operating net income (loss)		279,956		408,370	(128,414)	(31.45%)
Non-Operating income and expense		4,457,921		3,202,430	1,255,491	39.20%
Other income	728,187		649,201		78,986	12.17%
Other profit and loss	(285,627)		(389,502)		103,875	(26.67%)
Financial cost	(405,615)		(392,092)		(13,523)	3.45%
Shareholding in the profit and loss of affiliated companies and joint venture under the equity method	4,124,231		3,079,895		1,044,336	33.91%
Interest income	296,745		254,928		41,817	16.40%
Net income before tax		4,737,877		3,610,800	1,127,077	31.21%
Income tax expense		818,585		801,394	17,191	2.15%
Net income		3,919,292		2,809,406	1,109,886	39.51%
Other comprehensive profit and loss (net)		1,530,098		1,830,145	(300,047)	(16.39%)
Items that will not be reclassified subsequently to profit of loss:						
Remeasurement of defined benefit plans	(149,053)		(111,731)		(37,322)	33.40%
Share of the other comprehensive losses of associates and joint ventures accounted for by the equity method	(95,968)		(8,777)		(87,191)	993.40%
Items that may be reclassified subsequently to profit of loss:						
Exchange difference from the translation of foreign operations	(94,632)		754,481		(849,113)	(112.54%)
Unrealized valuation profit and loss of available-for-sale financial assets	(343,246)		(24,878)		(318,368)	1279.72%
Cash flow hedging	479		(1,125)		1,604	(142.58%)
Shareholding in the comprehensive profit and loss of affiliated companies and joint venture under the equity method	(225,269)		922,128		(1,147,397)	(124.43%)
Total current comprehensive profit and loss		3,011,603		4,339,504	(1,327,901)	(30.60%)

Analysis of changes in financial ratio:

1. The reduction in realized sales income was a result of increase of the 2014 year-end distributor inventory compared with the same period last year.
2. The increase in operating net income was the result of greater increase in gross margin than the increase in operating expense.
3. The increase of foreign exchange difference converted from the financial reports from overseas operating institutes was a result of the rise in exchange rate from RMB to NTD.
4. The increase in the unrealized gain/loss from financial asset for sales was a result of the surge in listed stocks held in hands.
5. The decline of welfare program actuarial was validated to be the reduction in expected return from the program assets
6. The reduction in affiliated enterprises, joint venture and other comprehensive gain/loss was because of the decline in 2014 Yulon Nissan operating income that led to the decline in other comprehensive gain/loss recognized by the Company.

Comparison and Analysis of Individual Financial Performance

Unit: NT$ Thousand

Item \ Fiscal year	2015		2014		Increase (Decrease) Amount	Changes (%)
	Subtotal	Total	Subtotal	Total		
Operating income		38,826,117		40,722,041	(1,895,924)	(4.66%)
Operating cost		35,846,356		37,772,285	(1,925,929)	(5.10%)
Gross profit		2,979,761		2,949,756	30,005	1.02%
Realized (unrealized) sales profit or loss		8,786		(2,320)	11,106	(478.71%)
Gross profit – net		2,988,547		2,947,436	41,111	1.39%
Operating expense		1,203,685		1,295,154	(91,469)	(7.06%)
Operating net income (loss)		1,784,862		1,652,282	132,580	8.02%
Non-Operating income and expense		1,730,638		597,587	1,133,051	189.60%
Operating income	52,250		52,235		15	0.03%
Other profit and loss	458,492		199,562		258,930	129.75%
Financial cost	(1,536)		(3,508)		1,972	(56.21%)
Shareholding in the profit and loss of affiliated companies and joint venture under the equity method	1,135,997		261,510		874,487	334.40%
Interest income	85,435		87,788		(2,353)	(2.68%)
Net income before tax		3,515,500		2,249,869	1,265,631	56.25%
Income tax expense		163,422		39,523	123,899	313.49%
Net income		3,352,078		2,210,346	1,141,732	51.65%
Other comprehensive profit and loss (net)		(776,717)		1,355,561	(2,132,278)	(157.30%)
Exchange difference from the translation of foreign operations	0		0		0	0.00%
Unrealized valuation profit and loss of available-for-sale financial assets	(24,200)		13,490		(37,690)	(279.39%)
Cash flow hedging	0		0		0	0.00%
Defined benefit plan actuarial value	(110,940)		(76,170)		(34,770)	45.65%
Shareholding in the comprehensive profit and loss of affiliated companies and joint venture under the equity method	(641,577)		1,418,241		(2,059,818)	(145.24%)
Total current comprehensive profit and loss		2,575,361		3,565,907	(990,546)	(27.78%)

Analysis of changes in financial ratio:

1. The realized (unrealized) sales gain/loss reduction was because of the higher unrealized grow margin amount adjusted according to the distributor inventory amount in 2014, compared to 2013.
2. The increase of financial cost was a result of increased interest rate from the guarantee received for preparing additional materials for Yulon Nissan Motor, which interest of guarantee was recognized as an expense.
3. The reduction in affiliated enterprise and joint-venture shares adopting equity method was a result of recognized increase of loss from LUXGEN.
4. The increase of unrealized gain/loss in financial assets for sale was a result from the increase in stock price for the Myson Century stocks held in hands.
5. The decline of welfare program actuarial was validated to be the reduction in expected return from the program assets.
6. The reduction in affiliated enterprises, joint venture and other comprehensive gain/loss was because of the decline in 2014 Yulon Nissan operating income that led to the decline in other comprehensive gain/loss recognized by the Company.

7.3 Cash Flow Analysis

7.3.1 Liquidity Analysis in Recent 2 years

Item \ Fiscal year	2015	2014	Increase (decrease) percentage (%)
Cash flow from operations ratio	(3.97)	(7.78)	48.97%
Cash Flow Adequacy Ratio	6.70	5.70	17.54%
Cash Flow Re-investment Ratio	(6.38)	(10.63)	39.98%
Analysis of changes in financial ratio: Due to the continuous growth in the financing business of subsidiary company in China in 2015, non-operating revenue increased and caused the 2015 net cash flow from operation to increase compared with that in 2014, resulting in the rise of cash flow adequacy ratio.			

Note: The Table above is based on the consolidated financial statements.

7.3.2 Cash liquidity analysis within the year

Unit: NT$ Thousand

Cash balance - beginning	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Estimate cash balance - ending	Contingency plans for predicted insufficient cash	
				Investment plan	Financial Plan
7,235,569	4,639,001	5,730,647	6,143,923	-	-
Analysis of Cash Flows in 2016: Operational Activities: Inflow of NT$4,639,001 thousand, mainly because of the 2016 estimated profits plus depreciation amortization. Investment activities: Outflow of NT$4,315,037 thousand, mainly because of the 2016 procurement of fixed assets and external investment. Financial activities: Outflow of NT$1,415,610 thousand, mainly because of the 2016 payment of cash dividends. Contingency plans for predicted insufficient cash and the liquidity analysis: N/A.					

Note: The Table above is based on the 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						
				2013	2014	2015	2016	2017	2018	2019
Adding machines and equipment	Self-sufficient funds	2019.12.31	$653,203	$55,890	$126,451	$19,570	$112,823	$112,823	$112,823	$112,823
Production equipment	Self-sufficient funds	2019.12.31	$1,390,252	$212,359	$166,015	$159,278	$213,150	$213,150	$213,150	$213,150
Pollution control equipment	Self-sufficient funds	2019.12.31	$29,040	$1,050	$3,360	$3,230	$5,350	$5,350	$5,350	$5,350
MIS equipment	Self-sufficient funds	2019.12.31	$283,566	$28,142	$55,039	$19,745	$45,160	$45,160	$45,160	$45,160
Quality assurance equipment	Self-sufficient funds	2019.12.31	$398,423	$47,840	$37,041	$20,690	$73,213	$73,213	$73,213	$73,213
Civil engineering construction works	Self-sufficient funds	2019.12.31	$17,847,849	$80,730	$1,127,415	$217,864	$4,105,460	$4,105,460	$4,105,460	$4,105,460

7.4.2 The impact of material capital expenditure on finance and business in recent year:

1. Strengthen multi-brand OEM strategy and with the brand new models introduced for mass production; enhance the efficiency and quality of each production line through the expansion of machine and equipment in order to improve market competitiveness of products.
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 “Five-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 commercial complex, it is planned to construct parks and greens and to beautify the overall environment, and further create operating synergies in order to activate the new consumption living circle in the surrounding areas of Xindian Plant.

7.5 Reinvestment Policy in Fiscal Year 2015, Major Reasons for Profit and Loss, Its Improvement Plan, and Next Year's Investment Plan:

In spite of the government policy on purchasing new car while car makers also offer additional promotions, most companies are still observing. Moreover the continuous global economic slump led to the flat sales in the domestic overall automobile market in 2015. The total quantity of domestic market sales was 420,700 units, slightly down 0.7% compared with the 423,800 units in 2014.

The Company's investment policy for 2015 still emphasizes on the development of proprietary technology and brand. In addition to adding the R&D technology from international figures, the Company also re-released the S5, U6 and M7 models in 2015 to provide consumers with more options. The investment marketing of electric car industry continues to expand in the scope of participation following the government initiated pilot operation project. Based on this, the Company has established electric car promotion educational centres in Taiwan to help the public understand more of the eco-friendly benefits on energy saving and carbon reduction brought by electrical cars. The Company also cooperates with the government policy to establish battery exchange station and charging station in order to make electrical cars more available. With regards to real estate development, the Xindian Plant land Development Project was initiated and is now gradually unfolding the development project details planning and design operations. Meanwhile the Company is proceeding to the application for development project permit. In terms of overseas reinvestment, the Company established a financing company in China and successfully acquired the approval for the practice of undertaking Chinese automobile financing items, in order to cope with the demand from Chinese automobile financing market. Currently the Company is implementing the application for relevant business transactions and practice preparation, which is scheduled for completion by the first half of 2016 and so the Company can officially access the Chinese automobile financing market. Yulon's brand name, LUXGEN, not only continues development in Taiwan market but also actively expands the deployment of distributor offices in China and development of horizontal peripheral business, in order to gradually strengthen the deployment and services of LUXGEN in China. For the Philippine market, Yulon Motor cooperates with Yulon Nissan to promote production-marketing separation and hold equity participation in the brand company invested and established by Yulon Nissan in addition to transforming the former Nissan Philippines to professional OEM factor. As for the Russian market, due to the European/U.S. Sanction policy, drop in international oil price, and deflation of Russian Rouble and other factors that led to the downshift in market demand, the Company has started planning on business closure in 2015 due to the consideration of the gradual increase of overall economic risks. The company also implemented liquidation and related matters.

Although the sales of some car models from LUXGEN and Dongfeng Yulon Motor Co., Ltd. under the reinvestment of the Company in 2015 did not meet the expected erosion of some investment proceeds, the loss appropriated for the Russian market was also recognized in 2014. Moreover the other reinvestment proceeds are generally well, and hence the profits of this year's reinvestment still grows upward compared with the situations last year.

Looking into the 2016 reinvestment plan and under the profound support from internationally renowned personnel joining the R&D team to improve the R&D capacity, Yulon's brand, LUXGEN will continue to promote more quantitative new car model and optimize the existing old car model to strengthen the product competitiveness and increase sales volume. For the marketing of electrical car industry investment, the Company will still participate in government electrical car pilot operation project, in order to strengthen the smart electrical car value and promote low-pollution car life. With regards to real estate, the Company continues to promote Xiandian Plant Land Development Proposal to complete the development project details planning and building license application, followed by gradually expanding the subsequent construction work. As for overseas reinvestment, the Company redesigns the LUXGEN plant and expands Chinese market with actions, sustain the deployment of distributor office in China, and expand the horizontal peripheral business, to strengthen the marketing of LUXGEN in China with more comprehensive services. Finally, the Company expects to sustain profit creation under the principle of energy saving in order to emet shareholders' expectation.

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 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.
Logistics 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 2015 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 limited impact on the profit/loss. The 2015 consolidated financial report analysis shows that 1% increase in interest rate and all variables remain constant, the Company's 2015 pre-tax income would have been reduced by NT$264,314,000.

2. The impact of change in exchange rates on the Company's profit or loss and the responsive measures:
The Company'' material cost is affected by the double cross exchange rate of 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 2015 consolidated financial report shows the when the foreign exchange varies by 1% and all other variables remain constant, the Company's 2015 pre-tax income will increase NT$80,423.

3. The impact of inflation on the Company's profit or loss and the responsive measures:
According to the data published by the Directorate-General of Budget, Accounting and Statistics, ExecutiveAccording to the data released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the 2016 annual average consumer price index (CPI) was 103.65, down 0.31% compared with the annual average of 103.97 in 2014. The 2016 CPI in March fell to 104.46, from the 103.7 in December 2015, up 0.73%. The 1~3-month average of 104.23 was up 1.74%, compared with the same period in 2015. The

inflation shows a rise for 2016 and is still acceptable. Hence it is projected that inflation will not have significant impact on the Company.

7.6.3 High risks, high leverage investments, loaning of funds, endorsement and guarantee, and derivatives trade policy in fiscal year 2015 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 2015 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 the Company's business operations. The important domestic and foreign policy and law change has no significant impact on the Company's finance and business.

7.6.6 The impact of technology changes and industrial changes in 2015 and as of the publication date of the annual report on the Company's finance and business, and the responsive measures:

The technological changes and the current state of the industry have no significant impact on the Company's finance and business.

7.6.7 The impact of corporate image change in 2015 and as of the publication date of the annual report on the corporate crisis management, and the responsive measures:

The Company had the Compensation Committee setup to strengthen the Company's corporate governance; also, independent directors were appointed at the end of 2013. 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 personnel are assigned to handle customer complaints and shareholder proposals in order to effectively safeguard the Company's reputation and image.

7.6.8 The expected benefits and possible risks of merge & acquisition in fiscal year 2015 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 2015 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 2015 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.

The Company’s sales of the own brand - LUXGEN, in addition to Nissan brand, is gradually with higher market share cornered. 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 2015 and as of the publication date of the annual report:

The Directors, Supervisors, and major shareholders with over 10% shareholding of the Company do not have had significant equity transfer and conversion; therefore, there is no significant impact on the Company. Please refer to the “Significant equity transfer and conversion of the Directors, Supervisors, Managers, and major shareholders with over 10% shareholding in fiscal year 2015 and as of the publication date of the annual report” in Chapter Three “Corporate Governance Report” of the Annual Report for the changes in shareholdings.

7.6.12 The impact and risk of changes in operation right in fiscal year 2015 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 2015 and as of the publication date of the annual report, shall illustrate the legal judgment or the material lawsuit in progress and non-litigation or administrative lawsuit of the Company and its Directors, Supervisors, President, the actual person in charge, the major shareholders with more than 10% shareholding, and subsidiaries; the significant impact of the litigation result on the shareholder’s equity or the price of securities; also, shall disclose the fact of the contest, the subject matter, the amount, the litigation starting date, the parties, and the 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:

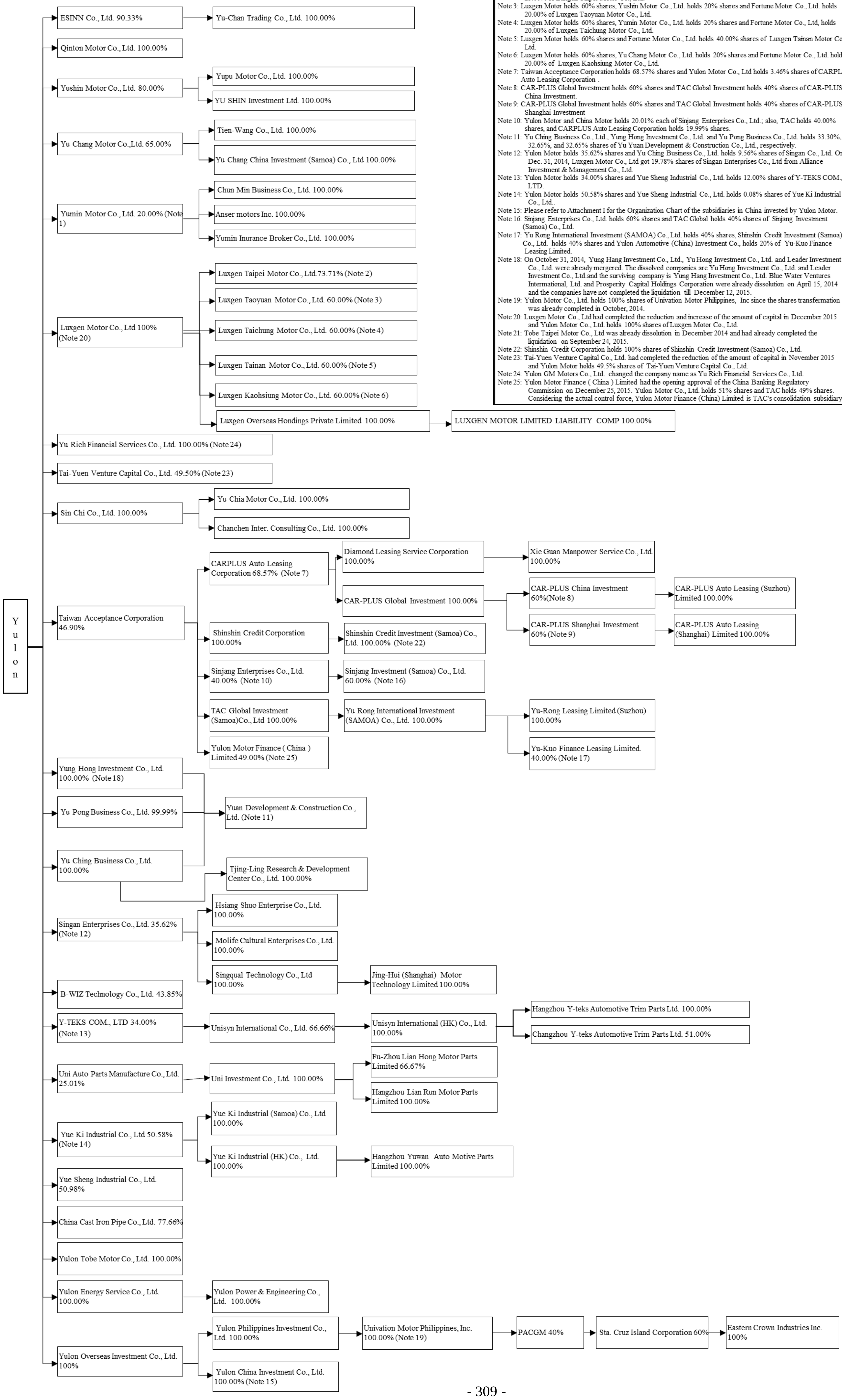
Licenses	Department	Number of person
Passed the 2013 Professional/Occupational/Technical Personnel Senior Examination – CPA Examination (Certificate No.: (102) Pro.Senior.CPA Tzi No. 000328)	Finance Planning Department	1
Passed the 2010 Professional/Occupational/Technical Personnel Senior Examination – CPA Examination (Certificate No.: (99) Pro.Senior.CPA Tzi No. 000381)	Finance Planning Department	1

VIII Specially Noted Matters

I. Affiliates information

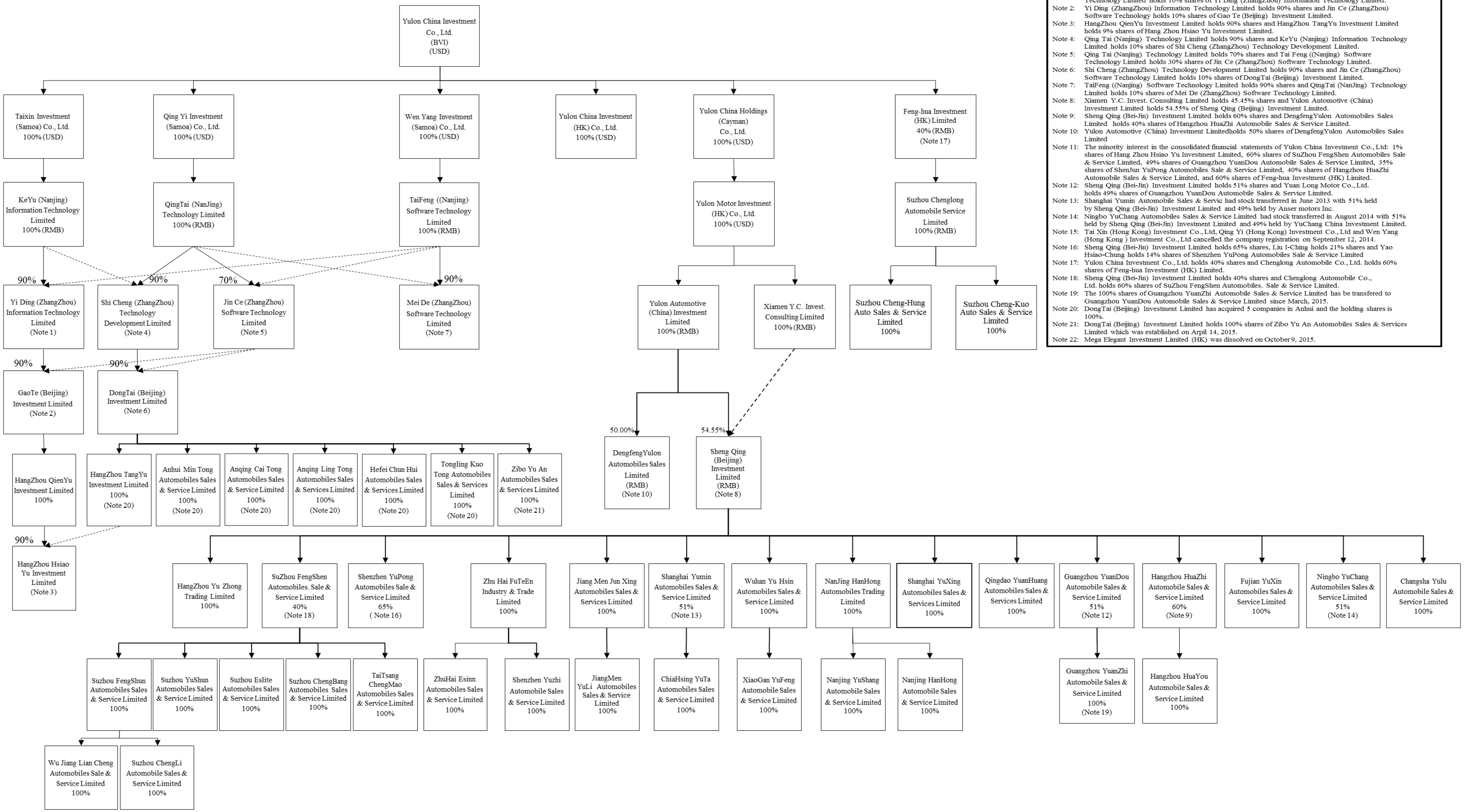
(I) Affiliates Consolidated Business Report

1. Organization Chart of Yulon Motor's Affiliated Companies



Note 1: Yulon Motor holds 20.00% shares and Taiwan Acceptance Corporation holds 27.00% shares of Yumin Motor Co., Ltd.
Note 2: Luxgen Motor holds 73.71% shares, ESINN Co., Ltd. holds 1.29% shares and Fortune Motor Co., Ltd .holds 25.00% of Luxgen Taipei Motor Co., Ltd.
Note 3: Luxgen Motor holds 60% shares, Yushin Motor Co., Ltd. holds 20% shares and Fortune Motor Co., Ltd. holds 20.00% of Luxgen Taoyuan Motor Co., Ltd.
Note 4: Luxgen Motor holds 60% shares, Yumin Motor Co., Ltd. holds 20% shares and Fortune Motor Co., Ltd, holds 20.00% of Luxgen Taichung Motor Co., Ltd.
Note 5: Luxgen Motor holds 60% shares and Fortune Motor Co., Ltd. holds 40.00% shares of Luxgen Tainan Motor Co., Ltd.
Note 6: Luxgen Motor holds 60% shares, Yu Chang Motor Co., Ltd. holds 20% shares and Fortune Motor Co., Ltd. holds 20.00% of Luxgen Kaohsiung Motor Co., Ltd.
Note 7: Taiwan Acceptance Corporation holds 68.57% shares and Yulon Motor Co., Ltd holds 3.46% shares of CARPLUS Auto Leasing Corporation .
Note 8: CAR-PLUS Global Investment holds 60% shares and TAC Global Investment holds 40% shares of CAR-PLUS China Investment.
Note 9: CAR-PLUS Global Investment holds 60% shares and TAC Global Investment holds 40% shares of CAR-PLUS Shanghai Investment
Note 10: Yulon Motor and China Motor holds 20.01% each of Sinjang Enterprises Co., Ltd.; also, TAC holds 40.00% shares, and CARPLUS Auto Leasing Corporation holds 19.99% shares.
Note 11: Yu Ching Business Co., Ltd., Yung Hong Investment Co., Ltd. and Yu Pong Business Co., Ltd. holds 33.30%, 32.65%, and 32.65% shares of Yu Yuan Development & Construction Co., Ltd., respectively.
Note 12: Yulon Motor holds 35.62% shares and Yu Ching Business Co., Ltd. holds 9.56% shares of Singan Co., Ltd. On Dec. 31, 2014, Luxgen Motor Co., Ltd got 19.78% shares of Singan Enterprises Co., Ltd from Alliance Investment & Management Co., Ltd.
Note 13: Yulon Motor holds 34.00% shares and Yue Sheng Industrial Co., Ltd. holds 12.00% shares of Y-TEKS COM., LTD.
Note 14: Yulon Motor holds 50.58% shares and Yue Sheng Industrial Co., Ltd. holds 0.08% shares of Yue Ki Industrial Co., Ltd..
Note 15: Please refer to Attachment I for the Organization Chart of the subsidiaries in China invested by Yulon Motor.
Note 16: Sinjang Enterprises Co., Ltd. holds 60% shares and TAC Global holds 40% shares of Sinjang Investment (Samoa) Co., Ltd.
Note 17: Yu Rong International Investment (SAMOA) Co., Ltd. holds 40% shares, Shinshin Credit Investment (Samoa) Co., Ltd. holds 40% shares and Yulon Automotive (China) Investment Co., holds 20% of Yu-Kuo Finance Leasing Limited.
Note 18: On October 31, 2014, Yung Hang Investment Co., Ltd., Yu Hong Investment Co., Ltd. and Leader Investment Co., Ltd. were already mergered. The dissolved companies are Yu Hong Investment Co., Ltd. and Leader Investment Co., Ltd.and the surviving company is Yung Hang Investment Co., Ltd. Blue Water Ventures International, Ltd. and Prosperity Capital Holdings Corporation were already dissolution on April 15, 2014 and the companies have not completed the liquidation till December 12, 2015.
Note 19: Yulon Motor Co., Ltd. holds 100% shares of Univation Motor Philippines, Inc since the shares transfermation was already completed in October, 2014.
Note 20: Luxgen Motor Co., Ltd had completed the reduction and increase of the amount of capital in December 2015 and Yulon Motor Co., Ltd. holds 100% shares of Luxgen Motor Co., Ltd.
Note 21: Tobe Taipei Motor Co., Ltd was already dissolution in December 2014 and had already completed the liquidation on September 24, 2015.
Note 22: Shinshin Credit Corporation holds 100% shares of Shinshin Credit Investment (Samoa) Co., Ltd.
Note 23: Tai-Yuen Venture Capital Co., Ltd. had completed the reduction of the amount of capital in November 2015 and Yulon Motor holds 49.5% shares of Tai-Yuen Venture Capital Co., Ltd.
Note 24: Yulon GM Motors Co., Ltd. changed the company name as Yu Rich Financial Services Co., Ltd.
Note 25: Yulon Motor Finance (China) Limited had the opening approval of the China Banking Regulatory Commission on December 25, 2015. Yulon Motor Co., Ltd. holds 51% shares and TAC holds 49% shares. Considering the actual control force, Yulon Motor Finance (China) Limited is TAC's consolidation subsidiary.

Attachment 1:



Note 1: KeYu (Nanjing) Information Technology Limited holds 90% shares and Tai Feng ((NanJing) Software Technology Limited holds 10% shares of Yi Ding (ZhangZhou) Information Technology Limited.
Note 2: Yi Ding (ZhangZhou) Information Technology Limited holds 90% shares and Jin Ce (ZhangZhou) Software Technology holds 10% shares of Gao Te (Beijing) Investment Limited.
Note 3: HangZhou QienYu Investment Limited holds 90% shares and HangZhou TangYu Investment Limited holds 9% shares of Hang Zhou Hsiao Yu Investment Limited.
Note 4: Qing Tai (Nanjing) Technology Limited holds 90% shares and KeYu (Nanjing) Information Technology Limited holds 10% shares of Shi Cheng (ZhangZhou) Technology Development Limited.
Note 5: Qing Tai (Nanjing) Technology Limited holds 70% shares and Tai Feng ((Nanjing) Software Technology Limited holds 30% shares of Jin Ce (ZhangZhou) Software Technology Limited.
Note 6: Shi Cheng (ZhangZhou) Technology Development Limited holds 90% shares and Jin Ce (ZhangZhou) Software Technology Limited holds 10% shares of DongTai (Beijing) Investment Limited.
Note 7: TaiFeng ((Nanjing) Software Technology Limited holds 90% shares and QingTai (NanJing) Technology Limited holds 10% shares of Mei De (ZhangZhou) Software Technology Limited.
Note 8: Xiamen Y.C. Invest. Consulting Limited holds 45.45% shares and Yulon Automotive (China) Investment Limited holds 54.55% of Sheng Qing (Beijing) Investment Limited.
Note 9: Sheng Qing (Bei-Jin) Investment Limited holds 60% shares and DengfengYulon Automobiles Sales Limited holds 40% shares of Hangzhou HuaZhi Automobile Sales & Service Limited.
Note 10: Yulon Automotive (China) Investment Limitedholds 50% shares of DengfengYulon Automobiles Sales Limited
Note 11: The minority interest in the consolidated financial statements of Yulon China Investment Co., Ltd: 1% shares of Hang Zhou Hsiao Yu Investment Limited, 60% shares of SuZhou FengShen Automobiles Sale & Service Limited, 49% shares of Guangzhou YuanDou Automobile Sales & Service Limited, 35% shares of ShenJun YuPong Automobiles Sale & Service Limited, 40% shares of Hangzhou HuaZhi Automobile Sales & Service Limited, and 60% shares of Feng-hua Investment (HK) Limited.
Note 12: Sheng Qing (Bei-Jin) Investment Limited holds 51% shares and Yuan Long Motor Co., Ltd. holds 49% shares of Guangzhou YuanDou Automobile Sales & Service Limited.
Note 13: Shanghai Yumin Automobile Sales & Servic had stock transferred in June 2013 with 51% held by Sheng Qing (Bei-Jin) Investment Limited and 49% held by Anser motors Inc.
Note 14: Ningbo YuChang Automobiles Sales & Service Limited had stock transferred in August 2014 with 51% held by Sheng Qing (Bei-Jin) Investment Limited and 49% held by YuChang China Investment Limited.
Note 15: Tai Xin (Hong Kong) Investment Co., Ltd, Qing Yi (Hong Kong) Investment Co., Ltd and Wen Yang (Hong Kong) Investment Co., Ltd cancelled the company registration on September 12, 2014.
Note 16: Sheng Qing (Bei-Jin) Investment Limited holds 65% shares, Liu I-Ching holds 21% shares and Yao Hsiao-Chung holds 14% shares of Shenzhen YuPong Automobiles Sale & Service Limited
Note 17: Yulon China Investment Co., Ltd. holds 40% shares and Chenglong Automobile Co., Ltd. holds 60% shares of Feng-hua Investment (HK) Limited.
Note 18: Sheng Qing (Bei-Jin) Investment Limited holds 40% shares and Chenglong Automobile Co., Ltd. holds 60% shares of SuZhou FengShen Automobiles. Sale & Service Limited.
Note 19: The 100% shares of Guangzhou YuanZhi Automobile Sales & Service Limited has be transfered to Guangzhou YuanDou Automobile Sales & Service Limited since March, 2015.
Note 20: DongTai (Beijing) Investment Limited has acquired 5 companies in Anhui and the holding shares is 100%.
Note 21: DongTai (Beijing) Investment Limited holds 100% shares of Zibo Yu An Automobiles Sales & Services Limited which was established on Arpil 14, 2015.
Note 22: Mega Elegant Investment Limited (HK) was dissolved on October 9, 2015.

2. Basic information of affiliates

As of 12.31.2015

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 2,672,883	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 989,690	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 750,892	All types of car and truck rental, and car wholesale and retail business
	4	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
	5	Yulon Motor Finance (China) Limited	2016.02.19	Room 1031-1305, Eastern Century Center, Xiaoshan Economic Technology Development Zone, Xiaoshan Dist, Hangzhou City	RMB 500,000	Accept the deposit for the domestic and foreign residents, issue the finance bonds, interbank lending, Auto-related loans
Sinjang Enterprises Co., Ltd.	6	Sinjang Investment (Samoa) Co., Ltd.	2013.09.16	TMF Chambers P.O. Box3269. Apia. Samoa	USD 1,342	Holding company
Shinshin Credit Corporation	7	Shinshin Credit Investment (Samoa) Co., Ltd.	2015.08.24	Portcullis Trustnet Chambers, P.o. Box 1225, Apia, Samoa	USD 12,000	Holding company
Taiwan Acceptance Corporation	8	TAC Global Investment (Samoa)Co., Ltd	2006.11.01	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 50,537	Holding company
TAC Global Investment (Samoa)Co., Ltd	9	Yu Rong International Investment (SAMOA) Co., Ltd.	2010.04.01	Portcullis TrustNet Chambers P.O. Box1225 Apia SAMOA	USD 38,000	Holding company
Yu Rong International Investment (SAMOA) Co., Ltd.	10	Yu-Kuo Finance Leasing Limited	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.
	11	Yu-Rong Leasing (Suzhou) Limited	2010.06.30	No. 8, Dong-Fu Road, Suzhou Industrial Park	USD 30,000	Equipment and automobile finance leasing business.
CARPLUS Auto Leasing Corporation	12	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
	13	CAR-PLUS Global Investment(Samoa)Co., Ltd	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 12,000	Holding company
CAR-PLUS Global Investment(Samoa)Co., Ltd	14	CAR-PLUS China Investment(Samoa) Co., Ltd	2006.11.02	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000	Holding company
	15	Car-Plus Shanghai Investment(Samoa) co.,ltd	2008.12.22	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD 10,000	Holding company
CAR-PLUS China Investment(Samoa) Co., Ltd	16	CAR-PLUS Auto Leasing (Suzhou) Limited	20076.1.29	No. 8, Dong-Fu Road, Suzhou Industrial Park	USD 10,000	Car rental business and related services

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Car-Plus Shanghai Investment(Samoa) co.,ltd	17	CAR-PLUS Auto Leasing (Shanghai) Limited	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
Diamond Leasing Service Co., Ltd.	18	H. K. Manpower Service Co., Ltd.	2001.11.09	11F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 10,000	Business management consultancy services
Yulon Motor Co., Ltd	19	Yu Ching Business Co., Ltd.	1992.04.20	16-2F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 1,750,000	Sales and import/export of automobiles and their materials and parts
Yu Ching Business Co., Ltd.	20	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.
	21	Yu Yuen Development Co., Ltd.	1977.01.28	12F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 1,211,000	Contracting with constructors to build residence houses and related brokerage of house rental or sales
Yulon Motor Co., Ltd	22	Yu Pong Business Co., Ltd.	1992.04.13	16F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 657,300	Management of Yulon Professional Basketball Team and allied affairs
	23	Tai Yuen Venture Capital Co., Ltd.	1997.06.19	16F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 540,600	Venture capital activities for invested company and offer of planning, consultation, and management to invested company
	24	Sin Chi Co., Ltd.	2001.12.25	7F, No. 150, Sec 2, Nanking E. Road, Chun-Shen District, Taipei City	NTD 870,000	Advertising service, providing managerial consulting service and etc.
Sin Chi Co., Ltd.	25	Yu Chia Motor Co., Ltd.	1999.08.25	8F, No. 2, Sec 2, Tun-Hua S. Road, Da-An District, Taipei City	NTD 50,100	Retail trade of automobiles and auto parts, and auto repair business
	26	Chanchen Inter Consulting Co., Ltd.	2005.03.08	2F, No. 3, Sec 3, Chun-Shen Rd.,.Xindian District, New Taipei City	NTD 10,000	Management Consulting Services
Yulon Motor Co., Ltd	27	Yung Hang Investment Co., Ltd.	1994.09.12	7F-5, No. 96, Sec. 4, Sin-yi Rd., Da-an District, Taipei City	NTD 1,446,220	Investment in all kinds of manufacturing and service sectors
Yulon Motor Co., Ltd	28	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
	29	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.	30	Yue Ki Industrial (Samoa) Co., Ltd	2002.01.03	TrustNet Chambers, Lotemau, P. O. BOX 1225, Apia, Samoa.	USD 4,126	Investments
	31	Yue Ki Industrial (HK) Co., Ltd.	2008.07.28	Flat B, 6/F., Teda Building, 87 Wing Lok Street, Sheung Wan, Hong Kong	USD 4,000	Investments
Yue Ki Industrial (HK) Co., Ltd.	32	Hangzhou Yuwan Auto Motive Parts Limited	2010.02.02	Lin-Long Road, Lin-Jiang Industrial Park, Xiaoshan District, Hangzhou City, Zhejiang Province	RMB 30,443	Design, development, production, sale, installation, and after-sales service of auto parts
Yulon Motor Co., Ltd	33	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
	34	ESINN Co., Ltd	2002.04.09	No. 40-1, Siyuan Road, Xinzhuang District, New Taipei City	NTD 360,000	Trading of all kinds of auto parts and repair and maintenance services of motor vehicles
	35	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

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
ESINN Co., Ltd	36	Yu-Jan Trading Co., Ltd.	2002.04.25	7F, No. 150, Sec. 2, Nanking E. Road, Taipei City	NTD 5,000	Wholesale and retail trade of automobiles, wholesale trade of automobile and motorcycle parts
Yushin Motor Co., Ltd.	37	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
	38	Yu Shin Investment Ltd.	2011.03.23	Portcullis TrustNet Chamber, P.O. Box 1225, Apia, Samoa	RMB 9,800	Holding company
Yulon Motor Co., Ltd	39	Yu Chang Motor Co., Ltd.	1990.05.16	No. 361, Bai-Ai 2nd Road, Gushan District, Kaohsiung City	NTD 215,385	Trading of all kinds of auto parts and repair and maintenance services of motor vehicles
Yu Chang Motor Co., Ltd.	40	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
	41	Yu Chang China Investment Co., Ltd.	2011.03.02	Novasage Chambers, PO Box 3018, Level2,CCCS Building, Beach Road, Apia, Samoa	USD 1,564	Holding company
Yulon Motor Co., Ltd	42	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.	43	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
	44	Molife Cultural Enterprise Co., Ltd.	1999.02.01	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 50,000	Magazines, libraries, and publications
	45	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
Singgual Travel Service Co., Ltd.	46	Jing-Hui (Shanghai) Motor Technology Limited	2008.03.03	Room 2004, No. 8, Shin-I Road, Chong-Nin District, Shanghai City	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	47	Yulon Overseas Investment Co., Ltd.	2003.07.04	TrustNet Limited of TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 320,990	Investments
Yulon Overseas Investment Co., Ltd.	48	Yulon China Investment Co., Ltd.	2003.07.08	TrustNet Limited of TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	USD 295,964	Investments
	49	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	Investments
Yulon Philippine Investment Co., Ltd.	50	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.	51	Sta. Cruz Island Corporation	1991.09.23	Nissan Technopark Barangay. Pulong Sta. Cruz, Sta. Rosa, Laguna, Philippines	PHP264,028	Housing rental

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Yulon China Investment Co., Ltd.	52	Taixin Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 19,600	Investments
	53	Wen Yang Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 16,100	Investments
	54	Qing Yi Investment (Samoa) Co., Ltd.	2005.09.01	Portcullis TrustNet Chambers, P. O. Box 1225, Apia, SAMOA	USD 15,850	Investments
	55	Yulon China Investment (HK) Co., Ltd.	2008.02.13	Suite 2303, 23/F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	USD 210,600	Investments
	56	Feng-hua Investment (HK) Limited	2011.03.22	UNIT 706 HALESON BLDG1 JUBILEE ST,HK.	USD 7,000	Holding company
	57	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 26,500	Investments
Feng-hua Investment (HK) Limited	58	Suzhou Chenglong Automobile Service Limited	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 Limited	59	Suzhou Cheng-Hung Auto Sales & Service Limited	2014.05.22	No.16, Mingshi Road, Luzhi Town, Park Central Zone, 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
	60	Suzhou Cheng-Kuo Auto Sales & Service Limited	2014.05.22	No.16, Mingshi Road, Luzhi Town, Park Central Zone, 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.	61	KeYu (Nanjing) Information Technology Limited	2005.11.10	Room 413-39, Commerce Builing, Gao Xin District, Nanking City	USD 19,500	Development, production, and sales of proprietary software and software-related products
Wen Yang Investment (Samoa) Co., Ltd.	62	TaiFeng ((Nanjing) Software Technology Limited	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
Qing Yi Investment (Samoa) Co., Ltd.	63	QingTai (NanJing) Technology Limited	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
KeYu (Nanjing) Information Technology Limited	64	Yi Ding (ZhangZhou) Information Technology Limited	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

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
						services; computer hardware and software development and technical services and consulting
TaiFeng ((Nanjing) Software Technology Limited	65	Mei De (ZhangZhou) Software Technology Limited	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 Limited	66	Shi Cheng (ZhangZhou) Technology Development Limited	2005.12.09	Rm. 604-3, Building 6, Shan Hu Yuan, No. 8, Xiang Jiang Road, Zhangzhou Economic Development Zone	RMB 42,330	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
	67	Jin Ce (ZhangZhou) Software Technology Limited	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 Limited	68	GaoTe (Beijing) Investment Limited	2005.12.23	Room 1602 Floor 16, Building 3, No.17, South St, Zhongguancun, Haidian District, Beijing	RMB 58,000	Investment management, investment consulting (except brokerage), business management, market research, marketing planning, public relations planning; technical consulting (except brokerage), and technical services
GaoTe (Beijing) Investment Limited	69	HangZhou QienYu Investment Limited	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 Limited	70	HangZhou Hsiao Yu Investment Limited	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 Limited	71	DongTai (Beijing) Investment Limited	2005.12.23	Room 1603, Floor 16, Building 3, No.17, South St, Zhongguancun, Haidian District, Beijing	RMB43,700	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
DongTai (Beijing) Investment Limited	72	HangZhou TangYu Investment Limited	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
	73	Anhui Min Tong Automobiles Sales & Service Limited	2011.07.01	Hean Road East, Economic Technology Development Zone, Hefei City, Anhui Province	RMB 10,000	Luxgen automobiles, automotive parts, lubricating oil, machinery and electronic products sales. Automobiles decoration (excluding automobiles beauty)

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
	74	Anqing Cai Tong Automobiles Sales & Service Limited	2012.07.12	No.3, 6th Building, Jixian Complex Market, Development Zone, Anqing City, Anhui Province	RMB 5,000	DongFengLuxgen Automobiles sales, Automobiles sales (excluding self-brand automobiles) and after-sales service, automobiles parts sales.
	75	Anqing Ling Tong Automobiles Sales & Services Limited	1997.04.02	200 meter away from the south intersection of Jixian North Road, Anqing City, Anhui Province	RMB 4,000	Automobiles (excluding sedan), parts and lubricating oil sales. II motor maintenance, plastic products processing, manufacturing; pictures, plastic bags wholesale, retail
	76	Hefei Chun Hui Automobiles Sales & Services Limited	2014.12.25	3rd Building, Yaohai Industry Zone, South of Bianho Road, Yaohai Dist, Hefei City	RMB 500	Automobiles, parts and lubrication oil sales.
	77	Tongling Kuo Tong Automobiles Sales & Services Limited	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.
	78	Zibo Yu An Automobiles Sales & Services Limited	2015.04.14	No. 95, 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.	79	Yulon Motor Investment (HK) Co., Ltd.	2012.01.30	Suites 2302-6, 23/F Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	USD 26,500	Investments
Yulon Motor Investment (HK) Co., Ltd.	80	Yulon Automotive (China) Investment Limited	2012.09.26	Room 123, Lin-Jiang Industrial Park Culture Center, Xiaoshan District, Hangzhou City, Zhejiang Province	USD 26,500	Investments
	81	Xiamen Y.C. Invest. Consulting Limited	1995.12.29	No. 2804, (Di-How Building), No. 820, Xiahe Road, Siming District, Xiamen City	USD 1,860	In the automotive, electronics, textile, and related industries investment consulting services and international advanced technology, product, and equipment introduction consulting services
Yulon Automotive (China) Investment Limited	82	Dong Feng Yulon Motor Sales Limited	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
	83	Sheng Qing (Beijing) Investment Limited	2005.12.23	No.100, Fangshan Tech. Industrial Park, Fangshan District, Beijing	RMB 440,000	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
Sheng Qing (Beijing) Investment Limited	84	SuZhou FengShen Automobiles. Sale & Service Limited	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

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
SuZhou FengShen Automobiles. Sale & Service Limited	85	Suzhou ChengBang Automobiles Sales & Service Limited	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
	86	Suzhou Eslite Automobiles Sales & Service Limited	2013.07.18	Side of Luzhi Section, Airport Road, 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
	87	Suzhou YuShun Automobiles Sales & Service Limited	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
	88	TaiTsang ChengMao Automobiles Sales & Service Limited	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 rental
	89	Suzhou FengShun Automobiles Sales & Service Limited	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 Limited	90	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	2007.09.28	Jwang-Tien Village, Pint-Wong Town, Wuzhong District, 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
	91	Suzhou ChengLi Automobile Sales & Service Limited	2011.08.17	No. 98, Fong-Ray 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
Sheng Qing (Beijing) Investment Limited	92	ShenJun YuPong Automobiles Sale & Service Limited	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 (except for the items specified by legal and administrative regulations and the State Council subject to approval before boarding); industrial projects (specific project to be declared separately); used car trade, car insurance, and car rental

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Sheng Qing (Beijing) Investment Limited	93	Guangzhou YuanDou Automobile Sales & Service Limited	2006.10.16	No. 1, Her-Lian-Bei Road, Zhu Town, Tian He District, Guangzhou	RMB 35,000	Infiniti automotive retail; automotive parts and decorative pieces wholesale and retail; agent vehicle insurance, personal accident insurance business; Class II vehicle repair, and product information inquiry
	94	Zhu Hai FuTeEn Industry & Trade Limited	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)
Zhu Hai FuTeEn Industry & Trade Limited	95	ZhuHai Esinn Automobiles Sales & Service Limited	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)
	96	Shenzhen Yuzhi Automobile Sales & Service Limited	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 Limited	97	Wuhan Yu Hsin Automobiles Sales & Service Limited	2007.09.12	No. 1, Kong-Non Road, Qiaokou District, Wuhan City, Hubei Province	RMB 28,000	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)
Wuhan Yu Hsin Automobiles Sales & Service Limited	98	XiaoGan YuFeng Automobile Sales & Service Limited	2011.05.16	Shen-Nun Lake E. Road, Xiaonan Economic Development Zone, Xiaogan City	RMB 16,000	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

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
						be reviewed and approved in advance in accordance with the national law and regulations)
Sheng Qing (Beijing) Investment Limited	99	NanJing HanHong Automobiles Trading Limited	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 Limited	100	Nanjing YuShang Automobile Sales & Service Limited	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
	101	Nanjing HanHong Automobile Sales & Service Limited	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 Limited	102	HangZhou Yu Zhong Trading Limited	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
	103	Hangzhou HuaZhi Automobile Sales & Service Limited	2011.05.20	Fourth Building, No. 506, Shenban Road, Kong-Su District, Hangzhou City	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 (limited to commercial cars and over nine-passenger cars), and car rental
Hangzhou HuaZhi Automobile Sales & Service Limited	104	Hangzhou HuaYou Automobile Sales & Service Limited	2011.09.05	No. 339, Fong-Chin Boulevard, Bei-Gon Street, Xiaoshan District, Hangzhou City	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 Limited	105	Shanghai YuXing Automobiles Sales & Services Limited	2009.08.18	No. 7511, Fu-Nan highway, Hsin-Chong Town, Pudong New Zone, Shanghai City	RMB 26,000	Dongfeng Nissan car sales, commercial vehicles and nine or more passenger cars, automobile-related parts, auto sundries sales, Class II vehicle repairs, and vehicle insurance agency
	106	Jiang Men Jun Xing Automobiles Sales & Services Limited	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

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
Jiang Men Jun Xing Automobiles Sales & Services Limited	107	JiangMen YuLi Automobiles Sales & Service Limited	2014.03.26	uilding 1, No.119, Wuyi Road, Jianghai District, Jiangmen	RMB 10,000	Sales: automobile, parts,
Sheng Qing (Beijing) Investment Limited	108	Changsha Yulu Automobile Sales & Service Limited	2012.04.13	Room 1468, 14F, Yannong Complex at the intersection of Lu-Chuan Road and Lu-Song Road, Kao-Shin District, Changsha	RMB 20,000	Used cars (excluding the cars prohibited and restricted by national laws and regulations, and the State Council), Luxgen cars, auto parts, sales of auto sundries; and car rental services (involving administrative licensing and operating permit)
	109	Ningbo YuChang Automobiles Sales & Service Limited	2011.05.30	No. 885, Jwang-chen S. Road, Jiangdong District, Ningbo City	RMB 20,000	Luxgen car sales, vehicle insurance, and accident insurance agents
	110	Fujian YuXin Automobiles Sales & Service Limited	2011.04.29	Ho-Chuan Village, Shanggan Town, Minhou County, Fujian Province (Straits Motor Culture Plaza)	RMB 20,000	Luxgen car sales and vehicle maintenance, and insurance agency business
	111	Guangzhou YuanZhi Automobile Sales & Service Limited	2011.04.11	1F, No. 2, Xiheng Road, Zhu Village, Tianhe District, Guangzhou City	RMB 10,000	Sales: Luxgen automobiles, automotive parts; automotive technology consulting services; and Class II vehicle maintenance
	112	Qingdao YuanHuang Automobiles Sales & Services Limited	2011.01.26	Underground 1F/2F, No. 36 Yinchuan W. Road, Shinan District, Qingdao City	RMB 30,000	Infiniti car sales; sales of auto parts; automotive technology consulting services
	113	Shanghai Yumin Automobiles Sales & Service Limited	2011.01.27	First Building, No. 38, Chen Zhen Road, Putuo District, Shanghai City	RMB 38,000	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 Limited	114	ChiaHsing YuTa Automobiles Sales & Service Limited	2014.07.23	Exhibition Hall 3, Yuantong Automotive Shop, Automotive Commerce and Trade Park, Jiaxing, Zhejiang	RMB 12,000	Sales: Commercial cars and over nine-passenger cars, auto parts, auto sundries.
Yulon Motor Co., Ltd	115	Y-Teks Co., Ltd.	1973.12.28	No.1, Shan-Ping Road, Lin 14, Shandong Li, Chungli City, Taoyuan County	NTD 161,100	Processing and production of auto parts, and import/export of the related auto business
Y-Teks Co., Ltd.	116	Unisyn International Co., Ltd.	2002.07.02	P.O.BOX957, OFFSHORE INCORPORATIONS CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS'	USD 3,347	Investments
Unisyn International Co., Ltd.	117	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.	118	Changzhou Y-Teks Automotive Trim Parts Limited	1995.12.15	No. 35, 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
	119	Hangchow Y-Teks Automotive Trim Parts Limited	2010.01.13	The 2nd Agribusiness Field, Lin-Jiang Industrial Park, Xiaoshan District, Zhejiang Province, China	USD 9,000	Automotive interior parts design, development, production, and sales
Yulon Motor Co., Ltd	120	Chan Yun Technology Co., Ltd.	2000.09.01	10F., No.2, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	NTD 190,000	Information software services.
	121	Uni Auto Parts Manufacture Co.,	1969.09.04	No. 40-10, Pau-Kon Kuen, West Lake Village, San-yi,	NTD 868,892	A variety of vehicles springs and the finished goods production and sales

Investing Company	No	Company Name	Established Date	Address	Paid-in capital Unit: In Thousands	Main Business Items
		Ltd		Miaoli County		
Uni Auto Parts Manufacture Co., Ltd	122	Uni Investment Co., Ltd.	1998.06.25	P. O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands.	USD 8,403	Investments
Uni Investment Co., Ltd.	123	Fuzhou Lianghong Motor Parts Limited	1995.12.19	Minhou Chinko (South East Motor City) Investment Zone, Fuzhou City	USD 13,980	Production of car seats, etc.
	124	Hangchow Liangrun Motor Parts Limited	2010.03.24	The 2nd Agribusiness Field, Lin-Jiang Industrial Park, Xiaoshan District, Zhejiang Province, China	USD 15,000	Production of car seats, etc.
Yulon Motor Co., Ltd	125	Luxgen Motor Co., Ltd.	2008.05.29	No. -1, Pau-Kon Kuen, West Lake Village, San-yi, Miaoli County	NTD 2,800,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
Luxgen Motor Co., Ltd.	126	Luxgen Taipei Motor Co., Ltd.	2009.03.11	1F, No. 9, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 185,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	127	Luxgen Taoyuan Motor Co., Ltd.	2009.03.10	No. 256, Zhonghua Road, Bade City, Taoyuan County	NTD 105,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	128	Luxgen Taichung Motor Co., Ltd.	2009.03.10	1F, No. 3, Shih-Cheng Road, Shih-Tun District, Taichung City	NTD 106,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	129	Luxgen Tainan Motor Co., Ltd.	2009.03.12	No. 546, Zhongzheng S. Road, Yongkang District, Tainan City	NTD 104,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	130	Luxgen Kaohsiung Motor Co., Ltd.	2009.03.23	1F, No. 356, I-Shin 1st Road, Cianjhen District, Kaohsiung City	NTD 71,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
	131	Luxgen Overseas Holdings Private Ltd.	2012.04.09	150 Orchard Road #06-16 Orchard Plaza, Singapore	SGD 63,587	Holding company
Luxgen Overseas Holdings Private Ltd.	132	Luxgen Motor Limited Liability Company	2013.02.19	143441 Moscow region, Krasnogorsky region, Putilkovo p/o, 69 km of MKAD, Office and public complex of JSC «GREENWOOD», building 23	RUB 1,788,008	Automobile and parts sales
Yulon Motor Co., Ltd	133	Yu Rich Financial Services Co., Ltd.	2003.12.30	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 99,000	Product design, wholesale and retail of vehicles and parts
	134	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
	135	Yumin Motor Co., Ltd.	2000.01.07	No. 27, 36th Road, Shih-Tun Industrial Park, Taichung City	NTD 245,000	Trading of all kinds of auto parts and repair and maintenance services of vehicles
Yumin Motor Co., Ltd.	136	Chun Min Business Co., Ltd.	2001.02.16	1F, No. 89, Fu-Jong Road, Shih-Tun District, Taichung City	NTD 8,000	Vehicles and motorcycle parts wholesale and retail
	137	Anser motors Inc.	2010.12.15	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, SAMOA	NTD 143,560	Holding company
	138	Yumin Inurance Broker Co., Ltd	2013.12.11	Basement 1F-10, No. 279, Chengdu Road, Shih-Tun District, Taichung City	NTD 3,000	Property insurance broker
Yulon Motor Co., Ltd	139	Yulon TOBE Motor Co., Ltd.	2009.09.25	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 300,000	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
	140	Yulon Energy Co., Ltd.	2010.06.15	2F, No. 3, Sec 3, Chun-Shen Road. Xindian District, New Taipei City	NTD 300,000	Battery wholesale and retail and vehicle and motorcycle parts wholesale and retail business
Yulon Energy Co., Ltd.	141	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

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. 2015)

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
1	Taiwan Acceptance Corporation		Yulon Motor Co., Ltd	125,656,568	46.9
		Chairman	Kuo-Rong Chen		
		Director	Wen-Jung Tsai		
		Director	Chao-Wen Chen		
		Director	Tai-Ming Chen		
		Director	Zhen-Xiang Yao		
		Director (also President)	Kuo-Hsing Hsu		
		Director	Kai-Chang Hu		
			Lowin Enterprise Co., Ltd.	3,254,427	1.21
		Supervisor	Wei-Kung Chi		
		Supervisor	Ta-Wei Wang		
		Supervisor	Chen-Cheng Li		
		Director	Chun-Chieh Liu	9,145,834	3.41
		Director	Liang Zhang	0	-
2	Shinshin Credit Corporation		Taiwan Acceptance Corporation	98,969,000	100
		Chairman	Kuo-Hsing Hsu		
		Director (also President)	Chung-Yu Chen		
		Director	Wen-Kai Chuang		
		Supervisor	Shu-Hua Liao		
3	CARPLUS Auto Leasing Corporation		Taiwan Acceptance Corporation	51,491,530	68.57
		Chairman	Kuo-Hsing Hsu		
		Director (also President)	Chi-Mu Hsu		
		Director	Chang-I Li		
		Director	Te-Jun Lo		
		Director	Chun-Chieh Chang		
			Ruei-Yi Investment Co., Ltd	5,614,148	7.48
		Supervisor	Chih-Lung Chen		
			Yulon Motor Co., Ltd	2,594,926	3.46
		Supervisor	Ta-Wei Wang		
4	Sinjang Enterprises Co., Ltd.		Taiwan Acceptance Corporation	17,128,300	40
		Chairman	Kuo-Hsing Hsu		
		Director (also President)	Shun-Yen Hung		
			CARPLUS Auto Leasing Corporation	8,559,000	19.99
		Director	Chi-Mu Hsu		
			Yulon Motor Co., Ltd	8,567,950	20.01
		Director	Chen-Cheng Li		
			China Motor Corporation	8,567,750	20.01
		Director	Ching-Wu Chien		
			Yulon Management Enterprise Co., Ltd.	1,000	-
		Supervisor	Ta-Wei Wang		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
5	Yulon Motor Finance (China) Limited		Yulon Motor Co., Ltd	RMB 255,000,000	51
		Director	Chin-Chuan Chen		
		Director	Shih-Tung Hsu		
			Taiwan Acceptance Corporation	RMB 245,000,000	49
		Director	Kuo-Hsing Hsu		
		Director	Fa-Ke Chen		
		Supervisor	Chun-Cheng Lin		
		Supervisor	Ta-Wei Wang		
6	Sinjang Investment (Samoa) Co., Ltd.		Sinjang Enterprises Co., Ltd.	USD 805,000*	60
		Director	Shun-Yen Hung		
			TAC Global Investment (Samoa)Co., Ltd	USD 537,000*	40
		Director	Kuo-Hsing Hsu		
7	Shinshin Credit Investment (Samoa) Co., Ltd.		Shinshin Credit Corporation	USD 12,000,000*	100
		Director	Kuo-Hsing Hsu		
8	TAC Global Investment (Samoa)Co., Ltd		Taiwan Acceptance Corporation	USD 50,537,000*	100
		Director	Kuo-Hsing Hsu		
9	Yu Rong International Investment (SAMOA) Co., Ltd.		TAC Global Investment (Samoa)Co., Ltd	USD 38,000,000*	100
		Director	Kuo-Hsing Hsu		
10	Yu-Kuo Finance Leasing Limited		TAC Global Investment (Samoa)Co., Ltd	USD 12,000,000*	40
		Chairman	Kuo-Hsing Hsu		
		Director	Chung-Yu Chen		
		Director	Hsin-Fa Wu		
		Director	Wen-Kai Chuang		
		Director	Ko-Yu Lin		
		Supervisor	Chun-Cheng Lin		
11	Yu-Rong Leasing (Suzhou) Limited		Yu Rong International Investment (SAMOA) Co., Ltd.	USD 30,000,000*	100
		Chairman	Kuo-Hsing Hsu		
		Director	Fu-Hsiung Liu		
		Director	Fa-Ke Chen		
		Supervisor	Chun-Cheng Lin		
12	Diamond Leasing Service Co., Ltd.		CARPLUS Auto Leasing Corporation	8,500,000	100
		Chairman	Chi-Mu Hsu		
		Director	Chun Chen		
		Director	Kuang-Hung Chang		
		Supervisor	Hsin-Ming Chao		
13	CAR-PLUS Global Investment(Samoa)Co., Ltd		CARPLUS Auto Leasing Corporation	USD 12,000,000*	100
		Director	Chi-Mu Hsu		
14	CAR-PLUS China Investment(Samoa) Co., Ltd		CAR-PLUS Global Investment(Samoa)Co., Ltd	USD 6,000,000*	60
		Director	Chi-Mu Hsu		
			TAC Global Investment (Samoa)Co., Ltd	USD 4,000,000*	40
15	Car-Plus Shanghai Investment(Samoa) Co.,Ltd		CAR-PLUS Global Investment(Samoa)Co., Ltd	USD 6,000,000*	60
		Director	Chi-Mu Hsu		
			TAC Global Investment (Samoa)Co., Ltd	USD 4,000,000*	40
16	CAR-PLUS Auto Leasing (Suzhou) Limited		CAR-PLUS China Investment(Samoa) Co., Ltd	USD 10,000,000*	100
		Legal Representative	Chi-Mu Hsu		
17	CAR-PLUS Auto Leasing (Shanghai) Limited		Car-Plus Shanghai Investment(Samoa) Co.,Ltd	USD 10,000,000*	100
		Legal Representative	Chi-Mu Hsu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
18	H. K. Manpower Service Co., Ltd.		Diamond Leasing Service Co., Ltd.	1,000,000	100
		Chairman	Chi-Mu Hsu		
		Director	Chun Chen		
		Director	Hsin-Ming Chao		
		Supervisor	Kuang-Hung Chang		
19	Yu Ching Business Co., Ltd.		Yulon Motor Co., Ltd	175,000,000	100
		Chairman	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
		Director	Wen-Yi Lo		
		Supervisor	Ta-Wei Wang		
20	Chinh-Ling RTC Co., Ltd.		Yu Ching Business Co., Ltd.	5,000,000	100
		Chairman	Kenneth K. T. Yen		
		Director	Kuo-Rong Chen		
		Director	Chun-Chung Li		
		Supervisor	Ming-Hui Hsiao		
21	Yu Yuen Development Co., Ltd.		Yu Ching Business Co., Ltd.	40,323,827	33.3
		Chairman	Chen-Hua li		
			Yu Pong Business Co., Ltd.	39,542,857	32.65
		Vice Chairman	Kenneth K. T. Yen		
			Yung Hang Investment Co., Ltd.	39,542,857	32.65
		Director	Li-Lien Chen		
			Tai-Yuen Textile Co., Ltd.	6,180	0.01
		Director	Ta-Nien Ku		
			Fan-Terh Investment Co., Ltd.	6,180	0.01
		Director	Kuo-Rong Chen		
			Hsiang-Wei Investment Co., Ltd.	1,647,207	1.36
		Director	Tai-Ming Chen		
			Lowin Enterprise Co., Ltd.	6,180	0.01
		Director	Hsiu-Chih Kao		
			Wei-Tai Investment Co., Ltd.	18,532	0.02
		Supervisor	Wei-Kung Chi		
22	Yu Pong Business Co., Ltd.		Yulon Motor Co., Ltd	65,721,236	99.99
		Chairman	Li-Lien Chen		
		Director	Kenneth K. T. Yen		
		Director	Kuo-Rong Chen		
			Fan-Terh Investment Co., Ltd.	1,461	-
		Supervisor	Hsueh-Hui Yen		
23	Tai Yuen Venture Capital Co., Ltd.		China Motor Corporation	26,759,700	49.5
		Chairman	Kenneth K. T. Yen		
		Director	Chao-Wen Chen		
			Tai-Yuen Textile Co., Ltd.	518,976	0.96
		Director	Wei-Kung Chi		
			Yulon Motor Co., Ltd	26,759,700	49.5
		Director	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
			Yung Hang Investment Co., Ltd.	10,812	0.02
		Supervisor	Tai-Ming Chen		
24	Sin Chi Co., Ltd.		Yulon Motor Co., Ltd	87,000,000	100
		Chairman	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
		Director	Wen-Yi Lo		
		Supervisor	Ta-Wei Wang		
25	Yu Chia Motor Co., Ltd.		Sin Chi Co., Ltd.	5,010,000	100
		Chairman	Hsin Chen		
		Director	Ching-Lung Chien		
		Director	Min-Hui Chiu		
		Supervisor	Wen-Yi Lo		
26	Chanchen Inter Consulting Co., Ltd.		Sin Chi Co., Ltd.	1,000,000	100
		Chairman	Kuo-Rong Chen		
		Director	Kan-Lin Chu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Director	Wen-Yi Lo		
		Supervisor	Ta-Wei Wang		
27	Yung Hang Investment Co., Ltd.		Yulon Motor Co., Ltd	144,622,000	100
		Chairman	Kenneth K. T. Yen		
		Director (also President)	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
		Supervisor	Chih-Ming Cheng		
28	Yue Sheng Industrial Co., Ltd.		Yulon Motor Co., Ltd	14,680,250	50.97
		Chairman	Wen-Jung Tsai		
		Director	Pu-Chin Chien		
		Director	Yung-Yuan Wang		
			Chuogaras Co., Ltd.	14,112,000	49
		Director	Nakai Hajime		
		Director	Kanai Tetsuo		
		Director	Sekiguchi Kino Takashi		
		Supervisor	Miyauchi Toru	0	-
		Supervisor	Chih-Ming Cheng	1,000	-
29	Yueki Industrial Co., Ltd.		Yulon Motor Co., Ltd	9,846,057	50.58
		Chairman	Chun-Hung Chen		
		Director	Tsan-Huang Lin		
		Director	Ching-Ya chen		
		Director	Mao-Shun Chen		
			Calsonic Kansei Co., Ltd	9,538,830	49
		Director	Furukawa Hiroshi Chi		
		Director	Chuujou Tooru		
		Director	Shimada Kei Sukasa		
			Yulon Management Enterprise Co., Ltd.		
		Supervisor	Yung-Yuan Wang	1,000	-
		Supervisor	Chih-Ming Cheng		
		Supervisor	Akiyama Toyohiko	0	-
30	Yue Ki Industrial (Samoa) Co., Ltd		Yueki Industrial Co., Ltd.	USD 4,126,000*	100
		Director			
31	Yue Ki Industrial (HK) Co., Ltd.		Yueki Industrial Co., Ltd.	USD 4,000,000*	100
		Director			
		Director	Sheng-Ti Li	0	-
32	Hangzhou Yuwan Auto Motive Parts Limited		Yue Ki Industrial (HK) Co., Ltd.	RMB 30,443,000*	100
		Director	Sheng-Ti Li	0	-
33	China Cast Iron Pipe Co., Ltd.		Yulon Motor Co., Ltd	24,850	77.66
		Chairman	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
			Taiyuen Textile Co	430	1.34
		Director	Hsiu-Chih Kao		
			Tai-Yuen Textile Co., Ltd.	5,679	17.75
		Supervisor	Wen-Yi Lo		
34	ESINN Co., Ltd		Yulon Motor Co., Ltd	32,519,000	90.33
		Chairman	Kuo-Rong Chen		
		Director	Chun-Chieh Chang		
		Director	Meng-Fen Hsiao		
		Director	Chen-Cheng Li		
			Chan-Hsin Investment Co., Ltd.	3,480,000	9.67
		Director	Sung-Chi Tsai		
			Yulon Management Enterprise Co., Ltd.	1,000	-
		Supervisor	Ta-Wei Wang		
35	Yushin Motor Co., Ltd.		Yulon Motor Co., Ltd	15,999,000	80
		Chairman	Kuo-Rong Chen		
		Director	Chen-Cheng Li		
		Director	Chun-Chieh Chang		
		Director	Meng-Fen Hsiao		
		Director	Chiung-Liang Wang	800,000	4

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
			Yulon Management Enterprise Co., Ltd.	1,000	-
		Supervisor	Ta-Wei Wang	0	-
36	Yu-Jan Trading Co., Ltd.		ESINN Co., Ltd	500,000	100
		Chairman	Kuo-Rong Chen		
		Director	Chen-Cheng Li		
		Director	Meng-Fen Hsiao		
		Supervisor	Ta-Wei Wang		
37	Yu Pool Enterprise Co., Ltd.		Yushin Motor Co., Ltd.	1,000,000	100
		Chairman	Chiung-Liang Wang		
		Director	Kuo-Rong Chen		
		Director	Wen-Tsung Liu		
		Supervisor	I-Hsuan Lin		
38	Yu Shin Investment Ltd.		Yushin Motor Co., Ltd.	USD 1,554,000*	100
		Chairman	Chiung-Liang Wang		
39	Yu Chang Motor Co., Ltd.	Chairman	Yao-Hsin Kuo	3,254,400	15.11
		Director	Yu-Hung Kuo	1,335,200	6.2
			Yulon Motor Co., Ltd	13,998,500	65
		Director	Chun-Chieh Chang		
		Director	Chen-Cheng Li		
		Director	Meng-Fen Hsiao		
		Supervisor	Representative: Hsin-Fa Wu	1,000	-
			Ta-Wei Wang		
		Supervisor	Chiu-Hua Chen	1,437,200	6.67
40	Tian Wang Co., Ltd.		Yu Chang Motor Co., Ltd.	1,700,000	100
		Chairman	Yao-Hsin Kuo		
		Director	Meng-Fen Hsiao		
		Director	Chen-Cheng Li		
		Supervisor	Ta-Wei Wang		
41	Yu Chang China Investment Co., Ltd.		Yu Chang Motor Co., Ltd.	USD 1,564,000	100
		Director	Yao-Hsin Kuo	USD 0.001,000	
		Director	Kuo-Hsing Hsu		
		Director	Ming-Hui Hsiao		
42	Singan Co., Ltd.		China Motor Corporation	7,074,057	24.67
		Director	Te-Jun Lo		
			Yulon Motor Co., Ltd	10,212,515	35.62
		Chairman	Kuo-Hsing Hsu		
		Director	Sung-Chi Tsai		
		Director	Chao-Hsien Liu		
		Director	Chao-I Chang		
			Yu Ching Business Co., Ltd.		
		Supervisor	Ta-Wei Wang	2,742,014	9.56
43	Singgual Travel Service Co., Ltd.		Singan Co., Ltd.	13,000,000	100
		Chairman	Chao-I Chang		
		Director	Kuo-Hsing Hsu		
		Director (also President)	Chang-Lin Wu		
		Director	Pi-Feng Wu		
		Director	Chia-Ying Tsang		
		Supervisor	Wan-Chin Li		
44	Molife Cultural Enterprise Co., Ltd.		Singan Co., Ltd.	5,000,000	100
		Chairman	Chao-I Chang		
		Director	Kuo-Hsing Hsu		
		Director	Chang-Lin Wu		
		Director	Pi-Feng Wu		
		Director (also President)	Chia-Ying Tsang		
		Supervisor	Wan-Chin Li		
45	Hsiang Shou Enterprise Co., Ltd.		Singan Co., Ltd.	10,000,000	100
		Chairman	Chao-I Chang		
		Director	Chang-Lin Wu		
		Director	Kuo-Hsing Hsu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Director (also President) Director Supervisor	Pi-Feng Wu Wen-Cheng Liao Wan-Chin Li		
46	Jing-Hui (Shanghai) Motor Technology Limited	 Representative	Singgual Travel Service Co., Ltd. Chih-Hsin Lin	USD 1,675,000*	100
47	Yulon Overseas Investment Co., Ltd.	 Director Director Director	Yulon Motor Co., Ltd Kenneth K. T. Yen Kuo-Rong Chen Chun-Chung Li	320,989,968	100
48	Yulon China Investment Co., Ltd.	 Director Director Director	Yulon Overseas Investment Co., Ltd. Kenneth K. T. Yen Kuo-Rong Chen Chun-Chung Li	295,964,001	100
49	Yulon Philippine Investment Co., Ltd.	 Director Director Director	Yulon Overseas Investment Co., Ltd. Kenneth K. T. Yen Kuo-Rong Chen Chun-Chung Li	35,740,966	100
50	Univation Motor Philippines, Inc.	 Chairman Director (also CEO) Director Director Director	Yulon Philippine Investment Co., Ltd. Zhen-Xiang Yao Chung-Yuan Chen Ming-Feng Sung I-Chin Lin Chen-Chi Wu Eastern Crowne Industries, Inc. Sta. Cruz Island Corporation	4,365,527 1 1 1 1 1 350,000 6,198,296	39.99 3.21 56.79
51	Sta. Cruz Island Corporation	 Director Chairman Director Director Director	Yulon Philippine Investment Co., Ltd. Pacific Gem Corporation Reynaldo Concepcion William C. Yu Eric Recalde Univation Motor Philippines, Inc. Nedia O. Sagun Teresita D. Hamor	749,371 3,202,792 1 1 1 1,385,825 1 1	14.04 60 - - - 25.96 - -
52	Taixin Investment (Samoa) Co., Ltd.	 Legal Representative	Yulon China Investment Co., Ltd. Kuo-Rong Chen	19,600,000	100
53	Wen Yang Investment (Samoa) Co., Ltd.	 Legal Representative	Yulon China Investment Co., Ltd. Kuo-Rong Chen	16,100,000	100
54	Qing Yi Investment (Samoa) Co., Ltd.	 Legal Representative	Yulon China Investment Co., Ltd. Kuo-Rong Chen	15,850,000	100
55	Yulon China Investment (HK) Co., Ltd.	 Legal Representative	Yulon China Investment Co., Ltd. Kenneth K. T. Yen	USD 210,600,000*	100
56	Feng-hua Investment (HK) Limited	 Director Director	Chenlong Motor Co., Ltd. I-Wei Wang Yulon China Investment Co., Ltd. Ming-Hui Hsiao	USD 2,100,000* USD 2,800,000*	30 40
57	Yulon China Holdings (Cayman) Co., Ltd.	 Chairman Director Director	Yulon China Investment Co., Ltd. Kenneth K. T. Yen Kuo-Rong Chen Chun-Chung Li	26,500,000	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
58	Suzhou Chenglong Automobile Service Limited		Feng-hua Investment (HK) Limited	USD 7,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
59	Suzhou Cheng-Hung Auto Sales & Service Limited		Suzhou Chenglong Automobile Service Limited	RMB 10,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
60	Suzhou Cheng-Kuo Auto Sales & Service Limited		Suzhou Chenglong Automobile Service Limited	RMB 10,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
61	KeYu (Nanjing) Information Technology Limited		Taixin Investment (Samoa) Co., Ltd.	USD 19,500,000*	100
		Legal Representative	Kuo-Rong Chen		
		Supervisor	Ming-Hui Hsiao		
62	TaiFeng ((Nanjing) Software Technology Limited		Wen Yang Investment (Samoa) Co., Ltd.	USD 14,850,000*	100
		Legal Representative	Kuo-Rong Chen		
63	QingTai (NanJing) Technology Limited		Qing Yi Investment (Samoa) Co., Ltd.	USD15,350,000*	100
		Legal Representative	Kuo-Rong Chen		
		Supervisor	Ming-Hui Hsiao		
64	Yi Ding (ZhangZhou) Information Technology Limited		KeYu (Nanjing) Information Technology Limited	RMB 49,680,000*	90
			TaiFeng ((Nanjing) Software Technology Limited	RMB 5,520,000*	10
		Legal Representative (also Executive director and Manager)	Ming-Hui Hsiao		
		Supervisor	Yung-Fu Chiao		
65	Mei De (ZhangZhou) Software Technology Limited		TaiFeng ((Nanjing) Software Technology Limited	RMB 71,550,000*	90
			QingTai (NanJing) Technology Limited	RMB 7,950,000*	10
		Legal Representative (also Executive director and Manager)	Ming-Hui Hsiao		
		Supervisor	Yung-Fu Chiao		
66	Shi Cheng (ZhangZhou) Technology Development Limited		QingTai (NanJing) Technology Limited	RMB 38,097,000*	90
			KeYu (Nanjing) Information Technology Limited	RMB 4,233,000*	10
		Legal Representative (also Executive director and Manager)	Ming-Hui Hsiao		
		Supervisor	Yung-Fu Chiao		
67	Jin Ce (ZhangZhou) Software Technology Limited		QingTai (NanJing) Technology Limited	RMB 13,769,000*	70

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
			TaiFeng ((Nanjing) Software Technology Limited	RMB 5,901,000*	30
		Legal Representative (also Executive director and Manager)	Ming-Hui Hsiao		
		Supervisor	Yung-Fu Chiao		
68	GaoTe (Beijing) Investment Limited		Yi Ding (ZhangZhou) Information Technology Limited	RMB 52,200,000*	90
			Jin Ce (ZhangZhou) Software Technology Limited	RMB 5,800,000*	10
		Legal Representative (also Executive director and Manager)	I Liu		
		Supervisor	Ming-Hui Hsiao		
69	HangZhou QienYu Investment Limited		GaoTe (Beijing) Investment Limited	RMB 10,000,000*	100
		Legal Representative (also Executive director and Manager)	I Liu		
		Supervisor	Ya-Ming Chen		
70	HangZhou Hsiao Yu Investment Limited		HangZhou TangYu Investment Limited	RMB 900,000*	9
			HangZhou QienYu Investment Limited	RMB 9,000,000*	90
			Zhejiang Chung-Yu (Holding) Group Limited	RMB 100,000*	1
		Legal Representative (also Chairman)	Chi-Wu Liu		
		Director	Chi-Hou Wen		
		Director	Wen-Chiang tien		
		Supervisor	Lai Liu		
71	DongTai (Beijing) Investment Limited		Shi Cheng (ZhangZhou) Technology Development Limited	RMB 39,330,000*	90
			Jin Ce (ZhangZhou) Software Technology Limited	RMB 4,370,000*	10
		Legal Representative (also Executive director and Manager)	Lai Liu		
		Supervisor	Ming-Hui Hsiao		
72	HangZhou TangYu Investment Limited		DongTai (Beijing) Investment Limited	RMB 10,000,000*	100
		Legal Representative (also Executive director and Manager)	Chi-Tsai Wen		
		Supervisor	Ming Chen		
73	Anhui Min Tong Automobiles Sales & Service Limited		DongTai (Beijing) Investment Limited	RMB 10,000,000	100
		Chairman	Jui-Yu Chiu		
		Director	Ming-Hui Hsiao		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
74	Anqing Cai Tong Automobiles Sales & Service Limited		DongTai (Beijing) Investment Limited	RMB 5,000,000	100
		Chairman	Jui-Yu Chiu		
		Director	Ming-Hui Hsiao		
		Director	Chin-Chuan Chen		
		Supervisor	Chou Yen		
75	Anqing Ling Tong Automobiles Sales & Services Limited		DongTai (Beijing) Investment Limited	RMB 4,000,000	100
		Chairman	Jui-Yu Chiu		
		Director	Ming-Hui Hsiao		
		Director	Chin-Chuan Chen		
		Supervisor	Wen-Hui Liu		
76	Hefei Chun Hui Automobiles Sales & Services Limited		DongTai (Beijing) Investment Limited	RMB 500,000	100
		Chairman	Chin-Chuan Chen		
		Executive Director	Lai Liu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Director Director Supervisor	Jui-Yu Chiu Ming-Hui Hsiao Chou Yen		
77	Tongling Kuo Tong Automobiles Sales & Services Limited	 Chairman Director Director Supervisor	DongTai (Beijing) Investment Limited Jui-Yu Chiu Ming-Hui Hsiao Chin-Chuan Chen Wen-Hui Liu	RMB 5,000,000	100
78	Zibo Yu An Automobiles Sales & Services Limited	 Chairman Director Director Supervisor	DongTai (Beijing) Investment Limited Jui-Yu Chiu Ming-Hui Hsiao Chin-Chuan Chen Wen-Hui Liu	RMB 5,000,000	100
79	Yulon Motor Investment (HK) Co., Ltd.	 Chairman Director	Yulon China Holdings (Cayman) Co., Ltd. Kenneth K. T. Yen Kuo-Rong Chen	USD 26,500,000*	100
80	Yulon Automotive (China) Investment Limited	 Chairman Director Director Director Director Director Director Supervisor	Yulon Motor Investment (HK) Co., Ltd. Kuo-Rong Chen Hsin-Fa Wu Chin-Chuan Chen Kuo-Hsing Hsu Chun-Chung Li Zhen-Xiang Yao Yung-Yuan Wang Ming-Hui Hsiao	USD 26,500,000*	100
81	Xiamen Y.C. Invest. Consulting Limited	 Legal Representative Supervisor	Yulon Motor Investment (HK) Co., Ltd. Kuo-Rong Chen Yung-Fu Chiao	USD 1,860,000*	100
82	Dong Feng Yulon Motor Sales Limited	 Legal Representative	Dong Feng Yulon Motor Limited Yulon Automotive (China) Investment Limited Kuo-Rong Chen	RMB 25,000,000* RMB 25,000,000*	50 50
83	Sheng Qing (Beijing) Investment Limited	 Legal Representative (also Chairman) Director Director Supervisor	Yulon Automotive (China) Investment Limited Xiamen Y.C. Invest. Consulting Limited Kuo-Rong Chen Hsin-Fa Wu Chin-Chuan Chen Ming-Hui Hsiao	RMB240,000,000* RMB200,000,000*	54.55 45.45
84	SuZhou FengShen Automobiles. Sale & Service Limited	 Director Director Director Supervisor Chairman Director Supervisor	Sheng Qing (Beijing) Investment Limited Hsin-Fa Wu Jui-Yu Chiu Jung-Fu Cheng Ming-Chi Wu Suzhou Cheng-Feng Commercial Trading Limited I-Wei Wang I-Ching Wang Ming-Tsang Chao	RMB 19,200,000* RMB 28,800,000*	40 60
85	Suzhou ChengBang Automobiles Sales & Service Limited	 Chairman Director Director	SuZhou FengShen Automobiles. Sale & Service Limited I-Wei Wang Hsin-Fa Wu Jui-Yu Chiu	RMB 10,000,000*	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
86	Suzhou Eslite Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 40,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
87	Suzhou YuShun Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 10,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
88	TaiTsang ChengMao Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 10,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
89	Suzhou FengShun Automobiles Sales & Service Limited		SuZhou FengShen Automobiles. Sale & Service Limited	RMB 25,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
90	Wu Jiang Lian Cheng Automobiles Sale & Service Limited		Suzhou FengShun Automobiles Sales & Service Limited	RMB 10,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
91	Suzhou ChengLi Automobile Sales & Service Limited		Suzhou FengShun Automobiles Sales & Service Limited	RMB 15,000,000*	100
		Chairman	I-Wei Wang		
		Director	Hsin-Fa Wu		
		Director	Jui-Yu Chiu		
		Director	Jung-Fu Cheng		
		Director	I-Ching Wang		
		Supervisor	Ming-Tsang Chao		
		Supervisor	Ming-Chi Wu		
92	ShenJun YuPong Automobiles Sale & Service Limited		Hsiao-Chung Yao	RMB 1,680,000*	14
		Chairman			
		Director	Tan-Ning Liu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
			Sheng Qing (Beijing) Investment Limited	RMB 7,800,000*	65
		Director	Jung-Fu Cheng		
		Director	Hsin-Fa Wu		
		Director	Chin-Chang Tsai		
		Director	Li-Min Hu		
		Supervisor	Chih-Hsin Yeh		
		Supervisor	Wen-Cheng Lin		
93	Guangzhou YuanDou Automobile Sales & Service Limited		Yuanlong Motor Co., Ltd.	RMB 17,150,000*	49
			Sheng Qing (Beijing) Investment Limited	RMB 17,850,000*	51
		Chairman	Chen-Fang Chang		
		Director	Chin-Chuan Chen		
		Director	Wen-Hsien Hsu		
		Director	Jui-Yu Chiu		
		Director	Ming-Jung Hsu		
		Supervisor	Ming-Chi Wu		
		Supervisor	Ming-Ching Chen		
94	Zhu Hai FuTeEn Industry & Trade Limited		Sheng Qing (Beijing) Investment Limited	RMB 5,000,000*	100
		Chairman	Hsin-Fa Wu		
		Director	Chi-Jui Chen		
		Director	Jung-Fu Cheng		
		Supervisor	Wen-Cheng Lin		
95	ZhuHai Esinn Automobiles Sales & Service Limited		Zhu Hai FuTeEn Industry & Trade Limited	RMB 5,000,000*	100
		Chairman	Chi-Jui Chen		
		Director	Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Supervisor	Wen-Cheng Lin		
96	Shenzhen Yuzhi Automobile Sales & Service Limited		Zhu Hai FuTeEn Industry & Trade Limited	RMB 10,000,000*	100
		Chairman	Chi-Jui Chen		
		Director	Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Supervisor	Wen-Cheng Lin		
97	Wuhan Yu Hsin Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 28,000,000*	100
		Chairman	Representative: Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Director	Chi-Jui Chen		
		Supervisor	Ming-Chi Wu		
98	XiaoGan YuFeng Automobile Sales & Service Limited		Wuhan Yu Hsin Automobiles Sales & Service Limited	RMB 16,000,000*	100
		Chairman	Representative: Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Director	Chi-Jui Chen		
		Supervisor	Ming-Chi Wu		
99	NanJing HanHong Automobiles Trading Limited		Sheng Qing (Beijing) Investment Limited	RMB 70,000,000*	100
		Chairman	Representative: Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Director	Chi-Jui Chen		
		Supervisor	Wen-Cheng Lin		
100	Nanjing YuShang Automobile Sales & Service Limited		NanJing HanHong Automobiles Trading Limited	RMB 8,000,000*	100
		Chairman			
		Director	Hsin-Fa Wu		
		Director	Jung-Fu Cheng		
		Supervisor	Wen-Cheng Lin		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
101	Nanjing HanHong Automobile Sales & Service Limited	 Executive Director Supervisor	NanJing HanHong Automobiles Trading Limited Hsin-Fa Wu Yung-Chun Weng	RMB 30,000,000*	100
102	HangZhou Yu Zhong Trading Limited	 Legal Representative Supervisor	Sheng Qing (Beijing) Investment Limited Kuo-Rong Chen Ming-Hui Hsiao	RMB 10,000,000*	100
103	Hangzhou HuaZhi Automobile Sales & Service Limited	 Chairman Director Supervisor Director Director Director Supervisor	Dong Feng Yulon Motor Limited Representative: Hsin-Fa Wu Chih-Tung Shan Fang-Cheng Liu Sheng Qing (Beijing) Investment Limited Kuo-Hsing Hsu Ping-Cheng Yen Chin-Chang Tsai Ming-Hui Hsiao	RMB 8,000,000* RMB 12,000,000*	40 60
104	Hangzhou HuaYou Automobile Sales & Service Limited	 Executive Director Supervisor	Hangzhou HuaZhi Automobile Sales & Service Limited Ching-Yuan Po Wen-Cheng Lin	RMB 8,000,000*	100
105	Shanghai YuXing Automobiles Sales & Services Limited	 Executive Director Supervisor	Sheng Qing (Beijing) Investment Limited Chin-Feng Kao Ming-Hui Hsiao	RMB 26,000,000*	100
106	Jiang Men Jun Xing Automobiles Sales & Services Limited	 Executive Director Supervisor	Sheng Qing (Beijing) Investment Limited Jung-Fu Cheng Chun-Pao Ho	RMB 20,000,000*	100
107	JiangMen YuLi Automobiles Sales & Service Limited	 Executive Director Supervisor	Jiang Men Jun Xing Automobiles Sales & Services Limited Jung-Fu Cheng Ming-Chi Wu	RMB 10,000,000*	100
108	Changsha Yulu Automobile Sales & Service Limited	 Chairman Director Director Supervisor	Sheng Qing (Beijing) Investment Limited Chi-Jui Chen Hsin-Fa Wu Jung-Fu Cheng Ming-Chi Wu	RMB 20,000,000*	100
109	Ningbo YuChang Automobiles Sales & Service Limited	 Chairman Director Director Supervisor	Sheng Qing (Beijing) Investment Limited Yu Chang China Investment Co., Ltd. Yao-Hsin Kuo Wen-Hsien Hsu Chin-Chuan Chen Ming-Chi Wu	RMB 10,200,000* RMB 9,800,000*	51 49
110	Fujian YuXin Automobiles Sales & Service Limited	 Executive Director Supervisor	Sheng Qing (Beijing) Investment Limited Wen-Hsien Hsu Ming-Chi Wu	RMB 20,000,000*	100
111	Guangzhou YuanZhi Automobile Sales & Service Limited	 Chairman Director Director Director Director	Guangzhou YuanDou Automobile Sales & Service Limited Chen-Fang Chang Chin-Chuan Chen Ming-Jung Hsu Wen-Hsien Hsu Jui-Yu Chiu	RMB 10,000,000*	100

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Supervisor Supervisor	Ming-Chi Wu Ming-Ching Chen		
112	Qingdao YuanHuang Automobiles Sales & Services Limited		Sheng Qing (Beijing) Investment Limited	RMB 30,000,000*	100
		Legal Representative	Chen-Fang Chang		
113	Shanghai Yumin Automobiles Sales & Service Limited		Sheng Qing (Beijing) Investment Limited	RMB 19,380,000*	51
			Anser Motors Inc.	RMB 18,620,000*	49
		Chairman Director Director Supervisor	Chin-Feng Kao Wen-Hsien Hsu Chin-Chuan Chen Wen-Cheng Lin		
114	ChiaHsing YuTa Automobiles Sales & Service Limited		Shanghai Yumin Automobiles Sales & Service Limited	RMB 12,000,000	100
		Chairman Director Director Supervisor	Chin-Feng Kao Chin-Chuan Chen Wen-Hsien Hsu Wen-Cheng Lin		
115	Y-Teks Co., Ltd.		Yulon Motor Co., Ltd	547,725	34
		Chairman Director	Chun-Hung Chen Yung-Yuan Wang		
			Kasai Kogyo Co., Ltd.	537,775	33.38
		Director Director	Watanabe Kunikou Sandou Shouichi		
			Yue Sheng Industrial Co., Ltd.	193,200	11.99
		Director	Tung-Yao Wu		
			San Long Assets Management Co., Ltd.	85,460	5.3
		Director	Chung-Hsien Chen		
			Chang Yue Plastics Industrial Co., Ltd.	194,029	12.04
		Director	Chia-Ching Chen		
		Supervisor	Shang-Hui Chen	3,319	0.21
		Supervisor	Li-Hsiung Cheng	0	-
116	Unisyn International Co., Ltd.		Y-Teks Co., Ltd.	USD 2,230,000*	66.66
		Director	Imamura Hitoshi		
			Malaysia SL investment Co., Ltd.	USD 557,000*	16.67
		Director	Li-Hsiung Cheng		
			Fang Pang (Samoa) Investment Co., Ltd.	USD 557,000*	16.67
		Director	Li-Tai Kuo		
117	Unisyn International (HK) Co., Ltd.		Unisyn International Co., Ltd.	USD 12,391,000*	100
		Director Director Director	Chin-Chu Lin Li-Hsiung Cheng Li-Tai Kuo		
118	Changzhou Y-Teks Automotive Trim Parts Limited		Unisyn International (HK) Co., Ltd.	USD 714,000*	51
			Jiangsu Chang Pien Plastics Industrial Limited	USD 462,000*	33
			China Automotive Industry International Corporation	USD 224,000*	16
		Legal Representative	Pin-Kang Jui		
119	Hangchow Y-Teks Automotive Trim Parts Limited		Unisyn International (HK) Co., Ltd.	USD 9,000,000*	100
			Chung-Hsien Chen		
		Director Director Director Director	Li-Tai Kuo Imamura Hitoshi Yung-Yuan Wang Chin-Chu Lin		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
120	Chan Yun Technology Co., Ltd.		Yulon Motor Co., Ltd	8,331,999	43.85
		Chairman (also President)	Wei-Kung Chi		
		Director	Kan-Lin Chu		
		Director	Yueh-Hsun Chen		
			China Motor Corporation	8,331,999	43.85
		Director	Te-Chao huang		
		Director	Chen-Chang Huang		
			Tai-Yuen Textile Co., Ltd.	2,336,002	12.3
		Supervisor	I-Chin Lin		
121	Uni Auto Parts Manufacture Co., Ltd		Yulon Motor Co., Ltd	21,728,516	25.01
		Chairman	Zhen-Xiang Yao		
		Director	Mao-Shun Chen		
		Director	Shun-I Lin		
		Director	Yung-Yuan Wang		
			Hsin Chong Machinery Works Co., Ltd.	17,377,154	20
		Executive Director	Chih-Hsiung His		
		Director	Chin-Ming His		
			Chuan Hsing Investment & Development Co., Ltd.	5,211,979	6
		Executive Director	Chung-Wu Li		
			NHK Spring Co., Ltd.	13,033,833	15
		Director	Aoyagi Toshiyuki		
			China Motor Corporation	13,032,137	15
		Supervisor	Chih-Hsiung Wu		
			Johnson Controls, K.K.	8,688,921	10
		Director	Chien Huang		
		Supervisor	Kuei-Fen Tien	0	-
122	Uni Investment Co., Ltd.		Uni Auto Parts Manufacture Co., Ltd	USD 8,403,000*	100
		Director	Teng-Hung Yang		
		Director	Chih-Hsiung His		
123	Fuzhou Lianghong Motor Parts Limited		Uni Investment Co., Ltd.	USD 9,320,000*	66.67
		Chairman	Zhen-Xiang Yao		
		Director	Teng-Hung Yang		
		Director	Chih-Hsiung His		
		Director	Chung-Wu Li		
		Director	Chiung-Chih Tseng		
		Director	Aoyagi Toshiyuki		
		Supervisor	Yung-Yuan Wang		
		Supervisor	Chien Huang		
			Namba Press Works Co., Ltd.	USD 4,660,000*	33.33
		Director	Nanba Chikako		
		Director	Nanba Junichi		
		Director	Nanba Komaki		
124	Hangchow Liangrun Motor Parts Limited		Uni Investment Co., Ltd.	USD 15,000,000*	100
		Chairman	Zhen-Xiang Yao		
		Director	Teng-Hung Yang		
		Director	Aoyagi Toshiyuki		
		Director	Chih-Hsiung His		
		Director	Chung-Wu Li		
		Director	Chien Huang		
		Director	Yung-Yuan Wang		
		Supervisor	Chih-Hsiung Wu		
125	Luxgen Motor Co., Ltd.		Yulon Motor Co., Ltd	280,000,000	100
		Chairman	Kenneth K. T. Yen		
		Vice Chairman	Kuo-Rong Chen		
		Director	Zhen-Xiang Yao		
		Director	Chun-Chung Li		
		Director (also President)	Kai-Chang Hu		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
		Supervisor	Chih-Ming Cheng	0	
126	Luxgen Taipei Motor Co., Ltd.		Luxgen Motor Co., Ltd.	13,635,160	73.7
		Chairman	Kai-Chang Hu		
		Director	Chung-Yung Tsao		
			ESINN Co., Ltd	238,840	1.29
		Director	Meng-Fen Hsiao		
		Director	Wen-Yuan Li		
			Fortune Motors Co., Ltd.	4,625,000	25
		Director	Chan-Kuei Chiang		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	I-Chin Lin		
127	Luxgen Taoyuan Motor Co., Ltd.		Luxgen Motor Co., Ltd.	6,299,000	59.99
		Chairman	Kai-Chang Hu		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yushin Motor Co., Ltd.	2,100,000	20
		Director	Chiung-Liang Wang		
			Fortune Motors Co., Ltd.	2,100,000	20
		Director	Chan-Kuei Chiang		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	I-Chin Lin		
128	Luxgen Taichung Motor Co., Ltd.		Luxgen Motor Co., Ltd.	6,359,000	59.99
		Chairman	Kai-Chang Hu		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yumin Motor Co., Ltd.	2,120,000	20
		Director	Chin-Feng Kao		
			Fortune Motors Co., Ltd.	2,120,000	20
		Director	Chan-Kuei Chiang		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	I-Chin Lin		
129	Luxgen Tainan Motor Co., Ltd.		Luxgen Motor Co., Ltd.	62,390,000	59.99
		Chairman	Kai-Chang Hu		
		Director	Chung-Yung Tsao		
		Director	Kuo-Hsing Hsu		
			Fortune Motors Co., Ltd.	4,160,000	40
		Director	Chi-Feng Tsai		
		Director	Chan-Kuei Chiang		
		Supervisor	Ming-Hui Hsiao	0	-
130	Luxgen Kaohsiung Motor Co., Ltd.		Luxgen Motor Co., Ltd.	4,259,000	59.99
		Chairman	Kai-Chang Hu		
		Director	Chung-Yung Tsao		
		Director	Meng-Fen Hsiao		
			Yu Chang Motor Co., Ltd.	1,420,000	20
		Director	Yao-Hsin Kuo		
			Fortune Motors Co., Ltd.	1,420,000	20
		Director	Chan-Kuei Chiang		
			Yulon Management Enterprise Co., Ltd.	1,000	0.01
		Supervisor	I-Chin Lin		
131	Luxgen Overseas Holdings Private Ltd.		Luxgen Motor Co., Ltd.	SGD 63,587,000	100
		Director	Kenneth K. T. Yen	0	-
		Director	Chung-Yung Tsao	0	-
		Director	Kai-Chang Hu	0	-
		Director	Kuo-Rong Chen	0	-
		Director	Hsueh-Lei Chang	0	-
132	Luxgen Motor Limited Liability		Luxgen Overseas Holdings	RUB	99.99

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
	Company		Private Ltd.	1,787,829,000	
		President	Wei-Ming Wang	RUB 179,000	0.01
133	Yu Rich Financial Services Co., Ltd.		Yulon Motor Co., Ltd	9,900,001	100
		Chairman	Kuo-Hsing Hsu		
		Director	Chang-Lin Wu		
		Director	Ching-Chi Chen		
		Supervisor	Ta-Wei Wang		
134	Qinton Motor Co., Ltd.		Yulon Motor Co., Ltd	6,745,947	100
		Chairman	Zhen-Xiang Yao		
		Director	Kuo-Hsing Hsu		
		Director	Shun-Yen Hung		
		Supervisor	Ta-Wei Wang		
135	Yumin Motor Co., Ltd.		Yutong Enterprise Co., Ltd.	12,985,000	53
		Chairman	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Kuo-Lung Lai		
		Director	Mei-Chang Hsu		
			Yulon Motor Co., Ltd	4,899,000	20
		Director	Chen-Cheng Li		
		Director	Sung-Chi Tsai		
		Director	Meng-Fen Hsiao		
			Taiwan Acceptance Corporation	6,615,000	27
		Director	Yuan-Lung Chueh		
		Director	Chun-Cheng Lin		
		Supervisor	Nan-Cheng Pan		-
			Yulon Management Enterprise Co., Ltd.	1,000	-
		Supervisor	Ta-Wei Wang		-
		Supervisor	Shu-Hua Liao		-
136	Chun Min Business Co., Ltd.		Yumin Motor Co., Ltd.	800,000	100
		Chairman	Chin-Feng Kao		
		Director	His-Kun Liu		
		Director	Chen-Cheng Li		
		Director	Meng-Fen Hsiao		
		Director	Chun-Cheng Lin		
		Supervisor	Mei-Chang Hsu		
		Supervisor	Ta-Wei Wang		
137	Anser motors Inc.		Yumin Motor Co., Ltd.	143,560,000	100
		Chairman	Chin-Feng Kao		
138	Yumin Inurance Broker Co., Ltd		Yumin Motor Co., Ltd.	300,000	100
		Chairman	Chin-Feng Kao		
		Director	Meng-Fen Hsiao		
		Director	Chen-Cheng Li		
		Director	His-Kun Liu		
		Director	Chun-Cheng Lin		
		Supervisor	Ta-Wei Wang		
		Supervisor	Mei-Chang Hsu		
139	Yulon TOBE Motor Co., Ltd.		Yulon Motor Co., Ltd	30,000,000	100
		Chairman	Zhen-Xiang Yao		
		Director	Kuo-Hsing Hsu		
		Director	Shun-Yen Hung		
		Supervisor	Ta-Wei Wang		
140	Yulon Energy Co., Ltd.		Yulon Motor Co., Ltd	30,000,000	100
		Chairman	Kuo-Rong Chen		
		Director	Chun-Chung Li		
		Director	I-Yun Li		
		Director	Zhen-Xiang Yao		
		Director	Hsin-Fa Wu		
		Director	Kai-Chang Hu		
		Director	Kuo-Hsing Hsu		
		Supervisor	Ta-Wei Wang		

No	Company Name	Title	Name or Representative	Shareholding (Investment amount*)	Shareholding ratio (%)
141	Energy Engineering Co., Ltd.	 Chairman Director Director Supervisor	Yulon Energy Co., Ltd. I-Yun Li Li-Jen Lin Shu-Li Fang Yu-Tang Lu	200,000	100

Note: * No share is issued by the limited company; therefore, the actual contribution amount is listed.

6. Affiliates' Operating Results

12.31.2015

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	2,679,182	51,038,324	41,847,886	9,190,438	3,932,284	1,078,449	1,425,054	5.36
22010002	Yu Ching Business Co., Ltd.	1,750,000	2,297,560	3,320	2,294,240	19,070	-2,575	157,335	0.9
22010004	Yu Pong Business Co., Ltd.	657,300	917,555	19,447	898,108	52,649	-17,178	10,063	0.15
22010005	Yung Hang Investment Co., Ltd.	1,446,220	1,727,968	37,398	1,690,570	1,012,771	126,795	124,610	0.59
22010008	Yue Sheng Industrial Co., Ltd.	288,000	606,400	118,672	487,728	482,803	-7,923	22,492	0.78
22010010	Yueki Industrial Co., Ltd.	194,670	1,833,836	925,501	908,335	1,752,936	10,322	-10,313	-0.53
22010012	China Cast Iron Pipe Co., Ltd.	32,000	96,529	30,907	65,622	0	-3,677	-3,446	-1.08
22010014	Yu Chang Motor Co., Ltd.	215,385	1,398,809	1,177,532	221,277	5,413,488	-45,104	36,909	1.71
22010017	Yushin Motor Co., Ltd.	200,000	1,064,451	792,750	271,701	3,066,278	-48,718	8,648	0.43
22010020	Yu Chia Motor Co., Ltd.	50,100	310,852	299,183	11,669	410,902	8,222	-15,449	-3.08
22010023	Singan Co., Ltd.	286,700	555,518	115,486	440,032	242,839	3,438	114,480	3.99
22010024	Singgual Travel Service Co., Ltd.	130,000	412,664	183,995	228,669	719,251	12,580	41,339	3.18
22010026	Tai Yuen Venture Capital Co., Ltd.	540,600	236,171	6,123	230,048	9,577	-42,425	-42,425	-0.78
22010027	Yu Yuen Development Co., Ltd.	1,211,000	2,095,051	61,648	2,033,403	228,954	57,138	48,418	0.4
22010034	Yumin Motor Co., Ltd.	245,000	881,002	552,830	328,172	3,737,037	-23,815	36,684	1.61
22010035	Tian Wang Co., Ltd.	17,000	45,664	16,144	29,520	120,601	10,252	8,727	5.13
22010036	Yu Pool Enterprise Co., Ltd.	10,000	60,392	28,236	32,156	143,859	22,679	4,082	4.08
22010042	Chan Yun Technology Co., Ltd.	190,000	68,828	15,806	53,022	65,075	439	764	0.04
22010047	Sta. Cruz Island Corporation	189,308	404,681	1,437	403,244	9,719	6,991	4,895	0.92
22010051	Xiamen Y.C. Invest. Consulting Limited	78,214	645,392	38,706	606,686	1,237	-1,108	-44,530	Note 1
22010053	Sin Chi Co., Ltd.	870,000	1,072,125	11,810	1,060,315	69,511	34,807	54,382	0.63
22010054	ESINN Co., Ltd	360,000	1,088,473	1,034,884	53,589	4,921,461	-126,894	20,020	0.56
22010055	Y-Teks Co., Ltd.	161,100	1,423,949	352,788	1,071,161	416,787	44,204	229,276	142
22010056	Yu-Jan Trading Co., Ltd.	5,000	31,568	21,225	10,343	183,244	1,613	1,284	2.57
22010060	Unisyn International Co., Ltd.	109,865	1,592,767	13,786	1,578,981	375,568	374,457	359,920	Note 1
22010063	Yulon Overseas Investment Co., Ltd.	10,536,496	5,598,399	452,492	5,145,907	0	-326,499	-326,499	-1.02
22010067	Yulon China Investment Co., Ltd.	9,715,018	6,830,670	1,247,837	5,582,833	0	-219,234	-218,044	-0.74
22010068	Yulon Philippine Investment Co., Ltd.	1,173,197	5,534	399,290	-393,756	0	-89,362	-89,361	-2.5
22010070	Uni Auto Parts Manufacture Co., Ltd	868,892	3,540,891	1,037,980	2,502,911	2,396,707	64,304	241,221	2.78

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)
22010073	Shinshin Credit Corporation	989,690	20,674	18,507	2,167	880	378	367	3.71
22010075	Chanchen Inter Consulting Co., Ltd.	10,000	16,341	5,381	10,960	30,202	-1,077	-1,363	-1.36
22010076	CARPLUS Auto Leasing Corporation	750,892	15,538,449	13,718,954	1,819,495	6,140,296	348,627	360,766	4.8
22010077	Chun Min Business Co., Ltd.	8,000	17,190	6,532	10,658	44,578	622	415	0.52
22010079	Diamond Leasing Service Co., Ltd.	85,000	566,702	490,988	75,714	132,649	-15,165	-14,828	-1.74
22010081	Yu Rich Financial Services Co., Ltd.	99,000	108,496	2,500	105,996	29,748	158	370	0.04
22010082	Chinh-Ling RTC Co., Ltd.	50,000	18,500	70	18,430	0	-128	22	0
22010085	Uni Investment Co., Ltd.	289,287	2,130,043	25,782	2,104,261	0	-15,183	159,742	Note 1
22010086	Fuzhou Lianghong Motor Parts Limited	525,503	1,614,941	764,544	850,397	1,546,862	92,689	85,222	Note 1
22010087	Yue Ki Industrial (Samoa) Co., Ltd	142,811	611,619	0	611,619	0	0	41,092	9.96
22010093	Qinton Motor Co., Ltd.	67,459	94,006	16,778	77,228	152,151	5,016	6,445	0.96
22010097	Taixin Investment (Samoa) Co., Ltd.	643,370	771,476	0	771,476	-1,491	-1,526	-1,525	-0.08
22010098	Wen Yang Investment (Samoa) Co., Ltd.	528,483	610,621	0	610,621	0	11,206	14,521	0.9
22010099	Qing Yi Investment (Samoa) Co., Ltd.	520,276	555,004	0	555,004	-22,556	-22,591	-21,120	-1.33
22010100	KeYu (Nanjing) Information Technology Limited	778,918	769,019	493	768,526	-1,262	-4,049	-1,491	Note 1
22010101	TaiFeng ((Nanjing) Software Technology Limited	577,313	652,625	100,482	552,143	370	113	11,241	Note 1
22010102	QingTai (NanJing) Technology Limited	607,900	661,455	126,231	535,224	0	-28,434	-22,556	Note 1
22010104	H. K. Manpower Service Co., Ltd.	10,000	20,325	3,580	16,745	46,783	2,115	1,806	1.81
22010105	Yi Ding (ZhangZhou) Information Technology Limited	279,018	266,215	254	265,961	1,669	1,498	1,351	Note 1
22010106	Mei De (ZhangZhou) Software Technology Limited	401,846	408,697	958	407,739	1,784	787	865	Note 1
22010107	Shi Cheng (ZhangZhou) Technology Development Limited	213,964	162,544	227	162,317	990	-24,823	-24,781	Note 1
22010108	Jin Ce (ZhangZhou) Software Technology Limited	99,425	96,003	246	95,757	990	-1,902	-1,813	Note 1
22010109	GaoTe (Beijing) Investment Limited	293,171	272,473	138	272,335	1,275	-1,444	755	Note 1
22010111	DongTai (Beijing) Investment Limited	220,889	190,935	33,579	157,356	302	-30,074	-28,487	Note 1
22010112	SuZhou FengShen Automobiles. Sale & Service Limited	242,624	1,126,670	469,187	657,483	1,606,036	47,947	24,243	Note 1
22010113	Suzhou FengShun Automobiles Sales & Service Limited	126,367	609,337	418,755	190,582	1,261,120	34,236	14,996	Note 1
22010114	Guangzhou YuanDou Automobile Sales & Service Limited	176,913	669,276	426,999	242,277	1,593,611	58,117	27,426	Note 1

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)
22010115	ShenJun YuPong Automobiles Sale & Service Limited	60,656	293,270	325,448	-32,178	815,940	9,469	-4,434	Note 1
22010116	Zhu Hai FuTeEn Industry & Trade Limited	25,273	562,169	468,849	93,320	2,077,611	-16,745	1,688	Note 1
22010117	TAC Global Investment (Samoa)Co., Ltd	1,658,877	2,003,211	0	2,003,211	0	-128,702	-128,702	Note 1
22010118	CAR-PLUS China Investment(Samoa) Co., Ltd	328,250	604,529	0	604,529	0	0	43,775	Note 1
22010119	CAR-PLUS Auto Leasing (Suzhou) Limited	368,485	5,300,831	4,693,180	607,651	1,012,422	54,627	-28,560	Note 1
22010121	CAR-PLUS Global Investment(Samoa)Co., Ltd	393,900	562,489	0	562,489	0	0	50,021	Note 1
22010122	Changzhou Y-Teks Automotive Trim Parts Limited	58,857	211,234	39,795	171,439	149,760	27,661	24,598	Note 1
22010123	NanJing HanHong Automobiles Trading Limited	353,827	819,603	546,816	272,787	1,077,199	-16,656	-49,665	Note 1
22010124	HangZhou Yu Zhong Trading Limited	50,547	97,270	11,977	85,293	0	-2,520	2,387	Note 1
22010125	HangZhou TangYu Investment Limited	50,547	54,874	503	54,371	1,623	4,744	3,540	Note 1
22010126	HangZhou QienYu Investment Limited	50,547	45,957	0	45,957	-105	-225	-222	Note 1
22010127	Wuhan Yu Hsin Automobiles Sales & Service Limited	141,531	322,326	411,981	-89,655	2,036,236	14,745	382	Note 1
22010128	Wu Jiang Lian Cheng Automobiles Sale & Service Limited	50,547	256,931	179,198	77,733	671,451	16,836	6,196	Note 1
22010129	HangZhou Hsiao Yu Investment Limited	50,547	66,348	20,218	46,130	0	-117	-117	Note 1
22010130	Molife Cultural Enterprise Co., Ltd.	50,000	73,621	21,907	51,714	97,986	-1,187	-760	-0.15
22010131	Hsiang Shou Enterprise Co., Ltd.	100,000	300,442	104,778	195,664	526,995	72,161	63,132	6.31
22010138	Yulon China Investment (HK) Co., Ltd.	6,912,945	5,026,137	322,820	4,703,317	830,708	774,087	770,100	Note 1
22010143	Luxgen Motor Co., Ltd.	2,800,000	10,817,534	10,376,166	441,368	13,371,614	-2,377,510	-2,678,166	-13.27
22010146	Unisyn International (HK) Co., Ltd.	406,735	693,756	952	692,804	164,059	149,967	149,967	Note 1
22010147	Luxgen Taipei Motor Co., Ltd.	185,000	613,846	516,632	97,214	5,555,178	-47,495	-8,704	-0.47
22010148	Luxgen Taoyuan Motor Co., Ltd.	105,000	214,524	127,459	87,065	2,615,970	-6,585	6,333	0.6
22010149	Luxgen Taichung Motor Co., Ltd.	106,000	251,898	198,425	53,473	2,779,803	-22,440	2,243	0.21
22010150	Luxgen Tainan Motor Co., Ltd.	104,000	205,455	193,073	12,382	1,615,641	-34,535	-21,937	-2.11
22010151	Luxgen Kaohsiung Motor Co., Ltd.	71,000	183,403	144,741	38,662	1,975,746	-15,770	3,399	0.48
22010152	Car-Plus Shanghai Investment(Samoa) Co.,Ltd	328,250	330,498	0	330,498	0	0	8,262	Note 1
22010153	CAR-PLUS Auto Leasing (Shanghai) Limited	318,162	913,615	579,817	333,798	177,323	11,914	6,614	Note 1
22010154	Yulon TOBE Motor Co., Ltd.	300,000	39,555	11,495	28,060	14,216	1,528	1,572	0.05

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)
22010155	Shanghai YuXing Automobiles Sales & Services Limited	131,421	81,804	131,631	-49,827	405,180	-31,876	-39,665	Note 1
22010157	Suzhou YuShun Automobiles Sales & Service Limited	50,547	81,176	16,356	64,820	330,537	8,787	4,257	Note 1
22010158	Jiang Men Jun Xing Automobiles Sales & Services Limited	101,093	237,442	186,452	50,990	990,400	12,094	12,542	Note 1
22010163	Hangchow Y-Teks Automotive Trim Parts Limited	301,814	654,564	226,151	428,413	592,342	107,807	80,976	Note 1
22010164	Yulon Energy Co., Ltd.	300,000	138,348	74,144	64,204	43,367	-68,749	-65,997	-2.2
22010165	Hangzhou Yuwan Auto Motive Parts Limited	153,879	650,081	638,344	11,737	446,079	-62,403	-89,442	Note 1
22010166	Yue Ki Industrial (HK) Co., Ltd.	131,300	32,136	36,140	-4,005	0	-3,491	-89,694	-22.53
22010167	Yu Rong International Investment (SAMOA) Co., Ltd.	1,378,650	1,618,174	0	1,618,174	0	0	-147,301	Note 1
22010169	Yu-Rong Leasing (Suzhou) Limited	969,729	7,849,760	6,448,783	1,400,977	84,345	3,043	-70,787	Note 1
22010170	Sinjang Enterprises Co., Ltd.	428,240	670,913	196,783	474,130	236,406	21,089	18,820	0.44
22010174	Hangzhou HuaZhi Automobile Sales & Service Limited	101,093	177,854	246,803	-68,949	404,418	1,760	-26,813	Note 1
22010175	Feng-hua Investment (HK) Limited	223,207	229,006	0	229,006	-6,567	-6,567	-6,567	Note 1
22010176	Fujian YuXin Automobiles Sales & Service Limited	101,093	335,226	290,182	45,044	463,239	-11,539	-17,453	Note 1
22010177	Hangzhou HuaYou Automobile Sales & Service Limited	40,437	168,348	245,584	-77,236	416,254	-14,747	-26,929	Note 1
22010178	Guangzhou YuanZhi Automobile Sales & Service Limited	50,547	186,741	160,365	26,376	810,030	5,428	-2,543	Note 1
22010179	XiaoGan YuFeng Automobile Sales & Service Limited	80,875	318,389	277,544	40,845	992,290	1,936,573	300	Note 1
22010180	Ningbo YuChang Automobiles Sales & Service Limited	101,093	147,528	119,103	28,425	360,606	-6,259	-8,634	Note 1
22010181	Shanghai Yumin Automobiles Sales & Service Limited	192,077	275,431	155,214	120,217	664,593	-2,244	-13,026	Note 1
22010182	Qingdao YuanHuang Automobiles Sales & Services Limited	151,640	350,010	394,940	-44,930	513,304	-32,949	-48,468	Note 1
22010183	Suzhou Chenglong Automobile Service Limited	223,207	651,196	422,190	229,006	699,602	15,617	-6,567	Note 1
22010184	Suzhou ChengLi Automobile Sales & Service Limited	75,820	65,562	15,561	50,001	146,909	-1,791	-2,829	Note 1
22010185	Shenzhen Yuzhi Automobile Sales & Service Limited	50,547	179,395	148,352	31,043	546,622	32,080	26,405	Note 1
22010186	Nanjing YuShang Automobile Sales & Service Limited	40,437	72,190	100,783	-28,593	79,843	-17,357	-22,211	Note 1

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)
22010187	Luxgen Overseas Holdings Private Ltd.	1,478,398	233,407	86,234	147,173	1,987	485	-256,156	-3.93
22010188	Yulon China Holdings (Cayman) Co., Ltd.	869,863	0	1,246,058	-1,246,058	0	-935,119	-935,119	-35.29
22010189	Yulon Motor Investment (HK) Co., Ltd.	869,863	1,080,883	2,326,942	-1,246,059	0	-935,787	-935,119	Note 1
22010190	Yulon Automotive (China) Investment Limited	844,499	2,174,794	3,967,425	-1,792,631	186,037	-10,142	-933,731	Note 1
22010192	Energy Engineering Co., Ltd.	2,000	1,557	162	1,395	0	-140	-107	-0.53
22010194	Changsha Yulu Automobile Sales & Service Limited	101,093	173,135	84,631	88,504	489,238	8,229	5,952	Note 1
22010197	Dong Feng Yulon Motor Sales Limited	252,733	5,249,235	7,586,457	-2,337,222	36,131,592	-1,646,493	-1,614,443	Note 1
22010198	Anser motors Inc.	143,560	128,804	0	128,804	0	0	-5,342	-0.37
22010199	Yu Shin Investment Ltd.	49,536	53,060	0	53,060	0	0	1,267	Note 1
22010200	Yu Chang China Investment Co., Ltd.	49,536	14,970	0	14,970	0	0	-4,227	-4.31
22010204	Luxgen Motor Limited Liability Company	808,180	8,071	1,997	6,074	10,218	-137,092	-241,621	Note 1
22010205	Suzhou Eslite Automobiles Sales & Service Limited	202,187	330,651	135,207	195,444	0	-4,874	-4,874	Note 1
22010206	Suzhou ChengBang Automobiles Sales & Service Limited	50,547	137,612	102,949	34,663	294,420	-300	-5,376	Note 1
22010207	Nanjing HanHong Automobile Sales & Service Limited	151,640	151,632	3	151,629	0	0	-4	Note 1
22010208	Yumin Inurance Broker Co., Ltd	3,000	4,219	681	3,538	3,695	160	99	0.33
22010209	JiangMen YuLi Automobiles Sales & Service Limited	50,547	127,931	72,611	55,320	385,807	8,985	8,511	Note 1
22010210	Yu-Kuo Finance Leasing Limited	310,553	796,949	505,072	291,877	15,928	-255	-6,646	Note 1
22010211	Sinjang Investment (Samoa) Co., Ltd.	44,051	28,590	0	28,590	0	-34	-5,329	Note 1
22010213	ChiaHsing YuTa Automobiles Sales & Service Limited	60,656	71,198	22,650	48,548	168,065	-3,178	-3,719	Note 1
22010214	Suzhou Cheng-Hung Auto Sales & Service Limited	50,547	70,743	21,682	49,061	0	-1,498	-1,498	Note 1
22010215	Suzhou Cheng-Kuo Auto Sales & Service Limited	50,547	50,644	1,218	49,426	5,954	-1,131	-1,134	Note 1
22010216	TaiTsang ChengMao Automobiles Sales & Service Limited	50,547	93,592	44,544	49,048	0	-1,384	-1,384	Note 1
22010218	Anhui Min Tong Automobiles Sales & Service Limited	50,547	110,748	58,947	51,801	151,852	2,809	820	Note 1
22010219	Anqing Cai Tong Automobiles Sales & Service Limited	25,273	148,479	147,024	1,455	55,247	-6,013	-9,002	Note 1
22010220	Anqing Ling Tong Automobiles Sales & Services Limited	20,219	96,722	77,900	18,822	27,716	-187	-839	Note 1
22010221	Hefei Chun Hui Automobiles Sales & Services Limited	2,527	52,518	50,294	2,224	19,918	110	94	Note 1

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)
22010222	Tongling Kuo Tong Automobiles Sales & Services Limited	25,273	53,232	62,658	-9,426	43,420	-6,426	-7,457	Note 1
22010223	Zibo Yu An Automobiles Sales & Services Limited	25,273	38,903	22,579	16,324	30,066	-8,727	-9,024	Note 1
22010224	Univation Motor Philippines, Inc.	631,952	526,869	784,447	-257,578	2,710	-24,354	-26,474	-5.61
22010225	Sheng Qing (Beijing) Investment Limited	2,224,053	3,448,795	2,032,598	1,416,197	97,016	-63,689	-96,104	Note 1
22010226	Jing-Hui (Shanghai) Motor Technology Limited	57,012	68,435	21,406	47,029	68,750	-93	-4,749	Note 1
22010227	ZhuHai Esinn Automobiles Sales & Service Limited	25,273	150,984	162,946	-11,962	467,640	25,745	19,437	Note 1
22010228	Hangchow Liangrun Motor Parts Limited	493,533	1,223,972	931,297	292,675	1,371,469	18,777	-10,852	Note 1
22010229	Shinshin Credit Investment (Samoa) Co., Ltd.	393,900	393,900	0	393,900	0	0	0	Note 1
22010230	Yulon Motor Finance (China) Limited	2,527,333	2,527,333	0	2,527,333	0	0	0	Note 1

Note 1: It is a limited 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

Statement

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, 2015 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 Accounting Standard 10 “Consolidated and Separate 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.

Yulon Motor Company Ltd.

Chairman: Kenneth, K.T. Yen

March 21, 2016

8.1.3 Relationship Report: N/A.

8.2 The Status of Issuing Private Placement Securities in Fiscal Year 2015 and as of the publication date of the annual report

None

8.3 Acquisition or Disposal of Yulon Shares by Subsidiaries in Fiscal Year 2015 and as of the publication date of the annual report:

Unit: NT$ Thousand; Share; %

As of 04.30.2016

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.	1,750,000	Operating income	100.00	7.28.2004	-	-	-	-	-	11,838,461	336,212	-	-	-
Yu Pong Industrial Co., Ltd	657,300	Operating income	99.99	7.28.2004	-	-	-	-	-	121	4	-	-	-

Note: Its impact on the Company's financial performance and financial position: None

8.4 Other necessary supplementary notes:

Key performance indicators (KPI) containing industry characteristics:

KPI		2015
Operating objectives	Number of cars (domestic + imported)	58,712 cars
Quality objectives	Defaults of mass production cars OK VES V1+V2	Reached 108.5%
Other objectives	Reduce carbon dioxide emissions	Reduced by 2.903%

The Company's operating capacity and quality upgrade is excellent.

8.5 The occurrence of any events as stated in Section 2 Paragraph 2 in Article 36 of the Securities Exchange Act that had significant impacts on shareholders' equity or securities prices in fiscal year 2015 and as of the publication date of the annual report:

None

Yulon Motor Co., Ltd.

Chairman:

Kenneth, K.T. Yen

Yulon Motor Co., Ltd.

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