

**Yulon Motor Company Ltd. and
Subsidiaries**

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

YULON MOTOR COMPANY LTD.

By:

YEN CHEN LI-LIEN
Chairman

March 30, 2020

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yulon Motor Company Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yulon Motor Company Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2018 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2019 are stated as follows:

Impairment Assessment of Luxgen's Vehicle Model Development Cost and Molds, and
the Assessment of Recoverable Amount of Dongfeng Yulon Motor Co., Ltd.'s
Account Receivable and Other Receivables

(Please refer to Notes 4, 5, 12, 14, 21 and 30.)

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

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

1. We understood the process and basis for the estimated growth rate and profitability of the sales forecast of the Group.
2. We reviewed whether the estimated operating cash flow considered the latest operating performance and industry overview.
3. We assessed the evaluation model used by the management.
4. We assessed the weighted average cost of capital (WACC) used by the management in calculating the recoverable amount in accordance with the valuation model, including risk-free rate, volatility and risk premium. We verified that the WACC was consistent with the Group status and the industry.
5. Use of the independent financial adviser of the Firm to assist in the assessment of net fair value.

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

1. Understand and assess the reasonableness of the assumptions and methods used by management to analyse the financial position and recoverable amounts of Dongfeng Yulong Motor Co., Ltd.
2. Obtain the recoverable amount assessed by the management and assess whether the amount of allowance for impairment is sufficient for the end of the period.

Estimated Impairment of Trade Receivable

As described in Note 5, the determination of estimated impairment of trade receivable of the Group's horizontal segments takes into consideration the present value of estimated future cash flows based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. The key assumptions and inputs used involved significant management judgment and estimation uncertainty; thus, this is determined as a key audit matter.

Our audit procedures included the following:

1. We understood the policies on impairment of trade receivable and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and reperformance of related internal controls.
2. We involved our internal IT specialists in testing the system that generated related documents used by management in the evaluation and determination of default rate and expected loss rate; the tests verified the correctness of the assumptions used in the determination of default rate and expected loss rate.
3. We recalculated the impairment based on the impairment policy of the Group.

Other Matter

We have also audited the financial statements of Yulon Motor Company Ltd. as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion.

As described in Note 1, the Group had the ability to direct the relevant activities of Haitec Co., Ltd, and had control since December 31, 2019. This transaction was determined to the business combination under common control. Therefore, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsin-Wei, Tai and Yu-Wei, Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 2020

Notice to Readers

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

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

ASSETS	2019		2018 (Audited after Restatement)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 26,147,935	8	\$ 29,901,221	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,122,549	1	670,694	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	123,754	-	126,059	-
Derivative financial assets for hedging - current (Note 11)	232	-	12,356	-
Financial assets at amortized cost - current (Note 4, 9 and 10)	9,863,773	3	5,559,293	2
Notes and trade receivable (Notes 4 and 12)	134,239,270	43	114,859,381	36
Notes and trade receivable from related parties (Notes 4, 12, 34 and 35)	2,624,469	1	12,280,189	4
Lease receivable (Notes 4 and 13)	-	-	25,017,877	8
Finance lease receivables (Notes 4 and 13)	27,576,053	9	-	-
Other receivables (Notes 4 and 14)	3,094,985	1	5,109,778	1
Inventories (Notes 4, 15 and 30)	16,573,045	5	17,298,242	5
Other current assets (Notes 22 and 35)	6,015,310	2	8,827,761	3
Incremental costs of obtaining a contract - current (Notes 29 and 35)	2,562,866	1	2,035,940	1
Total current assets	231,944,241	74	221,698,791	69
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	2,249	-	2,620	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	486,268	-	602,818	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	464,750	-	513,664	-
Investments accounted for using the equity method (Notes 4 and 17)	21,095,613	7	29,260,373	9
Property, plant and equipment (Notes 4, 18, 30 and 36)	36,381,174	12	37,984,471	12
Right-of-use assets (Note 20)	3,629,258	1	-	-
Investment properties (Notes 4, 19 and 30)	8,324,573	3	9,756,450	3
Goodwill (Note 4)	882	-	882	-
Vehicle model development cost (Notes 4 and 21)	6,309,074	2	11,138,852	4
Other intangible assets (Notes 4 and 21)	460,577	-	437,747	-
Deferred tax assets (Notes 4 and 31)	1,855,003	1	1,551,030	1
Long-term finance lease receivables (Notes 4 and 13)	1,330,231	-	-	-
Long-term lease receivables (Notes 4 and 13)	-	-	1,346,884	1
Refundable deposits	380,281	-	1,204,279	-
Long-term prepayments for lease (Note 22)	-	-	1,070,081	-
Other non-current assets	1,227,369	-	3,291,617	1
Total non-current assets	81,947,302	26	98,161,768	31
TOTAL	\$ 313,891,543	100	\$ 319,860,559	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable (Note 23)	\$ 98,483,301	32	\$ 81,952,228	26
Short-term borrowings (Note 23)	78,122,271	25	80,802,175	25
Financial liabilities for hedging - current (Notes 4 and 11)	241	-	81	-
Financial liabilities at amortized cost - current (Notes 4 and 9)	1,834,953	1	-	-
Notes and trade payables	4,966,357	2	5,446,374	2
Notes and trade payable to related parties (Note 35)	8,649,402	3	8,724,303	3
Other payables (Notes 21, 25 and 35)	10,005,161	3	8,840,616	3
Current tax liabilities (Notes 4 and 31)	677,559	-	799,648	-
Provisions - current (Notes 4 and 26)	223,494	-	283,760	-
Lease liabilities - current (Notes 4 and 20)	788,127	-	-	-
Current portion of bonds payable (Notes 4 and 24)	10,340,447	3	6,443,671	2
Current portion of long-term borrowings (Note 23)	3,549,488	1	1,592,897	-
Other current liabilities (Note 25)	12,962,448	4	12,776,196	4
Total current liabilities	230,603,249	74	207,661,949	65
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 24)	15,300,000	5	15,300,000	5
Long-term borrowings (Note 23)	2,780,352	1	4,078,650	1
Provisions - non-current (Notes 4 and 26)	724,016	-	873,808	-
Deferred tax liabilities (Notes 4 and 31)	4,045,315	1	4,001,887	1
Lease liabilities - non-current (Notes 4 and 20)	1,951,982	1	-	-
Net defined benefit liabilities - non-current (Notes 4 and 27)	1,001,238	-	1,008,356	1
Other non-current liabilities (Note 25)	404,240	-	2,511,935	1
Total non-current liabilities	26,207,143	8	27,774,636	9
Total liabilities	256,810,392	82	235,436,585	74
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 28)				
Share capital				
Ordinary shares	15,729,199	5	15,729,199	5
Capital surplus	6,566,495	2	6,597,972	2
Retained earnings				
Legal reserve	8,281,822	3	8,078,119	2
Special reserve	39,373,565	13	38,373,565	12
Unappropriated earnings	(23,880,202)	(8)	2,787,202	1
Total retained earnings	23,775,185	8	49,238,886	15
Other equity				
Exchange differences on translating foreign operations	(1,255,680)	-	(919,398)	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,397,517	-	1,466,521	-
Gain (loss) on hedging instrument	(4)	-	252	-
Total other equity	141,833	-	547,375	-
Treasury shares	(376,304)	-	(376,304)	-
Total equity attributable to owners of the Company	45,836,408	15	71,737,128	22
COMMON CONTROL OF PREDECESSOR RIGHTS	-	-	564,712	-
NON-CONTROLLING INTERESTS (Note 28)	11,244,743	3	12,122,134	4
Total equity	57,081,151	18	84,423,974	26
TOTAL	\$ 313,891,543	100	\$ 319,860,559	100

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

(With Deloitte & Touche auditors' report dated March 30, 2020)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 29, 30 and 35)				
Sales	\$ 58,150,540	68	\$ 63,345,325	72
Investment income	19,741	-	18,560	-
Rental revenue	8,219,150	10	8,105,901	9
Service revenue	3,573,043	4	3,528,631	4
Other operating revenue	<u>15,838,100</u>	<u>18</u>	<u>13,117,284</u>	<u>15</u>
Total operating revenue	<u>85,800,574</u>	<u>100</u>	<u>88,115,701</u>	<u>100</u>
OPERATING COSTS (Notes 4, 15, 18, 21, 27, 30 and 35)				
Cost of goods sold	49,412,806	57	56,071,453	64
Investment cost	316	-	21,780	-
Rental cost	6,778,597	8	6,645,835	8
Service cost	2,399,963	3	2,047,297	2
Other operating cost	<u>21,336,100</u>	<u>25</u>	<u>4,369,681</u>	<u>5</u>
Total operating costs	<u>79,927,782</u>	<u>93</u>	<u>69,156,046</u>	<u>79</u>
GROSS PROFIT	5,872,792	7	18,959,655	21
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>4,364</u>	<u>-</u>	<u>5,571</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>5,877,156</u>	<u>7</u>	<u>18,965,226</u>	<u>21</u>
OPERATING EXPENSES (Notes 4, 12, 14, 27, 30 and 35)				
Selling and marketing expenses	8,018,465	9	8,416,494	10
General and administrative expenses	6,395,241	8	5,766,397	6
Research and development expenses	803,572	1	295,157	-
Expected credit loss	<u>21,398,578</u>	<u>25</u>	<u>2,468,835</u>	<u>3</u>
Total operating expenses	<u>36,615,856</u>	<u>43</u>	<u>16,946,883</u>	<u>19</u>
PROFIT FROM OPERATIONS	<u>(30,738,700)</u>	<u>(36)</u>	<u>2,018,343</u>	<u>2</u>
NON-OPERATING INCOME				
Other income (Notes 4 and 30)	1,258,489	1	1,190,465	1
Other losses (Notes 4 and 30)	266,775	-	(322,421)	-

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019		2018	
	Amount	%	Amount	%
Finance costs (Notes 4 and 30)	\$ (1,122,664)	(1)	\$ (513,165)	-
Share of profit of associates and joint ventures accounted for by the equity method (Notes 4 and 17)	6,300,049	7	2,693,289	3
Interest income (Notes 4 and 30)	<u>598,903</u>	<u>1</u>	<u>318,551</u>	<u>-</u>
Total non-operating income	<u>7,301,552</u>	<u>8</u>	<u>3,366,719</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	(23,437,148)	(28)	5,385,062	6
INCOME TAX EXPENSE (Notes 4 and 31)	<u>1,096,329</u>	<u>1</u>	<u>1,538,026</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>(24,533,477)</u>	<u>(29)</u>	<u>3,847,036</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(98,701)	-	55,961	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	197,175	-	(211,382)	-
Share of the other comprehensive losses of associates and joint ventures accounted for by the equity method	<u>106,811</u>	<u>-</u>	<u>(61,299)</u>	<u>-</u>
	<u>205,285</u>	<u>-</u>	<u>(216,720)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation operations	(242,559)	-	(160,396)	-
Loss on hedging instruments not subject to basis adjustment	(451)	-	643	-
Share of the other comprehensive of associates and joint ventures accounted for by the equity method	<u>(267,007)</u>	<u>-</u>	<u>(311,323)</u>	<u>(1)</u>
	<u>(510,017)</u>	<u>-</u>	<u>(471,076)</u>	<u>(1)</u>
Other comprehensive loss for the year, net of income tax	<u>(304,732)</u>	<u>-</u>	<u>(687,796)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (24,838,209)</u>	<u>(29)</u>	<u>\$ 3,159,240</u>	<u>4</u>

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YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019		2018	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (24,465,408)	(29)	\$ 2,037,032	2
Common control of predecessor rights	(564,712)	(1)	-	-
Non-controlling interests	<u>496,643</u>	<u>1</u>	<u>1,810,004</u>	<u>2</u>
	<u>\$ (24,533,477)</u>	<u>(29)</u>	<u>\$ 3,847,036</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ (24,603,974)	(29)	\$ 1,490,742	2
Common control of predecessor rights	(564,712)	(1)	-	-
Non-controlling interests	<u>330,477</u>	<u>1</u>	<u>1,668,498</u>	<u>2</u>
	<u>\$ (24,838,209)</u>	<u>(29)</u>	<u>\$ 3,159,240</u>	<u>4</u>
EARNINGS PER SHARE (Note 32)				
Basic	<u>\$(16.61)</u>		<u>\$1.39</u>	
Diluted	<u>\$(16.61)</u>		<u>\$1.39</u>	

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

(With Deloitte & Touche auditors' report dated March 30, 2020)

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											Non-controlling Interests	Common Control of Predecessor Rights	Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Other Equity		Treasury Shares	Total				
			Legal Reserve	Special Reserve			Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income			Gain (Loss) on Hedging Instruments			
BALANCE, JANUARY 1, 2018	\$ 15,729,199	\$ 6,665,705	\$ 7,849,288	\$ 37,373,565	\$ 2,824,893	\$ (593,515)	\$ 1,755,559	\$ (92)	\$ (376,304)	\$ 71,228,298	\$ -	\$ -	\$ 79,917,284	
Appropriation of the 2017 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	228,831	-	(228,831)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company (NT\$0.58 per share)	-	-	-	-	(912,294)	-	-	-	-	(912,294)	-	-	(912,294)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,194,067)	(1,194,067)	
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(24,422)	-	-	(794)	-	-	-	-	(25,216)	-	-	(25,216)	
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	(43,311)	-	-	(1,091)	-	-	-	-	(44,402)	-	44,402	-	
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,115,343	2,115,343	
Net profit for the year ended December 31, 2018	-	-	-	-	-	2,037,032	-	-	-	2,037,032	-	1,810,004	3,847,036	
Other comprehensive income for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(141,506)	(141,506)	
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	71,119	(125,883)	(291,870)	344	-	(516,290)	-	-	(687,296)	
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	2,108,151	(125,883)	(291,870)	344	-	1,490,722	-	1,668,498	3,159,240	
BALANCE, DECEMBER 31, 2018 (AFTER RESTATEMENT)	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	71,737,128	-	-	83,060,290	
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	-	-	564,712	798,972	1,363,684	
BALANCE AT JANUARY 1, 2018 AS RESTATED	15,729,199	6,597,972	8,078,119	38,373,565	2,787,202	(919,398)	1,466,521	252	(376,304)	71,737,128	564,712	12,122,134	84,423,974	
Appropriation of the 2018 earnings	-	-	203,703	-	(203,703)	-	-	-	-	-	-	-	-	
Legal reserve	-	-	-	1,000,000	(1,000,000)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company (NT\$0.67 per share)	-	-	-	-	(1,053,856)	-	-	-	-	(1,053,856)	-	-	(1,053,856)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,106,576)	(1,106,576)	
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(31,477)	-	-	(99,130)	-	-	-	-	(130,607)	-	-	(130,607)	
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	-	-	-	-	-	-	-	-	-	-	196,389	196,389	
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(297,681)	(297,681)	
Net profit for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	496,643	496,643	
Other comprehensive income for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	-	-	-	-	-	(564,712)	(564,712)	
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	(87,425)	(136,282)	285,397	(256)	-	(118,566)	-	(166,166)	(304,732)	
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(24,552,833)	(336,282)	285,397	(256)	-	(24,603,974)	(564,712)	310,477	(24,838,202)	
BALANCE, DECEMBER 31, 2019	\$ 15,729,199	\$ 6,566,495	\$ 8,281,822	\$ 39,373,565	\$ 354,401	\$ (1,255,680)	\$ (354,401)	-	-	-	-	-	-	
					\$ (21,880,202)	\$ (1,255,680)	\$ 1,397,517	\$ (4)	\$ (376,304)	\$ 45,816,498	\$ -	\$ 11,244,743	\$ 57,081,151	

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ (23,437,148)	\$ 5,385,062
Adjustments for:		
Expected credit loss	21,398,578	2,468,836
Impairment loss recognized on non-financial assets	15,906,408	1,143,742
Interest income	(14,833,597)	(11,447,206)
Depreciation expenses	7,829,520	6,815,997
Share of profit of associates and joint ventures accounted for by the equity method	(6,300,049)	(2,693,289)
Finance costs	4,259,798	2,787,334
Gain on proceeds of investments accounted for using the equity method	(3,150,981)	-
Amortization expenses	2,440,283	2,104,069
Net loss on foreign currency exchange	392,212	260,331
Gain on modification of lease	(43,745)	-
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(42,819)	20,339
Dividend income	(40,366)	(55,233)
Loss on disposal of property, plant and equipment	26,171	29,462
Recognition (reversal) of provisions	(18,131)	139,777
Loss on disposal of intangible assets	5,765	2,963
Realized (gain) loss on the transactions with associates and joint ventures accounted for by the equity method	(4,364)	4,191
Impairment loss recognized on financial assets	-	3,931
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(2,444,466)	1,472,283
Notes and trade receivable	(21,182,638)	(24,871,608)
Other receivables	(2,986,874)	(2,823,425)
Inventories	1,435,159	(2,677,241)
Other current assets	238,090	(2,537,991)
Finance lease receivables	(4,849,395)	(8,367,259)
Available-for-operating-sale leased assets	(5,902,672)	(6,042,113)
Incremental cost of obtaining a contract	(2,641,734)	(2,148,491)
Other operating assets	(863,775)	(2,348,530)
Notes and trade payable	(162,611)	(555,614)
Other payables	169,807	(4,945,487)
Provisions	(191,926)	(175,641)
Guarantee deposits received	1,140,787	842,695
Other current liabilities	(745,673)	135,778
Accrued pension liabilities	(104,668)	(371,709)
Other operating liabilities	50,183	(125,489)
Cash used in operations	(34,654,871)	(48,569,536)
Interest received	15,059,719	11,749,174

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019	2018
Interest paid	\$ (3,815,630)	\$ (2,741,023)
Income tax paid	<u>(1,488,363)</u>	<u>(1,114,203)</u>
Net cash used in operating activities	<u>(24,899,145)</u>	<u>(40,675,588)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in proceeds on associates	11,159,039	-
Purchase of financial assets at amortized cost	(9,068,553)	(2,413,956)
Payments for property, plant and equipment	(4,851,284)	(3,740,191)
Dividend received	3,447,908	4,352,049
Proceeds from disposal of financial assets at amortized cost	3,229,295	5,861,518
Proceeds from disposal of property, plant and equipment	1,112,448	863,962
Payments for intangible assets	(1,711,579)	(144,823)
Payments for other non-current assets	-	(1,197,397)
Proceeds from the capital reduction of investments accounted for using the equity method	668,883	90,128
Proceeds on financial assets at fair value through other comprehensive income	397,883	3,040
Payments for investment properties	(307,270)	(344,370)
Decrease in refundable deposits	(74,027)	(13,438)
Payment for right-of-use assets	(12,931)	-
Purchase on financial assets at fair value through other comprehensive income	(2,539)	(1,904)
Acquisition of subsidiaries	9,147	-
Purchase of investments accounted for using the equity method	-	(325,399)
Decrease in prepayments for leases	-	(41,172)
Proceeds on intangible assets	<u>-</u>	<u>293</u>
Net cash generated from investing activities	<u>3,996,420</u>	<u>2,948,340</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bills payable	285,247,376	248,774,288
Repayment of short-term bills payable	(268,628,212)	(234,214,646)
Proceeds from short-term borrowings	157,502,187	192,888,277
Repayment of short-term borrowings	(158,616,675)	(173,105,661)
Proceeds from long-term borrowings	22,816,461	1,163,156
Repayment of long-term borrowings	(22,233,460)	(794,768)
Issuance of bonds payable	3,892,150	7,396,900
Dividends paid	(2,152,500)	(2,085,150)
Payment of lease liabilities principal	(818,040)	-
Proceeds of financial liabilities at amortized cost	697,703	-
Change in non-controlling interests	(303,398)	(241,251)
Decrease (increase) in guarantee deposits received	(153,522)	54,692
Proceeds from subsidiaries of issuance of preference shares	-	2,356,594

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	2019	2018
Proceeds from organizational reorganization	\$ -	\$ 955,210
Payments for transaction costs attributable to the issuance of debt instruments	-	(20,000)
Net cash generated from financing activities	<u>17,250,070</u>	<u>43,127,641</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(100,631)</u>	<u>(130,361)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,753,286)	5,270,032
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>29,901,221</u>	<u>24,631,189</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 26,147,935</u>	<u>\$ 29,901,221</u>

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

(With Deloitte & Touche auditors' report dated March 30, 2020)

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (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.

On March 6, 2020, the Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. According to IFRS 10, concerning that the Company obtains the privilege of carrying out related-activities, the Company had the ability to direct the relevant activities of Haitec Co., Ltd, and had control since December 31, 2019. This transaction was determined to the business combination under common control. Therefore, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018.

2. APPROVAL OF FINANCIAL STATEMENTS

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

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

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

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

1) IFRS 16 “Leases”

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

Definition of a lease

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

The Group as lessee

The Group will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Prepayments for rights to use land are recognized as prepayments for leases. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Group anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

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

The Group also applies the following practical expedients:

- a) The Group will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group will adjust the right-of-use assets on January 1, 2019 by the amount of any provisions for onerous leases recognized as of December 31, 2018.
- c) The Group will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.
- d) The Group will exclude initial direct costs from the measurement of right-of-use assets on January 1, 2019.
- e) The Group will use hindsight, such as in determining lease terms, to measure lease liabilities.

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

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 0.90%-6.64%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	\$ 3,946,684
Less: Recognition exemption for short-term leases	(51,997)
Less: Recognition exemption for leases of low-value assets	<u>(29,298)</u>
Undiscounted amounts on January 1, 2019	<u>\$ 3,865,389</u>
Discounted amounts using the incremental borrowing rate on January 1, 2019	<u>\$ 3,567,662</u>
Lease liabilities recognized on January 1, 2019	<u>\$ 3,567,662</u>

The Group as lessor

The Group will not make any adjustments for leases in which it is a lessor and will account for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019 from the initial application of IFRS 16 is set out as follows:

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Restated on January 1, 2019
Prepayments (presented in other current assets)	\$ 58,914	\$ (58,914)	\$ -
Lease receivables - current	25,017,877	(25,017,877)	-
Finance lease receivables - current	-	25,017,877	25,017,877
Lease receivables - non-current	1,346,884	(1,346,884)	-
Finance lease receivables - non-current	-	1,346,884	1,346,884
Prepayments for leases - non-current	1,070,081	(915,014)	155,067
Right-of-use assets	<u>-</u>	<u>4,541,590</u>	<u>4,541,590</u>
Total effect on assets	<u>\$ 27,493,756</u>	<u>\$ 3,567,662</u>	<u>\$ 31,061,418</u>
Lease liabilities - current	\$ -	\$ 839,221	\$ 839,221
Lease liabilities - non-current	<u>-</u>	<u>2,728,441</u>	<u>2,728,441</u>
Total effect on liabilities	<u>\$ -</u>	<u>\$ 3,567,662</u>	<u>\$ 3,567,662</u>

2) IFRIC 23 "Uncertainty over Income Tax Treatments"

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

3) Annual Improvements to IFRSs 2015-2017 Cycle

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

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

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

b. New IFRSs endorsed and issued into effect by the FSC in 2020

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

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

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

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

Amendments to IFRS 3 “Definition of a Business”

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

Except for the above potential impact, as of the date the consolidated financial statements were authorized for issue, the Group had assessed that the application of other standards and interpretations would not have significant impacts on the Group’s financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

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

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

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

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

- 2) IFRS 17 - Insurance Contracts

IFRS 17 is the accounting treatment for insurance contracts, which will replace IFRS 4 “Insurance Contracts”. The main specifications of IFRS 17 are as follows:

Level of aggregation

IFRS 17 requires entities to identify portfolios of insurance contracts; a portfolio comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts shall be divided into a minimum of:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- A group of the remaining contracts in the portfolio, if any.

The Company is not permitted to include contracts issued more than one year apart in the same group.

Recognition

The Company shall recognize a group of insurance contracts it issues from the earliest of the following:

- a) The beginning of the coverage period of the group of contracts;
- b) The date when the first payment from a policyholder in the group becomes due; and
- c) For a group of onerous contracts, when a contract becomes onerous.

Measurement

On initial recognition, the Group shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows, which comprise of estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows (to the extent that the financial risks are not included in the estimates of the future cash flows), and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit the Group will recognize as it provides services in the future.

The Group shall measure the contractual service margin on initial recognition of a group of insurance contracts at the amount, unless the contracts result in no income or expense, derived from:

- a) The initial recognition of an amount for the fulfilment cash flows,
- b) The derecognition at the date of initial recognition of any asset or liability recognized for insurance acquisition cash flow; and
- c) Any cash flows arising from the contracts in the group at that date.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprising of the fulfilment cash flows related to future service allocated to the contract group at that date and the contractual service margin of the contract group at that date. The liability for incurred claims comprises the fulfilment cash flows related to past service allocated to the contract group at that date. The Group shall recognize income and expenses for the changes in the carrying amount of the liability for incurred claims.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognized acquisition cash flows, and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group shall group such contracts separately from contracts that are not onerous. The Group shall recognize in profit or loss a loss on the net outflow of the group of onerous contracts, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero.

Premium allocation approach

The Group may simplify the measurement of a group of insurance contracts using the premium allocation approach if, and only if, at the inception of the contract group:

- a) The Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage of the contract group that would not differ materially from the general model, or
- b) The coverage period of each contract in the group is one year or less.

The criterion in (a) is not met if at the inception of the contract group, the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred.

Using the premium allocation approach, the Group shall measure the liability for remaining coverage as the premiums, if any, received at initial recognition minus any insurance acquisition cash flows at that date. At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus any amounts relating to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period, plus any adjustment to a financing component, minus the amount recognized as insurance revenue for coverage provided in that period, minus any investment component paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features does not include a transfer of significant insurance risk. If the Group issues an investment contract with discretionary participation characteristics and also issues an insurance contract, the contract should also be subject to IFRS 17.

Modification and derecognition

In accordance with the transitional provisions, if the terms of an insurance contract are modified, for example by agreement between the parties to the contract or by a change in regulation, the Group shall derecognize the original contract and recognize the modified contract as a new contract.

The Group shall derecognize an insurance contract when, and only when, it is extinguished or the obligation specified in the insurance contract expires or is discharged or cancelled.

Transition

The Group shall apply IFRS 17 retrospectively unless impracticable; otherwise, the Group shall apply the modified retrospective approach or the fair value approach.

The objective of the modified retrospective approach is to achieve the possible outcome closest to retrospective application by using reasonable and supportable information available without undue cost or effort.

In the fair value approach, the Group determines the contractual service margin or loss component of the liability for the remaining coverage at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

Basis of Consolidation

The consolidated financial statements have been prepared on the historical cost basis except for financial investment and contingent considerations assumed in business combinations which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Current and Non-current Assets and Liabilities

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within one operating cycle after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least one operating cycle after the reporting period.

Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Since the operating cycles of YFC Co., Ltd., Yustar Co., Ltd., TAC Leasing Co., Ltd., TAC Financial Leasing Co., Ltd., Yulon Motor Finance (China) Co., Ltd., Yu Rich Financial Services Co., Ltd, Yulon Finance Philippines Corporation, Yulon Construction Co., Ltd., Yu Sing Co., Ltd., and Yushin Co., Ltd. are more than one year, the classification of balance sheet accounts depends on whether their realization or settlement will be within or beyond one year from the balance sheet date.

Basis of Consolidation

- Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including special-purpose entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this attribution results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Please refer to Note 16 and Table 10 for the subsidiaries' name, percentage of shares owned by the Company and main businesses.

Business Combinations

Business combinations involving entities under common control are not accounted for using the acquisition method but are accounted for at the carrying amounts of the entities. Comparative information of the prior period in the consolidated financial statements is restated as if a business combination involving entities under common control had already occurred in that period (See Note 16 and Note 28).

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

Goodwill is measured as the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree in excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

If the initial accounting for a business combination is not completed by the end of the reporting period in which the combination occurs, the Group, as the acquiring entity, reports in its financial statements provisional amounts for the items for which the accounting is incomplete. These provisional amounts recognized at the acquisition date are adjusted retrospectively during the measurement period when new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts initially recognized or would have resulted in the recognition of other assets and liabilities.

Foreign Currencies

In preparing the financial statements of each group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are recognized at the rates of exchange prevailing on the dates of the transactions and are not retranslated.

Exchange differences resulting from the settlement or translation of monetary items are recognized in profit or loss in the period when these differences arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognized in other comprehensive income and are attributed to owners' equity or non-controlling interests.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and included in the calculation of equity transactions and not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process, which are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

Yulon Finance Corporation (YFC) provides retailers with cars for the purpose of displays and sales, and charges display fees till the cars are sold. Before the ownership of cars is transferred to retailers, the cars are treated as YFC's inventories.

Construction Industry Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The inventory of construction business are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in bringing them to their existing location and condition and capitalized borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value is estimated as follows:

Land held for development

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value (development analytical method or comparison method).

Construction-in-progress

Net realizable value is the estimated selling price (current market condition) in the ordinary course of business, less the estimated costs of completion and selling expenses.

Properties and land held for sale

Net realizable value is the estimated selling price (refer to the market condition estimated by authority) in the ordinary course of business, less the estimated costs of completion and selling expenses, or estimated by recent market value or estimated by recent market value.

Investments in Associates and Jointly Controlled Entities

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint venture.

When the Group subscribes for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and joint venture equals or exceeds its interest in that associate and joint venture, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate and joint venture had directly disposed of the related assets or liabilities.

When a Group entity transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture of entities that are not related to the Group.

Property, Plant and Equipment

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

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

Freehold land is not depreciated.

Depreciation is recognized using the straight-line method and units of production method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. For leased asset, if the lease term is shorter than the useful life of the asset, the asset is depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

An entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue in accordance with IFRS 15 “Revenue from Contracts with Customers”. IFRS 15 does not apply when assets held for sale in the ordinary course of business are transferred to inventories.

Assets held for rental that are transferred to inventories at their carrying amount are classified under operating activities.

Investment Properties

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

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

For a transfer from the investment properties classification to inventories, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of development with a view to future sale.

For a transfer from the property, plant and equipment classification to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount

Investment properties under construction are stated at cost less impairment, if any. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the construction is completed and the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the acquisition date less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the acquirer’s cash-generating units (CGUs), or groups of cash-generating units (referred to as cash-generating units), that are expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributable goodwill, with its recoverable amount. However, if the goodwill allocated to a CGU is acquired in a business combination during the current annual period, that unit should be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for prospectively. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Assets Related to Contract Costs

When a sales contract is obtained, commissions of accounts receivable purchasing and the equipment leasing business are recognized as incremental costs of obtaining a contract to the extent the costs are expected to be recovered, and are recognized as commission expenses using interest method through the contract period. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the asset that the Group otherwise would have recognized is expected to be one year or less.

Impairment of Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of a corporate asset, the asset is tested for impairment in the context of the cash-generating unit (CGU) to which the asset belongs. If a portion of the carrying amount of the asset can be allocated on a reasonable and consistent basis to the CGU, the Group compares the carrying amount of the CGU, including the portion of the asset's carrying amount allocated to the CGU, with the recoverable amount of the CGU to which the asset belongs. If this reasonable and consistent basis of allocation cannot be applied to the CGU to which the asset belongs and can be applied instead to the smallest group of CGUs to which the CGU belongs, this smallest group is used for impairment testing.

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When the carrying amount of the asset or CGU is increased to a revised estimate of its recoverable amount, the impairment loss is reversed, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or CGU in prior years. A reversal of an impairment loss is recognized in profit or loss.

Financial Instruments

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

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

a. Financial assets

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

1) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

a) Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 34.

b) Financial assets at amortized cost

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

- i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

c) Investments in equity instruments at FVTOCI

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

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

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

2) Impairment of financial assets and contract assets

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

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for notes receivables, trade receivables and finance lease receivables. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

3) Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a liability instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments issued by a Group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a Group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

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

a) Financial liability at FVTPL

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

b) Financial liability at amortized cost

The group's financial liability measured at amortized cost transfers financial assets and related right to trust institutions, which issue beneficiary certificates, and all proceeds raised go to consolidated entities. Under this transaction architecture, the Group does not lose the right of controlling financial assets, and nor derecognize them.

2) Derecognition of financial liabilities

The Group only derecognizes the financial liabilities when the obligation is lifted, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

d. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks and foreign exchange rate risks, including interest rate swaps and cross-currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Hedge Accounting

The Group designates certain hedging instruments as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Group's provision is for contracts with guarantees. For car loan contracts signed by the Group's customers with financial institutions, the Group provides payment guarantees as well as account management services. Under the contracts, the Group is responsible for the collection of loan repayments or will assume the risk of loss on uncollectable loans in the event of default. The provision is subsequently measured under IAS 37 "Provision, Contingent Liabilities and Contingent Assets".

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products and at the Group management's best estimate of the expenditure required to settle the Group's obligations.

Revenue Recognition

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

a. Revenue from sale of goods

Revenue from the sale of goods comes from sales of cars and materials.

The Group recognize revenue on goods delivered to subcontractors because this delivery involve a transfer of control.

Revenue from sale of goods comes from sales of operating assets held for rental to others. Sales of operating assets held for rental to others are recognized as revenue when ownership of the goods are transferred to the buyers.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and similar allowances. Sales returns are recognized at the time of sale if the Group can reliably estimate future returns and a liability for returns is recognized on the basis of previous experience and relevant factors.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

Income from properties developed for sale is recognized when construction is complete, rewards of ownership of the properties are transferred to buyers, and collectability of the related receivables is reasonably assured. Deposits received on the sale of properties and installment payments are presented in the consolidated balance sheets under current liabilities.

Under the Group's award scheme, the sale of goods that results in award credits for customers is accounted for as a multiple element revenue transaction, and award credits are accounted for as a separately identifiable component of a sales transaction in which these credits are granted ("initial sale"). The fair value of the consideration received or receivable is allocated between the award credits granted and other components of the sale. The consideration allocated to the award credits is measured at their fair value, i.e., the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations to supply the award have been fulfilled.

b. Rental revenue

A lease is classified as a finance lease if it transfers substantially all the risks, and rewards upon transfer of property or asset. Otherwise, it is classified as an operating lease.

2019

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2018

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding on the leases.

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

c. Investment income

For security transactions by Yung Hong Investment Company, the difference between the carrying amount of security and the actual selling price is recognized in profit or loss when these Group entities transfer substantially all the risks and rewards of security ownership to another party.

d. Rendering of services

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

e. Dividend and interest income

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

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

Leasing

2019

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

a. The Group as lessor

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

b. The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, or a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

2018

a. The Group as lessor

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

b. The Group as lessee

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

Borrowing Costs

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

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

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

Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

c. Termination benefits

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

Share-based Payment Arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

Taxation

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

a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

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

b. Deferred tax

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a. Estimated impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9, 12 and 13. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment

The impairment of property, plant and equipment was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

c. Impairment of intangible assets (vehicle model development cost)

The impairment of intangible asset (vehicle model development cost) was based on the recoverable amount of those assets, which is the higher of fair value less costs to sell or value-in-use of those assets. Any changes in the market price or future cash flows will affect the recoverable amount of those assets and may lead to recognition of additional or reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	2018
Cash on hand	\$ 105,792	\$ 26,750
Checking accounts and demand deposits	20,954,693	25,982,617
Cash equivalent		
Time deposits with original maturities within 3 months	4,586,468	3,890,094
Short-term notes and bills	1,181	
Third-party payment service deposits	350	1,760
Repurchase agreements collateralized by bonds	499,451	-
	<u>\$ 26,147,935</u>	<u>\$ 29,901,221</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2019	2018
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic quoted shares	\$ 22,942	\$ 23,597
Domestic unlisted shares	652	1,765
Mutual funds	1,621,794	159,639
Hybrid financial assets		
Structured deposits	628,620	13,973
Principal guaranteed financial assets	<u>848,541</u>	<u>471,720</u>
	<u>\$ 3,122,549</u>	<u>\$ 670,694</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	\$ 2,249	\$ 2,304
Mutual funds	<u>-</u>	<u>316</u>
	<u>\$ 2,249</u>	<u>\$ 2,620</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
<u>Current</u>		
Quoted stocks	<u>\$ 123,754</u>	<u>\$ 126,059</u>
<u>Non-current</u>		
Domestic investments		
Quoted stocks	\$ 82,255	\$ 53,635
Domestic unlisted shares	402,492	547,279
Others	<u>1,521</u>	<u>1,904</u>
	<u>\$ 486,268</u>	<u>\$ 602,818</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

In May 2019, the Group dispose of financial assets at fair value through other comprehensive income - ordinary shares of Taiwin Company to Xiang Wei Co., Ltd., the disposal price was 396,000 thousand, and related other equity - the unrealized gains and losses of financial assets at fair value through other comprehensive income of financial assets of 369,760 thousand are transferred to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2019	2018
<u>Current</u>		
Treasury bills with original maturity more than 3 months	\$ -	\$ 40,390
Time deposits with original maturity more than 3 months	9,469,602	3,297,430
Reserve account	231,577	308,438
Restricted Bank deposit	8,599	1,666,376
Pledged time deposits	111,607	205,504
Bank deposit for specified purpose	42,388	41,155
	<u>\$ 9,863,773</u>	<u>\$ 5,559,293</u>
<u>Non-current</u>		
Central Government Development Bonds (a)	\$ 15,708	\$ 16,170
Pledged time deposits	44,629	17,726
Restricted Bank deposit	397,730	429,769
Time deposits with original maturity more than 3 months	-	44,030
Debt instruments investment	6,683	5,969
	<u>\$ 464,750</u>	<u>\$ 513,664</u>
Securitization beneficiary securities loan (b)	<u>\$ 1,834,953</u>	<u>\$ -</u>

- a. TAC corporation Yustar invested in Central Government Development Bonds with yearly payment coupon rates of 3.75% and 1.42% and with maturity dates of August 16, 2022 and February 13, 2021, respectively. As of December 31, 2019, Yustar pledged Central Government Development Bonds with face values of \$900,000 thousand as guarantee deposits for evidence of claims in the courthouse.
- b. Yulon Motor Finance holds the creditor's right to the beneficiary securities issued by trust institutions through accounts receivable securitization in March and September 2019. The scale of the first time issue of priority trust beneficiary right is RMB5.3 billion, which accounts for 85.13% of total beneficiary rights. Among the priority trust beneficiary right, the scale of the A1-level is RMB3.1 billion, and the annual beneficiary rate is 4.6%, which expired in September 2019. The scale of the A2-level is RMB1.5 billion, and the annual beneficiary rate is 4.8%, which is expected to expire in February 2020. The scale of the B-level is RMB0.7 billion, and the annual beneficiary rate is 6.5%, which is expected to expire in May 2020. The interest is paid monthly for such beneficiary certificate. The scale of the secondary beneficiary right is RMB0.93 billion. There is no annual beneficiary right, and the expected expiration date is December 2020. The scale of the second time issue of priority trust beneficiary right is RMB2.51 billion, which accounts for 81.07% of total beneficiary rights. Among the priority trust beneficiary right, the scale of the A1-level is RMB0.74 billion, and the annual beneficiary rate is 4.2%, which is expected to expire in December 2019. The scale of the A2-level is RMB1.51 billion, and the annual beneficiary rate is 5.2%, which is expected to expire in November 2020. The scale of the B-level is RMB0.26 billion, and the annual beneficiary rate is 6.5%, which is expected to expire in December 2020. The interest is paid monthly for such beneficiary certificate. The scale of the secondary beneficiary right is RMB0.59 billion. There is no annual beneficiary right, and the expected expiration date is December 2021.
- c. Refer to Note 10 for information relating to credit risk management and impairment of financial assets at amortized cost.
- d. Refer to Note 36 for information relating to financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	December 31	
	2019	2018
Gross carrying amount	\$ 10,331,739	\$ 6,076,888
Less: Allowance for impairment loss	<u>(3,216)</u>	<u>(3,931)</u>
Amortized cost	<u>\$ 10,328,523</u>	<u>\$ 6,072,957</u>

The Group only invests in government bonds and deposits that are assessed with no impairment loss, rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information of government bonds is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

11. FINANCIAL INSTRUMENTS FOR HEDGING - CURRENT

	December 31	
	2019	2018
<u>Financial assets under hedge accounting</u>		
Cash flow hedges - cross currency swaps (a)	\$ -	\$ 12,356
Cash flow hedges - interest rate swaps (b)	<u>232</u>	<u>-</u>
	<u>\$ 232</u>	<u>\$ 12,356</u>
<u>Financial liabilities under hedge accounting</u>		
Cash flow hedges - interest rate swaps (b)	<u>\$ 241</u>	<u>\$ 81</u>

- a. The goal of the Company entering into cross currency swap (CCS) transaction is mainly avoid the risk of exchange rate and interest rate fluctuations related to USD loan. The terms of CCS contract are identical to those for debts under hedging; thus, the Company's management considered this contract a highly effective tool for hedging. The outstanding CCS contract at the end of the reporting period was as follows:

December 31, 2019: None

Notional Amounts (In Thousands)	Maturity Date	Interest Rates - Receipt	Interest Rates - Payment
<u>December 31, 2018</u>			
US\$15,000	2019.05.21	3-month London InterBank Offer Rate plus 0.45%	0.720%

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

Notional Amounts (In Thousands)	Maturity Date	Interest Rates - Receipt	Interest Rates - Payment
<u>December 31, 2019</u>			
\$ 500,000	2022.04.29	Note	0.715%
500,000	2022.05.23	Note	0.708%
<u>December 31, 2018</u>			
\$ 300,000	2019.04.25	Note	0.745%
200,000	2019.04.25	Note	0.740%

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

12. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2019</u>	<u>2018</u>
Notes and trade receivables	\$ 169,215,481	\$ 145,184,324
Less: Allowance for impairment loss	(12,803,452)	(3,281,081)
Unrealized interest income	<u>(19,548,290)</u>	<u>(14,763,673)</u>
	<u>\$ 136,863,739</u>	<u>\$ 127,139,570</u>

Trade and notes receivable

The average credit period for the sale of goods for "Brand Segments" was 45 to 180 days. In assessing recoverability of its trade and notes receivables, the Group's management considers any changes in the counterparties' credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

Principal and interests for Horizontal Segments within the Group are collected monthly. For delayed payments, interests are accrued on the basis of the number of days that payments are outstanding. For the assessment of expected credit losses, in addition to considering the impairment losses recognized by individual customers, the Group assessed expected credit losses of different business on a collective basis based on macroeconomic factors, past experience and forward-looking indicators.

The average credit period for the sale of goods by other "Supporting Segments" is 45 to 65 days. In assessing recoverability of its trade and notes receivables, the Group's management considers any changes in the counterparties' credit quality as of the balance sheet dates, including the financial and economic status of the counterparties, since the major counterparties were related parties.

For Taiwan and China-based retailers, overdue payments are reported to the Group's internal legal department for confirmation and collection.

The clients of the Group are widely spread and unrelated; thus, credit risk is limited.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

	Not Past Due	1-180 Days	More Than 180 Days	Total
December 31, 2019				
Gross carrying amount	\$ 136,431,439	\$ 2,427,962	\$ 10,807,790	\$ 149,667,191
Loss allowance (Lifetime ECL)	<u>(3,673,256)</u>	<u>(226,759)</u>	<u>(8,903,437)</u>	<u>(12,803,452)</u>
Amortized cost	<u>\$ 132,758,183</u>	<u>\$ 2,201,203</u>	<u>\$ 1,904,353</u>	<u>\$ 136,863,739</u>
December 31, 2018				
Gross carrying amount	\$ 117,271,152	\$ 1,837,055	\$ 11,312,444	\$ 130,420,651
Loss allowance (Lifetime ECL)	<u>(2,918,245)</u>	<u>(141,100)</u>	<u>(221,736)</u>	<u>(3,281,081)</u>
Amortized cost	<u>\$ 114,352,907</u>	<u>\$ 1,695,955</u>	<u>\$ 11,090,708</u>	<u>\$ 127,139,570</u>

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1, 2018	\$ 3,281,081	\$ 2,691,076
Add: Net remeasurement of loss allowance (Note)	11,326,013	1,746,105
Less: Amounts written off	(1,792,232)	(1,146,046)
Foreign exchange gains and losses	<u>(11,410)</u>	<u>(10,054)</u>
Balance at June 30, 2018	<u>\$ 12,803,452</u>	<u>\$ 3,281,081</u>

Note: Included the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model, and the expected credit loss mentioned in the current period was 8,957,898 thousand.

13. FINANCE LEASE RECEIVABLES

2019

**December 31,
2019**

Undiscounted lease payments

Year 1	\$ 22,919,330
Year 2	8,180,354
Year 3	2,584,438
Year 4	1,173,354
Year 5	403,103
Year 6 onwards	<u>183,395</u>
	35,443,974
Less: Unearned finance income	(4,279,479)
Less: Allowance for impairment loss	<u>(2,258,211)</u>

Discounted unguaranteed residual value \$ 28,906,284

Net investment in leases presented as finance lease receivables \$ 28,906,284

2018

**December 31,
2018**

Gross investment in leases

Up to one year	\$ 16,888,173
More than one year and up to five years	14,712,299
More than five years	<u>61,964</u>
	31,662,436
Less: Unearned finance income	(3,886,081)
Less: Allowance for uncollectible lease payments	<u>(1,411,594)</u>

Present value of minimum lease payments \$ 26,364,761

Finance lease receivables

Up to one year	\$ 14,862,843
More than one year and up to five years	12,857,313
More than five years	<u>56,199</u>
	27,776,355
Less: Allowance for uncollectible lease payments	<u>(1,411,594)</u>

Finance lease receivables \$ 26,364,761

Current	\$ 25,017,877
Non-current	<u>1,346,884</u>

\$ 26,364,761

The Group signed finance lease agreements for cars and equipment having an average lease term of 2.47 years.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The ranges of interest rates inherent in the finance leases were approximately 3.66%-13.81% and 3.94%-15.24% per annum as of December 31, 2019 and 2018, respectively.

Finance lease receivables are secured by holding leased equipment as collaterals. The expected credit losses on trade receivables are recognized as loss allowance by reference to past default experience of the debtor and an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtors operate and expected credit loss rates of forward-looking indicators.

The Group writes off a finance lease receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the finance lease receivables are over 180 days past due, whichever occurs earlier. For finance lease receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The Group assesses the loss allowance of finance lease receivables individually and collectively. The movements were as follows:

December 31, 2019

	Not Past Due	1-180 Days	More Than 180 Days	Total
Gross carrying amount	\$ 28,648,436	\$ 1,097,457	\$ 1,418,601	\$ 31,164,494
Loss allowance (Lifetime ECL)	<u>(361,570)</u>	<u>(478,040)</u>	<u>(1,418,601)</u>	<u>(2,258,211)</u>
Amortized cost	<u>\$ 28,286,866</u>	<u>\$ 619,417</u>	<u>\$ -</u>	<u>\$ 28,906,283</u>

December 31, 2018

	Not Past Due	1-180 Days	More Than 180 Days	Total
Gross carrying amount	\$ 26,012,719	\$ 924,925	\$ 838,711	\$ 27,776,355
Loss allowance (Lifetime ECL)	<u>(432,296)</u>	<u>(140,587)</u>	<u>(838,711)</u>	<u>(1,411,594)</u>
Amortized cost	<u>\$ 25,580,423</u>	<u>\$ 784,338</u>	<u>\$ -</u>	<u>\$ 26,364,761</u>

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 1,411,594	\$ 974,400
Add: Net remeasurement of loss allowance	1,188,040	474,827
Less: Amounts written off	(247,722)	(9,078)
Foreign exchange gains and losses	<u>(93,701)</u>	<u>(28,555)</u>
Balance at December 31	<u>\$ 2,258,211</u>	<u>\$ 1,411,594</u>

14. OTHER RECEIVABLES

	December 31	
	2019	2018
Other receivable - at amortized cost	\$ 12,005,943	\$ 5,498,113
Less: Allowance for impairment loss	<u>(8,910,958)</u>	<u>(388,335)</u>
	<u>\$ 3,094,985</u>	<u>\$ 5,109,778</u>

Other receivables include proceeds from capital reduction and trade receivables from financial institutions. The movements of the loss allowance of other receivables were as follows:

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 388,335	\$ -
Add: Net remeasurement of loss allowance	8,884,526	395,676
Foreign exchange gains and losses	<u>(361,903)</u>	<u>(7,341)</u>
Balance at December 31	<u>\$ 8,910,958</u>	<u>\$ 388,335</u>

Note: Included the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model, and the expected credit loss mentioned in the current period was 8,674,863 thousand.

15. INVENTORIES

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

	December 31	
	2019	2018
Finished goods	\$ 4,723,321	\$ 7,255,348
Work in progress	921,182	799,051
Raw materials	<u>3,609,842</u>	<u>3,186,302</u>
	<u>9,254,345</u>	<u>11,240,701</u>
<u>Properties for sale</u>		
Yu-Wen Garden	2,584	2,584
Hsin-Dian Da Feng section	<u>1,757</u>	<u>1,757</u>
	<u>4,341</u>	<u>4,341</u>
<u>Construction land</u>		
Property under construction	<u>7,314,359</u>	<u>6,053,200</u>
	<u>\$ 16,573,045</u>	<u>\$ 17,298,242</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was \$49,412,806 thousand and \$56,071,453 thousand, respectively.

The cost of goods sold for the years ended December 31, 2019 and 2018 included reversal of inventory write-downs of \$98,383 thousand and inventory write-downs \$73,043 thousand, respectively.

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

The inventories pledged as collateral for bank borrowings were set out in Note 36.

16. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Entities included in the Group's consolidated financial statements were as follows:

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2019	2018	
The Company	Yulon Finance Corporation ("Yulon Finance Corporation")	Sale and lease of cars and parts	45.75	45.75	-
	Yu Sing Motor Co., Ltd. ("Yu Sing")	Sale, maintenance and repair of cars and parts	99.99	90.33	The Group owned 99.99% of Yu Sing in 4 th quarter of 2019 and owned 90.33% of Yu Sing in 4 th quarter of 2018
	Qinton Motor Co., Ltd. ("Qinton")	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of Qinton in the two reporting periods.
	Yushin Motor Co., Ltd. ("Yushin")	Sale, maintenance and repair of cars and parts	99.99	80.00	The Group owned 99.99% of Yushin in 4 th quarter of 2019 and owned 80.00% of Yushin in 4 th quarter of 2018
	Yu Chang Motor Co., Ltd. ("Yu Chang")	Sale and maintenance of cars and parts	65.00	65.00	-
	Sin Chi Co., Ltd. ("Sin Chi")	General advertising planning services	100.00	100.00	-
	Yu Rich Financial Services Co., Ltd. ("Yu Rich")	Installment loans of consumer goods and wholesale of cars and parts	-	17.88	The Group owned 100% of Yu Rich in the two reporting periods.
	Yu Ching Business Co., Ltd. ("Yu Ching")	Import and export and sale of cars and parts	60.00	60.00	The Group owned 100% of Yu Ching in the two reporting periods.
	Yung Hong Investment Co., Ltd. ("Yung Hong")	Investments	100.00	100.00	-
	Yu Pong Business Co., Ltd. ("Yu Pong")	Yulon basketball team management and related services	100.00	100.00	-
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	-	35.62	The Group owned 93.04% of Sin Gan in 4 th quarter of 2019 and owned 64.96% of Sin Gan in 4 th quarter of 2018
	Chan Yun Technology Co., Ltd. ("Chan Yun")	Wholesale and retail of information software	87.71	43.85	The Group acquired 43.85% of shares from Associates in the 2nd quarter of 2019. As a result, the Group ownership of Chan Yun increase to 87.71%.
	Yulon Overseas Investment Co., Ltd. ("Yulon Overseas")	Investments	100.00	100.00	-
	Y-Teks Co., Ltd. ("Y-Teks")	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	34.00	34.00	The Group owned 45.99% of Y-Teks in the two reporting periods.
	Union & NKH Auto Parts Co., Ltd. ("Union & NKH")	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	25.01	25.01	-
	Yueki Industrial Co., Ltd. ("Yueki")	Manufacturing and sale of car components	65.58	65.58	The Group acquired 15% of shares from non-controlling interests in the 2nd quarter of 2018. As a result, the Group ownership of Yueki increase to 65.58%.
	Yue Sheng Industrial Co., Ltd. ("Yue Sheng")	Car manufacture and furnishing; manufacture, installation and sale of car parts	80.07	80.07	The Group owned 80.07 % of Yue Sheng in the two reporting periods.
	China Cast Iron Pipe Co., Ltd. ("China Cast Iron")	Metal casting and related business	77.66	77.66	-
	Car-plus Auto Leasing Corporation ("Car-plus Auto")	Car lease and trade	3.46	3.46	The Group owned 72.03% of Car-plus in the two reporting periods.
	Empower Co., Ltd. ("Empower")	Sale, maintenance and repair of cars and parts	20.00	20.00	The Group owned 47% of Empower in the two reporting periods.
	Luxgen Motor Co., Ltd. ("Luxgen")	Sale of cars and parts	100.00	100.00	-
	Yulon TOBE Motor Co., Ltd. ("Yulon TOBE")	Sale of cars and parts	-	100.00	The Group owned 100% of Yulon TOBE in the two reporting periods.
	Yes-Energy Service Co., Ltd. ("YES-Energy")	Wholesale and retail sale of batteries	-	100.00	Yulon Energy Company changed name into YES-Energy in 2nd quarter of 2019, and the Group owned 100% of YES-Energy in the two reporting periods.
	Sin Jang Enterprises ("Sin Jang")	Sale and brokerage of secondhand vehicles	-	20.01	The Group owned 100% of Sin Jang in 4 th quarter of 2019 and owned 80% of Sin Jang in 4 th quarter of 2018.
	Yulon Motor Finance (China) Co., Ltd. ("Yulon Motor Finance")	Car purchases and loans to car dealers for car purchases	51.00	51.00	The Group owned 100% of Yulon Motor Finance in the two reporting periods.
	Yulon Construction Co., Ltd. ("Yulon Construction")	Construction	100.00	100.00	-
	Yulon New Energy Motor (Cayman) Inc.	Investments	100.00	100.00	Established in 2nd quarter of 2018.
	Haitec Co., Ltd. ("Haitec")	Product design of cars	35.46	35.46	The Group acquired control at December 31, 2019 and retrospectively stated to December 31, 2018
	Yulon New Energy Motor (HK) Limited.	Investments	100.00	100.00	Established in 2nd quarter of 2018.
Yulon New Energy Motor (Cayman) Inc.	Yustar Finance Corporation ("Yustar")	Installment-related financing services for car and truck purchases	100.00	100.00	-
	Car-plus Auto	Car lease and trade	68.57	68.57	The Group owned 73.03% of Car-plus in the two reporting periods.
	TAC Global Investment (Samoa) Co., Ltd. ("TAC Global")	Shareholding company	100.00	100.00	-
	Empower	Sale, maintenance and repair of cars and parts	27.00	27.00	The Group owned 47% of Empower in the two reporting periods.
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	73.26	-	The Group owned 93.04% of Sin Gan in 4 th quarter of 2019 and owned 64.96% of Sin Gan in 4 th quarter of 2018.
	Sin Jang Co., Ltd. ("Sin Jang")	Sales and brokerage of secondhand vehicles	-	40.00	The Group owned 100% of Sin Jang in 4 th quarter of 2019 and owned 80% of Sin Jang in 4 th quarter of 2018.
	Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	49.00	49.00	The Group owned 100% of Yulon Motor Finance in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2019	2018	
Yustar	Yu Rich Financial Services Co., Ltd. ("Yu Rich")	Installment loans of consumer goods and wholesale of cars and parts	100.00	82.12	The Group owned 100% of Yu Rich in the two reporting periods.
	Yulon Finance Overseas Investment (Samoa) Co., Ltd. ("Yulon Finance Overseas")	Shareholding company	100.00	100.00	The Group owned 100% of Yulon Finance Overseas in the two reporting periods.
	Shinshin Global Investment (Samoa) Co., Ltd. ("Shinshin Samoa")	Shareholding company	100.00	100.00	-
	Yes-Energy Service Co., Ltd. ("YES-Energy")	Wholesale and retail of batteries	100.00	-	Yulon Energy Company changed name into YES-Energy in 2nd quarter of 2019, and the Group owned 100% of YES-Energy in the two reporting periods.
YES-Energy Car-plus Auto	Power Engineering Co., Ltd.	Wholesale and retail of batteries	100.00	100.00	-
	Diamond Leasing Service Corporation ("Diamond Leasing")	Car sale and lease	100.00	100.00	-
	Car-Plus Global Investment (Samoa) Co., Ltd. ("Car-Plus Samoa")	Shareholding company	100.00	100.00	-
Sin Gan	Sin Jang	Sales and brokerage of secondhand vehicles	-	19.99	The Group owned 100% of Sin Jang in 4 th quarter of 2019 and owned 80% of Sin Jang in 4 th quarter of 2018.
	Hong Shou Culture Enterprise Co., Ltd. ("Hong Shou Culture")	Publication	100.00	-	The Group owned 100% of Hong Shou Culture in the two reporting periods.
	Da-Wei Technology Co., Ltd. ("Da-Wei")	Brokerage of electric vehicles	100.00	100.00	-
	Singual Travel Service Co., Ltd. ("Singual Travel")	Sale of information software, telecommunications equipment and maintenance of cars and parts	100.00	100.00	-
	Hsiang Shou Enterprise Co., Ltd. ("Hsiang Shou")	Towing	100.00	100.00	-
	Hong Shou Culture Enterprise Co., Ltd. ("Hong Shou Culture")	Publication	-	100.00	The Group owned 100% of Hong Shou Culture in the two reporting periods.
Singual Travel	Sin Jang	Sales and brokerage of secondhand vehicles	100.00	-	The Group owned 100% of Sin Jang in 4 th quarter of 2019 and owned 80% of Sin Jang in 4 th quarter of 2018.
	Qinton Motor Co., Ltd. ("Qinton")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of Qinton in the two reporting periods.
Da-Wei	Shang Hai Jing-Huei Investment Co., Ltd. ("Shang Hai Jing-Huei")	Sale of car equipment and parts	100.00	100.00	-
	Da Teng Traffic Co., Ltd.	Taxi	100.00	100.00	-
Damu Transportation Co., Ltd.	Dachuan Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Dachuan in 3 rd quarter of 2019.
	Dajun Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Damu in 3 rd quarter of 2019.
Diamond Leasing	Dajun Transportation Co., Ltd.	Taxi	100.00	-	The Group owned 100% of Dajun in 3 rd quarter of 2019.
	H.K. Manpower Service Co., Ltd. ("H.K. Manpower")	Temporary labor services	100.00	100.00	-
Sin Jang	Sinjiang International Investment (Samoa) Co., Ltd. ("Sinjiang Samoa")	Holding company	71.34	71.34	The Group owned 100% of Sinjiang (Samoa) in the two reporting periods.
Car-Plus Samoa	Car-Plus China Investment (Samoa) Co., Ltd. ("Car-Plus China")	Holding company	60.00	60.00	The Group owned 100% of Car-Plus China in the two reporting periods.
	Car-Plus Shanghai Investment (Samoa) Co., Ltd. ("Car-Plus Shanghai")	Holding company	60.00	60.00	The Group owned 100% of Car-Plus Shanghai in the two reporting periods.
TAC Global	Car-Plus Hangzhou Investment (Samoa) Co., Ltd. ("Car-Plus Hangzhou")	Holding company	60.00	60.00	Established in 4th quarter of 2018.
	Car-Plus China Investment (Samoa) Co., Ltd.	Holding company	40.00	40.00	The Group owned 100% of Car-Plus China in the two reporting periods.
	Car-Plus Shanghai Investment (Samoa) Co., Ltd.	Holding company	40.00	40.00	The Group owned 100% of Car-Plus Shanghai in the two reporting periods.
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Holding company	40.00	40.00	Established in 4th quarter of 2018.
Sinjiang Samoa	Yu Rong International Investment (Samoa) Co., Ltd.	Holding company	100.00	100.00	-
	Sinjiang International Investment (Samoa) Co., Ltd.	Holding company	28.66	28.66	The Group owned 100% of Sinjiang (Samoa) in the two reporting periods.
Zhejiang Cheng-Yi	Zhejiang Cheng-Yi Auto, Service Co., Ltd. ("Zhejiang Cheng-Yi")	Sales and brokerage of secondhand vehicles	-	-	The Group owned 100% of Zhejiang Cheng-Yi in the two reporting periods.
Shinshin Samoa	Hangzhou Cheng-Yi-Jun Used-cars Authenticated Evaluation Service Co., Ltd.	Secondhand vehicle authentication and evaluation service	100.00	100.00	-
	Zhejiang Cheng-Yi Auction Co., Ltd.	Car trading	100.00	100.00	-
Car-Plus China	TAC Financial Leasing Co., Ltd. ("TAC Financial")	Financial lease of equipment	40.00	40.00	The Group owned 100% of TAC Financial in the two reporting periods.
Car-Plus Shanghai	Car-Plus (Suzhou) Auto Leasing Co., Ltd. ("Car-Plus (Suzhou)")	Lease of cars and related services	100.00	100.00	-
Car-Plus Hangzhou	Car-Plus Leasing (Shanghai) Co., Ltd. ("Car-Plus Leasing (Shanghai)")	Car lease and trading	100.00	100.00	-
Yu Rong International	CAR-PLUS GO Co., Ltd.	Lease of cars and related services	100.00	100.00	Established in 4th quarter of 2018.
	TAC Leasing Co., Ltd. ("TAC Leasing")	Financial lease of equipment	100.00	100.00	-
TAC Financial	TAC Financial Leasing Co., Ltd.	Financial lease of equipment	40.00	40.00	The Group owned 100% of TAC Financial in the two reporting periods.
	Wuhan TAC Auto Trade Co., Ltd.	Car trade	100.00	100.00	-
Yulon Finance Overseas	Zhejiang Cheng-Yi	Sales and brokerage of secondhand vehicles	100.00	100.00	The Group owned 100% of Zhejiang Cheng-Yi in the two reporting periods.
	Suzhou TAC Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Suzhou TAC in 3 rd quarter of 2019.
	Shanghai YuGuo Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Shanghai YuGuo in 3 rd quarter of 2019.
	Hefei YuGuo Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Hefei YuGuo in 3 rd quarter of 2019.
	Qingdao YuGuo Auto Trade Co., Ltd.	Car trade	100.00	-	The Group owned 100% of Qingdao YuGuo in 3 rd quarter of 2019.
Yulon Finance Overseas	Yulon Finance Philippines	Shareholding company	100.00	100.00	The Group owned 100% of Yulon Finance Philippines in the two reporting periods.
Yulon Finance Philippines	Yulon Finance Philippines Corporation	Financial lease of car and loans to car dealers for purpose of purchasing automobiles	100.00	100.00	Established in 2nd quarter of 2018.
Yu Sing Company	Kuen You Trading Co., Ltd. ("Kuen You")	Sale, maintenance and repair of car and parts	100.00	100.00	Established in 2nd quarter of 2018.
	Yu Pool Co., Ltd. ("Yu Pool")	Supply of and providing services on information software and retail trade of spare parts of vehicles	100.00	100.00	-
Yu Shin Investment Ltd.	Luxgen Motor Taoyuan Co., Ltd. ("Luxgen Taoyuan")	Sale, maintenance and repair of cars and related products	20.00	20.00	The Group owned 79.99% of TAC Financial in the three reporting periods.
	Yu Shin Investment ("Yu Shin Investment")	Investments	100.00	100.00	-
	Fu Jian Yu Xin Auto Sales & Services Co., Ltd. ("Fu Jian Yu Xin")	Sale and maintenance and repair of cars and parts.	49.00	49.00	The Group owned 100% of Fu Jian Yu Xin in the two reporting periods.
	Yu Chia Motor Co., Ltd. ("Yu Chia")	Sale, maintenance and repair of heavy vehicles and parts	100.00	100.00	-
Sin Chi Company	Chanchen Inter Consulting ("Chanchen")	Management consulting, lease of real estate, general advertising, etc.	100.00	100.00	Chanchen has been liquidated in 2 nd quarter of 2019.
	Yulon TOBE Motor Co., Ltd. ("Yulon TOBE")	Sale of cars and parts	100.00	-	The Group owned 100% of Yulon TOBE in the two reporting periods.
Yu Ching	Chinh-Ling RTC Co., Ltd. ("Chinh-Ling")	Product design	100.00	100.00	-
	Sin Gan Co., Ltd. ("Sin Gan")	Wholesale and retail of information software	-	9.56	The Group owned 93.04% of Sin Gan in 4 th quarter of 2019 and owned 64.96% of Sin Gan in 4 th quarter of 2018.
Yu Pong	Yu Ching	Import and export and sale of cars and parts	40.00	40.00	The Group owned 100% of Yu Ching in the three reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2019	2018	
Yulon Construction	Hangzhou Yu-Jie Real Estate Co., Ltd. ("Yu-Jie")	Construction	100.00	100.00	-
	Yufong Property Management Co., Ltd.	Management consulting and lease of real estate	100.00	100.00	-
Yulon Overseas	Yulon China Investment Co., Ltd. ("Yulon China")	Investments	100.00	100.00	-
	Yulon Philippine Investment Co., Ltd. ("Yulon Philippine")	Investments	100.00	100.00	-
Yulon China	Qing Yi Investment Co., Ltd. ("Qing Yi")	Investments	100.00	100.00	-
	Wen Yang Investment Co., Ltd. ("Wen Yang")	Investments	100.00	100.00	-
	Tai Xin Investment Co., Ltd. ("Tai Xin")	Investments	100.00	100.00	-
	Yulon China (Hong Kong) Investment Co., Ltd. ("Yulon China HK")	Investments	100.00	100.00	-
	Feng Hua Investment Co., Ltd. ("Feng Hua")	Investments	40.00	40.00	-
Yulon China Holding	Yulon China Holding Co., Ltd. ("Yulon China Holding")	Investments	100.00	100.00	-
	Yulon China (HK) Holding Limited ("Yulon China (HK) Holding")	Investments	100.00	100.00	-
Yulon China (HK) Holding	Yulon China Motor Investment Limited ("Yulon China Motor Investment")	Investments	100.00	100.00	-
	Xiamen Young Chang Investment Co., Ltd. ("Xiamen Young Chang")	Readers consulting services on cars, electronics, textiles and related products	100.00	100.00	-
Yulon China Motor Investment	Luxgen (Hangzhou) Motor Sales Co., Ltd.	Sale of cars and parts	100.00	100.00	-
	Dong Feng Yulon Motor Sales Co., Ltd. ("Dong Feng Yulon Sales Company")	Sale of cars and parts	50.00	50.00	-
	TAC Financial Leasing Co., Ltd.	Financial lease of equipment	20.00	20.00	The Group owned 100% of TAC Financial in the two reporting periods.
	Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")	Investments	69.50	63.78	The Group owned 100% of Sheng Qing in the two reporting periods.
	Chuang Jie New Energy Vehicle (HZ) Limited ("Chuang Jie")	Manufacturing of key car components, electric cars and related parts	100.00	100.00	Established in 4th quarter of 2018.
Xiamen Young Chang	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	3.23	3.23	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.
	Sheng Qing (Bei Jin) Investment Co., Ltd. ("Sheng Qing")	Investments	30.50	36.22	The Group owned 100% of Sheng Qing in the two reporting periods.
Feng Hua	Su Zhou Chen Long Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Long")	Sale and maintenance of cars and parts	100.00	100.00	-
Qing Yi	Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")	Manufacturing of key car components, electric cars and related parts	44.11	34.51	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.
	Hangchow Liangrun Motor Parts Co., Ltd. ("Hangchow Liangrun")	Manufacturing of car seats and developing the related market	20.50	-	The Group owned 100% of Hangchow Y-Teks in the two reporting periods.
Wen Yang	Hangchow Y-Teks Automotive Trim Parts ("Hangchow Y-Teks")	Manufacturing and sale of car interior furnishing and related business	13.87	-	The Group owned 100% of Hangchow Liangrun in the two reporting periods.
	Qing Tai (Nan Jing) Technology Co., Ltd. ("Qing Tai")	Computer software maintenance and computer system integration	100.00	100.00	The Group owned 100% of Qing Tai in the two reporting periods.
Tai Xin	Tai Feng (Nan Jing) Software Technology Co., Ltd. ("Tai Feng")	Computer software maintenance and computer system integration	100.00	100.00	-
	Ke Yu (Nan Jing) Information Technology Co., Ltd. ("Ke Yu")	Computer software maintenance and computer system integration	100.00	100.00	-
Qing Tai	Jin Ce (Zhang Zhou) Software Technology Co., Ltd. ("Jin Ce")	Computer software maintenance and computer system integration	70.00	70.00	The Group owned 100% of Jin Ce in the two reporting periods.
	Shi Cheng (Zhang Zhou) Technology Develop Co., Ltd. ("Shi Cheng")	Computer software maintenance and computer system integration	100.00	100.00	The Group owned 100% of Shi Cheng in the two reporting periods.
Tai Feng	Mei De (Zhang Zhou) Software Technology Co., Ltd. ("Mei De")	Computer software maintenance and computer system integration	10.00	10.00	The Group owned 100% of Mei De in the two reporting periods.
	Jin Ce (Zhang Zhou) Software Technology Co., Ltd. ("Jin Ce")	Computer software maintenance and computer system integration	30.00	30.00	The Group owned 100% of Jin Ce in the two reporting periods.
Jin Ce	Mei De (Zhang Zhou) Software Technology Co., Ltd. ("Mei De")	Computer software maintenance and computer system integration	90.00	90.00	The Group owned 100% of Mei De in the two reporting periods.
	Yi Ding (Zhang Zhou) Information Technology Co., Ltd. ("Yi Ding")	Computer software maintenance and computer system integration	100.00	100.00	The Group owned 100% of Yi Ding in the two reporting periods.
Shi Cheng	Dong Tai (Bei Jin) Investment Co., Ltd. ("Dong Tai")	Investments	5.97	5.97	The Group owned 100% of Dong Tai in the two reporting periods.
	Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")	Investments	10.00	10.00	The Group owned 100% of Gao Te in the two reporting periods.
Yi Ding	Dong Tai (Bei Jin) Investment Co., Ltd. ("Dong Tai")	Investments	94.03	94.03	The Group owned 100% of Dong Tai in the two reporting periods.
Dong Tai	Gao Te (Bei Jin) Investment Co., Ltd. ("Gao Te")	Investments	90.00	90.00	The Group owned 100% of Gao Te in the two reporting periods.
	Hang Zhou Tang Yu Investment Co., Ltd. ("Hang Zhou Tang Yu")	Investments	100.00	100.00	-
Sheng Qing	An Hui Min Tung Auto Sale & Service Co., Ltd. ("An Hui Min Tung")	Sale and maintenance of cars and parts	100.00	100.00	-
	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of An Hui Min Tung in the two reporting periods.
Sheng Qing	An Ching Ling Tong Auto Sale & Service Co., Ltd. ("An Ching Ling Tong")	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of An Ching Tsai Tong in the two reporting periods.
	Tong Ling Kuo Tong Auto Sale & Service Co., Ltd. ("Tong Ling Kuo Tong")	Sale and maintenance of cars and parts	100.00	100.00	-
Sheng Qing	He Fei Chun Hui Auto Sale & Service Co., Ltd. ("He Fei Chun Hui")	Sale and maintenance of cars and parts	-	100.00	The Group owned 100% of He Fei Chun Hui in the two reporting periods.
	Zi Bo Yu An Auto Sale & Service Co., Ltd. ("Zi Bo Yu An")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Zi Bo Yu An in the two reporting periods.
Sheng Qing	Zhu Hai Fu Te En Industry & Trade Co., Ltd. ("Zhu Hai Fu Te En")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Zhu Hai Fu Te En in the two reporting periods.
	Guang Zhou Yuan Du Auto Sale & Service Co., Ltd. ("Guang Zhou Yuan Du")	Sale and maintenance of cars and parts	51.00	51.00	The Group owned 51% of Su Zhou Feng Shen in the two reporting periods.
Sheng Qing	Su Zhou Feng Shen Auto Sale & Service Co., Ltd. ("Su Zhou Feng Shen")	Sale and maintenance of cars and parts	40.00	40.00	The Group owned 100% of Su Zhou Feng Shen in the two reporting periods.
	Shen Jen Yu Peng Auto Sale & Service Co., Ltd. ("Shen Jen Yu Peng")	Sale and maintenance of cars and parts	65.00	65.00	The Group owned 100% of Shen Jen Yu Peng in the two reporting periods.
Sheng Qing	Nanjing Hanhong Motor Trading Co., Ltd. ("Nanjing Hanhong")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Nanjing Hanhong in the two reporting periods.
	Wuhan Yu Hsin Auto Sale & Service Co., Ltd. ("Wuhan Yu Hsin")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Wuhan Yu Hsin in the two reporting periods.
Sheng Qing	Jiangmen Junxing Auto Sale & Service Co., Ltd. ("Jiangmen Junxing")	Sale and maintenance of cars and parts	60.00	60.00	The Group owned 100% of Jiangmen Junxing in the two reporting periods.
	Shanghai Yuming Auto Sale & Service Co., Ltd. ("Shanghai Yuming")	Sale and maintenance of cars and parts	51.00	51.00	The Group owned 100% of Shanghai Yuming in the two reporting periods.
Sheng Qing	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	30.60	51.00	The Group owned 100% of Qingdao Yuanhuang in the two reporting periods.
	Hang Zhou Yu Zhong Trading Co., Ltd. ("Hang Zhou Yu Zhong")	Trading	100.00	100.00	The Group owned 100% of Hang Zhou Yu Zhong in the two reporting periods.
Sheng Qing	Ning Bo Yu Cheng Auto Sales & Services Co., Ltd. ("Ning Bo Yu Cheng")	Sale, maintenance and repair of cars and parts	100.00	100.00	The Group owned 100% of Ning Bo Yu Cheng in the two reporting periods.
	Fu Jian Yu Xin	Sale, maintenance and repair of cars and parts	51.00	51.00	The Group owned 100% of Fu Jian Yu Xin in the two reporting periods.
Sheng Qing	Hang Zhou Hua Zhi Auto Sales & Services Co., Ltd. ("Huang Zhou Hua Zhi")	Sale, maintenance and repair of cars and parts	60.00	60.00	The Group owned 100% of Huang Zhou Hua Zhi in the two reporting periods.
	Changsha Yu Lu Auto Sale & Service Co., Ltd. ("Changsha Yu Lu")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of Changsha Yu Lu in the two reporting periods.
Sheng Qing	He-Shan Li-Sheng Auto Sales & Service Co., Ltd. ("He-Shan Li-Sheng")	Sale and maintenance of cars and parts	100.00	100.00	The Group owned 100% of He-Shan Li-Sheng in the two reporting periods.

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2019	2018	
Gao Te	An Ching Tsai Tong Auto Sale & Service Co., Ltd. ("An Ching Tsai Tong")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of An Ching Tsai Tong in the two reporting periods.
	An Ching Ling Tong Auto Sale & Service Co., Ltd. ("An Ching Ling Tong")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of An Ching Ling Tong in the two reporting periods.
	He Fei Chun Hui Auto Sale & Service Co., Ltd. ("He Fei Chun Hui")	Sale and maintenance of cars and parts	100.00	-	The Group owned 100% of He Fei Chun Hui in the two reporting periods.
	Hang Zhou Qien Yu Investment Co., Ltd. ("Hang Zhou Qien Yu")	Investments	100.00	100.00	-
Su Zhou Cheng Long	Su Zhou Cheng Guo Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Guo")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Hang Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Hang")	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 Yue Shun Auto Sale & Service Co., Ltd. ("Su Zhou Yue Shun")	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	-
Su Zhou Feng Shun	Tai Chang Cheng Mao Auto Sale & Service Co., Ltd. ("Tai Chang Cheng Mao")	Sale and maintenance of cars and parts	100.00	100.00	-
	Wu Jiang Lian Cheng Auto Sale & Service Co., Ltd. ("Wu Jiang Lian Cheng")	Sale and maintenance of cars and parts	100.00	100.00	-
	Su Zhou Cheng Li Auto Sale & Service Co., Ltd. ("Su Zhou Cheng Li")	Sale and maintenance of cars and parts	100.00	100.00	-
	Zhuhai Yuhsin Auto Sales & Parts Co., Ltd. ("Zhuhai Yuhsin")	Sale and maintenance of cars and parts	100.00	100.00	-
Zhu Hai Fu Te En	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	Sale and maintenance of cars and parts	100.00	100.00	-
Guang Zhou Yuan Du	Qingdao Yuanhuang Auto Sale & Service Co., Ltd. ("Qingdao Yuanhuang")	Sale and maintenance of cars and parts	40.00	-	The Group owned 70.6% of Qingdao Yuanhuang in 4 th quarter of 2019 and owned 51% of Qingdao Yuanhuang in 4 th quarter of 2018.
	Jiang Men Junxing Auto Sale & Service Co., Ltd. ("Jiang Men Junxing")	Sale and maintenance of cars and parts	100.00	100.00	-
	Wuhan Yu Hsin Auto Sale & Service Company	Sale and maintenance of cars and parts	100.00	100.00	-
	Hang Zhou Hua Zhi	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")	Sale and maintenance of cars and parts	100.00	100.00	-
Shang Hai Yuming	ChiaHsing YuTa Automobiles Sales & Service Limited ("ChiaHsing YuTa")	Sale and maintenance of cars and parts	100.00	100.00	-
Hang Zhou Qien Yu	Hang Zhou Hsiao Yu Business Co., Ltd. ("Hang Zhou Hsiao Yu")	Investments	90.00	90.00	The Group owned 99% of Hang Zhou Hsiao Yu in the two reporting periods.
Hang Zhou Tang Yu	Hang Zhou Hsiao Yu Business Co., Ltd. ("Hang Zhou Hsiao Yu")	Investments	9.00	9.00	The Group owned 99% of Hang Zhou Hsiao Yu in the two reporting periods.
Yulon Philippine	Univision Motor Philippines, Inc. (UMPI)	Car manufacturing	100.00	100.00	-
Y-Teks	Sia. Cruz Island Corporation (SCIC)	Plant lease	100.00	100.00	-
Yu-Hsin Int'l	Yu-Hsin Int'l Investment Co., Ltd. ("Yu-Hsin Int'l")	Investments	66.67	66.67	-
Yu-Hsin Int'l HK	Yu-Hsin Int'l (H.K.) Investment Co., Ltd. ("Yu-Hsin Int'l HK")	Investments	100.00	100.00	-
Yueki	Hangchow Y-Teks Automotive Trim Parts ("Hangchow Y-Teks")	Manufacturing and sale of car interior furnishing and related business	86.13	100.00	The Group owned 100% of Hangzhou Y-Teks in the two reporting periods.
	Changzhou Y-Teks Automotive Trim Parts ("Changzhou Y-Teks")	Manufacturing and sale of car interior furnishing and related business	51.00	51.00	-
	Uni Investment Co., Ltd. ("Uni Investment")	Investments	100.00	100.00	-
	Fuzhou Lianghong Motor Parts Co., Ltd. ("Fuzhou Lianghong")	Manufacturing of car seats and developing the related market	66.67	66.67	-
Yueki	Hangchow Liangrun Motor Parts Co., Ltd. ("Hangchow Liangrun")	Manufacturing of car seats and developing the related market	79.50	100.00	The Group owned 100% of Hangchow Liangrun in the two reporting periods.
	Yue Ki Industrial (Samoa) Co., Ltd. ("Yue Ki Samoa")	Investments	100.00	100.00	-
Yue Ki HK	Yue Ki Investment (HK) Co., Ltd. ("Yue Ki HK")	Investments	100.00	100.00	-
	Hangzhou Yuwan Auto Motive Parts Limited ("Hangzhou Yuwan")	Manufacturing of key car components, electric cars and related parts	55.89	65.49	The Group owned 100% of Hangzhou Yuwan in the two reporting periods.
Yue Sheng	Y-Teks Co., Ltd. ("Y-Teks")	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	11.99	11.99	The Group owned 45.99% of Y-Teks in the two reporting periods.
	Yueki Industrial Co., Ltd. ("Yueki")	Manufacturing and sale of car components	0.08	0.08	The Group acquired 15% of shares from non-controlling interests in the 2nd quarter of 2018. As a result, the Group ownership of Yueki increase to 65.58%.
Yu Chang Company	Tian Wang Co., Ltd.	Sale of secondhand cars and related products	100.00	100.00	-
	Luxgen Kaohsiung Co., Ltd. ("Luxgen Kaohsiung")	Sale, maintenance and repair of cars and related products	3.50	20.00	The Group owned 96.5% of Luxgen Kaohsiung in 4 th quarter of 2019 and owned 79.99% of Luxgen Kaohsiung in 4 th quarter of 2018.
Empower	Yu Chang China Investment Co., Ltd.	Investments	100.00	100.00	-
	Chunmin Enterprise Co., Ltd. ("Chunmin")	Comprehensive retail of car parts	100.00	100.00	-
Hong Yen	Luxgen Motor Taichung Co., Ltd. ("Luxgen Taichung")	Sale, maintenance and repair of cars and related products	1.10	20.00	The Group owned 98.9% of Luxgen Taichung in 4 th quarter of 2019 and owned 79.99% of Luxgen Taichung in 4 th quarter of 2018.
	Hong Yen Motor Ltd. ("Hong Yen")	Investments	100.00	100.00	-
	Yu Ming Insurance Co., Ltd.	Property insurance	100.00	100.00	-
	Shanghai Yuming	Sale and maintenance of cars and parts	49.00	49.00	The Group owned 100% of Shanghai Yuming in the two reporting periods.
Luxgen	Luxgen Taipei	Sale, maintenance and repair of cars and parts	99.99	99.99	The Group owned 99.99% of Luxgen Taipei in the two reporting periods.
	Luxgen Taoyuan	Sale, maintenance and repair of cars and parts	59.99	59.99	The Group owned 79.99% of Luxgen Taoyuan in the two reporting periods.
	Luxgen Taichung	Sale, maintenance and repair of cars and parts	97.80	59.99	The Group owned 98.9% of Luxgen Taichung in 4 th quarter of 2019 and owned 79.99% of Luxgen Taichung in 4 th quarter of 2018.
	Luxgen Tainan	Sale, maintenance and repair of cars and parts	94.20	79.99	-
	Luxgen Kaohsiung	Sale, maintenance and repair of cars and parts	93.00	59.99	The Group owned 96.5% of Luxgen Kaohsiung in 4 th quarter of 2019 and owned 79.99% of Luxgen Kaohsiung in 4 th quarter of 2018.
	Sin Gan	Wholesale and retail of information software	19.78	19.78	The Group owned 93.04% of Sin Gan in 4 th quarter of 2019 and owned 64.96% of Sin Gan in 4 th quarter of 2018.
	Luxgen Overseas Holdings Private Limited ("Luxgen Overseas Holdings")	Investments	100.00	100.00	-

(Continued)

Investor	Investee	Main Businesses	% of Ownership December 31		Remark
			2019	2018	
Haitec	SinYi Co., Ltd. ("SinYi")	Wholesale and retail of cars and parts	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Hua-Chung Overseas Investment Co., Ltd. ("Hua-Chung Overseas")	Investments	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Haitec China Investment Company ("Haitec China")	Investments	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Haitec Japan Company ("Haitec Japan")	Product design of cars	100.00	100.00	The Group acquiring control at December 31, 2019 and retrospect to December 31, 2018
	Hang Zhou Haitec Company ("Hang Zhou Haitec")	Product design of cars	96.77	96.77	The Group owned 100% of Hang Zhou Haitec in the two reporting periods.

(Concluded)

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31	
	2019	2018
YFC	54.25%	54.25%

See Table 9 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2019	2018	2019	2018
YFC (excluding its subsidiaries' non-controlling interests)	\$ 1,621,650	\$ 1,403,983	\$ 10,471,827	\$ 9,753,016

The summarized financial information below represents amounts before intragroup eliminations.

Yulon Finance Corporation and Yulon Finance Corporation's subsidiaries:

	December 31	
	2019	2018
Current assets	\$ 177,311,375	\$ 149,940,101
Non-current assets	23,148,179	20,874,697
Current liabilities	(175,967,279)	(148,112,122)
Non-current liabilities	(3,815,651)	(2,790,879)
Equity	<u>\$ 20,676,624</u>	<u>\$ 19,911,797</u>
Equity attributable to:		
Owners of Yulon Finance Corporation	\$ 9,626,782	\$ 9,533,594
Non-controlling interests of Yulon Finance Corporation	10,471,827	9,753,016
Non-controlling interests of Yulon Finance Corporation's subsidiaries	<u>578,015</u>	<u>625,187</u>
	<u>\$ 20,676,624</u>	<u>\$ 19,911,797</u>

	For the Year Ended December 31	
	2019	2018
Revenue	<u>\$ 28,164,620</u>	<u>\$ 23,125,057</u>
Net profit from continuing operations	\$ 3,061,223	\$ 2,782,621
Other comprehensive income (loss) for the year	<u>(402,398)</u>	<u>(142,202)</u>
Total comprehensive income for the year	<u>\$ 2,658,825</u>	<u>\$ 2,640,419</u>
Profit attributable to:		
Owners of YFC	\$ 1,340,278	\$ 1,277,756
Non-controlling interests of YFC	1,621,650	1,403,983
Non-controlling interests of YFC's subsidiaries	<u>99,295</u>	<u>100,882</u>
	<u>\$ 3,061,223</u>	<u>\$ 2,782,621</u>
Total comprehensive income attributable to:		
Owners of YFC	\$ 1,103,591	\$ 1,192,205
Non-controlling interests of YFC	1,466,426	1,349,788
Non-controlling interests of YFC's subsidiaries	<u>88,808</u>	<u>98,426</u>
	<u>\$ 2,658,825</u>	<u>\$ 2,640,419</u>
Net cash inflow (outflow) from:		
Operating activities	\$ (22,141,402)	\$ (28,666,804)
Investing activities	(970,812)	(253,927)
Financing activities	24,764,734	30,782,056
Net foreign exchange gains/(losses)	<u>(127,885)</u>	<u>(32,298)</u>
Net cash (outflow) inflow	<u>\$ 1,524,635</u>	<u>\$ 1,829,027</u>
Dividends paid to non-controlling interest:		
Non-controlling interests of YFC	\$ 856,912	\$ 879,019
Non-controlling interests of YFC's subsidiaries	<u>48,516</u>	<u>87,425</u>
	<u>\$ 905,428</u>	<u>\$ 966,444</u>

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2019	2018
Investment in associates	\$ 21,077,779	\$ 29,228,506
Investment in joint venture	<u>17,834</u>	<u>31,867</u>
	<u>\$ 21,095,613</u>	<u>\$ 29,260,373</u>

a. Investments in associates

	December 31	
	2019	2018
Material associates		
Yulon Nissan Motor Co., Ltd.	\$ 10,619,377	\$ 10,011,793
China Motor Company	<u>3,898,949</u>	<u>4,700,431</u>
	14,518,326	14,712,224
Non-material associates	<u>6,559,453</u>	<u>14,516,282</u>
	<u>\$ 21,077,779</u>	<u>\$ 29,228,506</u>

1) Material associates

Name	December 31	
	2019	2018
Yulon Nissan Motor Co., Ltd.	50.02%	50.02%
China Motor Company	8.87%	8.87%

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

The Group controlled over 50% of the shares of Yulon Nissan Motor Co., Ltd. ("Yulon Nissan"). However, an assessment of core technologies and the supply of major materials showed that the Group did not exercise control over Yulon Nissan. Thus, Yulon Nissan was not considered a Group subsidiary.

The investment in China Motor Company was accounted for by the equity method because despite the individual investment being less than 20%, the Group exercised significant influence on the investee's operating and financial policy decisions.

The Group and China Motor Company and Tai-Yuen Textile Company had cross-shareholdings was accounted by equity method, and their recognition of investment income was accounted by the treasury stock method. In May 2019, in order to eliminate cross-shareholdings, focus on the automotive industry, and reduce the management scale, YuenWen Investment Company, which holds the shares of Taiyuan Textile and Taiwin Company, was merged with Xiang Wei Company. The combined consideration was 11,555,039 thousand. The Group recognized disposal of the investment accounted for using the equity method of 3,150,981 thousand, please refer to Note 30. Other gains and losses.

Equity in the earnings of China Motor Company. on their holdings of the Company's shares was accounted for by the treasury stock method since May 2019.

Fair values of investments in associates, based on the Level 1 fair value measurement derived from published quoted prices, are summarized as follows:

Associate	December 31	
	2019	2018
Yulon Nissan Motor Co., Ltd.	\$ 43,064,350	\$ 34,286,425
China Motor Company	1,920,006	2,983,068

Share of profit or loss and other comprehensive income of material associates was calculated based on the financial statements which have been reviewed.

Summarized financial information in respect of each of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Yulon Nissan Motor Co., Ltd. and subsidiaries

	December 31	
	2019	2018
Current assets	\$ 14,997,108	\$ 8,364,080
Non-current assets	13,574,298	17,735,667
Current liabilities	(3,705,175)	(3,323,171)
Non-current liabilities	<u>(3,292,907)</u>	<u>(2,319,542)</u>
Equity	<u>\$ 21,573,324</u>	<u>\$ 20,457,034</u>
Proportion of the Group's ownership	50.02%	50.02%
Equity attributable to the Group	\$ 10,790,977	\$ 10,232,608
Unrealized gain or loss with associates	<u>(171,600)</u>	<u>(220,815)</u>
Carrying amount	<u>\$ 10,619,377</u>	<u>\$ 10,011,793</u>
For the Year Ended December 31		
	2019	2018
Revenue	<u>\$ 32,498,607</u>	<u>\$ 22,931,710</u>
Net income	\$ 7,281,897	\$ 4,356,305
Other comprehensive income	<u>(528,208)</u>	<u>(513,329)</u>
Total comprehensive income	<u>\$ 6,753,689</u>	<u>\$ 3,842,976</u>
Dividends received from Yulon Nissan Motor Co., Ltd.	<u>\$ 2,651,384</u>	<u>\$ 3,151,050</u>

China Motor Company and subsidiaries

	December 31	
	2019	2018
Current assets	\$ 17,362,074	\$ 25,022,561
Non-current assets	34,104,394	39,481,855
Current liabilities	(7,660,051)	(7,520,912)
Non-current liabilities	<u>(1,641,478)</u>	<u>(1,209,415)</u>
Equity	42,164,939	55,774,089
Non-controlling interest	<u>(3,422,878)</u>	<u>(3,613,814)</u>
	<u>\$ 38,742,061</u>	<u>\$ 52,160,275</u>
Proportion of the Group's ownership	8.87%	8.87%

(Continued)

	December 31	
	2019	2018
Equity attributable to the Group	\$ 3,436,421	\$ 4,626,616
Unrealized gain or loss in associates	(135)	(141)
Intersect shareholding (accounted for by the treasury stock method)	<u>462,663</u>	<u>73,956</u>
Carrying amount	<u>\$ 3,898,949</u>	<u>\$ 4,700,431</u> (Concluded)

	For the Year Ended December 31	
	2019	2018
Revenue	<u>\$ 32,067,972</u>	<u>\$ 34,869,514</u>
Net income	\$ (2,308,373)	\$ 3,892,042
Other comprehensive income	<u>(296,174)</u>	<u>(367,622)</u>
Total comprehensive income	<u>\$ (2,604,547)</u>	<u>\$ 3,524,420</u>
Dividends received from China Motor Company	<u>\$ 198,501</u>	<u>\$ 220,971</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2019	2018
The Group's share of:		
(Loss) profit for the year	\$ 2,280,034	\$ (342,447)
Other comprehensive income (loss)	<u>117,416</u>	<u>(168,946)</u>
Total comprehensive (loss) income for the year	<u>\$ 2,397,450</u>	<u>\$ (511,393)</u>

To enhance the Group's competitiveness and further promote specialization in manufacture and sales as well increase the integration of sales resources in the Philippine as required by Nissan Motors Company, the Group invested in Nissan Philippines, Inc., the joint venture among Nissan Motor Co., Ltd., the UMC Group and Yulon Philippine.

Though the Group's percentage of ownership in China Engine Co., Ltd. was less than 20%, the Group exercised significant influence over the invested company and accounted for the investment by using the equity method.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2019 and 2018 were based on the associates' financial statements audited by auditors for the same years.

b. Investment in joint ventures

	December 31	
	2019	2018
Joint ventures that are not individually material	<u>\$ 17,834</u>	<u>\$ 31,867</u>

For the Year Ended December 31

2019 2018

The Group's share of:

Loss for the year \$ (863) \$ (6,736)

Total comprehensive income (loss) for the year \$ (863) \$ (6,736)

The Group exercises joint control over Dong Yu (Hangzhou) Accessory Technology Co., Ltd. ("Dong Yu Tech. Company"), whose 75% investment in this entity and 50% of total number of directors were made through and composed of Yulon China Motor Investment, Dong Feng Yulon Sales Company and Singgual Travel. Dong Yu Tech. Company's main business is car furnishing, installation and sale of car parts.

Dongfeng Yulon Company, the associate of the Group, re-elected directors and amended the agreement of stockholders in July 2017. Therefore, the relationship between Dongfeng Yulon Company and the Group changed from associate to joint venture.

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2018 and 2017 were based on the associates' financial statements audited by auditors for the same years.

18. PROPERTY, PLANT AND EQUIPMENT

a. Assets used by the Group

	Freehold Land	Buildings	Equipment	Vehicles	Miscellaneous Equipment	Property on Lease	Construction in Progress	Total
Cost								
Balance at January 1, 2018	\$ 6,805,969	\$ 8,008,615	\$ 15,246,872	\$ 1,403,196	\$ 5,906,306	\$ 25,637,917	\$ 387,891	\$ 63,396,766
Effect of acquiring common control within entities merged	27,895	96,052	207,750	26,935	1,214,156	-	-	1,572,788
Additions	26,699	432,967	1,268,186	1,212,119	551,842	10,036,535	308,163	13,836,511
Disposals	-	-	(227,246)	(1,096,451)	(275,904)	(8,717,115)	-	(10,316,716)
Effect of foreign currency exchange differences	(611)	(46,868)	(36,027)	(9,558)	(79,363)	(40,867)	(1,906)	(215,200)
Reclassifications	(40,112)	(86,312)	143,156	84,574	328,674	(108,409)	(197,371)	124,200
Balance at December 31, 2018	<u>\$ 6,819,840</u>	<u>\$ 8,404,454</u>	<u>\$ 16,602,691</u>	<u>\$ 1,620,815</u>	<u>\$ 7,645,711</u>	<u>\$ 26,808,061</u>	<u>\$ 496,777</u>	<u>\$ 68,398,349</u>
Accumulated depreciation and impairment								
Balance at January 1, 2018	\$ -	\$ (3,835,982)	\$ (10,018,750)	\$ (525,673)	\$ (4,221,610)	\$ (9,030,606)	\$ -	\$ (27,632,621)
Effect of acquiring common control within entities merged	-	(71,122)	(176,753)	(25,120)	(835,073)	-	-	(1,108,068)
Disposals	-	-	207,123	261,605	215,024	4,657,473	-	5,341,225
Reclassifications	-	20,175	61,450	(30,219)	(87,531)	52,768	-	16,643
Impairment loss	-	-	(371,071)	(17,336)	-	640	-	(387,767)
Depreciation expense	-	(303,393)	(552,228)	(190,324)	(609,367)	(5,113,713)	-	(6,769,025)
Effect of foreign currency exchange differences	-	37,676	(4,479)	4,329	73,013	15,196	-	125,735
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ (4,152,646)</u>	<u>\$ (10,854,708)</u>	<u>\$ (522,738)</u>	<u>\$ (5,465,544)</u>	<u>\$ (9,418,242)</u>	<u>\$ -</u>	<u>\$ (30,413,878)</u>
Carrying amounts at December 31, 2018	<u>\$ 6,819,840</u>	<u>\$ 4,251,808</u>	<u>\$ 5,747,983</u>	<u>\$ 1,098,077</u>	<u>\$ 2,180,167</u>	<u>\$ 17,389,819</u>	<u>\$ 496,777</u>	<u>\$ 37,984,471</u>
Cost								
Balance at January 1, 2019	\$ 6,819,840	\$ 8,404,454	\$ 16,602,691	\$ 1,620,815	\$ 7,645,711	\$ 26,808,061	\$ 496,777	\$ 68,398,349
Effect of acquiring IFRS 16 within entities merged	-	-	-	-	-	(26,808,061)	-	(26,808,061)
Additions	-	65,189	1,254,106	1,378,879	695,755	-	556,881	3,950,810
Disposals	-	(9,665)	(730,166)	(1,027,431)	(358,855)	-	-	(2,326,117)
Effect of foreign currency exchange differences	543	(91,538)	(56,755)	(35,667)	(62,376)	-	(20,145)	(265,938)
Reclassifications	29,341	116,346	1,195,441	(102,630)	81,839	-	(345,031)	2,975,306
Balance at December 31, 2019	<u>\$ 6,849,724</u>	<u>\$ 8,484,786</u>	<u>\$ 20,265,319</u>	<u>\$ 1,833,966</u>	<u>\$ 7,802,074</u>	<u>\$ -</u>	<u>\$ 688,480</u>	<u>\$ 45,924,349</u>
Accumulated depreciation and impairment								
Balance at January 1, 2019	\$ -	\$ (4,152,646)	\$ (10,854,708)	\$ (522,738)	\$ (5,465,544)	\$ (9,418,241)	\$ -	\$ (30,413,878)
Effect of acquiring IFRS 16 within entities merged	-	-	-	-	-	(9,418,241)	-	(9,418,241)
Disposals	-	9,123	460,432	292,868	429,567	-	-	1,191,990
Reclassifications	-	1,278	(13,947)	(10,947)	8,793	-	-	(14,823)
Impairment loss	-	-	(6,225,237)	(14,830)	(44,166)	-	(53,019)	(6,337,252)
Depreciation expense	-	(278,586)	(497,915)	(254,466)	(642,215)	-	-	(1,673,182)
Effect of foreign currency exchange differences	-	21,344	56,655	5,984	47,473	-	-	131,456
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (4,399,487)</u>	<u>\$ (17,074,720)</u>	<u>\$ (504,129)</u>	<u>\$ (5,666,092)</u>	<u>\$ -</u>	<u>\$ (53,019)</u>	<u>\$ (27,697,447)</u>
Carrying amounts at December 31, 2019	<u>\$ 6,849,724</u>	<u>\$ 4,085,299</u>	<u>\$ 3,190,599</u>	<u>\$ 1,329,837</u>	<u>\$ 2,135,982</u>	<u>\$ -</u>	<u>\$ 635,461</u>	<u>\$ 18,226,902</u>

For the year ended December 31, 2019, there was impairment loss of \$6,337,252 thousand since an evaluation showed the recoverable amounts of vehicles were lower than the carrying amounts.

For the year ended December 31, 2018, the horizontal segments recognized reversal of impairment losses due to the sale of second-hand vehicles. However, the sales volume of the remaining car models declined; therefore, the recoverable amounts of some equipment pertaining to the brand segments were lower than the carrying amounts. As a result, there were impairment losses of \$387,767 thousand for 2018.

The Brand Segments tested for impairment of motor design and research and development outputs and mold of the model at the end of the financial reporting period, and calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group's future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Both of calculations are calculated using an annual discount rate of 8.23% at December 31, 2019.

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

Buildings	3-60 years
Equipment	2-20 years or unit-of-production method
Vehicles	4-5 years
Miscellaneous equipment	1-15 years
Leased assets	3 years or according to terms of lease

b. Assets leased under operating leases - 2019

	Leased Assets	Vehicles
<u>Cost</u>		
Balance at January 1, 2019	\$ 26,808,061	\$ -
Effect of acquiring IFRS 16 within entities merged	<u>(26,808,061)</u>	<u>26,808,061</u>
Balance at January 1, 2019 (after restatement)	-	26,808,061
Additions	-	10,183,820
Disposals	-	(9,085,585)
Reclassifications	-	(109,462)
Effect of foreign currency exchange differences	<u>-</u>	<u>(76,972)</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 27,719,862</u>
<u>Accumulated depreciation and impairment</u>		
Balance at January 1, 2019	\$ (9,418,242)	\$ -
Effect of acquiring IFRS 16 within entities merged	<u>9,418,242</u>	<u>(9,418,242)</u>
Balance at January 1, 2019 (after restatement)	-	(9,418,242)
Disposals	-	4,781,962
Recognized reversal of impairment losses	-	69,782
Reclassifications	-	47,863
Depreciation	-	(5,078,767)
Effect of foreign currency exchange differences	<u>-</u>	<u>31,812</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (9,565,590)</u>
Carrying amounts at December 31, 2019	<u>\$ -</u>	<u>\$ 18,154,272</u>

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

Vehicles 3 years or according to terms of lease

For the year ended December 31, 2019, the Group recognized reversal of impairment losses due to the sale of second-handed vehicles for \$69,782 thousand.

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

19. INVESTMENT PROPERTIES

	Freehold Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2018	\$ 8,562,297	\$ 4,282,383	\$ 12,844,680
Reclassifications to property, plant and equipment	102,545	125,060	227,605
Reclassifications to Property under construction	(2,666,588)	-	(2,666,588)
Additions	-	344,370	344,370
Effect of foreign currency exchange differences	-	(3,532)	(3,532)
Balance at December 31, 2018	<u>\$ 5,998,254</u>	<u>\$ 4,748,281</u>	<u>\$ 10,746,535</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2018	\$ -	\$ (921,273)	\$ (921,273)
Reclassifications to property, plant and equipment	-	(21,720)	(21,720)
Depreciation expense	-	(46,973)	(46,973)
Effect of foreign currency exchange differences	-	(119)	(119)
Balance at December 31, 2018	<u>\$ -</u>	<u>\$ (990,085)</u>	<u>\$ (990,085)</u>
Carrying amount at December 31, 2018	<u>\$ 5,998,254</u>	<u>\$ 3,758,196</u>	<u>\$ 9,756,450</u>
<u>Cost</u>			
Balance at January 1, 2019	\$ 5,998,254	\$ 4,748,281	\$ 10,746,535
Reclassifications to property, plant and equipment	(29,341)	102,251	72,910
Reclassifications to Property under construction	(1,222,389)	-	(1,222,389)
Additions	-	307,270	307,270
Effect of foreign currency exchange differences	-	(179)	(179)
Balance at December 31, 2019	<u>\$ 4,746,524</u>	<u>\$ 5,157,623</u>	<u>\$ 9,904,147</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ -	\$ (990,085)	\$ (990,085)
Reclassifications to property, plant and equipment	-	3,843	3,843

(Continued)

	Freehold Land	Buildings	Total
Recognized of impairment losses	\$ -	\$ (533,488)	\$ (533,488)
Depreciation expense	-	(55,935)	(55,935)
Effect of foreign currency exchange differences	-	(3,909)	(3,909)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ (1,579,574)</u>	<u>\$ (1,579,574)</u>
Carrying amount at December 31, 2019	<u>\$ 4,746,524</u>	<u>\$ 3,578,049</u>	<u>\$ 8,324,573</u> (Concluded)

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

The design of the commercial district of Yulon Town was modified in October 2019. The new design only consisted of malls. In addition, the declaration of the commencement of the district was temporarily stopped, and will be re-designed depending on the market situation. Therefore, the Group expected a portion of the individual asset had become no economic benefits and recognized impairment loss of commercial district (included in investment properties) \$340,856 in 2019.

The fair values of investment assets as of December 31, 2019 and 2018 based on the valuation by an independent professional appraiser were \$23,519,792 thousand and \$30,194,471 thousand

20. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
<u>Carrying amounts</u>	
Land	\$ 1,614,287
Buildings	1,893,932
Vehicles	32,894
Others	<u>88,145</u>
	<u>\$ 3,629,258</u>
	For the Year Ended December 31, 2019
Depreciation charge for right-of-use assets	
Land	\$ 277,759
Buildings	706,291
Vehicles	22,529
Others	<u>15,057</u>
	<u>\$ 1,021,636</u>

b. Lease liabilities - 2019

**December 31,
2019**

Carrying amounts

Current	<u>\$ 788,127</u>
Non-current	<u>\$ 1,951,982</u>

Range of discount rate for lease liabilities was as follows:

**December 31,
2019**

Land	0.9%-6.41%
Buildings	0.9%-6.64%
Vehicles	0.9%-5.24%
Others	0.9%-6.64%

c. Material lease-in activities and terms

The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

2019

**For the Year
Ended
December 31,
2019**

Expenses relating to short-term leases	<u>\$ 152,354</u>
Expenses relating to low-value asset leases	<u>\$ 16,793</u>
Total cash outflow for leases	<u>\$ (965,643)</u>

The Group leases certain vehicles and office equipment which qualify as short-term leases and certain vehicles and office equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

**December 31,
2018**

Not later than 1 year	\$ 855,560
Later than 1 year and not later than 5 years	2,100,317
Later than 5 years	<u>990,807</u>
	<u>\$ 3,946,684</u>

21. INTANGIBLE ASSETS

	Motor Design and Research and Development Outputs	Others (Including Software)	Total
<u>Cost</u>			
Balance at January 1, 2018	\$ 12,446,038	\$ 1,300,487	\$ 13,746,525
Additions	4,734,312	144,803	4,879,115
Reclassifications	-	197	197
Disposals	-	(4,324)	(4,324)
Effect of acquiring common control within entities merged	979,627	140,497	1,120,124
Effect of foreign currency exchange differences	-	(25,445)	(25,445)
Balance at December 31, 2018	<u>\$ 18,159,977</u>	<u>\$ 1,556,215</u>	<u>\$ 19,716,192</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2018	\$ (5,966,567)	\$ (900,001)	\$ (6,866,568)
Amortization expense	(379,834)	(114,215)	(494,049)
Impairment loss	(674,725)	(8,207)	(682,932)
Reclassifications	-	(240)	(240)
Disposals	-	1,361	1,361
Effect of acquiring common control within entities merged	-	(116,926)	(116,926)
Effect of foreign currency exchange differences	-	19,760	19,760
Balance at December 31, 2018	<u>\$ (7,021,126)</u>	<u>\$ (1,118,468)</u>	<u>\$ (8,139,594)</u>
Carrying amount at December 31, 2018	<u>\$ 11,138,851</u>	<u>\$ 437,747</u>	<u>\$ 11,576,598</u>
<u>Cost</u>			
Balance at January 1, 2019	\$ 18,159,977	\$ 1,556,215	\$ 19,716,192
Additions	1,980,115	154,761	2,134,876
Reclassifications	(317,391)	20	(317,371)
Disposals	-	(3,175)	(3,175)
Effect of foreign currency exchange differences	(7,997)	(80,571)	(88,568)
Balance at December 31, 2019	<u>\$ 19,814,704</u>	<u>\$ 1,627,250</u>	<u>\$ 21,441,954</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2019	\$ (7,021,126)	\$ (1,118,468)	\$ (8,139,594)
Amortization expense	(237,702)	(112,802)	(350,504)
Impairment loss	(6,246,802)	(4,507)	(6,251,309)
Reclassifications	-	-	-
Disposals	-	1,145	1,145
Effect of foreign currency exchange differences	-	67,959	67,959
Balance at December 31, 2019	<u>\$ (13,505,630)</u>	<u>\$ (1,166,673)</u>	<u>\$ (14,672,303)</u>
Carrying amount at December 31, 2019	<u>\$ 6,309,074</u>	<u>\$ 460,577</u>	<u>\$ 6,769,651</u>

Luxgen Motor Co., Ltd. ("Luxgen") terminated the technology licensing agreement of SUV model with Haitec in December 2010, and acquired vehicle model development cost of SUV model with Hang Zhou Dong Feng Yulon Motor Co., Ltd. (DFYL) from Haitec, simultaneously. In addition, the three parties amended the original agreement of acquisition in October 2011. According to the amended terms of agreement, remaining payments will be made in future years. In July 2015, the three parties made a supplementary agreement; according to this agreement, the total payments obligated by Luxgen and DFYL were \$1,441,286 thousand and \$6,405,714 thousand, respectively.

Luxgen ceased the technology licensing agreement of MPV model with Haitec in October 2011, and entrusted Haitec to design, research and develop MPV model with DFYL, simultaneously. In July 2015, the three parties made a supplementary agreement. According to this agreement, DFYL no longer possess the intellectual property rights and technology of MPV model, of which were transferred to Luxgen. Total payments obligated by Luxgen and DFYL were \$6,778,707 thousand and \$145,293 thousand, respectively.

Luxgen and DFYL entrusted Haitec to develop GPS (S5 Sedan) model in December 2012. In July 2015, the three parties made a supplementary agreement; according to this agreement, the total payments obligated by Luxgen and DFYL were \$612,861 thousand and \$4,044,139 thousand, respectively.

Luxgen and DFYL entrusted to Haitec the development of DFYL's GPK (U6 SUV) model. Based on the trust agreement, the total payment for this development project was \$2,855,000 thousand, which included payment amounting to \$280,553 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at \$415,403 thousand and by DFYL at \$2,439,597 thousand. On the completion of the GPK model, the models were transferred to Luxgen in 2013 and to DFYL in 2014, with the remaining payments to be made in future years. Furthermore, the GPK model was recognized as an intangible asset by Luxgen and DFYL.

Luxgen and DFYL entrusted Haitec to develop LCS (S3 Sedan) model; based on the trust agreement, the total payment for this development project was \$3,205,619 thousand, which included payment amounting to \$422,484 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at \$489,180 thousand and by DFYL at \$2,716,439 thousand.

Luxgen and DFYL entrusted Haitec to develop LCH model; based on the trust agreement, the total payment for this development project was \$1,123,898 thousand, which included payment amounting to \$151,484 thousand from a subcontract that DFYL entrusted to Hang Zhou Haitec. The rest of the payable on this agreement was to be borne by Luxgen at \$171,236 thousand and by DFYL at \$952,662 thousand.

The Company held the control over Haitec Co. included in the Group since December 31, 2019. (see Note 1) The Group had assessed the expected credit losses of account receivable to Dongfeng Yulon. (see Note 12)

The Brand Segments tested for impairment of motor design and research and development outputs and mold of the model at the end of the financial reporting period, and calculation of recoverable amount is based on the value in use and the net fair value. The calculation of the value in use is based on the cash flows of the Group's future product life cycle financial forecasts to reflect the specific risks of the relevant cash-generating unit. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Both of calculations are calculated using an annual discount rate of 8.23% at December 31, 2019.

For the year ended December 30, 2019 and 2018, the amounts of impairment loss on intangible assets were \$6,246,802 thousand and \$674,725 thousand, since the estimated future cash flows of the intangible assets were reduced and the recoverable amounts were lower than the carrying amounts.

Intangible assets are amortized on a straight-line basis over the following estimated useful lives of the asset:

Computer software	2-3 years
Motor design and research and development outputs	Units-of-production method
Others	1-10 years

22. PREPAYMENTS FOR LEASE OBLIGATIONS

	December 31	
	2019	2018
Current assets (included in other current assets)	\$ 648	\$ -
Non-current assets	<u>-</u>	<u>1,070,081</u>
	<u>\$ 648</u>	<u>\$ 1,070,081</u>

Prepaid lease payments include prepaid lease payments for properties and land located in Taiwan and land use rights in mainland China.

23. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
Secured borrowings (Note 36)		
Bank loans	\$ 9,227,430	\$ 12,320,984
Unsecured borrowings		
Line of credit borrowings	<u>68,894,841</u>	<u>68,481,191</u>
	<u>\$ 78,122,271</u>	<u>\$ 80,802,175</u>
Interest rate	0.8%-8.5%	0.72%-9.7%

b. Short-term bills payable

	December 31	
	2019	2018
Commercial paper	\$ 98,766,249	\$ 82,143,807
Less: Unamortized discount on bills payable	<u>282,948</u>	<u>191,579</u>
	<u>\$ 98,483,301</u>	<u>\$ 81,952,228</u>
Interest rate	0.72%-2.61%	0.698%-5.75%

c. Long-term borrowings

	December 31	
	2019	2018
Secured borrowings (Note 36)		
Bank loans	\$ 199,901	\$ 442,442
Unsecured borrowings		
Credit borrowings	3,284,199	3,080,000
Commercial paper (recurring)	2,845,740	2,149,105
Less: Current portion long-term borrowings	<u>3,549,488</u>	<u>1,592,897</u>
	<u>\$ 2,780,352</u>	<u>\$ 4,078,650</u>
Interest rates	1.01%-5.23%	0.92%-5.44%

24. BONDS PAYABLE

	December 31	
	2019	2018
<u>Convertible bonds</u>		
Unsecured domestic bonds	\$ 25,650,000	\$ 21,750,000
Less: Discounts on bonds payable	<u>9,553</u>	<u>6,329</u>
	25,640,447	21,743,671
Less: Current portion	<u>10,340,447</u>	<u>6,443,671</u>
	<u>\$ 15,300,000</u>	<u>\$ 15,300,000</u>

Unsecured domestic bonds

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

Yulon Finance Corporation issued three-year maturity unsecured corporate bonds on May 12, 2017, August 11, 2017 and January 8, 2018, with issuance amounts of \$2 billion, \$2.35 billion and \$2.1 billion and simple interest rates of 1.07%, 1.02% and 0.85% payable annually, respectively. The principal amounts of the bonds are repayable on the maturity date. And also issued five-year maturity unsecured corporate bonds on July 9, 2019 and August 14, 2019, with issuance amounts of \$2 billion and \$1.9 billion and simple interest rate of 0.90% payable annually. The principal amounts of the bonds are repayable in 2 equal installments in 2023-2024.

25. OTHER LIABILITIES

	December 31	
	2019	2018
<u>Current</u>		
Other payables		
Equipment payables	\$ 2,489,902	\$ 1,617,843
Accrued expense payable	4,404,614	5,431,919
Dividends payable	224,088	116,376
Others	<u>2,886,557</u>	<u>1,674,478</u>
	<u>\$ 10,005,161</u>	<u>\$ 8,840,616</u>
Other liabilities		
Guarantee deposits received	\$ 10,869,711	\$ 9,921,707
Others	<u>2,092,737</u>	<u>2,854,489</u>
	<u>\$ 12,962,448</u>	<u>\$ 12,776,196</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits received	\$ 164,007	\$ 295,556
Credit balance of long-term investments at equity	-	2,024,080
Others	<u>240,233</u>	<u>192,299</u>
	<u>\$ 404,240</u>	<u>\$ 2,511,935</u>

26. PROVISIONS

	December 31	
	2019	2018
<u>Current</u>		
Financial guarantee provisions	\$ 221,556	\$ 281,887
Warranties	<u>1,938</u>	<u>1,873</u>
	<u>\$ 223,494</u>	<u>\$ 283,760</u>
<u>Non-current</u>		
Warranties	<u>\$ 724,016</u>	<u>\$ 873,808</u>

The customers of Yulon Finance Corporation and SCC signed car loan contracts with banks, with Yulon Finance Corporation and SCC acting as car loan agents and providing customers with account management services. Under the contracts, Yulon Finance Corporation and SCC are responsible for repaying any uncollectable loans arising from customer default. Yulon Finance Corporation and SCC have estimated their potential financial guarantee loss on any default on the basis of past experience.

Sin Jang and YES-Energy recognized provision cost based on the estimated amount of service costs during the terms of service warranties of the products.

The validity of warranties for Nissan and Luxgen cars provided by the Group are limited to 3 years of purchase or mileage of under 100,000 kilometers. Provisions have been estimated for possible maintenance costs.

27. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company and its subsidiaries of the Group are in accordance with the Labor Standards Law. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and subsidiaries contribute amounts equal to 7% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the pension fund investment policy and strategy.

The amounts included in the consolidated balance sheets on of the Group’s defined benefit plans were as follows:

	December 31	
	2019	2018
Present value of the defined benefit obligation	\$ 2,422,456	\$ 2,528,904
Fair value of plan assets	<u>(1,464,590)</u>	<u>(1,554,462)</u>
Net defined benefit liability	<u>\$ 957,866</u>	<u>\$ 974,442</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2018	<u>\$ 2,785,339</u>	<u>\$ (1,419,858)</u>	<u>\$ 1,365,481</u>
Effect of acquiring common control within entities merged	60,239	(8,330)	51,909
Service cost			
Current service cost	35,452	-	35,452
Net interest expense (income)	<u>34,561</u>	<u>(17,887)</u>	<u>16,674</u>
Recognized in profit or loss	70,013	(17,887)	52,126

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (39,284)	\$ (39,284)
Actuarial loss - changes in demographic assumptions	28,576	-	28,576
Actuarial loss - changes in financial assumptions	30,506	-	30,506
Actuarial loss - experience adjustments	(75,759)	-	(75,759)
Recognized in other comprehensive income	(16,677)	(39,284)	(55,961)
Contributions from the employer	-	(383,788)	(383,788)
Benefits paid	(370,010)	314,685	(55,325)
Balance at December 31, 2018	<u>\$ 2,528,904</u>	<u>\$ (1,554,462)</u>	<u>\$ 974,442</u>
Balance at January 1, 2019	<u>\$ 2,528,904</u>	<u>\$ (1,554,462)</u>	<u>\$ 974,442</u>
Service cost			
Current service cost	31,218	-	31,218
Past service cost and loss (gain) on settlements	(670)	-	(670)
Net interest expense (income)	28,026	(17,400)	10,626
Recognized in profit or loss	58,574	(17,400)	41,174
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(56,494)	(56,494)
Actuarial loss - changes in demographic assumptions	(1,403)	-	(1,403)
Actuarial loss - changes in financial assumptions	96,344	-	96,344
Actuarial loss - experience adjustments	60,254	-	60,254
Recognized in other comprehensive income	155,195	(56,494)	98,701
Contributions from the employer	-	(72,617)	(72,617)
Benefits paid	(320,217)	236,383	(83,834)
Balance at December 31, 2019	<u>\$ 2,422,456</u>	<u>\$ (1,464,590)</u>	<u>\$ 957,866</u> (Concluded)

The Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. Based on relevant regulations, the return on plan assets should not be below the interest rate for a two-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. Thus, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used in the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.68%-1.25%	0.88%-1.25%
Expected rate(s) of salary increase	1.00%-3.00%	1.25%-3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2019
Discount rate(s)	
0.25% increase	<u>\$ (67,459)</u>
0.25% decrease	<u>\$ 72,385</u>
Expected rate(s) of salary increase	
0.25% increase	<u>\$ 72,069</u>
0.25% decrease	<u>\$ (67,589)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
The expected contributions to the plan for the next year	<u>\$ 168,306</u>	<u>\$ 83,122</u>
The average duration of the defined benefit obligation	9-17 years	8-14 years

28. EQUITY

a. Share capital

Common shares

	December 31	
	2019	2018
Number of shares authorized (in thousands)	<u>2,000,000</u>	<u>2,000,000</u>
Shares authorized	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
Number of shares issued and fully paid (in thousand)	<u>1,572,920</u>	<u>1,572,920</u>
Shares capital	\$ 15,729,199	\$ 15,729,199
Capital surplus	<u>4,508,131</u>	<u>4,508,131</u>
	<u>\$ 20,237,330</u>	<u>\$ 20,237,330</u>

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

b. Capital surplus

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

Note: Such capital surplus maybe used to offset a deficit, in addition, when the Company have no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The Company's Articles of Incorporation provide that appropriation for legal reserve should be made at 10% of annual net income, less any accumulated deficit. From the remainder of the net income, appropriation for special reserve will be made based on relevant laws and regulations, and then any remaining profit together with any undistributed retained earnings may be appropriated and distributed.

The Company's operating environment is in a mature industry. The Company shall consider profitability, future operating plans and funding needs, and industry condition, and long-term shareholders' rights and long-term financial planning in the distribution of earnings. Dividends may be paid in cash or stock; total dividends should not be lower than 10% of distributable net profit, and cash dividends should not be lower than 20% of total dividends. The distribution plan will be proposed by the Company's board of directors and approved in the stockholders' meeting.

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

For information on accrued employees' compensation and remuneration to directors and supervisors and the actual appropriations, please refer to Note 30-7.

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

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2019 and 2018 approved in the board of directors on June 21, 2019 and June 15, 2018, respectively, were as follows:

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

At the board of directors meeting on March 30, 2020, the Company planned to construct a proposal of reduction to offset deficit and resolved not to distribute dividends

The resolution of the year 2019 proposal of reduction to offset deficit will be made at the regular stockholders meeting on June 18, 2020.

d. Special reserve

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

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

If the special reserve appropriated on the first-time adoption of IFRSs relates to property, plant and equipment and investment property other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets. A proportionate share of the special reserve relating to exchange differences arising from the translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Group's disposal of foreign operations; on the Group's loss of significant influence, however, the entire special reserve will be reversed.

Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

e. Others equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ (919,398)	\$ (593,515)
Exchange differences arising on translating the financial statements of foreign operations	(69,275)	(48,297)
Share of exchange difference of subsidiaries, associates and jointly ventures accounted for using the equity method	<u>(267,007)</u>	<u>(277,586)</u>
Balance at December 31	<u>\$ (1,255,680)</u>	<u>\$ (919,398)</u>

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

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 1,466,521	\$ 1,755,559
Unrealized gain/(loss) - equity instruments	194,937	(208,949)
Share from associates accounted for using the equity method	90,460	(82,921)
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>(354,401)</u>	<u>2,832</u>
Balance at December 31	<u>\$ 1,397,517</u>	<u>\$ 1,466,521</u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 252	\$ (92)
Interest rate risk - interest rate swaps	<u>(256)</u>	<u>344</u>
Balance at December 31	<u>\$ (4)</u>	<u>\$ 252</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2019	2018
Balance at January 1	\$ 12,122,134	\$ 8,688,986
Attributable to non-controlling interests:		
Share of profit for the year	496,643	1,810,004
Exchange difference arising on translation of foreign entities	(173,284)	(112,099)
Unrealized gain/(loss) on financial assets at FVTOCI	2,238	(2,433)
Gain/(loss) on hedging instruments	(195)	299
Remeasurement on defined benefit plans	586	6,959
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	4,489	(34,232)
Partial disposal of subsidiaries	(297,681)	(241,251)
Preference shares issued by subsidiaries	-	2,356,594
		(Continued)

	For the Year Ended December 31	
	2019	2018
Non-controlling interest relating to differences between acquisition or disposal price and carrying value of subsidiaries	\$ 196,389	\$ 44,402
Retrospectively adjusted reorganization of common control	-	798,972
Cash dividends from subsidiaries	<u>(1,106,576)</u>	<u>(1,194,067)</u>
Balance at December 31	<u>\$ 11,244,743</u>	<u>\$ 12,122,134</u>

g. Common control of predecessor rights

Tai-Yuen Textiles Co., Ltd. and the Company are entities under common control on December 31, 2019, Tai-Yuen Textiles Co., Ltd. increased the capital of Haitec Co. Therefore, Tai-Yuen Textiles Co., Ltd. and the Company held the common control over Haitec Co. The Company, Haitec Co., Ltd., and Hon Hai Precision Ind. Co., Ltd. had signed a joint venture agreement. According to IFRS 10, concerning that the Company obtains the privilege of carrying out related-activities, the Company had the ability to direct the relevant activities of Haitec Co., Ltd., and had control since December 31, 2019. In compliance with “IFRS Q&A released in 2018” and “Interpretation No. 301” issued by the Accounting Research and Development Foundation released in 2012, from now on, the consolidated balance sheets, the consolidated statements of changes in equity statements and the consolidated statements of cash flows should be restated from December 31, 2018. The related equity adjustment recognized in common control of predecessor rights.

h. Treasury shares

Reasons for Redemption	Number of Shares, Beginning of Year	Addition During the Year	Reduction During the Year	Number of Shares, End of Year
For the year ended <u>December 31, 2019</u>				
Long-term investment of subsidiary transferred to treasury stock	<u>11,839</u>	<u>-</u>	<u>-</u>	<u>11,839</u>
For the year ended <u>December 31, 2018</u>				
Long-term investment of subsidiary transferred to treasury stock	<u>11,839</u>	<u>-</u>	<u>-</u>	<u>11,839</u>

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

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

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

29. REVENUE

a. Contract information

1) Revenue from the sale of goods

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

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

Horizontal Segments property on lease includes property, plant and equipment held for rental to others that are transferred to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue.

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

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

2) Rental income

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

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding on the leases.

3) Investment income

For security transactions by Yung Hong Investment Company, the difference between the carrying amount of security and the actual selling price is recognized in profit or loss when these Group entities transfer substantially all the risks and rewards of security ownership to another party.

4) Revenue from the rendering of services

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

5) Interest revenue from acquired accounts receivable

Interest revenues from the accounts receivable of YFC and Yustar and Yu Rich collectively during the years ended December 31, 2019 and 2018 were \$5,974,987 thousand and \$4,674,494 thousand, respectively. As of December 31, 2019 and 2018, the uncollected accounts receivable of YFC and Yustar and Yu Rich collectively were \$90,946,522 thousand and \$75,117,558 thousand, respectively, and recognized as accounts receivable.

6) Agency revenue (included in other operating revenue)

Agency revenues of YFC and Yustar recognized for the years ended December 31, 2019 and 2018 were \$458,322 thousand and \$549,747 thousand, respectively. In the event that payments were not made on due dates, the Company and Yustar reimburse the bank for the loan and assumes all collection rights against the debtor. As of December 31, 2019 and 2018, the managerial service account balances of the loans provided by the Company and Yustar collectively were \$5,904,738 thousand and \$7,474,583 thousand, respectively. The reimbursements from the Company and Yustar to banks as of December 31, 2019 and 2018 were \$750,778 thousand and \$1,102,451 thousand, respectively. The reimbursements to banks were listed as accounts receivable before recognition of interest revenue from acquired accounts receivable using effective interest method.

The amounts of financial guarantee contracts listed above were the maximum total managerial service loans provided by the Group that require full payment by the Group in the event of debtor's default. The Group had estimated the potential financial guarantee loss on any default on the basis of past experience (see Note 26).

b. Disaggregation of revenue

Refer to Note 40 for details of revenue information.

30. NET PROFIT AND OTHER COMPREHENSIVE INCOME

a. Other operating revenue

	For the Year Ended December 31	
	2019	2018
Rental revenue	\$ 133,706	\$ 130,969
Commission revenue	263,619	270,865
Subsidy revenue	241,863	64,467
Others	<u>619,301</u>	<u>724,164</u>
	<u>\$ 1,258,489</u>	<u>\$ 1,190,465</u>

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
Gains (losses) on disposal of property, plant and equipment, investment property and intangible assets	\$ (26,171)	\$ (29,777)
Gain on disposal of associates	3,150,981	-
Net foreign exchange loss	(184,527)	(180,043)
Net gain (loss) on financial assets mandatorily as at FVTPL	42,819	(20,339)
Impairment loss	(2,278,134)	-
Others	<u>(438,193)</u>	<u>(92,262)</u>
	<u>\$ 266,775</u>	<u>\$ (322,421)</u>

c. Finance costs

	For the Year Ended December 31	
	2019	2018
Interest on bank overdrafts and loans	\$ 3,830,126	\$ 2,554,743
Interest on corporate bonds	263,960	174,629
Other interest expense	<u>165,712</u>	<u>57,962</u>
	4,259,798	2,787,334
Less: Interest accounted for as operating cost	<u>3,137,134</u>	<u>2,274,169</u>
	<u>\$ 1,122,664</u>	<u>\$ 513,165</u>

d. Interest revenue

	For the Year Ended December 31	
	2019	2018
Interest revenue from acquired accounts receivable	\$ 5,974,987	\$ 4,674,494
Interest revenue from installment sales	2,022,352	1,578,401
Interest revenue from capital leases	3,666,443	3,079,580
Others	<u>3,169,815</u>	<u>2,114,731</u>
	14,833,597	11,447,206
Less: Interest revenue accounted for as operating revenue	<u>14,234,694</u>	<u>11,128,655</u>
	<u>\$ 598,903</u>	<u>\$ 318,551</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
An analysis of depreciation by function		
Operating costs	\$ 6,163,148	\$ 6,023,107
Operating expenses	<u>1,666,372</u>	<u>792,890</u>
	<u>\$ 7,829,520</u>	<u>\$ 6,815,997</u>
An analysis of amortization by function		
Operating costs	\$ 272,458	\$ 404,685
Operating expenses	<u>2,167,825</u>	<u>1,699,384</u>
	<u>\$ 2,440,283</u>	<u>\$ 2,104,069</u>

f. Employee benefit expense

	For the Year Ended December 31	
	2019	2018
Post-employment benefits		
Defined contribution plans	\$ 177,564	\$ 161,312
Defined benefit plans	<u>41,174</u>	<u>52,126</u>
	218,738	213,438
Other employee benefits	<u>10,035,400</u>	<u>8,341,359</u>
Equity-settled share-based payment transaction	<u>-</u>	<u>4,077</u>
	<u>\$ 10,254,138</u>	<u>\$ 8,558,874</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,462,816	\$ 3,147,860
Operating expenses	<u>6,791,322</u>	<u>5,411,014</u>
	<u>\$ 10,254,138</u>	<u>\$ 8,558,874</u>

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. It was resolved not to accrue employees' compensation and remuneration of directors and supervisors due to net loss before income tax. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2018 which have been approved by the Company's board of directors on March 25, 2019 were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	0.10%	0.10%
Remuneration of directors and supervisors	0.50%	0.50%

Amount

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

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

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

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Impairment losses on non-financial assets (reversal of impairment loss)

	For the Year Ended December 31	
	2019	2018
Property, plant and equipment (included in other operating cost, Note 18)	\$ 6,267,470	\$ 387,767
Inventories (included in operating cost, Note 15)	(98,383)	73,043
Inventories for construction business (included in other gains and losses, note)	779,745	
Other current asset (included in other gains and losses, Note 15)	964,901	
Investment properties (included in other gains and losses, Note 19)	533,488	-
Other intangible assets (included in other operating cost, Note 18)	4,507	8,207
Other asset (included in other operating cost)	1,207,878	
Motor designs and research and development outputs (included in other operating cost, Note 21)	<u>6,246,802</u>	<u>674,725</u>
	<u>\$ 15,906,408</u>	<u>\$ 1,143,742</u>

Note: As of the date December 31, 2019, the Group recognized impairment loss of 964,901 thousand from prepayment to Dongfeng Yulon

31. INCOME TAXES

a. Income tax recognized in profit or loss

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

	For the Year Ended December 31	
	2019	2018
Current tax		
In respect of the current year	\$ 1,252,180	\$ 1,221,085
Income tax on unappropriated earnings	70,030	159,753
Adjustments for prior years	<u>(10,392)</u>	<u>27,272</u>
	1,311,818	1,408,110
Deferred tax		
In respect of the current year	(215,489)	112,120
Effect of change in tax rate	<u>-</u>	<u>17,796</u>
Income tax expense recognized in profit or loss	<u>\$ 1,096,329</u>	<u>\$ 1,538,026</u>

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

	For the Year Ended December 31	
	2019	2018
Profit before tax from continuing operations	<u>\$ (23,437,148)</u>	<u>\$ 5,385,062</u>
Income tax expense calculated at the statutory rate	\$ (723,609)	\$ 767,168
Nondeductible expenses in determining taxable income	7,582	5,854
Tax-exempt income	(221,976)	(645,618)
Realized loss on investment	-	(738,461)
Income tax on unappropriated earnings	70,030	159,753
Effect of tax rate changes	-	17,796
Unrecognized deductible temporary differences	2,001,613	1,377,899
Adjustments for prior years' tax	(10,392)	27,272
Temporary difference - share of the profit of associates and joint ventures operating in other jurisdictions	<u>(26,919)</u>	<u>566,363</u>
Income tax expense recognized in profit or loss	<u>\$ 1,096,329</u>	<u>\$ 1,538,026</u>

The Income Tax Act in the ROC was amended in 2018 and the corporate income tax rate was adjusted from 17% to 20% effective in 2018. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

b. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2019

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Balance at the End of the Year
<u>Deferred tax assets</u>			
Temporary differences			
Share of loss of subsidiaries, associates and joint ventures	\$ 198,393	\$ (25,754)	\$ 172,639
Property, plant and equipment	184,633	42,865	227,498
Defined benefit obligation	322,694	(40,306)	282,388
Doubtful debts	490,113	307,250	797,363
Loss carryforward	143,335	(17,434)	125,901
Others	<u>211,862</u>	<u>37,352</u>	<u>249,214</u>
	<u>\$ 1,551,030</u>	<u>\$ 303,973</u>	<u>\$ 1,855,003</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Property, plant and equipment	\$ 959,179	\$ 74,343	\$ 1,033,522
Land value increment tax	2,509,919	-	2,509,919
Share of profit of subsidiaries, associates and joint ventures	484,975	4,325	489,300
Others	<u>47,814</u>	<u>(35,240)</u>	<u>12,574</u>
	<u>\$ 4,001,887</u>	<u>\$ 43,428</u>	<u>\$ 4,045,315</u>

For the year ended December 31, 2018

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Effect of Acquiring Common Control within Entities Merged	Balance at the End of the Year
<u>Deferred tax assets</u>				
Temporary differences				
Share of loss of subsidiaries, associates and joint ventures	\$ 172,673	\$ 25,720	\$ -	\$ 198,393
Property, plant and equipment	178,136	6,497	-	184,633
Defined benefit obligation	322,248	446	-	322,694
Doubtful debts	344,114	145,999	-	490,113
Loss carryforward	92,663	(1,217)	51,889	143,335
Others	<u>167,515</u>	<u>44,347</u>	<u>-</u>	<u>211,862</u>
	<u>\$ 1,277,349</u>	<u>\$ 221,792</u>	<u>\$ 51,889</u>	<u>\$ 1,551,030</u>

(Continued)

	Balance at the Beginning of the Year	Net Profit (Loss) and Other Comprehensive Income (Loss)	Effect of Acquiring Common Control within Entities Merged	Balance at the End of the Year
<u>Deferred tax liabilities</u>				
Temporary differences				
Property, plant and equipment	\$ 769,780	\$ 189,399	\$ -	\$ 959,179
Land value increment tax	2,509,919	-	-	2,509,919
Share of profit of subsidiaries, associates and joint ventures	318,489	166,486	-	484,975
Others	<u>49,858</u>	<u>(2,044)</u>	<u>-</u>	<u>47,814</u>
	<u>\$ 3,648,046</u>	<u>\$ 353,841</u>	<u>\$ -</u>	<u>\$ 4,001,887</u> (Concluded)

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

As of December 31, 2019 and 2018, deductible temporary differences with unrecognized deferred tax assets were \$3,253,359 thousand and \$790,515 thousand, respectively.

d. Income tax assessed

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

32. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2019	2018
Basic earnings per share	<u>\$ (16.61)</u>	<u>\$ 1.39</u>
Diluted earnings per share	<u>\$ (16.61)</u>	<u>\$ 1.39</u>

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

Net Profit for the Year

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

Shares

	For the Year Ended December 31	
	2019	2018
Net profit attributable to owners of the Company		
Weighted average number of ordinary shares in computation of basic earnings per share	1,506,567	1,462,765
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonus issue to employees	<u>-</u>	<u>350</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>1,506,567</u>	<u>1,463,115</u>

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

33. CAPITAL MANAGEMENT

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

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

According to externally imposed capital requirement of banks, part of the subsidiaries should keep the agreed equity during the borrowing period. As of December 31, 2019, the Company has met the requirements of banks.

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

34. FINANCIAL INSTRUMENTS

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

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

	December 31			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>				
Financial assets at amortized cost	\$ 15,708	\$ 16,250	\$ 22,139	\$ 22,301
<u>Financial liabilities</u>				
Corporate bonds	25,640,447	25,653,487	21,743,671	21,761,670

2) Fair value hierarchy

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

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

1) Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	\$ 22,942	\$ -	\$ -	\$ 22,942
Domestic unlisted shares	-	-	2,901	2,901
Derivative financial assets	-	232	-	232
Mutual funds	2,470,335	-	-	2,470,335
Others	-	-	628,620	628,620
	<u>\$ 2,493,277</u>	<u>\$ 232</u>	<u>\$ 631,521</u>	<u>\$ 3,125,030</u>
Financial assets at FVTOCI				
Domestic quoted shares	\$ 206,009	\$ -	\$ -	\$ 206,009
Domestic unlisted shares	-	-	402,492	402,492
Others	-	1,521	-	1,521
	<u>\$ 206,009</u>	<u>\$ 1,521</u>	<u>\$ 402,492</u>	<u>\$ 610,022</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 241	\$ -	\$ 241

December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic quoted shares	\$ 23,597	\$ -	\$ -	\$ 23,597
Domestic unlisted shares	-	-	4,069	4,069
Derivative financial assets	-	12,356	-	12,356
Mutual funds	631,359	-	316	631,675
Others	-	-	13,973	13,973
	<u>\$ 631,359</u>	<u>\$ 12,356</u>	<u>\$ 18,358</u>	<u>\$ 685,670</u>
Financial assets at FVTOCI				
Domestic quoted shares	\$ 179,694	\$ -	\$ -	\$ 179,694
Domestic unlisted shares	-	-	547,279	547,279
Others	-	1,904	-	1,904
	<u>\$ 179,694</u>	<u>\$ 1,904</u>	<u>\$ 547,279</u>	<u>\$ 728,877</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 81</u>

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

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

For the year ended December 31, 2019

	Financial Assets at Fair Value Through Profit or Loss	Available-for- sale Financial Assets Equity Instruments	Total
Balance at January 1, 2019	\$ 18,358	\$ 547,279	\$ 565,637
Recognized in profit or loss (included in other gains and losses)	6,308	-	6,308
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	250,278	250,278
Reclassification	-	-	-
Purchases	4,028,500	2,435	4,030,935
Disposals/settlements	(3,421,590)	(397,500)	(3,819,090)
Effects of exchange rate changes	<u>(55)</u>	<u>-</u>	<u>(55)</u>
Balance at December 31, 2019	<u>\$ 631,521</u>	<u>\$ 402,492</u>	<u>\$ 1,034,013</u>

For the year ended December 31, 2018

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments	Total
Balance at January 1, 2018	\$ 168,787	\$ 766,420	\$ 935,207
Recognized in profit or loss (included in other gains and losses)	(3,789)	-	(3,789)
Recognized in other comprehensive income (included in unrealized gain/(loss) on financial assets at FVTOCI)	-	(217,438)	(217,438)
Purchases	2,050,000	-	2,050,000
Disposals/settlements	(2,196,712)	(1,703)	(2,198,415)
Effects of exchange rate changes	72	-	72
Balance at December 31, 2018	<u>\$ 18,358</u>	<u>\$ 547,279</u>	<u>\$ 565,637</u>

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

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

The fair values of non-public stocks and funds are mainly determined by using the asset approach, and the market approach.

To determine the fair value for the funds, the Company utilizes the asset approach and takes into account the net asset value measured at the fair value by independent parties. On December 31, 2019, the Company uses unobservable inputs derived from discount for lack of marketability and lack of non-controlling interest.

For the remaining few investments, the market approach is used to arrive at their fair value, for which the recent financing activities of investees, the market transaction prices of the similar companies and market conditions are considered.

c. Categories of financial instruments

	December 31	
	2019	2018
<u>Financial assets</u>		
Fair value through profit or loss (FVTPL)		
Mandatorily at FVTPL	\$ 3,124,798	\$ 673,314
Derivative instruments in designated hedge accounting relationships	232	12,356
Financial assets at amortized cost (Note 1)	205,341,466	194,588,287
Fair value through other comprehensive income (FVTOCI)	610,022	728,877
<u>Financial liabilities</u>		
Derivative instruments in designated hedge accounting relationships	241	81
Amortized cost (Note 2)	245,065,450	223,398,577
Financial guaranteed contracts	221,556	281,887

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

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term loans and bills payables, notes payable, trade and other payables, corporate bond payables, long-term loans and other payables, guarantee deposits received and current portion of long-term borrowings.

d. Financial risk management objectives and policies

In order to develop a clear direction and system for the Group to analyze, execute and respond to financial risk, it is of great importance to clarify the definition and the purpose of financial risk management prior to the establishment of related critical issues and policies. Through the process of financial risk management, the Group manages the financial risks relevant to the daily operation, including market risk (foreign exchange rate risk, interest rate risk, other price risk), credit risk, and liquidity risk. The Group strives to identify, evaluate and decrease market uncertainty to mitigate influence of the market fluctuation towards its financial performance.

- 1) Financial risk management is defined by the Group as: To achieve various methods to control and handle risks by assessing direct and indirect potential risks affecting Group's financial status. By minimizing "cost of risk", the Group ensures operation security and continue as going concern.

- 2) The critical issues of financial risk management: The Group emphasizes precautions in advance as well as controls during the ongoing process. In the event, with precautions and controls in place, of inevitable loss or discrepancies with Group's operational goal, post-event measures are to be taken to deter or ease the unfavorable factors and retain the Group's ongoing development. The source of financial risk includes external and internal factors. The key points of management, control mechanisms, and management tools of precautions, controls during the ongoing process and post-event measures are as follows:

a) Precautions

Key points of management

- i. Business planning: The goal is for the Group to launch its business basing on key performance indicators that are clearly defined. The future operating guidelines and programs, from short term to long term, are also explicitly stated. In addition, goals and ways of achieving it for financial functions will also be specifically described within business planning.
- ii. Identification of risk and establishment of indicator: This is based on the previous phase of key points of management, to identify potential risks and its monitoring indicators.

Control mechanisms

- i. Business planning and adjustment: This is achieved by mid-term operating prospectus.
- ii. Macro-economic and study of laws and regulation: The Group invites external professional and scholars for workshops regarding current economic status and updates on laws and regulations nonscheduled.

Management tools

- i. Research reports on micro and macro-economics: This includes reports on foreign exchange rates, interest rates and economic growths around the world.
- ii. Operating prospectus: This is the Group's mid-term operating prospectus.
- iii. Articles of incorporation: Clearly states in the Group's article of incorporation the management measures and the standard of risk indicator.

b) Controls during the ongoing process

Key points of management

- i. Assessment and monitor of risk: Carry out instant or periodical monitoring towards defined critical risk indicator and related financial process.
- ii. Risk feedbacks: The information system automatically sends reports regarding financial operation and indicator statistics simultaneously or periodically to the management of the Group. Internal audit teams are assigned, according to yearly or quarterly audit plans, to conduct audits relating to financial risk management of the Group and its subsidiaries. Internal audit teams are also assigned to conduct audits regarding financial risk management indicators and execution results.

Control mechanisms

- i. Internal audit: Each financial sub-unit within the Group manages, controls and conducts independent internal audits after audit plans are proposed to the management.

- ii. Financial management system and procedures: The Group establishes financial management system and monitors daily operations and specifically designated risks.

Management tools

- i. BIS (Business Intelligent System) reports and alerts: The Group utilizes BIS to provide feedbacks for important operation related financial indicators monthly, at least.
- ii. Monthly reports on profits of the Group and its subsidiaries: Operating profit and loss reports are summarized monthly, particularly including analytical summaries and reviews of items not meeting standards set by the management.
- iii. Internal audit report: Internal audit reports are issued by the internal audit team including the execution and result of financial risk management.
- iv. Reports on capital financing and balance of endorsement: The Group issues a summary report of capital financing and balance of endorsement monthly for the prior month.
- v. ERP, DMS and SAP system verifications: Operating management systems from external parties assist in verification, and strengthens the Group's financial risk management.

c) Post-event measures

Key points of management

- i. Reasons and strategies for statistical deviations: Internal and external comprehension should be assembled, when abnormal outcomes arise for critical financial management indicators, to determine a corresponding strategy.
- ii. Execution and follow-ups on strategy: The Group keeps track of the execution of the corresponding strategy mentioned in the previous phase, determined for the statistics to improve.

Control mechanisms

- i. Analysis and feedbacks for unattainable indicators: The Group reviews the cause of unattainable financial management indicators in periodical reports and management meetings. In addition, improvement plans and schedules are also considered in management meetings.
- ii. Board and financial meetings: The Group summons board meetings and review of financial management meetings on a timely basis, to ensure that the related financial risk management matters be resolved promptly, if not simultaneously.

Management tools

- i. Reports on unfavorable factors and impacts: The Group lists the impacts of unattainable indicators and its actual status within its internal financial reports.
- ii. Board meeting reports: The execution of financial risk management is summarized in the board meeting reports.
- iii. Endorsement valuation report: Balance of endorsement is assessed and evaluated on a timely basis whether it conforms to local regulations and corporate rules.

- iv. Periodic review meetings according to corporate classifications: The Group holds comprehensive review meetings periodically for different corporate classifications, which is in accordance to their different industry attributes.

3) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to exchange rate risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates.

	USD Impact		RMB Impact		JPY Impact	
	For the Year Ended		For the Year Ended		For the Year Ended	
	December 31		December 31		December 31	
	2019	2018	2019	2018	2019	2018
Profit or loss	\$ (8,261)	\$ 8,339	\$ (82)	\$ 59	\$ 1,381	\$ 1,485

Hedge accounting

The Group entered into cross-currency swap contracts to mitigate the risk of changes in foreign currency exchange rates on cash flow exposure. Interest rate swaps are settled on a quarterly basis.

The following tables summarize the information relating to the hedges for foreign currency exchange rate risk.

For the year ended December 31, 2019: None

For the year ended December 31, 2018

Hedging Instruments	Currency	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
							Asset	Liability	
Cash flow hedge Cross-currency swap	NTD/USD	US\$ 15,000	2018.5.22- 2019.5.21	0.720%	LIBOR 3M Plus 0.45%	Financial assets for hedging	\$ 12,356	\$ -	\$ -

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Short-term borrowings	\$ -	\$ 431	\$ -

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2019	2018
Fair value interest rate risk		
Financial assets	\$ 159,564,911	\$ 127,905,711
Financial liabilities	124,123,748	103,695,899
Cash flow interest rate risk		
Financial assets	20,581,161	25,369,627
Financial liabilities	84,571,691	89,566,293

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2019 and 2018 would decrease by \$639,905 thousand and \$641,851 thousand, respectively.

Hedge accounting

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

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

December 31, 2019

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge								
Commercial paper payable-interest rate swaps	\$500 millions	2019.4.30-2022.4.29	0.715%	TAIBOR 3M	Financial assets for hedging	\$ 232	\$ -	\$ -
	\$500 millions	2019.5.24-2022.5.23	0.708%	TAIBOR 3M	Financial liabilities for hedging	-	(241)	-

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

December 31, 2018

Hedging Instruments	Notional Amount	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount		Change In Value Used for Calculating Hedge Ineffectiveness
						Asset	Liability	
Cash flow hedge								
Commercial paper payable-interest rate swaps	\$300 millions	2017.4.25-2019.4.25	0.745%	TAIBOR 3M	Financial liabilities for hedging	\$ -	\$ (76)	\$ -
	\$200 millions	2017.4.25-2019.4.25	0.740%	TAIBOR 3M	Financial liabilities for hedging	-	(5)	-
Short-term borrowings - cross-currency swaps	US\$15,000	2018.5.22-2019.5.21	0.720%	LIBOR 3M Plus 0.45%	Financial assets for hedging	12,356	-	-

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Hedge Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Amount of Fair Value Hedge Adjustments for Hedged Items That Have Ceased to Be Adjusted for Hedging Gains And Losses
	Asset	Liability	Asset	Liability		
Cash flow hedge						
Commercial paper payable	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Short-term borrowings	-	448,800	-	11,925	-	-

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

The Group assesses equity price risk using sensitivity analysis.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2019, financial assets at FVTPL and FVTOCI would have decreased by \$31,250 thousand and \$6,100 thousand, respectively.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% lower, as of December 31, 2018, financial assets at FVTPL and FVTOCI would have decreased by \$6,857 thousand and \$7,289 thousand, respectively.

4) Credit risk

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

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

It is the Group's policy that transactions only be dealt with credit worthy counter parties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms be renewed after careful reexamination to ensure credit risk of counter parties are within scope of the Group.

The clients of the Group are widely spread and the Group analyzes its numerous trade receivable clients' financial status continuously.

5) Liquidity risk

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

Liquidity and interest risk rate table

The following table shows the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed-upon repayment periods. The tables had been drawn up on the basis of undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2019

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,391,996	\$ -	\$ -
Variable interest rate liabilities	69,457,680	650,000	-
Fixed interest rate liabilities	115,449,592	21,734,199	1,700,000
Lease liabilities	301,066	2,086,556	512,124
Financial guarantee contracts	<u>5,904,738</u>	<u>-</u>	<u>-</u>
	<u>\$ 192,505,072</u>	<u>\$ 24,470,755</u>	<u>\$ 2,212,124</u>

December 31, 2018

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,549,125	\$ -	\$ -
Variable interest rate liabilities	74,209,121	2,429,462	-
Fixed interest rate liabilities	94,163,407	14,399,024	4,700,000
Financial guarantee contracts	<u>7,474,582</u>	<u>-</u>	<u>-</u>
	<u>\$ 177,396,235</u>	<u>\$ 16,828,486</u>	<u>\$ 4,700,000</u>

The amount of variable interest rate liabilities included above varies as to the different floating rates estimated at the balance sheet date.

As of Balance Sheets date, the amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. The Group has estimated the probabilities of default and recognized related provisions (see Note 26).

35. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Dongfeng Yulon Motor Co., Ltd.	Joint ventures
Dong Yu Tech. Co., Ltd.	Joint ventures
Cheng Long Co., Ltd.	Associates
Yuan Lon Co., Ltd.	Associates
Yu Tang Co., Ltd.	Associates
Yulon-Nissan Motor Co., Ltd.	Associates
Guangzhou He Xi Co., Ltd.	Associates
China Motor Co., Ltd.	Associates
Tokio Marine Newa Insurance Co., Ltd.	Associates
ROC-Spicer Co., Ltd.	Associates
Hong Kong Spicer Co., Ltd.	Associates
Fujian Spicer Co., Ltd.	Associates
Uni-calsonic Co., Ltd.	Associates
China Ogihara Co., Ltd.	Associates
China Engine Co., Ltd.	Associates
HuiZhou DongFeng Yi Jing Co., Ltd.	Associates
Hui-Lian Motor Co., Ltd.	Associates
Yulon Management Co., Ltd.	Associates
Ding Long Co., Ltd.	Associate's subsidiary
Tang Li Co., Ltd.	Associate's subsidiary

(Continued)

Related Party	Relationship with the Group
Yuan Zhi Co., Ltd.	Associate's subsidiary
Lian Cheng Co., Ltd.	Associate's subsidiary
Yuen-Jin Co., Ltd.	Associate's subsidiary
Kian Shen Co., Ltd.	Associate's subsidiary
Hua Ling Co., Ltd.	Associate's subsidiary
Advanced Power Machine Co., Ltd.	Associate's subsidiary
Dongguan HuaShun Co., Ltd.	Associate's subsidiary
Tianjin HuaHong Co., Ltd.	Associate's subsidiary
Guangzhou HuaYou Co., Ltd.	Associate's subsidiary
Yizhan Overseas Investment Co., Ltd	Associate's subsidiary
Tai-Yuen Textiles Co., Ltd.	Other related parties
Wen Shen Co., Ltd.	Other related parties
Lowin Industrial Co., Ltd.	Other related parties
Lin Wei Co., Ltd.	Other related parties
Yu Lai Co., Ltd.	Other related parties
Xiang Wei Co., Ltd.	Other related parties
Taiwin Company	Other related parties
Hui-Fong Motor Co., Ltd.	Other related parties
Snappy Machinery Co., Ltd.	Other related parties
Nissan Motor Co., Ltd.	Other related parties
Shug Ye Motor Co., Ltd.	Other related parties
Southeast Motor Co., Ltd.	Other related parties
Jin De Technology Co., Ltd.	Other related parties
Gunze Co., Ltd.	Other related parties
Taiway Co., Ltd.	Other related parties
ROC-Keeper Co., Ltd.	Other related parties
Carnival Industrial Co., Ltd.	Other related parties
Hua-Qun Software Creative Technology Co., Ltd.	Other related parties
Yuan Rui Auto Co., Ltd.	Other related parties
Green Convenient E-Vehicle Co., Ltd.	Other related parties
Dongguan HuaShun Co., Ltd.	Other related parties
Shengzhen Henchi Co., Ltd	Other related parties
Brilliant Insight International Consultancy Service Co., Ltd.	Other related parties
Zhejiang Kang Da Co., Ltd.	Other related parties
Tai Yuan Vietnam Co., Ltd.	Other related parties
Suzhou Huiting Co., Ltd.	Other related parties
North Hebei Tangshan Co., Ltd.	Other related parties
Dx Creative House Co., Ltd.	Other related parties
Haitec Co., Ltd.	Subsidiary (Note)
Hangzhou Haitec Co., Ltd.	Subsidiary (Note)
SinYi Co., Ltd.	Subsidiary (Note)

(Concluded)

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

b. Operating revenue

1) Sales of goods

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan Motor Co., Ltd.	\$ 12,928,433	\$ 12,619,983
Others	<u>13,474,824</u>	<u>12,734,032</u>
	26,403,257	25,354,015
Joint venture	154,952	215,944
Other related parties	<u>1,443,039</u>	<u>2,207,795</u>
	<u>\$ 28,001,248</u>	<u>\$ 27,777,754</u>

2) Other operating revenue

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan	\$ 603,023	\$ 807,439
Others	<u>242,042</u>	<u>450,040</u>
	845,065	1,257,479
Joint venture	31,109	67,418
Other related parties	<u>78,500</u>	<u>108,384</u>
	<u>\$ 954,674</u>	<u>\$ 1,433,281</u>

3) Installment sales interest subsidies revenue

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan	\$ 273,446	\$ 297,619
Others	<u>12,634</u>	<u>9,389</u>
	286,080	307,008
Other related parties	<u>1,065</u>	<u>729</u>
	<u>\$ 287,145</u>	<u>\$ 307,737</u>

c. Purchase of goods

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan	\$ 17,108,780	\$ 17,700,214
Others	<u>1,068,952</u>	<u>1,230,669</u>
	18,177,732	18,930,883
Joint venture		
Dong Feng Yulon	815,129	4,110,806
Other related parties	<u>10,064,832</u>	<u>8,959,115</u>
	<u>\$ 29,057,693</u>	<u>\$ 32,000,804</u>

d. Operating expenses

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates	\$ 421,169	\$ 560,931
Other related parties	<u>8,091</u>	<u>19,932</u>
	<u>\$ 429,260</u>	<u>\$ 580,863</u>

e. Acquisition of assets for lease

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates	\$ 218,811	\$ 119,327
Other related parties		
Hui-Fong Motor	480,714	364,533
Shug Ye Motor	241,396	299,565
Others	<u>3,289</u>	<u>1,609</u>
	<u>725,399</u>	<u>665,707</u>
	<u>\$ 944,210</u>	<u>\$ 785,034</u>

f. Acquisition of receivables

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan	\$ 2,000,392	\$ 1,953,041
Hui-Lian Motor	1,304,900	1,238,650
Others	<u>2,051,383</u>	<u>2,159,444</u>
	5,356,675	5,351,135
Other related parties	<u>409,430</u>	<u>348,009</u>
	<u>\$ 5,766,105</u>	<u>\$ 5,699,144</u>

g. Commissions paid

Related Party Categories	For the Year Ended December 31	
	2019	2018
Associates		
Yulon Nissan	\$ 103,599	\$ 115,837
Others	<u>25,882</u>	<u>19,054</u>
	129,481	134,891
Other related parties	<u>3,106</u>	<u>2,450</u>
	<u>\$ 132,587</u>	<u>\$ 137,341</u>

h. Receivable from related parties

1) Notes receivable and trade receivables

Related Party Categories	December 31	
	2019	2018
Associates	\$ 633,204	\$ 1,268,532
Joint venture (Note 1)	1,867,000	10,848,762
Other related parties	<u>124,265</u>	<u>162,895</u>
	<u>\$ 2,624,469</u>	<u>\$ 12,280,189</u>

2) Other financial assets

Related Party Categories	December 31	
	2019	2018
Associates	\$ 103,974	\$ 116,572
Joint venture		
Dong Feng Yulon (Note 2)	110,808	3,639,221
Others	<u>109,537</u>	<u>1,251</u>
	220,345	3,640,472
Other related parties	<u>40,503</u>	<u>50,256</u>
	<u>\$ 364,822</u>	<u>\$ 3,807,300</u>

Note 1: As of December 31, 2019, the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model. At the end of the period, the carrying amount of receivable which deducts allowance loss of 8,957,898 thousand is 1,867,000 thousand.

Note 2: As of December 31, 2019, the receivable from related parties of the Group - Dongfeng Yulon Motor Co., Ltd. was assessed according to the expected credit loss model. At the end of the period, the carrying amount of receivable which deducts allowance loss of 8,674,863 thousand is 110,808 thousand.

i. Prepayment (presented in other current assets)

Related Party Categories	December 31	
	2019	2018
Joint venture		
Dongfeng Yulon Motor Co., Ltd	\$ 67,735	\$ 3,379,293

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

j. Payable to related parties

1) Notes payable and trade payable

Related Party Categories	December 31	
	2019	2018
Associates	\$ 687,989	\$ 990,488
Joint venture		
Dong Feng Yulon	6,764,620	6,886,967
Other related parties	1,196,793	846,848
	<u>\$ 8,649,402</u>	<u>\$ 8,724,303</u>

2) Other payables

Related Party Categories	December 31	
	2019	2018
Associates	\$ 120,613	\$ 411,469
Joint venture	82,736	46,394
Other related parties	13,225	16,273
	<u>\$ 216,574</u>	<u>\$ 474,136</u>

k. Endorsement/guarantees provided

Information about endorsement/guarantee provided, see Table 2.

l. Compensation of key management personnel

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

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

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings or the tariff of imported raw materials guarantees:

	December 31	
	2019	2018
Notes and trade receivables	\$ 1,670,324	\$ 2,880,000
Property, plant and equipment	1,223,813	1,453,987
Vehicle certificates (classified as inventories)	607,024	985,537
Reserve account and pledged time deposits (classified as financial assets at amortized cost)	387,813	531,668
Others	<u>49,825</u>	<u>146,175</u>
	<u>\$ 3,938,799</u>	<u>\$ 5,997,367</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. The Company has a manufacturing contract with Yulon Nissan Motor Co., Ltd. (“Yulon Nissan”) with a five-year validity from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance within three months before contract expiry). The contract states that Yulon Nissan has authorized the Company to manufacture Nissan automobiles and parts, and Yulon Nissan is responsible for the subsequent development of new automobile parts. The volume of the Company’s manufacturing should be based on Yulon Nissan’s projection of car unit sales for the year. In addition, the Company manufactures other service parts for Yulon Nissan upon the latter’s request.

Yulon Nissan is responsible for developing new car models, refining designs, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

- b. Luxgen Motor Co., Ltd. (“Luxgen”) entrusted to the Company the assembly of cars, for which the obtaining of the manufacturing and selling license was assigned by Haitec Co., Ltd. (“Haitec”) to Luxgen. This car assembly is based on a five-year contract valid from May 1, 2015 to April 30, 2020. (The contract is automatically renewed unless either party issues a notice of discontinuance within three months before contract expiry.) The contract states that Luxgen authorizes the Company to manufacture Luxgen automobiles and parts. The volume of the Company’s manufacturing should be based on Luxgen’s projection of car unit sales for the year. In addition, the Company manufactures other service parts for Luxgen upon the latter’s request.

Luxgen is responsible for contracting out the manufacture of new-car model parts, refining designs, registering products, and providing the Company with sales projections. The Company is responsible for transforming the sales projections into manufacturing plans and making the related materials orders and purchases, providing product quality assurance, delivering cars, and providing warranty-related services.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 56,317	29.98 (USD:NTD)	\$ 1,688,378
USD	113	6.9762 (USD:RMB)	3,388
JPY	676,132	0.276 (JPY:NTD)	186,613
RMB	439,124	4.298 (RMB:NTD)	1,887,354
SGD	18	22.28 (SGD:NTD)	391
EUR	806	33.59 (EUR:NTD)	<u>27,097</u>
			<u>\$ 3,793,221</u>
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
USD	1,726	29.98 (USD:NTD)	\$ 51,743
RMB	346,433	4.298 (RMB:NTD)	1,488,798
RMB	256,292	0.143 (RMB:USD)	<u>1,101,413</u>
			<u>\$ 2,641,954</u>
<u>Financial liabilities</u>			
Monetary items			
USD	27,673	29.98 (USD:NTD)	\$ 829,637
JPY	1,176,415	0.276 (JPY:NTD)	324,691
RMB	2,834	4.298 (RMB:NTD)	12,179
EUR	722	33.59 (EUR:NTD)	<u>24,252</u>
			<u>\$ 1,190,759</u>

December 31, 2018

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 40,848	30.715 (USD:NTD)	\$ 1,254,640
USD	221	6.863 (USD:RMB)	6,788
JPY	110,517	0.278 (JPY:NTD)	30,724
RMB	1,866,343	4.475 (RMB:NTD)	8,351,887
EUR	298	35.200 (EUR:NTD)	<u>10,506</u>
			<u>\$ 9,654,545</u>
Non-monetary items			
Associates and joint ventures accounted for by the equity method			
RMB	287,537	4.475 (RMB:NTD)	\$ 1,286,728
RMB	270,575	0.146 (RMB:USD)	<u>1,210,905</u>
			<u>\$ 2,497,633</u>
<u>Financial liabilities</u>			
Monetary items			
USD	21,726	30.715 (USD:NTD)	\$ 667,314
USD	46,494	6.863 (USD:RMB)	1,428,063
JPY	644,587	0.278 (JPY:NTD)	179,195
RMB	4,006	4.475 (RMB:NTD)	17,927
EUR	4,455	35.200 (EUR:NTD)	<u>156,816</u>
			<u>\$ 2,449,315</u>

For the years ended December 31, 2019 and 2018, realized and unrealized foreign exchange gains (losses) were \$184,527 thousand and \$180,043, respectively. It is impractical to disclose net foreign exchange gains (losses) on each significant foreign currency there were many foreign currency transactions and the Group entities had different functional currencies.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluded investment in subsidiaries, associates and joint controlled entities). (Table 3)
- 4) Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital. (Table 4)

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (Table 6)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 7)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 8)
- 9) Information on investees. (Table 9)
- 10) Trading in derivative instruments. (Notes 7, 11 and 34)
- 11) Others: Intercompany relationships and significant intercompany transactions. (Table 11)

b. Information on investments in mainland China

There was no information on investments in mainland China should be disclosed excluding in Table 10.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were "brand segments", "supporting segments", "horizontal segments", "Taiwan retail segments", "China retail segments" and "others".

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Brand Segments	Supporting Segments	Horizontal Segments	Taiwan Retail Segments	China Retail Segments	Others	Adjustment and Eliminations	Total
For the year ended December 31, 2019								
Revenues from external customers	\$ 14,665,825	\$ 3,738,764	\$ 28,421,384	\$ 21,772,833	\$ 16,895,275	\$ 306,493	\$ -	\$ 85,800,574
Intersegment revenues	<u>20,868,147</u>	<u>1,970,863</u>	<u>1,017,614</u>	<u>2,266,749</u>	<u>2,813,324</u>	<u>2,285,173</u>	<u>(31,222,070)</u>	-
Segment revenues	<u>\$ 35,533,972</u>	<u>\$ 5,709,627</u>	<u>\$ 29,438,998</u>	<u>\$ 24,039,582</u>	<u>\$ 19,708,599</u>	<u>\$ 2,591,666</u>	<u>\$ (31,222,070)</u>	<u>\$ 85,800,574</u>
Segment income								<u>\$ (23,437,148)</u>
For the year ended December 31, 2018								
Revenues from external customers	\$ 16,511,703	\$ 4,017,885	\$ 24,941,815	\$ 22,971,388	\$ 19,191,320	\$ 481,590	\$ -	\$ 88,115,701
Intersegment revenues	<u>26,278,597</u>	<u>2,496,781</u>	<u>955,655</u>	<u>2,451,587</u>	<u>3,104,201</u>	<u>353,082</u>	<u>(35,639,903)</u>	-
Segment revenues	<u>\$ 42,790,300</u>	<u>\$ 6,514,666</u>	<u>\$ 25,897,470</u>	<u>\$ 25,422,975</u>	<u>\$ 22,295,521</u>	<u>\$ 834,672</u>	<u>\$ (35,639,903)</u>	<u>\$ 88,115,701</u>
Segment income								<u>\$ 5,385,062</u>

This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

The segment information on total assets and liabilities were not reported to the chief operating decision maker, therefore was not disclosed.

c. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Philippines.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2019	2018	2019	2018
Taiwan	\$ 58,999,096	\$ 57,711,576	\$ 51,142,791	\$ 57,889,423
China	26,495,960	30,183,443	7,598,030	9,242,604
Other	<u>305,518</u>	<u>220,682</u>	<u>255,865</u>	<u>218,338</u>
	<u>\$ 85,800,574</u>	<u>\$ 88,115,701</u>	<u>\$ 58,996,686</u>	<u>\$ 67,350,365</u>

d. Information about major customers

Single customers contributed 10% or more to the Group's revenue were as follows:

Customer	For the Year Ended December 31			
	2018		2017	
	Amount	% on Sales	Amount	% on Sales
Yulon Nissan Motor Co., Ltd.	<u>\$ 13,804,902</u>	<u>16</u>	<u>\$ 13,793,967</u>	<u>16</u>

41. SUBSEQUENT EVENTS AFTER REPORTING PERIOD

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

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

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

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

- b. At March 30, 2020, the board of directors resolved to conduct a reduction to eliminate accumulated losses. The capital of the Company will reduce to NT\$10 billion.

TABLE 1

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2019

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	The Company	Luxgen	Other receivables	Y	\$ 600,000	\$ -	\$ -	-	Operating capital	\$ -	Operating capital	\$ -	-	\$ -	\$ 4,583,641	\$ 13,750,922	Note
1	Yulon China (HK) Holding	Sheng Qing	Other receivables	Y	790,300	752,650	294,762	3.00%	Operating capital	-	Operating capital	-	-	-	752,650	752,650	Note
2	Yulon China	Sheng Qing	Other receivables	Y	2,528,960	2,107,420	1,899,876	3.00%	Operating capital	-	Operating capital	-	-	-	3,612,720	3,612,720	Note
3	Singual Travel	Singan	Other receivables	Y	50,000	40,000	-	1.07%	Operating capital	-	Operating capital	-	-	-	67,743	67,743	Note
4	Hsiang Shou	Singan	Other receivables	Y	85,000	56,458	35,000	1.07%	Operating capital	-	Operating capital	-	-	-	90,235	90,235	Note
5	Yulon Motor Investment	Ning Bo Yu Cheng	Accounts receivable - related parties	Y	13,814	12,965	-	-	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	4,605	4,322	4,322	5.75%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Zi Bo Yu An	Accounts receivable - related parties	Y	6,446	6,050	5,834	6.00%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Dong Tai	Accounts receivable - related parties	Y	13,814	12,965	11,669	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shi Cheng	Accounts receivable - related parties	Y	18,418	17,287	13,613	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Yi Ding	Accounts receivable - related parties	Y	27,628	25,930	22,775	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Mei De	Accounts receivable - related parties	Y	41,442	38,895	34,919	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Tai Feng	Accounts receivable - related parties	Y	55,255	51,860	47,539	5.60%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Shenzhen Yu Zhi	Accounts receivable - related parties	Y	62,162	58,343	57,479	6.4%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Wuhan Yu Hsin	Accounts receivable - related parties	Y	69,069	64,826	64,826	6.4%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	85,186	79,951	79,951	4.00%	Operating capital	-	Operating capital	-	-	-	5,056,312	15,168,936	Note
		Hang Zhou Hitec Company	Accounts receivable - related parties	Y	191,092	179,351	179,351	0.00%	Operating capital	-	Operating capital	-	-	-	2,022,525	2,022,525	Note
		Dongfeng Yulon	Accounts receivable - related parties	Y	481,701	453,779	453,779	6%-6.15%	Operating capital	-	Operating capital	453,779	-	-	2,022,525	2,022,525	Note
6	Sheng Qing	Jin Ce	Accounts receivable - related parties	Y	7,367	6,915	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Gao Te	Accounts receivable - related parties	Y	24,865	23,337	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ke Yu	Accounts receivable - related parties	Y	32,232	30,252	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Ifo Fei Chun Hui	Accounts receivable - related parties	Y	55,052	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Ling Tung	Accounts receivable - related parties	Y	55,255	51,860	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Ching Tsai Tung	Accounts receivable - related parties	Y	125,246	117,550	-	-	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		Jiangmen Yuli	Accounts receivable - related parties	Y	9,209	8,643	8,643	6.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Hang Zhou Hua You	Accounts receivable - related parties	Y	11,154	10,468	10,468	0.00%	Operating capital	-	Operating capital	-	-	-	1,081,663	1,081,663	Note
		Chang Sha Yu Lu	Accounts receivable - related parties	Y	18,418	17,287	12,879	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note
		An Hui Min Tung	Accounts receivable - related parties	Y	119,083	112,364	29,105	6.00%	Operating capital	-	Operating capital	-	-	-	2,704,158	8,112,473	Note

(Continued)

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

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
11	Huang Zhou Yu Zhong	Sheng Qing Dongfeng Yulon Yulon Motor Investment Jiang Zhou Hsiao Yu Jiang Zhou Hua You	Other receivables Other receivables Other receivables Other receivables	Y Y Y Y	\$ 20,721 7,828 15,873 18,418 18,879	\$ 19,448 7,347 14,953 17,287 17,719	\$ - 7,347 11,669 17,287 17,719	- 6.15% 0.00% 0.00% 0.00%	Operating capital Operating capital Operating capital Operating capital	\$ - 7,347 - - -	Operating capital Operating capital Operating capital Operating capital	\$ - 7,347 - - -	- - - -	- -	\$ 734,751 29,390 734,751 734,751 29,390	\$ 1,102,126 29,390 1,102,126 1,102,126 29,390	Note Note Note Note Note
12	Yustar	A3 S1 A2 A1 K1	Other receivables Other receivables Other receivables Other receivables Other receivables	Y Y Y Y Y	120,000 30,000 45,000 55,000 79,240	- 17,606 45,000 51,287 66,938	- 17,606 45,000 51,287 66,938	1.5%-19.99% 1.5%-19.99% 1.5%-19.99% 1.5%-19.99% 1.5%-19.99%	Operating capital Operating capital Operating capital Operating capital Operating capital	- - 66,000 - -	Operating capital Operating capital Operating capital Operating capital Operating capital	- 352 900 769 933	- - - -	- 9000 - 66000 33000	1,277,489 1,277,489 1,277,489 798,431 1,277,489	1,277,489 1,277,489 1,277,489 3,193,124 1,277,489	Note Note Note Note Note
13	Car-plus Corporation	Diamond Leasing	Other receivables	Y	700,000	-	-	1.00%	Operating capital	-	Operating capital	-	-	-	783,535	783,535	Note
14	Shanghai Yuning	Ka Shing Yu Da	Accounts receivable - related parties	Y	22,938	21,609	11,589	5.00%	Operating capital	-	Operating capital	-	-	-	50,458	50,458	Note
15	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	Accounts receivable - related parties	Y	96,340	90,756	38,895	6.00%	Operating capital	-	Operating capital	-	-	-	134,361	134,361	Note
16	Su Zhou Feng Shun	Su Zhou Cheng Li Su Zhou Chen Long Tai Chang Cheng Mau Su Zhou Cheng Hung Su Zhou Cheng Pin	Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties	Y Y Y Y Y	9,209 23,023 22,938 22,938 32,113	- - 21,609 21,609 30,252	- - - - 24,634	- - - - 4.35%	Operating capital Operating capital Operating capital Operating capital Operating capital	- - - - -	Operating capital Operating capital Operating capital Operating capital Operating capital	- - - - -	- - - - -	- - - - -	89,385 89,385 89,385 89,385 89,385	89,385 89,385 89,385 89,385 89,385	Note Note Note Note Note
17	Yu-I-Inn Intl HK	Hangchow Y-Teks	Other receivables	Y	189,672	180,636	180,636	2.9%-3%	Operating capital	-	Operating capital	-	-	-	228,854	228,854	Note
18	Suzhou Yuehun	Su Zhou Cheng Li Tai Chang Cheng Mau Su Zhou Feng Shun	Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties	Y Y Y	16,116 6,881 6,881	- 6,483 6,483	- - -	- - -	Operating capital Operating capital Operating capital	- - -	Operating capital Operating capital Operating capital	- - -	- - -	- - -	18,707 18,707 18,707	18,707 18,707 18,707	Note Note Note
19	Nan Jing Yu Hua	Nanjing Ianhong	Accounts receivable - related parties	Y	124,887	117,213	117,213	0.00%	Operating capital	-	Operating capital	-	-	-	176,427	352,855	Note
20	Xiao Gan Yu Feng	Wuhan Yu Hsin Chang Sha Yu Lu	Accounts receivable - related parties Accounts receivable - related parties	Y Y	92,092 20,644	21,609 19,448	- 10,804	- 6.53%	Operating capital Operating capital	- -	Operating capital Operating capital	- -	- -	- -	149,317 149,317	298,633 298,633	Note Note
21	Yui-Jie	Dongfeng Yulon	Other receivables	Y	230,231	216,085	216,085	6.15%	Operating capital	-	Operating capital	216,085	-	-	874,624	874,624	Note
22	Yu-I-Inn Intl	Yu-I-Inn Intl HK	Other receivables	Y	158,060	150,530	150,530	2.90%	Operating capital	-	Operating capital	-	-	-	344,477	516,716	Note
23	Su Zhou Chen Long	Tai Chang Cheng Mau Su Zhou Feng Shun Su Zhou Cheng Pin Su Zhou Cheng Guo	Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties Accounts receivable - related parties	Y Y Y Y	22,901 22,938 22,938 55,052	21,609 21,609 21,609 51,860	- - - -	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	Operating capital Operating capital Operating capital Operating capital	- - - -	- - - -	- - - -	126,958 126,958 126,958 126,958	126,958 126,958 126,958 126,958	Note Note Note Note
24	Su Zhou Cheng Pin	Su Zhou Cheng Guo	Accounts receivable - related parties	Y	26,707	-	-	-	Operating capital	-	Operating capital	-	-	-	77,779	77,779	Note
25	Su Zhou Cheng Pang	Su Zhou Cheng Hung	Accounts receivable - related parties	Y	18,418	12,965	-	-	Operating capital	-	Operating capital	-	-	-	24,244	24,244	Note

(Continued)

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

Note: The Company's Business transactions financing limit for each borrower were not exceeding the amount of transactions and aggregate financing limits were not exceeding 20% of the lender's net equity. While credit financing limit for each borrower was 10% of the lender's net equity and aggregate financing limits was 30% of the lender's net equity.

Yulon China (HK) Holding: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was \$25 million and aggregate financing limits was \$25 million.

Yulon China Investment Co., Ltd: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was \$120 million and aggregate financing limits was \$120 million.

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

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

Yulon Motor Investment: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

(Continued)

Sheng Qiang. Credit financing limit for each borrower and aggregate financing limits were 100% of the lender's net equity and 300% 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 Tu En: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 100% of the lender's net equity and aggregate financing limits was 200% of the lender's net equity.

Nanjing Hanhong: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

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

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

Hongzhou 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.

Yusiar: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity, Business transactions financing limit for each borrower were not exceeding 100% of the lender's net equity and aggregate financing limits were not exceeding 25% of the lender's net equity.

Cambridge Corporation, a stock maintaining firm for each borrower and aggregate maintaining firms were not exceeding 10% of the lender's net equity.

strategical planning. Given remaining time for each portfolio and aggregate remaining limits were not exceeding 40% of the lender's net equity.

Outgoing Finance Team Ltd. Credit financing limit for each borrower and aggregate financing limits were not exceeding 70% of one lender's net equity.

SU ZHOU FENG SHUI: CREDIT FINANCING LIMIT FOR EACH BORROWER AND AGGREGATE FINANCING LIMITS WERE NOT EXCEEDING 40% OF THE LENDER'S NET EQUITY.

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

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

Nan Jing Yu Hua: Credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

Xiao Gan Yu Feng. Credit financing limit for each borrower was 150% of the lender's net equity 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 were 300% of the lender's net equity.

Yu-Jie: Credit financing limit for each borrower and aggregate financing limits were 60% of the lender's net equity and aggregate financing limits were not exceeding 49% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 60% of the lender's net equity and aggregate financing limits were not exceeding 49% of the lender's net equity.

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

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

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

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

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

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

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

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

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

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

Gao Te: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 200% of the lender's net equity and aggregate financing limits was 400% of the lender's net equity.

Mei De. Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

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

Qing Tai: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

(Continued)

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

Tai Feng: Credit financing limit for each borrower and aggregate financing limits were not exceeding 40% of the lender's net equity. While the financing was provided to a foreign subsidiary which was directly or indirectly held by the Company, credit financing limit for each borrower was 150% of the lender's net equity and aggregate financing limits was 300% of the lender's net equity.

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

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

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

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

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

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

(Concluded)

TABLE 2

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guaranteee		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/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	The Company	Luxgen Kaohsiung Luxgen Taichung Luxgen Tainan Luxgen Taoyuan Sin Chi Luxgen Taipei Yulon Construction UNPI Yu Ching Yu Sing Luxgen LUXGEN (hangezhou) Motor Sales	b b b b b b b b b b b b	\$ 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922 13,750,922	\$ 164,250 165,000 200,000 208,000 500,000 600,000 790,300 1,000,000 1,440,000 11,350,000 9,483,600	\$ 164,250 165,000 200,000 208,000 500,000 600,000 752,650 1,000,000 1,440,000 11,350,000 9,031,800	\$ - - - 200,000 - - 82,613 70,000 390,000 6,930,000 5,228,559	\$ - - - - - - - - - - -	0.36 0.36 0.44 0.45 1.09 1.31 1.31 1.64 2.18 3.14 24.76 19.70	\$ 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305 34,377,305	Y Y Y Y Y Y Y Y Y Y Y	N N N N N N N N N N N	N N N N N N N N N N Y	Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1
1	Union & NKIH Auto Parts	Hangchow Liangrun	b	349,192	312,000	312,000	150,530	-	13.33	936,485	N	N	Y	Note 1
2	YTC	Yulon Finance Philippines Corporation Car-Plus Leasing (Shanghai) Car-Plus Go Co., Ltd. TAC Leasing (Surzhou) TAC Finance Company	b b b b b	43,944,070 43,944,070 43,944,070 43,944,070 43,944,070	2,416,000 320,000 320,000 6,255,048 10,000,000	2,340,000 - 320,000 5,844,600 10,000,000	1,270,460 - 248,845 5,844,600 6,244,608	- - - - -	13.31 - 1.82 33.25 56.89	87,888,140 87,888,140 87,888,140 87,888,140 87,888,140	N N N N N	N N N N N	Y Y Y Y Y	Note 1 Note 1 Note 1 Note 1 Note 1
3	Car-plus Corporation	Car-Plus Go Co., Ltd.	b	4,897,093	480,000	480,000	373,268	-	24.50	9,794,185	N	N	Y	Note 1
4	Sheng Qing	Tung Ling Kuo Tung Shanghai Yuming Xiao Gan Yu Feng Shen Jun Yu Peng Chang Sha Yu Lu Jiangmen Junxing Nan Jing Yu Hua Nanjing Hanzhong Qingdao Yuanhuang Wuhan Yu Hsin Guang Zhou Yuan Du Yu-Jie	b b b b b b b b b b b b	13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789 13,520,789	18,418 23,023 23,023 23,023 32,232 46,046 68,814 229,006 229,381 275,258 368,370 916,024	17,287 21,609 21,609 21,609 30,252 43,217 64,826 216,085 216,085 259,302 345,736 864,340	- - - - - - - 59,034 138,781 - - 104,692 -	- - - - - - - - - - - -	0.64 0.80 0.80 0.80 1.12 1.60 2.40 7.99 7.99 9.59 12.79 31.96	67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945 67,603,945	N N N N N N N N N N N N	N N N N N N N N N N N N	Y Y Y Y Y Y Y Y Y Y Y Y	Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1 Note 1
5	Nanjing Hanzhong	Sheng Qing Zhu Hai Fu Te En Nan Jing Yu Hua	c d b	458,548 458,548 458,548	46,046 216,085 114,503	- 216,085 86,434	- - -	- - -	- 94.25 37.70	583,430 583,430 583,430	N N N	N N N	Y Y Y	Note 1 Note 1 Note 1
6	Zhu Hai Fu Te En	Nanjing Hanzhong Nan Jing Yu Hua	d d	484,314 484,314	172,868 86,434	172,868 86,434	52,722 -	- -	71.39 35.69	726,471 726,471	N N	N N	Y Y	Note 1 Note 1

(Continued)

No.	Endorser/Guarantor	Endorsee/Guaranteee		Limits on Each Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Guaranteed/ During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
7	Su Zhou Feng Shen	Su Zhou Cheng Pin Wu Jiang Lian Cheng Su Zhou Feng Shun Su Zhou Cheng Pang Tai Chang Cheng Mau	b b b b b	\$ 564,166 564,166 80,305 564,166 564,166	\$ 55,255 46,046 75,370 138,139 155,979	\$ - 43,217 75,370 129,651 146,938	\$ - - 49,370 - -	\$ - - - - -	- 7.66 13.36 22.98 26.05	\$ 1,692,497 1,692,497 1,692,497 1,692,497 1,692,497	N N N N N	N N N N N	Y Y Y Y Y	Note 1 Note 1 Note 1 Note 1 Note 1
8	Wu Jiang Lian Cheng	Su Zhou Feng Shen Su Zhou Feng Shun	c c	443,355 443,355	46,046 241,466	43,217 226,630	- 112,339	- -	48.74 255.59	886,709 886,709	N N	N N	Y Y	Note 1 Note 1
9	Su Zhou Feng Shun	Su Zhou Cheng Li Su Zhou Feng Shen Wu Jiang Lian Cheng	b c b	1,117,315 46,046 1,117,315	27,628 46,046 161,162	25,930 43,217 151,260	7,633 - 58,078	- - -	11.60 19.34 67.69	2,234,631 2,234,631 2,234,631	N N N	N N N	Y Y Y	Note 1 Note 1 Note 1
10	Su Zhou Cheng Pang	Su Zhou Feng Shen	c	388,953	161,162	151,260	80,441	-	249.56	777,906	N	N	Y	Note 1
11	Xiao Gan Yu Feng	Sheng Qing	c	397,984	23,023	-	-	-	-	795,969	N	N	Y	Note 1
12	Jiangmen Junxing	Sheng Qing	c	315,173	46,046	-	-	-	-	630,346	N	N	Y	Note 1
13	Shenzhen Yu Zhi	Sheng Qing	c	183,505	23,023	-	-	-	-	367,010	N	N	Y	Note 1
14	Tai Chang Cheng Mau	Su Zhou Feng Shen	c	388,953	161,162	151,260	-	-	210.23	864,340	N	N	Y	Note 1
15	Su Zhou Cheng Guo	Su Zhou Chen Long	c	388,953	115,116	108,043	96,175	-	999.99	864,340	N	N	Y	Note 1
16	Y-Teks	Yu-Hsin Intl	b	331,446	122,960	-	-	-	-	488,728	N	N	N	Note 1
17	Yueki	Hangehow Yue Wan	b	401,766	122,960	-	-	-	-	351,417	N	N	Y	Note 1
18	Guang Zhou Yuan Zhi	Guang Zhou Yuan Du	c	345,736	366,410	345,736	104,692	-	999.99	648,255	N	N	Y	Note 1
19	Guang Zhou Yuan Du	Guang Zhou Yuan Zhi	b	671,806	137,629	129,651	20,652	-	38.60	1,679,514	N	N	Y	Note 1
20	Su Zhou Chen Long	Su Zhou Cheng Hung	b	1,586,973	82,577	77,791	23,921	-	24.51	3,173,946	N	N	Y	Note 1
21	Shanghai Yuning	Ka Shing Yu Da	b	129,651	45,876	43,217	-	-	124.50	216,085	N	N	Y	Note 1
22	Nan Jing Yu Hua	Nanjing Hianhong Zhu Hai Fu Te En	c d	558,092 558,092	172,868 216,085	172,868 216,085	52,722 -	- -	146.97 183.72	1,176,183 1,176,183	N N	N N	Y Y	Note 1 Note 1

Note 1: The Company: The aggregate endorsement/guarantee limit was calculated for 75% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 40% of the aggregate endorsement/guarantee amounts.
Union & NKH Auto Parts: The aggregate endorsement/guarantee limit was calculated for 40% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 35% of the aggregate endorsement/guarantee amounts.

FYC: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 50% of the aggregate endorsement/guarantee amounts.

Car-plus Corporation: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 250% of the endorser's/guarantor's net equity.

Sheng Qing: The aggregate endorsement/guarantee limit was calculated for 2,500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.
Nanjing Hianhong: The aggregate endorsement/guarantee limit was RMB135 million. The limits on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.

Zhu Hai Fu Te En: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 200% of the endorser's/guarantor's net equity.

Su Zhou Feng Shen: The aggregate endorsement/guarantee limit was calculated for 300% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 100% of the endorser's/guarantor's net equity.

(Continued)

- Wu Jiang Lian Cheng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
- Su Zhou Feng Shun: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
- Su Zhou Cheng Pang: The aggregate endorsement/guarantee limit was RMB180 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
- Xiao Gan Yu Feng: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
- Jiangmen Junxing: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 500% of the endorser's/guarantor's net equity.
- Shenzhen Yu Zhi: The aggregate endorsement/guarantee limit was RMB80 million. The limits on each endorsement/guarantee given on behalf of each party was RMB40 million.
- Tai Chang Cheng Mau: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
- Su Zhou Cheng Guo: The aggregate endorsement/guarantee limit was RMB200 million. The limits on each endorsement/guarantee given on behalf of each party was RMB90 million.
- Y-Teks: The aggregate endorsement/guarantee limit was calculated for 50% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party was calculated for 30% of the endorser's/guarantor's net equity
- Yueki: The aggregate endorsement/guarantee limit was calculated for 50% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 50% of the aggregate endorsement/guarantee amounts.
- Guang Zhou Yuan Zhi: The aggregate endorsement/guarantee limit was RMB150 million. The limits on each endorsement/guarantee given on behalf of each party was RMB80 million.
- Guang Zhou Yuan Du: The aggregate endorsement/guarantee limit was calculated for 500% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 200% of the aggregate endorsement/guarantee amounts.
- Su Zhou Chen Long: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
- Shanghai Yuming: The aggregate endorsement/guarantee limit was RMB50 million. The limits on each endorsement/guarantee given on behalf of each party was RMB30 million.
- Nanjing Hantong: The aggregate endorsement/guarantee limit was calculated for 1000% of the endorser's/guarantor's net equity. The limits on each endorsement/guarantee given on behalf of each party were not exceeding 500% of the aggregate endorsement/guarantee amounts.
- Note 2: The relationship between guarantor and guarantee are as follows:
- The company in relation to business.
 - Subsidiaries' common stocks which were directly owned by parent company over 50%.
 - Investees' common stocks which were both owned by parent company and subsidiary over 50%.
 - Investees' common stocks which were directly or indirectly held by the Company over 90%.
 - Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
 - Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
 - Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

(Concluded)

TABLE 3

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2019

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019			Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value
The Company	Structured finance products		Financial assets at fair value through profit or loss - current	135	\$ 13,514	-	\$ 13,514
	KGI Securities PGN-structured products		Financial assets at fair value through profit or loss - current	6,000	600,011	-	600,011
	KGI Securities PGN-structured products						
	Beneficiary certificates						
	Taishin Dragon Fund		Financial assets at fair value through profit or loss - current	918	10,176	-	10,176
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	1,478	20,080	-	20,080
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	33,775	502,492	-	502,492
	Prudential Financial Money Market		Financial assets at fair value through profit or loss - current	31,582	501,580	-	501,580
	Prudential Financial US Investment Grade Corporate Bond Fund		Financial assets at fair value through profit or loss - current	500	4,967	-	4,967
	FSITC Global Wealthy Nations Bond Fund		Financial assets at fair value through profit or loss - current	500	5,001	-	5,001
	Invesco 2023 target expires quality Emerging bond fund		Financial assets at fair value through profit or loss - current	100	30,640	-	30,640
	KGI Taiwan Multi-Asset Income Fund						
	THE RSIT Digital Fund		Financial assets at fair value through profit or loss - current	1,988	20,180	-	20,180
	Capital Conservative Allocation Fund of Funds		Financial assets at fair value through profit or loss - current	357	12,906	-	12,906
	CTBC H2O Global Income Privately Offered Fund		Financial assets at fair value through profit or loss - current	1,000	9,847	-	9,847
			Financial assets at fair value through profit or loss - current	30	8,993	-	8,993
	Amundi Funds - China Equity		Financial assets at fair value through profit or loss - current	1	2,169	-	2,169
	Common stocks						
	Shin Bus Company		Financial assets at fair value through other comprehensive income - non-current	154	485	0.32	485
	Taiwan Stock Exchange		Financial assets at fair value through other comprehensive income - non-current	7,284	359,093	1.00	359,093
Subsidiary	Yulon Finance Corporation, Preferred Shares A		Financial assets at fair value through other comprehensive income - non-current	36,604	1,976,616	36.60	1,976,616
	Photronics DNP Mask Company		Financial assets at fair value through other comprehensive income - non-current	856	29,482	0.33	29,482
	First Financial Holding Company		Financial assets at fair value through other comprehensive income - non-current	959	22,726	0.01	22,726
	Mison - Century Technology, Ltd		Financial assets at fair value through other comprehensive income - non-current	5,025	30,047	8.37	30,047
		Related party in substance					

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019			Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	
FYC	Bonds Government bonds		Financial assets at amortized cost - non-current	-	\$ 5,328	-	-
Yustar	Bonds Government bonds		Financial assets at amortized cost - non-current	-	10,380	-	-
H. K. Manpower	Beneficiary certificates Union Money Market Fund		Financial assets at fair value through profit or loss - current	235	3,110	-	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	254	3,050	-	-
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	206	3,061	-	-
	Capital Money Market Fund		Financial assets at fair value through profit or loss - current	129	2,084	-	-
Da Wei	Beneficiary certificates Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	172	2,566	-	-
Qinton	Beneficiary certificates Taishin 1699 Money Market		Financial assets at fair value through profit or loss - current	97	1,318	-	-
Yu Pong	Structured finance products CLN20191107001 EPI Structured Finance Products		Financial assets at fair value through profit or loss - current	150	15,096	-	-
China Cast Iron Pipe	Beneficiary certificate FSITC Money Market		Financial assets at fair value through profit or loss - current	152	27,202	-	-
	Taishin Ta-Chong Money Market		Financial assets at fair value through profit or loss - current	494	7,050	-	-
	FSITC US Top 100 Bond Fund N Inc TWD		Financial assets at fair value through profit or loss - current	1,000	10,050	-	-
	KGI Feng-Li Fund		Financial assets at fair value through profit or loss - current	800	10,873	-	-
	FSITC Taiwan Money Market		Financial assets at fair value through profit or loss - current	1,954	30,019	-	-
	Common stocks Yulon Motor Company	Parent company	Financial assets at fair value through other comprehensive income - current	-	2	-	-
Yue Sheng	Fubon Financial Company		Financial assets at fair value through other comprehensive income - current	2,419	112,230	-	-
	Beneficiary certificates Franklin Templeton Sinoam Money Market		Financial assets at fair value through profit or loss - current	153	1,593	-	-
	The RSIT Enhanced Money Market		Financial assets at fair value through profit or loss - current	42	507	-	-
	Nomura Asia Pacific High Yield Bond Fund Accumulate		Financial assets at fair value through profit or loss - current	222	2,950	-	-
	Common stocks YUE KI INDUSTRIAL CO., LTD.	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	10	100	0.08	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yung Hong	Beneficiary certificates FSITC Taiwan Money Market Cathay US Multi-Income Balanced Fund A Common stocks CARNIVAL Company Kian-shen Company Asia Plastic TAC Corporation Asia Plastic Yulon Finance Corporation, Preferred Shares A Orgchem Technology Company T-Car Inc. ADTO Company ROCKER ZONE Common stocks Yulon Motor Company Yulon Management	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through other comprehensive income - current Financial assets at fair value through other comprehensive income - current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through profit or loss - current Financial assets at fair value through other comprehensive income - current Financial assets at fair value through other comprehensive income - current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	3,258 2,000 202 81 2,267 6 1,880 8,001 291 1,275 1 330 11,838 1 1,627 43 250 43	\$ 50,051 20,234 2,016 4,545 13,898 631 11,523 432,068 4,853 30,826 10 6,683 231,442 9 16,886 1,690 2,483 781	-	-	-
Yu Ching	Beneficiary certificates Franklin Templeton Sinoam Money Market Common stocks Kai Xing Insurance Agency Luxgen Kaohsiung Common stocks Kai Xing Insurance Agency	Parent company Related party in substance The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current Financial assets at fair value through other comprehensive income - non-current	11,838 1 1,627 43 250 43	231,442 9 16,886 1,690 2,483 781	0.01 -	231,442 9 16,886 1,690 2,483 781	-
Chinh-Ling	Beneficiary certificates Franklin Templeton Sinoam Money Market	Parent company	Financial assets at fair value through other comprehensive income - non-current	11,838	231,442	0.01	231,442	-
Yu Chang	Common stocks Kai Xing Insurance Agency	Parent company	Financial assets at fair value through other comprehensive income - non-current	1	9	-	9	-
Yushin	Common stocks Kai Xing Insurance Agency	Parent company	Financial assets at fair value through other comprehensive income - non-current	43	781	6.96	781	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019			Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	
Empower	Common stocks Kai Xing Insurance Agency Luxgen Taichung	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	43	\$ 1,477	6.67	-
			Financial assets at fair value through other comprehensive income - non-current	120	1,200	1.13	-
Yu Sing	Common stocks Kai Xing Insurance Agency		Financial assets at fair value through other comprehensive income - non-current	43	842	6.97	-
Yulon Construction	Beneficiary certificates Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	20,175	300,159	-	-
Yulon China	Common stocks CARNIVAL Company RECTRON LTD. Yang Ming Marine Transport Corporation SHIN KONG SECURITY CO., LTD. Compal Electronics, INC. Yue Sheng Company	Related party in substance	Financial assets at fair value through profit or loss - current	118	844	-	-
			Financial assets at fair value through profit or loss - current	16	135	-	-
			Financial assets at fair value through profit or loss - current	6	40	-	-
			Financial assets at fair value through profit or loss - current	50	1,851	-	-
			Financial assets at fair value through profit or loss - current	14	265	-	-
			Financial assets at fair value through other comprehensive income - non-current	2	33	-	-
Yulon China	Common stocks YUNG JEN INDUSTRIAL CO., LTD.		Financial assets at fair value through profit or loss - non-current	75	2,249	-	-
Luxgen	Common stocks Yulon Finance Corporation, Preferred Shares A	The same ultimate parent company	Financial assets at fair value through other comprehensive income - non-current	8,000	432,000	8.00	-
Yu-Jie	Financial products Cash Management No. 1 Lidodo Public Structural Deposit		Financial assets at fair value through profit or loss - current	-	120,330	-	-
			Financial assets at fair value through profit or loss - current	-	644,625	-	-
Su Zhou Feng Shen	Common stocks Su Zhou Cheng Yi		Financial assets at fair value through other comprehensive income - non-current	275	2,435	-	-
Hang Zhou Hua Zhi	Financial products Structured Deposit		Financial assets at fair value through profit or loss - current	-	8,595	-	-
Hang Zhou Haitec Company	Financial products Pension Financial products Daily schedule Financial products Accumulated Earnings Financial products		Financial assets at fair value through profit or loss - current	-	12,678	-	-
			Financial assets at fair value through profit or loss - current	-	45,124	-	-
			Financial assets at fair value through profit or loss - current	-	17,190	-	-

(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, 2019

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Gain (Loss) on Disposal		Ending Balance	
					Shares/Units	Amount (Note)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount (Note)
The Company	Yuanta De-Bao Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	\$	62,232	\$ 750,000	-	\$ 750,402	\$ 750,000	\$ 402	-	\$ -
	Jih Sun Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	67,387	1,000,000	-	500,000	498,786	1,214	33,775	502,492
	Capital Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	61,912	1,000,000	-	1,001,380	1,000,000	1,380	-	-
	Prudential Financial Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	31,582	500,000	-	-	-	-	31,582	501,580
	FSITC Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	65,279	1,000,000	-	1,002,789	1,000,000	2,789	-	-
	Hua Nan Phoenix Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	76,887	1,250,000	-	1,251,849	1,250,000	1,849	-	-
	Union Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	113,415	1,500,000	-	1,501,652	1,500,000	1,652	-	-
	CTBC Hua-win Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	45,333	500,000	-	501,265	500,000	1,265	-	-
	Taishin 1699 Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	96,052	1,300,000	-	1,303,397	1,300,000	3,397	-	-
	Allianz Glib Investors Taiwan Money Mkt	Financial assets at fair value through profit or loss - current	-	-	-	-	39,902	500,000	-	501,919	500,000	1,919	-	-
	Nomura Taiwan Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	122,346	2,000,000	-	2,001,484	2,000,000	1,484	-	-
	Mega Diamond Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	39,839	500,000	-	501,526	500,000	1,526	-	-
	SinoPac TWD Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	21,515	300,000	-	300,147	300,000	147	-	-
	Franklin Templeton Sinoam Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	72,497	750,000	-	752,380	750,000	2,380	-	-
	KGI Victory Money Market	Financial assets at fair value through profit or loss - current	-	-	-	-	68,999	800,000	-	800,576	800,000	576	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	600,740	600,000	740	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	601,018	600,000	1,018	-	-
	ML Securities PGN-Commercial Paper-90 Days	Financial assets at fair value through profit or loss - current	-	-	-	-	5	500,000	-	500,829	500,000	829	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	600,541	600,000	541	-	-
	KGI Securities PGN-structured products	Financial assets at fair value through profit or loss - current	-	-	-	-	6	600,000	-	-	-	-	6	600,011
	Tai-Yuen Textiles Co., Ltd.	Investments accounted for using equity method	-	-	170,685	7,863,796	-	-	-	7,889,266	7,889,266	-	-	-
	YuenWen Investment Co., Ltd.	Investments accounted for using equity method	-	-	-	-	11,510	8,041,493	-	11,555,039	8,418,443	3,150,981	-	-

(Continued)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal			Ending Balance		
					Shares/Units	Amount (Note)	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units	Amount (Note)
YFC	Singan Co., Ltd.	Investments accounted for using equity method	-	-	-	\$ -	21,004	\$ 315,157	-	\$ -	-	\$ -	21,004	\$ 302,971
	TAC Global Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	54,537	2,480,687	45,496	1,402,170	-	-	-	-	100,033	3,965,579
	Yu Rich Financial Services Co., Ltd	Investments accounted for using equity method	-	-	52,876	740,192	42,766	660,661	-	-	-	-	113,376	1,673,889
Singan	Sinjiang Co., Ltd.	Investments accounted for using equity method	-	-	-	-	42,824	518,754	-	-	-	-	42,824	527,070
TAC Global	Yu Rong International Investment (Samoa) Co., Ltd.	Investments accounted for using equity method	-	-	42,000	1,936,185	45,496	1,402,170	-	-	-	-	87,496	3,529,265
Yu Rong International	TAC Leasing (Suzhou) Co., Ltd.	Investments accounted for using equity method	-	-	191,848	1,636,049	308,152	1,402,170	-	-	-	-	500,000	3,373,792

Note 1: Number of shares including stock dividends.

Note 2: The beginning balance and ending balance included adjustments of unrealized gains or loss on financial assets and investments accounted for using equity method.

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2019

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

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
						None						

TABLE 6

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
						None						

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
The Company	Yulon Nissan	An investee accounted for by equity method	Sales	\$ (25,798,395)	88	Within 45 days	-	3 days to 45 days	\$ 232,838	71
	Luxgen	The Company's subsidiary	Sales	(3,187,064)	11	Within 10 days	-	3 days to 10 days	90,422	28
	Dongfeng Yulon	An investee accounted for by equity method	Sales	(137,805)	-	Within 60 days	-	3 days to 60 days	-	-
	Yulon Loo	An investee accounted for by equity method	Sales	(3,363,645)	8	Receipt of payment on the day	-	-	6,068	-
	Hui-Lian	An investee accounted for by equity method	Sales	(3,147,838)	8	Receipt of payment on the day	-	-	18,682	-
	Yu Sing	The same ultimate parent company	Sales	(3,126,785)	7	Receipt of payment on the day	-	-	9,342	-
	Luxgen Taipei	The same ultimate parent company	Sales	(967,192)	2	Receipt of payment on the day	-	-	30,005	-
	Yu Chang	The same ultimate parent company	Sales	(4,270,278)	10	Receipt of payment on the day	-	-	20,922	-
	Yushin	The same ultimate parent company	Sales	(2,454,731)	6	Receipt of payment on the day	-	-	8,400	-
	Yu Tang	An investee accounted for by equity method	Sales	(2,157,190)	5	Receipt of payment on the day	-	-	8,867	-
	Luxgen Taoyuan	The same ultimate parent company	Sales	(563,891)	1	Receipt of payment on the day	-	-	6,248	-
	Empower	The same ultimate parent company	Sales	(3,237,208)	8	Receipt of payment on the day	-	-	84,567	-
	Cheng Long	An investee accounted for by equity method	Sales	(2,556,944)	8	Receipt of payment on the day	-	-	7,740	-
	Luxgen Taichung	The same ultimate parent company	Sales	(614,778)	1	Receipt of payment on the day	-	-	51	-
Sin Jiang	Luxgen Kaohsiung	The same ultimate parent company	Sales	(426,222)	1	Receipt of payment on the day	-	-	70	-
	Luxgen Tainan	The same ultimate parent company	Sales	(361,438)	1	Receipt of payment on the day	-	-	91	-
	Ding Long	An investee accounted for by equity method	Sales	(1,134,713)	3	Receipt of payment on the day	-	-	381	-
	Lian Cheng	An investee accounted for by equity method	Sales	(460,676)	1	Receipt of payment on the day	-	-	546	-
	Yuan Zhi	An investee accounted for by equity method	Sales	(451,971)	1	Receipt of payment on the day	-	-	2,051	-
	YFC	The same ultimate parent company	Sales	(10,616,227)	97	Receipt of payment on the day	-	-	-	-
	The Company	The parent company	Sales	(850,551)	45	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	144,811	36
	China Motor	An investee accounted for by equity method	Sales	(694,412)	37	60 days	Because the standard and characteristic of products are different, there is no base to compare.	Same as general customer	152,354	38
	Southeast Bus	A related party in substance	Sales	(196,744)	13	45 days	-	-	74,577	25
	The Company	The parent company	Sales	(455,765)	50	45 days	Bargaining	45 days	63,027	18
	China Motor	An investee accounted for by equity method	Sales	(162,094)	18	45 days	Bargaining	45 days	38,185	11
	Kian-shen	A related party in substance	Sales	(161,919)	18	45 days	Bargaining	45 days	61,728	18
	The Company	The parent company	Sales	(213,979)	69	45 days	-	-	28,934	40
	The Company	The parent company	Sales	(178,174)	46	At sight or a month	Bargaining	At sight or a month	22,825	34
Fuzhou Lianghong	Hui-Fong	A related party in substance	Sales	(145,903)	4	At sight	-	At sight	8,565	6
	Luxgen Taipei	The same ultimate parent company	Sales	(312,970)	8	At sight	-	At sight	65,987	47
	Luxgen Taoyuan	The same ultimate parent company	Sales	(209,839)	5	At sight	-	At sight	2,776	2
	Luxgen Taichung	The same ultimate parent company	Sales	(187,746)	5	At sight	-	At sight	7,546	5
	Luxgen Tainan	The same ultimate parent company	Sales	(124,505)	3	At sight	-	At sight	5,309	4
	Luxgen Kaohsiung	The same ultimate parent company	Sales	(130,232)	3	At sight	-	At sight	5,644	4
	YFC	The same ultimate parent company	Sales	(2,930,594)	73	Within 3 days	-	Within 3 days	12,626	9
	The Company	The parent company	Sales	(158,977)	33	At sight or a month	Bargaining	At sight or a month	18,739	26
	Yu Sing	The same ultimate parent company	Sales	(154,730)	92	At sight or a month	Bargaining	At sight or a month	17,267	97
	Yu Chang	The same ultimate parent company	Sales	(104,359)	74	At sight or a month	Bargaining	At sight or a month	11,068	99
	Singual Travel									
	Kuen You Trading									
	Tian Wang									

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/(Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total
LUXGEN (hangzhou) Motor Sales	Chuang Jie	The same ultimate parent company	Sales	\$ (420,612)	43	Sales revenue received in advance	-	Sales revenue received in advance	\$ -	-
The Company	Union & NK11 Auto Parts	The Company's subsidiary	Purchase	850,551	4	60 days	Because the standard and characteristic of products are different, there is no base to compare.	-	(144,811)	5
	Yueki	The Company's subsidiary	Purchase	455,765	2	45 days	Bargaining	45 days	(63,027)	2
	Nissan Motor Co., Ltd.	A related party in substance	Purchase	9,568,707	43	12 days after bill of lading	Bargaining	12 days after bill of lading	(1,048,104)	37
	Y-Teks	The Company's subsidiary	Purchase	213,979	1	45 days	Bargaining	-	(28,934)	1
	Yue Sheng	The Company's subsidiary	Purchase	178,174	1	At sight or a month	Bargaining	At sight or a month	(22,825)	1
	Dongfeng Yulon	An investee accounted for by equity method	Purchase	343,712	2	60 days after monthly closing	Bargaining	60 days after monthly closing	(47,957)	2
	Singual Travel	The Company's subsidiary	Purchase	158,977	1	At sight or a month	Bargaining	At sight or a month	(18,739)	1
	Uni-ealsonic	An investee accounted for by equity method	Purchase	103,341	-	45 days after monthly closing	Bargaining	45 days after monthly closing	(11,172)	-
	China Oelbara	An investee accounted for by equity method	Purchase	234,873	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(295)	-
	Yuan-jin	A related party in substance	Purchase	118,908	1	45 days after monthly closing	Bargaining	45 days after monthly closing	-	-
	Taiway	A related party in substance	Purchase	153,384	1	45 days after monthly closing	Bargaining	45 days after monthly closing	(16,968)	1
YTC	Yulon Nissan	An investee accounted for by equity method	Purchase	28,424,293	68	Within 3 days	-	-	(238,644)	54
	Sin Jiang	The same ultimate parent company	Purchase	10,616,227	25	Receipt of payment on the day	-	-	-	-
	Luxgen	The same ultimate parent company	Purchase	2,930,594	7	Within 3 days	-	-	(12,626)	3
Yu Sing	YTC	The same ultimate parent company	Purchase	3,126,785	80	Receipt of payment on the day	-	-	(9,342)	10
	Yulon Nissan	An investee accounted for by equity method	Purchase	362,459	9	Receipt of payment on the day	-	-	(19,475)	20
	Kuen You Trading	The same ultimate parent company	Purchase	154,730	4	60 days	-	-	(17,267)	18
Yushin	YTC	The same ultimate parent company	Purchase	2,454,731	82	Receipt of payment on the day	-	-	(8,400)	14
	Yulon Nissan	An investee accounted for by equity method	Purchase	264,123	9	Receipt of payment on the day	-	-	(2,804)	5
Yu Chang	YTC	The same ultimate parent company	Purchase	4,270,278	86	Receipt of payment on the day	-	-	(20,922)	23
	Yulon Nissan	An investee accounted for by equity method	Purchase	429,556	9	Receipt of payment on the day	-	-	-	-
	Tian Wang	The same ultimate parent company	Purchase	104,359	2	Receipt of payment on the day	-	-	(11,068)	12
Empower	YTC	The same ultimate parent company	Purchase	3,237,208	77	Receipt of payment on the day	-	-	(84,567)	100
	Yulon Nissan	An investee accounted for by equity method	Purchase	360,139	9	Receipt of payment on the day	-	-	-	-
Luxgen	The Company	The parent company	Purchase	3,187,064	78	Within 10 days	-	3 days to 10 days	(90,422)	15
Luxgen Taipei	YTC	The same ultimate parent company	Purchase	967,192	71	Receipt of payment on the day	-	-	(30,005)	29
	Luxgen	The same ultimate parent company	Purchase	312,970	23	At sight	-	-	(65,987)	63
Luxgen Taoyuan	YTC	The same ultimate parent company	Purchase	563,891	70	Receipt of payment on the day	-	-	(6,248)	29
	Luxgen	The same ultimate parent company	Purchase	209,839	26	At sight	-	-	(2,776)	13
Luxgen Taichung	YTC	The same ultimate parent company	Purchase	614,778	76	Receipt of payment on the day	-	-	(51)	-
	Luxgen	The same ultimate parent company	Purchase	187,746	23	At sight	-	-	(7,546)	44
Luxgen Tainan	YTC	The same ultimate parent company	Purchase	361,438	70	Receipt of payment on the day	-	-	(91)	1
	Luxgen	The same ultimate parent company	Purchase	124,505	24	At sight	-	-	(5,309)	52
Luxgen Kaohsiung	YTC	The same ultimate parent company	Purchase	426,222	77	Receipt of payment on the day	-	-	(70)	-
	Luxgen	The same ultimate parent company	Purchase	130,232	22	At sight	-	-	(5,644)	17
Chuang Jie	LUXGEN (hangzhou) Motor Sales	The same ultimate parent company	Purchase	420,612	98	Payment in advance	-	-	-	-
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	Purchase	471,417	91	Payment in advance	-	-	(46,191)	8

Note: The balance of Accounts receivable \$358,920 thousand less allowance for uncollectible accounts \$358,920 thousand to Dongfeng Yulon is \$0.

(Concluded)

TABLE 8

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Yulon Nissan	An investee accounted for by equity method	\$ 302,653 (Note 1)	46.29	\$ -	-	\$ 272,646	\$ -
	Luxgen	The Company's subsidiary	133,939 (Note 2)	25.90	-	-	120,289	-
Union & NKH Auto Parts	Dongfeng Yulon	An investee accounted for by equity method	386,942	0.47	-	-	-	386,942
	The Company	The parent company	144,811	4.66	-	-	-	-
Luxgen	Dongfeng Yulon	An investee accounted for by equity method	172,880	0.02	-	-	-	172,800
Hangchow Yue Wan	Dongfeng Yulon	An investee accounted for by equity method	108,969	0.03	108,969	-	-	108,969
Yueki	Hangchow Yue Wan	The same ultimate parent company	222,565 (Note 3)	-	160,569	-	-	6,972
Car-plus Corporation	Diamond Leasing	The same ultimate parent company	230,106	0.27	-	-	30,033	-
TAC Leasing (Suzhou)	Dongfeng Yulon	An investee accounted for by equity method	281,400	0.09	-	-	-	281,400
Yulon Motor Finance	Dong Feng Yulon Sales Company	The same ultimate parent company	135,286	-	-	-	860	135,286
LUXGEN (hangzhou) Motor Sales	Dong Feng Yulon Sales Company	The same ultimate parent company	683,963 (Note 4)	-	-	-	-	667,834
Yulon Motor Investment	Dongfeng Yulon	An investee accounted for by equity method	549,638 (Note 5)	-	-	-	-	549,638
LUXGEN (hangzhou) Motor Sales	Dongfeng Yulon	An investee accounted for by equity method	6,450,268 (Note 6)	-	-	-	-	6,340,285
Haitec	Dongfeng Yulon	An investee accounted for by equity method	10,102,324 (Note 7)	-	-	-	-	8,235,324

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Sheng Qing	Zhu Hai Fu Te En	The same ultimate parent company	\$ 123,768 (Note 8)	-	\$ -	-	\$ -	-
	Dongfeng Yulon	An investee accounted for by equity method	154,710 (Note 8)	-	-	-	-	154,710
	Shen Jun Yu Peng	The same ultimate parent company	166,821 (Note 8)	-	-	-	-	-
	Wuhan Yu Hsin	The same ultimate parent company	158,098 (Note 8)	-	-	-	-	-
	Xiamen Young Chang	The same ultimate parent company	165,178 (Note 8)	-	-	-	-	-
	Yu-Jie	The same ultimate parent company	172,781 (Note 8)	-	-	-	-	-
	Nanjing Hanhong	The same ultimate parent company	224,759 (Note 8)	-	-	-	-	-
	Yulon Motor Investment	The same ultimate parent company	1,428,324 (Note 8)	-	-	-	-	-
	Dongfeng Yulon	An investee accounted for by equity method	215,279 (Note 8)	-	-	-	-	215,279
	Sheng Qing	The same ultimate parent company	400,178 (Note 8)	-	-	-	-	-
Ke Yu	Shi Cheng	The same ultimate parent company	293,068 (Note 8)	-	-	-	-	-
	Sheng Qing	The same ultimate parent company	129,254 (Note 8)	-	-	-	-	-
Sin Jiang	Singan	The same ultimate parent company	200,001 (Note 8)	-	-	-	-	-
	Dong Tai	The same ultimate parent company	107,575 (Note 8)	-	-	-	-	-
Hangchow Liangrun	Dongfeng Yulon	An investee accounted for by equity method	157,033 (Note 8)	(5.46)	-	-	-	157,033
Yulon China	Sheng Qing	The same ultimate parent company	262,819 (Note 8)	-	-	-	-	-
Yulon Motor Investment	Hang Zhou Haitec Company	The same ultimate parent company	233,263 (Note 8)	-	-	-	-	-

(Continued)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Hang Zhou Haitec Company	Dongfeng Yulon	An investee accounted for by equity method	\$ 527,101 (Note 9)	-	\$ -	-	\$ -	\$ 527,101
Hangchow Y-Teks	Dongfeng Yulon	An investee accounted for by equity method	104,163 (Note 9)	-	-	-	-	104,163
Union & NKH Auto Parts	China Motor	An investee accounted for by equity method	152,354 (Note 9)	-	-	-	-	-

Note 1: The receivables comprised account and notes receivables of \$232,838 thousand and other receivables of \$69,815 thousand.

Note 2: The receivables comprises Accounts receivable of \$90,422 thousand and other receivables of \$43,517 thousand.

Note 3: The receivables comprises Accounts receivable of \$160,619 thousand and other receivables of \$61,946 thousand.

Note 4: The receivables comprises Accounts receivable of \$22,962 thousand and other receivables of \$661,001 thousand.

Note 5: The receivables comprises Accounts receivable of \$89,712 thousand and other receivables of \$459,926 thousand.

Note 6: The receivables comprises Accounts receivable of \$9,061 thousand and other receivables of \$6,440,667 thousand.

Note 7: The receivables comprises Accounts receivable of \$9,443,487 thousand and other receivables of \$658,837 thousand.

Note 8: The receivables comprises other receivables.

Note 9: The receivables comprises Accounts receivable.

(Concluded)

TABLE 9

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 FOR THE YEAR ENDED DECEMBER 31, 2019
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership			
The Company	Yulon Nissan China Motor YFC	Miaoli, Taiwan Taoyuan, Taiwan Taipei, Taiwan	Sales of cars Manufacturing and sales of cars Sale and lease of cars and parts Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	\$ 7,062,225	\$ 7,062,225	143,500	47.83	\$ 7,281,897	\$ 3,527,895	-
	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sale of car components	141,526	810,409	44,592	8.05	(2,465,573)	1,352,678	-
	Yueki Yue Sheng	Hsinchu, Taiwan Miaoli, Taiwan	Car manufacture and furnishing; manufacture, installation and sale of car parts	512,150	512,150	138,222	45.75	2,962,308	25,471	Note
	China Cast Iron Pipe Union & NKKI Auto Parts	Taipei, Taiwan Taoyuan, Taiwan	Metal casting and related business	169,978	169,978	12,767	65.58	386,476	(84,890)	-
	Uni-calsonic	Taipei, Taiwan Taoyuan, Taiwan	Manufacturing and sale of springs for various motor vehicles and sale of nonmotorized vehicles	238,872	238,872	23,061	80.07	4,227	2,791	-
	Yu Chang	Taipei, Taiwan	Production and sale of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	24,850	24,850	25	77.66	13,370	10,383	-
	China Ogihara	Taipei, Taiwan	Manufacturing and sale of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	183,692	183,692	21,729	25.01	(156,432)	(40,890)	-
	Yuan Lon	Miaoli, Taiwan	Design, manufacturing and sales of cars and various kinds of molds, fixtures, stamping parts and inspection implements	96,449	96,449	5,983	30.68	26,942	8,272	-
	Yu Ching	Kaohsiung, Taiwan	Sale, maintenance and repair of cars and parts	114,096	114,096	13,999	64.99	(17,156)	(29,027)	-
	Yung Hong	Taoyuan, Taiwan	Design, manufacturing and sales of cars and various kinds of molds, fixtures, stamping parts and inspection implements	280,071	280,071	25,470	37.76	124,391	34,933	-
	Yushin	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	84,405	84,405	7,999	20.00	(6,039)	(1,116)	-
	China Engine	Taipei, Taiwan	Import and export and sale of cars and parts	1,077,221	1,077,221	72,691	60.00	528,658	62,455	-
	Cheng Long	Taipei, Taiwan	Yulon basketball team management and related services	1,122,659	1,122,659	27,170	100.00	826,389	39,987	-
	Yu Tang	Taipei, Taiwan	Investments	537,311	537,311	77,622	100.00	579,033	25,293	-
	ROC-Spicer	Hsinchu, Taiwan	Sale, maintenance and repair of car engines and parts	186,926	32,986	19,999	100.00	(252)	7,273	-
	Car-plus Corporation	Taoyuan, Taiwan	Manufacturing of car engines and parts	320,000	320,000	32,000	18.95	(155,080)	(29,128)	-
	Singan	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	51,677	51,677	10,944	27.00	28,746	379	-
	Enpower	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	71,166	71,166	7,117	20.33	3,926	1,325	-
	Chan Yun	Taoyuan, Taiwan	Manufacturing and repair of cars and parts	476,740	476,740	102	20.46	155,470	31,839	-
	Sin Jiang	Taipei, Taiwan	Sales and lease of cars	106,372	106,372	3,254	3.46	302,787	10,469	-
	Sin Chi	Taipei, Taiwan	Wholesale and retail of information software	99,935	99,935	5,800	-	79,076	5,649	-
	Yu Sing	Taichung, Taiwan	Sale, maintenance and repair of cars and parts	29,987	29,987	16,664	20.00	22,110	9,940	-
	Y-Teks	Taipei, Taiwan	Wholesale and retail of information software	58,594	40,680	85,895	87.71	(7,044)	(4,263)	-
	Yulon Overseas	Taipei, Taiwan	Wholesale and retail of secondhand cars	1,081,157	871,157	108,000	100.00	97,761	97,761	-
	Tokio Marine Newa Insurance	Taipei, Taiwan	General advertising planning services	505,189	325,199	17,999	99.99	(43,378)	(22,782)	-
	Yu Rich	Taoyuan, Taiwan	Sale, maintenance and repair of cars and parts	61,307	61,307	602	34.00	27,652	7,795	-
	Qintan	B.V.I.	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	24,426,875	23,813,725	785,328	100.00	(10,330,579)	(9,622,707)	-
	Ilaitec	Taipei, Taiwan	Investments	796,956	796,956	52,010	17.39	967,571	168,269	-
	Hui-Lian	Taipei, Taiwan	Property insurance	-	99,000	-	-	275,929	2,237	-
	DXMEDIA	Taipei, Taiwan	Installation loans of consumer goods and wholesale of cars and parts	-	67,459	-	-	(19,514)	(948)	-
	Luxgen	New Taipei City, Taiwan	Sales maintenance and repair of cars and parts	2,047,449	2,047,449	116,370	35.46	(13,237,822)	(8,877,979)	-
	Yulon TOBE	Changhua, Taiwan	Product design	74,366	74,366	6,116	20.34	8,894	2,423	-
	Yulon Management	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	400	20.00	(610)	(122)	-
	Yulon Energy	Taipei, Taiwan	Publication	22,640,000	14,840,000	980,000	100.00	(12,867,669)	(12,858,232)	-
	Yulon Construction	Miaoli, Taiwan	Sales and producing of cars and related parts	32,991	500,000	-	-	5,911	5,930	-
	Hong Kong-Spicer	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	3,034,485	3,034,485	3,299	32.99	14,681	1,434	-
	YuenWen Investment Co., Ltd.	New Taipei City, Taiwan	Investment advisor and temporary labor services	56,475	400,000	122,100	100.00	(248,152)	(70,827)	-
		Taipei, Taiwan	Wholesale and retail sale of batteries	-	3,034,485	1,585	20.50	(3,261)	15,744	-
		Taipei, Taiwan	Construction	-	56,475	-	-	15,744	-	-
		Taipei, Taiwan	Investments	-	-	-	-	-	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership			
YuenWen Investment Co., Ltd.	Tai-Yuen Textiles	Taipei, Taiwan	Manufacturing and sales of spinning, dyeing or knitting fabrics and import and export of related products	\$ -	\$ -	-	-	\$ 386,476	-	Note
YFC	Car-plus Corporation	Taipei, Taiwan	Car lease and trade	757,288	757,288	64,570	68.57	1,343,174	-	-
	TAC Global	Taipei, Taiwan	Installment financing services for cars and trucks	419,808	419,808	175,500	100.00	3,191,724	-	-
	Tokio Marine Newa Insurance	Samoa	Shareholding company	3,089,942	1,687,772	100,033	100.00	3,965,579	-	-
	Empower	Taipei, Taiwan	Property insurance	58,070	58,070	5,807	1.94	181,873	-	-
	Sin Jiang	Taipei, Taiwan	Retail of cars and related parts	48,843	48,843	7,832	27.00	102,110	-	-
	Yu Rich	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	660,662	181,731	-	-	70,632	-	-
	Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Samoa	Installment loans of consumer goods and wholesale of cars and parts	437,490	437,490	15,000	100.00	275,929	-	-
	Singan	Taipei, Taiwan	Shareholding company	315,157	-	21,004	73.26	302,971	-	-
Yustar	Shinshin Samoa	Samoa	Wholesale and retail of information software	389,077	389,077	12,000	100.00	196,070	-	-
YES Energy Service	YES Energy Service	New Taipei City, Taiwan	Wholesale and retail sale of batteries	21,407	-	6,500	100.00	113,940	-	-
Car-plus Corporation	Power Engineering	New Taipei City, Taiwan	Construction project contracting	2,000	2,000	200	100.00	883	-	-
	Diamond Leasing	Taipei, Taiwan	Car lease and trade	85,000	85,000	8,500	100.00	116,683	-	-
	Sin Jiang	Samoa	Shareholding company	563,071	563,071	18,000	100.00	643,644	-	-
	Da-Wei	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	-	90,811	-	-	70,632	-	-
	Hong Shou Culture	Taipei, Taiwan	Brokerage of electric vehicles	20,000	20,000	2,000	100.00	25,518	-	-
			Publication	11,881	-	4,050	100.00	4,372	-	-
Da-Wei	Da Teng	Taipei, Taiwan	Taxi service	7,028	7,028	600	100.00	10,232	-	-
	Dachuan	Taipei, Taiwan	Taxi service	1,125	-	300	100.00	1,231	-	-
	Damu	Taipei, Taiwan	Taxi service	1,575	-	600	100.00	2,067	-	-
	Dajin	Taipei, Taiwan	Taxi service	900	-	300	100.00	1,608	-	-
Diamond Leasing	H. K. Manpower	Taipei, Taiwan	Temporary labor services	10,000	10,000	1,000	100.00	19,281	-	-
Sin Jiang	Sinjiang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	42,790	42,790	1,337	71.34	23,536	-	-
Car-Plus Samoa	Car-Plus China	Samoa	Shareholding company	193,004	193,004	6,000	60.00	365,685	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	185,183	185,183	6,000	60.00	223,517	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	184,884	184,884	6,000	60.00	54,306	-	-
TAC Global	Car-Plus China	Samoa	Shareholding company	128,647	128,647	4,000	40.00	243,790	-	-
	Car-Plus Shanghai	Samoa	Shareholding company	123,455	123,455	4,000	40.00	149,011	-	-
	Car-Plus Hangzhou Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	123,160	123,160	4,000	40.00	36,204	-	-
	YuKong International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	2,698,460	1,296,290	87,496	100.00	3,529,265	-	-
	Sinjiang International Investment (Samoa) Co., Ltd.	Samoa	Shareholding company	16,220	16,220	537	28.66	9,456	-	-
Yulon Finance Philippines Investment (Samoa) Co., Ltd.	Yulon Finance Philippines Corporation	Samoa	Shareholding company	437,490	437,490	15,000	100.00	411,085	-	-
Yulon Finance Philippines Corporation	Yulon Finance Philippines Corporation	Philippine	Financing and leasing of cars and commercial vehicles, and car purchases and loans to car dealers for car purchases	437,490	437,490	7,500	100.00	21,269	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership	Carrying Value			
Singan	Hsiang Shou Singual Travel	New Taipei City, Taiwan	Towing	\$ 128,400	\$ 128,400	\$ 10,000	100.00	\$ 225,588	\$ 67,440	-	-
	Sin Jiang	New Taipei City, Taiwan	Sale of cars and parts	130,591	130,591	13,000	100.00	169,358	(12,250)	-	-
	Qinton	Taipei, Taiwan	Sale and brokerage of secondhand vehicles	518,754	-	42,824	100.00	527,070	70,632	-	-
	Hong Shou Culture	Tainan, Taiwan	Sales maintenance and repair of cars and parts	75,578	-	6,746	100.00	53,490	(19,514)	-	-
Yu Pong	China Motor	Taipei, Taiwan	Publication	-	64,100	-	-	-	(2,004)	-	-
	Yu Ching	Taoyuan, Taiwan	Manufacturing and sales of cars	35,269	42,080	454	0.08	17,754	(2,465,573)	-	-
Yue Sheng	Yi-Teks	Taipei, Taiwan	Import and export and sale of cars and parts	682,685	682,685	48,461	40.00	532,655	112,023	-	-
	China Motor	Taoyuan, Taiwan	Manufacturing and furnishing, cars and the import and export of, and serving as sales agent for, car parts	25,510	25,510	212	11.99	117,197	27,652	-	-
Yung Hong	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	193,869	253,834	3,998	0.72	43,722	(2,465,573)	-	-
	Tokio Marine Nawa Insurance	Taipei, Taiwan	Property insurance	55,467	55,467	3,500	1.17	17,283	967,571	-	-
Yu Ching	Yulon Nissan	Miaoli, Taiwan	Sales of cars	336,923	336,923	3,500	1.17	259,318	7,281,897	-	-
	Singan	Taipei, Taiwan	Wholesale and retail of information software	-	19,914	-	-	-	79,076	-	-
Yueki	Chinh-Ling	Taipei, Taiwan	Product design	36,098	36,098	5,000	100.00	104,545	(266)	-	-
	Yulon Management	New Taipei City, Taiwan	Investment advisor and temporary labor services	9	9	1	0.01	9	14,681	-	-
Yueki	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	243	408	11	-	583	(2,465,573)	-	-
	Uni-calsonic	Miaoli, Taiwan	Production and sales of various kinds of radiators, heat transfer apparatus, geysers, water tank and car parts	17,328	17,328	800	4.10	17,328	26,942	-	-
Yu Chang	Yue Ki Sanoa	Sanoa	Investments	123,058	123,058	4,126	100.00	465,799	(30,381)	-	-
	Yue Ki HK	Hong Kong	Investments	330,094	330,094	-	100.00	45,948	(125,034)	-	-
Yu Shun	Tian Wang	Kaohsiung, Taiwan	Secondhand cars and car related products	17,000	17,000	1,700	100.00	28,209	6,949	-	-
	Yu Pool	Miaoli, Taiwan	Supply of and providing services on information software and retail trade of spare parts of vehicles	7,000	7,000	1,000	100.00	44,625	6,340	-	-
Empower	Luxgen Taoyuan	Taoyuan, Taiwan	Sales, maintenance and repair of cars and related products	12,250	12,250	2,100	20.00	14,943	(18,069)	-	-
	YU Shin Invest Ment Ltd.	Sanoa	Investments	46,331	46,331	-	100.00	2,039	(13,127)	-	-
Sin Chi	Chunmin	Taichung, Taiwan	Comprehensive retail of car parts	8,000	8,000	800	100.00	11,177	138	-	-
	Hong Yen	Sanoa	Investments	47,082	47,082	48,450	100.00	53,476	(32,054)	-	-
Yu Sing	Yu Ming Insurance	Taichung, Taiwan	Property insurance	3,000	3,000	300	100.00	(18,705)	(331)	-	-
	Yulon Nissan	Miaoli, Taiwan	Sales of cars	311,853	311,853	3,050	1.02	225,772	7,281,897	-	-
Y-Teks	Yu Chia	Taipei, Taiwan	Sales, maintenance and repair of heavy vehicles and related products	84,000	84,000	50,000	100.00	29,058	(8,802)	-	-
	Chanchen	Taipei, Taiwan	Management consulting, leases of real estate and general advertising	-	10,000	-	-	-	-	-	-
Yu-Hsin Intl	Yulon TOBE	Taipei, Taiwan	Sale, maintenance and repair of cars and parts	27,996	-	28,080	100.00	27,922	5,911	-	-
	Ding Long	Taipei, Taiwan	Sales, maintenance and repair of cars and parts	37,790	37,790	3,779	37.79	32,701	(19,827)	-	-
Y-Hsin Intl	Kuen Yon Trading	New Taipei City, Taiwan	Sale, maintenance and repair of cars and parts	10,000	10,000	1,000	100.00	12,208	1,238	-	-
	China Motor	B.V.I.	Investments	65,854	65,854	2,208	66.67	998,970	(5,821)	-	-
Y-Hsin Intl	Yi-Hsin Intl HK	Taoyuan, Taiwan	Manufacturing and sales of cars	265	435	11	-	442	(2,465,573)	-	-
	China Motor	Hong Kong	Investments	311,194	311,194	10,274	100.00	343,260	(236,965)	-	-
Union & NKII Auto Parts	China Motor	Taoyuan, Taiwan	Manufacturing and sales of cars	256	640	26	-	1,001	(2,465,573)	-	-
	Uni Investment	B.V.I.	Investments	289,287	289,287	8,403	100.00	1,881,314	(157,128)	-	-

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2019		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2019	December 31, 2018	Shares	Percentage of Ownership			
Luxgen	Luxgen Taipei	Taipei, Taiwan	Repair, wholesale and retail of cars and parts	\$ 184,999	\$ 157,625	\$ 18,500	99.99	\$ 181,592	\$ -	-
	Luxgen Taoyuan	Taoyuan, Taiwan	Repair, wholesale and retail of cars and parts	44,329	44,329	6,299	99.99	44,822	(99,544)	-
	Luxgen Taichung	Taichung, Taiwan	Repair, wholesale and retail of cars and parts	103,599	71,624	10,360	97.73	103,599	(18,069)	-
	Luxgen Tainan	Tainan, Taiwan	Repair, wholesale and retail of cars and parts	98,897	182,388	9,890	94.19	97,329	(19,334)	-
	Luxgen Kaohsiung	Kaohsiung, Taiwan	Repair, wholesale and retail of cars and parts	65,998	58,344	6,600	92.96	65,546	(31,597)	-
Yulon Construction	Luxgen Overseas Holdings Singapore	Singapore	Investments	1,300,595	1,300,595	63,587	100.00	142,329	(26,156)	-
	China Motor	New Taipei City, Taiwan	Wholesale and retail of information software	81,191	81,191	5,670	100.00	81,785	156	-
	Yufong Property Management	Taoyuan, Taiwan	Manufacturing and sales of cars	1,497	1,690	32	-	504	79,076	-
	Sin Yi Co., Ltd.	New Taipei City, Taiwan	Construction greening industry	24,990	24,990	2,499	99.96	43,454	(2,465,573)	-
	Hua-Chung Overseas Investment Co., Ltd.	New Taipei City, Taiwan	Wholesale and retail of cars and parts	500	500	50	100.00	9,389	17,248	-
Hua-Chung Overseas Investment Co., Ltd.	Haitec China Investment	B.V.I.	Investments	490,393	490,393	5,465	100.00	(234,844)	(62)	-
	Haitec Japan	Hong Kong	Product design of cars	461,709	461,709	6,328	100.00	(264,543)	(620,027)	-
Yulon Overseas	Yulon Philippines	Japan	Investments	26,608	26,608	-	100.00	(19,139)	(650,215)	-
	Yulon China	Cayman	Investments	1,071,328	1,097,593	32,791	100.00	97,816	(18,365)	-
Yulon Philippines	UMPI & SCIC	B.V.I.	Investments	23,211,593	23,187,037	771,171	100.00	(3,199,133)	290,530	-
	NPI	Philippine	Manufacturing of cars and factory lease	875,236	896,694	-	100.00	94,624	(10,578,989)	-
Yulon China	Qing Yi	Philippine	Sale, maintenance and repair of cars and parts	70,518	72,247	12	24.50	-	79,311	-
	Wen Yang	Samoa	Investments	919,606	666,472	24,825	100.00	595,705	(202,297)	-
	Tai Xin	Samoa	Investments	482,678	494,512	16,100	100.00	192,658	(97,397)	-
	Yulon China (Hong Kong) Investment Limited	Hong Kong	Investments	726,152	743,954	19,600	100.00	644,898	(237,430)	-
	Yulon China Holding	Hong Kong	Investments	8,162,529	8,362,645	-	100.00	1,206	(71,187)	-
Yulon China Holding	Feng Hua	Cayman	Investments	12,844,035	12,805,765	33,280	100.00	(4,784,558)	921,363	-
	Yulon China (HK) Holding	Hong Kong	Investments	83,944	86,002	-	40.00	128,629	(11,151,813)	-
		Hong Kong	Investments	12,844,035	12,805,765	-	100.00	(4,784,563)	41,580	-
									(11,151,968)	-

Tai-Yuen Textiles' profit and loss for the period is from January to May 2019 (see Note 17)

(Concluded)

TABLE 10

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Young Chang	Cars, electronics, textiles and related business investment consulting services; advanced technology, products and equipment import consulting	\$ 66,497	b)	\$ 55,763	\$ -	\$ -	\$ 55,763	\$ (205,706)	100.00	\$ (205,706)	\$ 412,548	\$ -	2, b)
Ke Yu	Computer software maintenance and computer system integration	789,016	b)	723,154	-	-	723,154	(71,012)	100.00	(71,012)	642,817	-	2, b)
Tai Feng	Computer software maintenance and computer system integration	490,834	b)	445,203	-	-	445,203	(127,683)	100.00	(127,683)	352,038	-	2, b)
Qing Tai	Computer software maintenance and computer system integration	516,840	b)	460,193	-	-	460,193	(110,949)	100.00	(110,949)	242,467	-	2, b)
Dongfeng Yulon	Manufacturing of key car components, electric cars and related parts	15,228,442	b)	7,969,003	-	-	7,969,003	(9,383,141)	50.00	935,878	-	-	2, a)
Su Zhou Chen Long	Sale, maintenance and repair of cars and parts	189,771	b)	83,944	-	-	83,944	41,586	40.00	16,634	321,569	-	2, b)
Yulon Motor Investment	Investment, shareholding and related business	5,507,944	b)	1,745,943	-	-	1,745,943	(873,458)	100.00	(873,458)	(108,285)	-	2, b)
LUXGEN (Hangzhou) Motor Sales	Sales of cars and car parts	6,868,342	b)	7,031,809	-	-	7,031,809	(10,085,066)	100.00	(10,085,066)	(5,022,369)	-	2, a)
Yulon Motor Finance	Car purchases and loans to car dealers for car purchases	4,297,500	a)	2,191,725	-	-	2,191,725	86,921	73.42	63,815	3,289,988	-	2, b)
Hang Zhou Jian Tai	Tailpipe, catalyzer assembling, chastises, connection arms, crossrails of engines and other stamping and welding parts	137,488	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Chun Yu	Tire monitors, blue tooth communication device, keyless entry system	58,731	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Xian Bo	Manufacturing and design of fixtures and jigs of vehicles, mechanical and electrical products; inner and external fittings and furnishing	73,860	b)	2,998	-	-	2,998	-	-	-	-	-	-
Hang Zhou Yong Ren	Manufacturing of machinery, car accessory and seat parts	107,386	b)	2,249	-	-	2,249	2,608	2.59	-	2,249	-	-
Hang Zhou Yo Zhan	Manufacturing of car models and related parts, fixtures and jigs, stamping, and related metal products	340,789	b)	2,998	-	-	2,998	-	2.10	-	-	-	-
Hang Zhou Haitec Company	Product design	132,661	b)	-	-	-	-	(658,017)	100.00	(658,017)	(272,921)	-	2, a)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Fujian Spicer	Production of car key parts, drive axle assemblies and parts	\$ 880,154	a)	\$ 228,152	\$ -	\$ -	\$ 228,152	\$ 85,005	20.50	\$ 17,426	\$ 248,918	\$ -	2, c)
Shenyang Spicer	Manufacturing and sales of automotive drive shafts, mechanical drive shafts and parts	369,270	a)	55,124	-	-	55,124	(22,628)	14.30	(3,236)	48,937	-	2, c)
Hui Zhou Dong Feng Yi Jing	Manufacturing of car parts	644,625	b)	-	-	-	-	(88,270)	22.30	(19,684)	450,178	-	2, c)
Hangchow Yue Wan	Manufacturing of car parts	494,206	b)	176,992	90,370	-	267,362	(195,701)	80.75	(158,028)	48,715	-	2, c)
Hangchow Y-Teks	Manufacturing and sales of car interior furnishing and related business	256,603	b)	-	44,327	-	44,327	(194,768)	33.39	(65,033)	38,181	-	2, c)
Changzhou Y-TEKS	Manufacturing and sales of car interior furnishing and related business	50,042	b)	-	-	-	-	(6,085)	14.82	(902)	72,428	-	2, c)
Liu Zhou Yu Xin Fang Sheng	Manufacturing and sales of car interior furnishing and related business	149,900	b)	-	-	-	-	(10,166)	5.00	(508)	138,415	-	2, c)
Guang Zhou He Xi	Manufacturing and sales of car interior furnishing and related business	197,868	b)	-	-	-	-	1,182,069	6.00	70,924	962,998	-	2, c)
Fuzhou Lianghong	Manufacturing of car seats	446,786	b)	-	-	-	-	11,565	16.67	1,928	475,664	-	2, c)
Hangchow Liangrun	Manufacturing of car seats	637,090	b)	-	142,431	-	142,431	(257,628)	40.38	(104,030)	19,714	-	2, c)
Guang Zhou Ri Zheng Spring	Manufacturing of vibration damper springs	801,965	b)	-	-	-	-	124,880	10.00	12,488	1,236,771	-	2, c)
Yu-Jie	Construction industry	2,148,750	a)	-	-	-	-	(200,443)	100.00	(200,443)	1,982,541	-	2, b)
Car-Plus (Suzhou)	Lease of cars and related services	299,800	b)	-	-	-	-	(47,772)	39.20	(18,725)	608,320	-	2, b)
Car-Plus Leasing (Shanghai)	Lease of cars and related services	299,800	b)	-	-	-	-	38,744	39.20	15,187	372,508	-	2, b)
Car-Plus Go Co., Ltd.	Lease of cars and related services	299,800	b)	-	-	-	-	(212,493)	37.12	(78,881)	90,510	-	2, b)
TAC Leasing (Suzhou)	Equipments and cars leasing business	2,263,370	b)	-	-	-	-	499,059	45.75	228,319	3,373,792	-	2, a)
TAC Finance Company	Equipments and cars leasing business	899,400	b)	-	-	-	-	(348,124)	56.60	(197,038)	453,058	-	2, b)
Zhe Jiang Cheng Yi Company	Equipments and cars leasing business	85,950	b)	-	-	-	-	(3,406)	56.60	(1,928)	52,919	-	2, c)
Hangzhou Cheng-Yi-Jun	Secondhand vehicle consulting service and vehicle agent	2,149	b)	-	-	-	-	(569)	56.60	(322)	1,349	-	2, c)
Zhejiang Cheng-Yi Auction	Secondhand vehicle authenticate and evaluation service	8,595	b)	-	-	-	-	(699)	56.60	(396)	4,100	-	2, c)
Su Zhou Yu Guo	Car purchases and loans to car dealers for car purchases	8,595	b)	-	-	-	-	(4,652)	56.60	(2,633)	1,955	-	2, c)
Shanghai Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(3,702)	56.60	(2,095)	5,083	-	2, c)
Dongguan Yu Guo	Sales of cars	8,595	b)	-	-	-	-	(1,911)	-	(317)	-	-	2, c)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance from Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance from Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Xiamen Yu Guo	Sales of cars	\$ 8,595	b)	\$ -	\$ -	\$ -	\$ -	\$ (3,368)	-	\$ (561)	\$ -	\$ -	2, c)
Chengdu Yu Guo	Sales of cars	8,595	b)	-	-	-	-	233	-	38	-	-	2, c)
Hefei YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,016)	56.60	(1,707)	5,446	-	2, c)
Qingdao YuGuo	Sales of cars	8,595	b)	-	-	-	-	(6,203)	56.60	(3,511)	1,209	-	2, c)
Master Good Car (Wuhan)	Sales of cars	8,595	b)	-	-	-	-	(5,571)	56.60	(3,153)	(216)	-	2, c)
Kunming YuGuo	Sales of cars	8,595	b)	-	-	-	-	(3,277)	-	(545)	-	-	2, c)
Shang Hai Jing-Huei	Sales of car parts	48,472	b)	-	-	-	-	(30,354)	53.30	(16,178)	40,943	-	2, c)
Dong Yu Tech. Company	Sales of car parts	64,463	b)	-	-	-	-	-	42.99	-	24,376	-	2, c)
Fu Jian Yu Xin	Sales of cars	182,970	b)	-	-	-	-	(26,812)	100.00	(26,812)	(23,030)	-	2, b)
Ning Bo Yu Cheng	Sales of cars	148,590	b)	-	-	-	-	(37,968)	100.00	(37,968)	(15,970)	-	2, b)
Shanghai Yuming	Sales of cars	215,553	b)	-	-	-	-	(58,787)	67.00	(39,379)	(74,768)	-	2, b)
Ka Shing Yu Da	Sales of cars	79,913	b)	-	-	-	-	(16,001)	67.00	(10,718)	11,887	-	2, b)
Dong Feng Yulon Sales Company	Sales of cars and car parts	221,061	b)	-	-	-	-	(180,768)	50.00	(90,384)	(3,991,047)	-	2, a)
Chuang Jie	Manufacturing of key car components, electric cars and related parts	3,459,204	b)	3,432,301	-	-	3,432,301	3,980	100.00	3,980	3,373,499	-	2, b)
Sheng Qing	Investments	3,036,485	b)	133,711	336,023	-	469,733	(178,863)	100.00	(178,863)	1,847,524	-	2, b)
Mei De	Computer software maintenance and computer system integration	351,487	b)	-	-	-	-	(34,848)	100.00	(34,848)	315,088	-	2, b)
Shi Cheng	Computer software maintenance and computer system integration	320,214	b)	-	-	-	-	(68,137)	100.00	(68,137)	34,394	-	2, b)
Jin Ce	Computer software maintenance and computer system integration	86,966	b)	-	-	-	-	(12,514)	100.00	(12,514)	62,434	-	2, b)
Yi Ding	Computer software maintenance and computer system integration	244,052	b)	-	-	-	-	(44,530)	100.00	(44,530)	183,043	-	2, b)
Dong Tai	Investments	326,272	b)	-	-	-	-	(58,088)	100.00	(58,088)	30,662	-	2, b)
Gao Te	Investments	256,431	b)	-	-	-	-	(23,665)	100.00	(23,665)	207,259	-	2, b)
Shen Jun Yu Peng	Sales of cars	53,055	b)	-	-	-	-	14,038	65.00	9,125	18,258	-	2, b)
Su Zhou Feng Shen	Sales of cars	212,219	b)	-	-	-	-	147,233	40.00	58,893	367,600	-	2, b)
Guang Zhou Yuan Du	Sales of cars	154,742	b)	-	-	-	-	(10,540)	51.00	(5,376)	80,321	-	2, b)
Zhu Hai Fu Te En	Sales of cars	22,106	b)	-	-	-	-	(41,244)	100.00	(41,244)	108,121	-	2, b)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance from Investment from January 1, 2019	Remittance of Funds		Accumulated Outward Remittance from Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
Nanjing Hianhong	Sales of cars	\$ 310,603	b)	\$ -	\$ -	\$ -	\$ -	\$ (47,223)	100.00	\$ (47,223)	\$ 112,711	\$ -	2, c)
Wuhan Yu Hsin	Sales of cars	269,909	b)	-	-	-	-	22,258	100.00	22,258	189,782	-	2, b)
Hiang Zhou Yu Zhong	Trading	44,212	b)	-	-	-	-	(7,261)	100.00	(7,261)	66,121	-	2, b)
Jiangmen Junxing	Sales of cars	89,318	b)	-	-	-	-	(20,192)	60.00	(12,115)	52,459	-	2, b)
Jiangmen Yuli	Sales of cars	45,106	b)	-	-	-	-	(16,122)	60.00	(9,673)	23,993	-	2, b)
He-Shan Li-Sheng	Sales of cars	2,803	b)	-	-	-	-	(820)	60.00	(492)	3,717	-	2, b)
Guang Zhou Yuan Zhi	Sales of cars	87,999	b)	-	-	-	-	(22,455)	51.00	(11,452)	(15,227)	-	2, b)
Qingdao Yuanhuang	Sales of cars	218,587	b)	-	-	-	-	(17,772)	51.00	(9,063)	(11,673)	-	2, b)
Hang Zhou Hua Zhi	Sales of cars	88,425	b)	-	-	-	-	(44,754)	80.00	(35,803)	(145,494)	-	2, b)
Chang Sha Yu Lu	Sales of cars	88,425	b)	-	-	-	-	(24,575)	100.00	(24,575)	1,564	-	2, b)
Hang Zhou Tang Yu	Investments	44,212	b)	-	-	-	-	(4,729)	100.00	(4,729)	42,231	-	2, b)
Hang Zhou Chien Yu	Investments	44,212	b)	-	-	-	-	(150)	100.00	(150)	38,572	-	2, b)
Zuhai Yuhsin	Sales of cars	22,106	b)	-	-	-	-	(30,079)	100.00	(30,079)	(59,606)	-	2, b)
Shenzhen Yu Zhi	Sales of cars	44,212	b)	-	-	-	-	(27,847)	100.00	(27,847)	(21,917)	-	2, b)
Xiao Gan Yu Feng	Sales of cars	118,012	b)	-	-	-	-	16,494	100.00	16,494	171,642	-	2, b)
Su Zhou Feng Shun	Sales of cars	111,157	b)	-	-	-	-	72,623	40.00	29,049	163,325	-	2, b)
Suzhou Yueshun	Sales of cars	44,212	b)	-	-	-	-	(2,555)	40.00	(1,022)	38,570	-	2, b)
Su Chou Cheng Pin	Sales of cars	178,638	b)	-	-	-	-	4,576	40.00	1,830	171,892	-	2, b)
Wu Jiang Lian Cheng	Sales of cars	44,212	b)	-	-	-	-	27,937	40.00	11,175	59,304	-	2, b)
Su Zhou Cheng Li	Sales of cars	66,765	b)	-	-	-	-	4,679	40.00	1,872	45,970	-	2, b)
Hang Zhou Hsiao Yu	Investments	44,212	b)	-	-	-	-	(85)	99.00	(84)	38,551	-	2, b)
Nan Jing Yu Shang	Sales of cars	35,370	b)	-	-	-	-	(15,495)	100.00	(15,495)	(74,471)	-	2, b)
Hang Zhou Hua You	Sales of cars	35,370	b)	-	-	-	-	(20,501)	80.00	(16,401)	(172,588)	-	2, b)
Su Zhou Cheng Pang	Sales of cars	44,212	b)	-	-	-	-	8,673	40.00	3,469	43,483	-	2, b)
Nan Jing Yu Hua	Sales of cars	132,637	b)	-	-	-	-	(19,632)	100.00	(19,632)	98,138	-	2, b)
Su Zhou Cheng Guo	Sales of cars	45,106	b)	-	-	-	-	(5,033)	40.00	(2,013)	3,249	-	2, b)
Su Zhou Cheng Hung	Sales of cars	45,106	b)	-	-	-	-	(2,326)	40.00	(930)	41,432	-	2, b)
Tai Chang Cheng Mau	Sales of cars	45,106	b)	-	-	-	-	10,824	40.00	4,330	46,873	-	2, b)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2019	Accumulated Repatriation of Investment Income as of December 31, 2019	Note
					Outward	Inward							
An Hui Min Tung	Sales of cars	\$ 45,106	b)	\$ -	\$ -	\$ -	\$ -	\$ 8,803	100.00	\$ 8,803	\$ (27,770)	\$ -	2, b)
An Ching Tsai Tung	Sales of cars	118,890	b)	-	-	-	-	(7,494)	100.00	(7,494)	6,441	-	2, b)
An Ching Ling Tung	Sales of cars	63,579	b)	-	-	-	-	(1,925)	100.00	(1,925)	(1,962)	-	2, b)
Tung Ling Kuo Tung	Sales of cars	22,553	b)	-	-	-	-	(17,820)	100.00	(17,820)	(31,500)	-	2, b)
Ho Fei Chun Hui	Sales of cars	50,649	b)	-	-	-	-	(6,292)	100.00	(6,292)	4	-	2, b)
Zi Bo Yu An	Sales of cars	22,553	b)	-	-	-	-	(12,043)	100.00	(12,043)	(39,748)	-	2, b)

Accumulated Investment in Mainland China as of December 31, 2019	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yulon Motor Company Ltd.	\$25,360,408	\$29,394,748	\$34,248,689

Note 1: Method of investment have following type:

- a. Direct investment in Mainland China.
- b. Indirect investment in the Company of Mainland China through a third place.
- c. Other

Note 2: a. If it is in preparation, there is no investment gains and losses, should be noted.

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

- 1) Based on the financial statements audited by a ROC CPA firm cooperating with an international CPA firm
- 2) Based on the financial statements audited by the auditor of parent company.
- 3) Other

Note 3: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of the net equity or consolidated net equity.

(Concluded)

TABLE 11

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details		% to Total Revenue or Assets
				Financial Statement Account	Amount	
0	The Company	Luxgen	I	Notes and trade receivables, net	\$ 90,422	Based on regular terms
		Luxgen		Other receivables from related parties	43,517	Based on regular terms
		Haitec		Other receivables from related parties	92,570	Based on regular terms
		Hang Zhou Haitec Company		Other current assets	24,597	Based on regular terms
		The Company		Long term investment	43,978	Based on regular terms
		The Company		Long term investment	15,257	Based on regular terms
		FYC		Operating revenue, net	12,814	Based on regular terms
		Yulon Construction		Operating revenue, net	67,386	Based on regular terms
		Yu Sing		Operating revenue, net	19,961	Based on regular terms
		Luxgen		Operating revenue, net	3,162,151	Based on regular terms
		Luxgen Taipei		Operating revenue, net	15,245	Based on regular terms
		Yufong Property Management		Operating revenue, net	10,636	Based on regular terms
		Haitec		Operating revenue, net	168,720	Based on regular terms
		Yushin		Operating revenue, net	1,984,885	Based on regular terms
		Yu Sing		Operating revenue, net	2,491,916	Based on regular terms
		Yu Chang		Operating revenue, net	3,383,385	Based on regular terms
		Empower		Operating revenue, net	2,653,396	Based on regular terms
		Yushin		Operating revenue, net	128,697	Based on regular terms
		Yu Sing		Operating revenue, net	195,420	Based on regular terms
		Yu Chang		Operating revenue, net	299,273	Based on regular terms
		Empower		Operating revenue, net	128,947	Based on regular terms
		FYC		Operating revenue, net	594,409	Based on regular terms
		Yushin		Operating revenue, net	234,174	Based on regular terms
		Yu Sing		Operating revenue, net	269,599	Based on regular terms
		Yu Chang		Operating revenue, net	292,860	Based on regular terms
		Empower		Operating revenue, net	259,558	Based on regular terms
		Singan		Operating revenue, net	32,324	Based on regular terms
		Yushin		Operating revenue, net	17,422	Based on regular terms
		Yu Sing		Operating revenue, net	18,979	Based on regular terms
		Yu Chang		Operating revenue, net	34,959	Based on regular terms
		Empower		Operating revenue, net	18,384	Based on regular terms
		Luxgen	I	Non-operating revenue and expense	34,163	Based on regular terms
		The Company		Unrealized gain on transactions with associates	43,978	Based on regular terms
		The Company		Unrealized gain on transactions with associates	40,617	Based on regular terms
		The Company		Unrealized gain on transactions with associates	15,257	Based on regular terms
				Unrealized gain on transactions with associates	13,610	Based on regular terms

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
1	FYC	Yu Chang Empower Luxgen Taipei Yustar Yu Rich Yu Chang	3 3 3 3 3	Notes and trade receivables, net Notes and trade receivables, net Notes and trade receivables, net Other receivables from related parties Other receivables from related parties Operating revenue, net	\$ 20,922 84,567 30,005 51,286 11,173 10,982	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - -
2	Yue Sheng	The Company The Company	2 2	Notes and trade receivables, net Operating revenue, net	22,825 177,454	Based on regular terms Based on regular terms	- -
3	Yueki	The Company Hangchow Yue Wan Hangchow Yue Wan The Company Yustar Luxgen	2 3 3 2 3 3	Notes and trade receivables, net Notes and trade receivables, net Other receivables from related parties Operating revenue, net Operating revenue, net Operating revenue, net	63,027 153,647 61,946 442,119 70,703 59,676	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - -
4	Yu Chang	FYC Tian Wang Tian Wang Car-plus Corporation	3 3 3 3	Notes and trade receivables, net Notes and trade receivables, net Operating revenue, net Operating revenue, net	38,634 15,189 37,411 64,451	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - -
5	Singan	The Company The Company FYC Hsiang Shou	2 2 3 3	Notes and trade receivables, net Operating revenue, net Operating revenue, net Non-operating revenue and expense	25,142 115,677 22,426 13,731	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - -
6	Singual Travel	The Company The Company Luxgen Taipei	2 2 3	Notes and trade receivables, net Operating revenue, net Operating revenue, net	18,739 158,964 13,470	Based on regular terms Based on regular terms Based on regular terms	- - -
7	Yu Pool	Yushin Yushin	3 3	Notes and trade receivables, net Operating revenue, net	19,048 88,112	Based on regular terms Based on regular terms	- -
8	Yu Sing	FYC Car-plus Corporation Yu Chang Yushin Empower Car-plus Corporation Car-plus Corporation Luxgen Taipei Kuen You Trading	3 3 3 3 3 3 3 3 3	Notes and trade receivables, net Notes and trade receivables, net Operating revenue, net Operating revenue, net Operating revenue, net Non-operating revenue and expense Non-operating revenue and expense Non-operating revenue and expense Non-operating revenue and expense	31,230 41,482 22,955 30,643 28,615 171,111 11,570 12,643 29,489	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - - -
9	Y-Teks	The Company Luxgen The Company Yueki	2 3 2 3	Notes and trade receivables, net Notes and trade receivables, net Operating revenue, net Operating revenue, net	28,934 15,218 213,197 12,292	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - -

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
10	Union & NKH Auto Parts	The Company Uni Investment Fuzhou Lianghong Luxgen Hangchow Liangrun The Company Fuzhou Lianghong	2 3 3 3 3 2 3	Notes and trade receivables, net	\$ 144,811	Based on regular terms	-
				Other receivables from related parties	17,086	Based on regular terms	-
				Other receivables from related parties	30,516	Based on regular terms	-
				Other receivables from related parties	48,884	Based on regular terms	-
				Other receivables from related parties	203,398	Based on regular terms	-
11	Car-plus Corporation	Diamond Leasing Hsiang Shou Da Teng Dachuan Yu Sing Diamond Leasing Hsiang Shou Luxgen Luxgen Taipei	3 3 3 3 3 3 3 3	Operating revenue, net	771,091	Based on regular terms	1
				Operating revenue, net	39,622	Based on regular terms	-
				Notes and trade receivables, net	230,106	Based on regular terms	-
				Notes and trade receivables, net	29,708	Based on regular terms	-
				Notes and trade receivables, net	22,884	Based on regular terms	-
12	Nanjing Hanhong	Nan Jing Yu Shang Nan Jing Yu Shang Nan Jing Yu Hua	3 3 3	Notes and trade receivables, net	10,719	Based on regular terms	-
				Operating revenue, net	30,995	Based on regular terms	-
				Operating revenue, net	11,708	Based on regular terms	-
				Operating revenue, net	174,232	Based on regular terms	-
				Operating revenue, net	10,447	Based on regular terms	-
13	Luxgen	The Company FYC Luxgen Taipei The Company FYC Singan Singgual Travel Car-plus Corporation Luxgen Taipei Luxgen Taoyuan Luxgen Taichung Luxgen Tainan Luxgen Kaohsiung	2 3 3 2 3 3 3 3 3 3 3	Operating revenue, net	19,178	Based on regular terms	-
				Other receivables from related parties	100,884	Based on regular terms	-
				Operating revenue, net	192,800	Based on regular terms	-
				Operating revenue, net	13,912	Based on regular terms	-
				Notes and trade receivables, net	12,262	Based on regular terms	-
14	Luxgen Taipei	Luxgen Car-plus Corporation Luxgen Luxgen	3 3 3 3	Notes and trade receivables, net	12,132	Based on regular terms	-
				Notes and trade receivables, net	65,987	Based on regular terms	-
				Other receivables from related parties	31,838	Based on regular terms	-
				Operating revenue, net	2,930,594	Based on regular terms	3
				Operating revenue, net	11,694	Based on regular terms	-
15	Luxgen Taoyuan	Luxgen Car-plus Corporation Luxgen Luxgen	3 3 3 3	Operating revenue, net	36,026	Based on regular terms	-
				Operating revenue, net	46,682	Based on regular terms	-
				Operating revenue, net	261,730	Based on regular terms	-
				Operating revenue, net	179,449	Based on regular terms	-
				Operating revenue, net	150,987	Based on regular terms	-
16	Hang Zhou Hua Zhi	Luxgen Kaohsiung	3 3 3 3 3	Operating revenue, net	98,937	Based on regular terms	-
				Operating revenue, net	100,521	Based on regular terms	-
				Notes and trade receivables, net	20,204	Based on regular terms	-
				Operating revenue, net	191,961	Based on regular terms	-
				Non-operating revenue and expense	54,980	Based on regular terms	-
17	Luxgen Kaohsiung	Luxgen Car-plus Corporation Luxgen Luxgen	3 3 3 3	Operating revenue, net	10,969	Based on regular terms	-
				Operating revenue, net	11,220	Based on regular terms	-
				Operating revenue, net	21,801	Based on regular terms	-
				Operating revenue, net	29,125	Based on regular terms	-
				Notes and trade receivables, net	12,172	Based on regular terms	-
18	Hang Zhou Hua Zhi	Luxgen Kaohsiung	3 3 3 3 3	Operating revenue, net	34,380	Based on regular terms	-
				Operating revenue, net	12,172	Based on regular terms	-
				Operating revenue, net	34,380	Based on regular terms	-
				Notes and trade receivables, net	12,172	Based on regular terms	-
				Other receivables from related parties	34,380	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
18	Yulon Motor Investment	Tai Feng Yi Ding Mei De Shi Cheng Dong Tai Wuhan Yu Hsin Shenzhen Yu Zhi Hang Zhou Hua You Nan Jing Yu Hua Hang Zhou Haitec Company Yu-Jie Chuang Jie	3 3 3 3 3 3 3 3 3 3 3 3	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties Operating revenue, net Operating revenue, net	\$ 49,074 23,511 36,047 14,053 12,045 65,188 57,822 96,107 41,941 233,263 10,486 322,192	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - - - - - -
21	Yulon Motor Finance (China)	Jiangmen Junxing Shanghai Yuming Chang Sha Yu Lu Dong Feng Yulon Sales Company Ka Shing Yu Da Car-Plus Go Co., Ltd.	3 3 3 3 3 3	Notes and trade receivables, net Notes and trade receivables, net Notes and trade receivables, net Notes and trade receivables, net Notes and trade receivables, net Notes and trade receivables, net	42,787 21,529 27,811 67,643 12,872 79,109	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - -
22	LUXGEN (Hangzhou) Motor Sales	Car-Plus Go Co., Ltd. Luxgen Dong Feng Yulon Sales Company Hang Zhou Haitec Company Hang Zhou Hua Zhi Shenzhen Yu Zhi Chuang Jie Car-Plus Go Co., Ltd. Car-Plus (Suzhou)	3 3 3 3 3 3 3 3 3	Notes and trade receivables, net Other receivables from related parties Other receivables from related parties Other receivables from related parties Operating revenue, net Operating revenue, net Operating revenue, net Operating revenue, net Operating revenue, net	39,188 75,059 16,129 74,592 12,163 14,489 420,612 37,617 94,818	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - - - - -
23	Kuen You Trading	Yu Sing Yu Sing	3 3	Notes and trade receivables, net Operating revenue, net	17,267 154,730	Based on regular terms Based on regular terms	- -
24	Chuang Jie	Car-Plus Go Co., Ltd. Car-Plus Go Co., Ltd.	3 3	Notes and trade receivables, net Operating revenue, net	88,374 423,503	Based on regular terms Based on regular terms	- -
25	Yu-Hsin Intl	Yu-Hsin Intl HK	3	Other receivables from related parties	149,900	Based on regular terms	-
26	Yulon China	Sheng Qing Yulon China (HK) Holding Sheng Qing	3 3 3	Other receivables from related parties Other receivables from related parties Non-operating revenue and expense	1,889,223 55,763 46,906	Based on regular terms Based on regular terms Based on regular terms	! - -
27	Yue Ki Samoa	Yue Ki HK	3	Other receivables from related parties	14,991	Based on regular terms	-
28	Qing Yi	Wen Yang	3	Other receivables from related parties	460,193	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
38	HangZhou Yu Zhong	Sheng Qing Hang Zhou Hsiao Yu Hang Zhou Hua You Yulon Motor Investment	3 3 3 3	Other receivables from related parties Other receivables from related parties Other receivables from related parties Other receivables from related parties	\$ 16,782 17,190 17,620 11,603	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - -
39	Hang Zhou Tang Yu	Yulon Motor Investment	3	Other receivables from related parties	37,818	Based on regular terms	-
41	Hsiang Shou	Singan Car-plus Corporation Luxgen	3 3 3	Other receivables from related parties Operating revenue, net Operating revenue, net	35,246 20,414 17,953	Based on regular terms Based on regular terms Based on regular terms	- - -
42	Yu-Hsin Intl HK	Hangchow Y-Teks	3	Other receivables from related parties	179,880	Based on regular terms	-
43	Sin Jiang	Singan FYC	3 3	Other receivables from related parties Operating revenue, net	201,457 56,808	Based on regular terms Based on regular terms	- -
44	Xiao Gan Yu Feng	Chang Sha Yu Lu Wuhan Yu Hsin	3 3	Other receivables from related parties Operating revenue, net	10,744 70,339	Based on regular terms Based on regular terms	- -
46	Su Zhou Chen Long	Suzhou Yueshun	3	Operating revenue, net	13,359	Based on regular terms	-
47	Yulon China (HK) Holding	Sheng Qing Sheng Qing	3 3	Other receivables from related parties Non-operating revenue and expense	297,201 14,606	Based on regular terms Based on regular terms	- -
48	Nan Jing Yu Hua	Nanjing Hanhong	3	Other receivables from related parties	89,600	Based on regular terms	-
49	Yulon Construction	The Company The Company Yufong Property Management	2 2 3	Guarantee deposits Operating revenue, net Operating revenue, net	40,180 45,110 14,870	Based on regular terms Based on regular terms Based on regular terms	- - -
50	Luxgen Taichung	Luxgen Car-plus Corporation	3 3	Notes and trade receivables, net Operating revenue, net	13,105 24,070	Based on regular terms Based on regular terms	- -
52	Yu Pong	The Company	2	Operating revenue, net	20,571	Based on regular terms	-
53	Yushin	Car-plus Corporation Yu Pool	3 3	Operating revenue, net Non-operating revenue and expense	12,031 18,074	Based on regular terms Based on regular terms	- -
54	Empower	Car-plus Corporation Luxgen Tatchung	3 3	Operating revenue, net Operating revenue, net	15,495 16,473	Based on regular terms Based on regular terms	- -
55	Tian Wang	Yu Chang Yu Chang	3 3	Notes and trade receivables, net Operating revenue, net	11,068 112,026	Based on regular terms Based on regular terms	- -
56	Sin Chi	Yu Sing	3	Operating revenue, net	55,795	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
57	H. K. Manpower	Car-plus Corporation	3	Operating revenue, net	\$ 37,418	Based on regular terms	-
58	Luxgen Tainan	Luxgen Car-plus Corporation Luxgen	3 3 3	Notes and trade receivables, net Operating revenue, net Operating revenue, net	10,474 14,354 20,601	Based on regular terms Based on regular terms Based on regular terms	- - -
59	Luxgen Kaohsiung	Car-plus Corporation Luxgen Luxgen	3 3 3	Operating revenue, net Operating revenue, net Non-operating revenue and expense	24,822 16,669 38,627	Based on regular terms Based on regular terms Based on regular terms	- - -
60	Hangchow Liangrun	Union & NKH Auto Parts Fuzhou Lianghong LUXGEN (hangzhou) Motor Sales Union & NKH Auto Parts Fuzhou Lianghong LUXGEN (hangzhou) Motor Sales	3 3 3 3 3 3	Notes and trade receivables, net Notes and trade receivables, net Other receivables from related parties Operating revenue, net Operating revenue, net Operating revenue, net	11,750 26,740 11,525 13,135 35,748 10,186	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - - -
61	Yufong Property Management	The Company	2	Operating revenue, net	15,044	Based on regular terms	-
62	Hangchow Y-Teks	LUXGEN (hangzhou) Motor Sales	3	Operating revenue, net	28,553	Based on regular terms	-
63	Car-Plus (Suzhou)	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	11,952	Based on regular terms	-
65	Suzhou Yueshun	Su Chou Cheng Pin	3	Other receivables from related parties	27,934	Based on regular terms	-
66	Hong Yen	Shanghai Yuming	3	Other current assets	38,745	Based on regular terms	-
67	Yustar	Yulon Energy	3	Other receivables from related parties	103,477	Based on regular terms	-
74	Su Chou Cheng Pin	Su Zhou Feng Shen Su Zhou Feng Shun Wu Jiang Lian Cheng Su Zhou Chen Long	3 3 3 3	Operating revenue, net Operating revenue, net Operating revenue, net Operating revenue, net	22,617 22,600 10,870 27,130	Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - -
75	Yu Rich	FYC	3	Operating revenue, net	15,585	Based on regular terms	-
76	Hangchow Yue Wan	LUXGEN (hangzhou) Motor Sales	3	Operating revenue, net	42,687	Based on regular terms	-
77	Yulon Energy	Yustar Yustar	3 3	Notes and trade receivables, net Operating revenue, net	10,229 41,929	Based on regular terms Based on regular terms	- -
78	Dongfeng Yulon	Hang Zhou Hua Zhi Hang Zhou Hua You	3 3	Notes and trade receivables, net Notes and trade receivables, net	37,657 45,722	Based on regular terms Based on regular terms	- -

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
79	Haitec	Luxgen Haitec Japan The Company Singan Luxgen Chuang Jie	3 3 2 3 3 3	Notes and trade receivables, net Other receivables from related parties Operating revenue, net Operating revenue, net Operating revenue, net Operating revenue, net	\$ 376,231 25,660 185,794 16,314 1,057,783 18,258	Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms Based on regular terms	- - - - 1 -
80	Hang Zhou Haitec Company	Chuang Jie The Company Haitec	3 2 3	Operating revenue, net Notes and trade receivables, net Notes and trade receivables, net	27,695 24,859 21,557	Based on regular terms Based on regular terms Based on regular terms	- - -
81	Car-Plus Leasing (Shanghai)	Car-Plus Go Co., Ltd.	3	Notes and trade receivables, net	82,993	Based on regular terms	-
82	Hang Zhou Hsiao Yu	Hang Zhou Haitec Company	3	Other receivables from related parties	55,729	Based on regular terms	-
83	Jiangmen Junxing	Jiangmen Yuli	3	Other receivables from related parties	17,405	Based on regular terms	-
84	Shanghai Yuming	Ka Shing Yu Da	3	Other receivables from related parties	11,524	Based on regular terms	-
85	Fu Jian Yu Xin	Fu Zhou Yu Xin	3	Other receivables from related parties	12,935	Based on regular terms	-
86	Qinton	FYC	3	Operating revenue, net	13,000	Based on regular terms	-
87	Yu-Jie	Sheng Qing	3	Non-operating revenue and expense	13,183	Based on regular terms	-

Note 1: From the parent company to a subsidiary.

Note 2: From a subsidiary to the parent company.

Note 3: Between subsidiaries.

(Concluded)