



Stock Code: 2201

2022 Annual Shareholder's Meeting Agenda Handbook

Date: June 17, 2022

Location: 1F, No. 3, Sec. 3, ZhongXing Rd.,
Xindian Dist., New Taipei City
(Amphitheater Dome)

Environmental

Social

Governance



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YULON MOTOR CO., LTD
Agenda of Annual Meeting of Shareholders in 2022

Time: 9:00 a.m. on June 17 (Friday), 2022

Location: 1F, No. 3, Sec. 3, ZhongXing Rd., Xindian Dist., New Taipei City
(Amphitheater Dome)

Meeting type: Physical Shareholders' Meeting

Agenda: I. Call the Meeting to Order

II. Chairperson Remarks

III. Company Reports

1. 2021 Business Report.

2. Audit Committee's Review Report on the 2021 Financial Statements.

3. Distributions of employees' and directors' compensation of 2021.

4. Endorsement and guarantee for external parties.

IV. Proposals

1. Adoption of the 2021 Financial Statements.

2. Adoption of the Proposal for Distribution of 2021 Profits.

V. Discussion

1. Amendment and restatement of Articles of Incorporation in part.

2. Amendment to certain provisions of Company's "Procedures for the Acquisition or Disposal of Assets"

VI. Elections

1. Election of the Directors of Session 17th

VII. Other Matters

1. Cancellation of non-competition restrictions on the directors of the 17th meeting.

VIII. Extempore Motions

IX. Adjournment

Company Reports

1. 2021 Business Report



Greetings to our Shareholders, ladies and gentlemen. Welcome to the 2022 shareholders meeting of Yulon Motor Co., Ltd. We hereby present the Company's 2021 operating results and the summary report of the 2022 annual business plan.

(1) 2021 Operating Results

Last year, the total sales volume of Taiwan's automotive market was 449,900, a slightly decline of 1.7% compared to 2020. Among them, imported vehicles accounted for about 45%, thus continuing to affect the ecological system development of domestic vehicles.

Despite the spread of COVID-19, bottlenecks in the supply of components and parts, and other factors, the Company continues to promote strategic related to pragmatic transformation and improve the financial structure. Under the joint efforts of all the employees, the total operating income of NTD24.31 billion, the after-tax net profit of NTD4.716 billion, and NTD4.82 earnings per share were reached.

Last year (2021), the NISSAN brand launched TIIDA, SENTRA, KICKS, X-TRAIL, and other editions. The LUXGEN brand, in cooperation with the Group suit brand, introduced the Luxgen URX Panorama Lohas Edition, with 31,928 units delivered for both brands. In the future, the Company will launch more cost-effective and vehicle models that meet buyers' needs to contribute to the consumers.

In terms of due governance, the Company also continues to improve integrity management, information transparency and the quality of disclosure. Reinvestments and management of information technology security risk shall also be strengthened. In addition, the Company enhanced function and powers of the board of directors and related functional committees, and thus get the privilege of being ranking top 5% enterprises for eight consecutive years.

Concerning Yulon Town's development progress, the Company obtained the use permit in February this year (2022). Arrangements have been made for partners to start renovation projects. Yulon Town is scheduled to open in the first half of next year (2023). The Yulon Town Mall will combine the resources of the Group and its partners to provide customers with high-quality and convenient services, thereby meeting the demand for a one-day living circle.

(2) Operation Promotion in 2022 and in the Future

The Company will integrate smart manufacturing and low-carbon operations to deploy the sustainable development of a wide range of businesses. The growth momentum will bring about revenues and profits and create stable and ample cash flow.

In terms of the integration of smart manufacturing, the Company has digitalized about 83% of total production lines in the Sanyi Plant. The production efficiency, energy efficiency, and quality of brand model manufacturing are enhanced through dynamic network monitoring

and real-time cloud computing. Automatic optical testing, smart meters, and other new equipment and technologies have been imported based on the current digitalization. The intellectualization of production lines and net zero carbon are also promoted.

As for low-carbon energy transformation, devices with 7.6MW solar power generation capacity have been cumulatively completed in Sanyi Plant. This year (2022), our goal is to complete setting up devices up to 13.6 MW total capacity to achieve a solar power generation capacity equivalent to the whole plant power consumption.

Carbon footprint verification has been promoted to monitor energy consumption and hot spots of carbon emission. The ESG Committee has been established to implement process improvement, energy saving, carbon reduction, recycling, zero waste, and other items. Over the past decade, the Company has reduced 30% energy per vehicle manufactured and has increased 80% in-plant logistics vehicle electrification. In the future, we expect to reduce more than 2% energy consumption annually in the following years.

In expanding energy storage undertakings, the Company manufactured and exported more than 1,000 sets of energy storage cabinets. This year (2022), the goal is to produce 1,469 sets of 337MW. At the same time, extra spaces in Sanyi will be used for cross-border collaboration. Energy storage facilities will also be introduced and set up.

In participating in social affairs, the Company actively engages in local care, assists in transportation for disadvantaged remote towns, and promotes the “Taitung South Link Well-being Wheel Turner” transportation public welfare project, with the social return on investment (SROI) reaching 15.79. The Company has won the “2022 Global Views Monthly-Social Innovation Outstanding Plan Model Award” for sponsoring long-term care and anti-pandemic vehicles in New Taipei City, a charity organization named warm kitchen which endeavor to help for the disadvantaged in Sanyi, Miaoli, and other care and assistance projects.

In terms of academia-university cooperation, including promoting “industry-university talent training and recruitment”, cultivating electromechanically experts specialized in automotive, providing scholarships for project research and competitions, and importing internship and pre-recruitment systems in order to seamlessly start employment after graduation. The Company also sponsors projects such as the “Taiwan International Installation Art Exhibition of Wood Sculpture” and provides scholarships for youth empowerment activities in Miaoli.

Adhere by the concepts of business continuity, constant growth, and assuming responsibilities, the Company will continue to work towards the welfare of employees, shareholders, and society in the future. Finally, I would like to extend gratitude to the shareholders for the long-term support and care for Yulon Motors. Thank you all!

CEO: Yen Chen Li-Lien



Manager: Zhen-Xiang Yao



Accounting Supervisor: Wen-Yi Lo



2. Audit Committee's Review Report on the 2021 Financial Statements.

YULON MOTOR CO., LTD Audit Committee's Review Report

The Board of Directors had duly worked out the Company's 2021 Business Report, Financial Statement (including Consolidated Financial Statement) and proposal for distribution of earnings. Among them, the Financial Statement (including Consolidated Financial Statement) have been duly audited by Certified Public Accountants Li-Wen Kuo and Yu-Wei Fan of Deloitte and Touche Tohmatsu International Taiwan who have duly issued the Audit Report. The aforementioned Business Report, Financial Statement (including Consolidated Financial Statement) and proposal for distribution of earnings have been duly reviewed by us, the Undersigned Audit Committee and prove authentic to the facts. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, we have duly worked out the present Report and hereby submit the same for verification.

Best regards

2022 Regular Shareholders' Meeting

YULON MOTOR CO., LTD
Convener of the Auditing Committee: Yi-Hong Hsieh



March 10, 2022

3. Report about distribution of the Company's distribution of remuneration to employees and directors for Year 2021.

- (1) As expressly provided for in Article 27 of the Company's Articles of Incorporation, with the earnings made by the Company in a year, if any, the remuneration shall be first withheld for employees and directors, with the remuneration to directors not higher than 0.5% maximum and with remuneration to employees not below 0.1% minimum.
- (2) The net income before tax and before appropriating remuneration to employees and directors was NT\$4,878.45 million in 2021. According to Article 27 of the Company's Articles of Incorporation, it is proposed to appropriate an amount equivalent to 0.75% of the aforementioned amount as remuneration to employee, that is, NT\$36.64 million; in addition, appropriate an amount equivalent to 0.5% of the aforementioned amount as remuneration to directors, that is, NT\$24.39 million. The aforementioned remuneration to employees and director has been approved by the Remuneration Committee and the Board of Directors, which is to be paid in cash.
- (3) In addition to the compensation to employees in an amount of NT\$36.64 million appropriated this time, the Company also paid additional bonus in an amount of NT\$38.88 million in January 2022.

4. Report about the endorsements/guarantees rendered by the Company externally

Here at the Company as of December 31, 2021, the amount disbursed for external endorsements/guarantees amounted to NT\$760.66 million. The highest amount for endorsements/guarantees granted to a single enterprise amounted to NT\$500 million. The aggregate total of the aforementioned endorsements/guarantees amounted to NT\$6.14766 billion, well satisfactory to the requirements set forth under Article IV of the Company's "Regulations Governing Management over Endorsements/Guarantees" which reads: The aggregate total of endorsements / guarantees granted by the Company shall not exceed the maximum limit of 75% of the Company's net worth and the amount of endorsements/guarantees granted to a single enterprise shall not exceed 40% of the aggregate total of endorsements/guarantees. The details of guarantee are as enumerated below:

YULON MOTOR CO., LTD

Itemized statement of amounts in endorsements/guarantees:
December 31, 2021

Expressed in Ten Thousand NT Dollars

Counterparts	Credit limits for guarantees	Amounts substantially disbursed
Yu Sing Motor Co., Ltd.	51,000	8,000
Luxgen Motor Co., Ltd.	340,000	50,000
Yu Ching Business Co., Ltd.	100,000	-
Sin Chi Co., Ltd.	50,000	-
UNIVATION MOTOR PHILIPPINES, INC.	38,766	13,066
Luxgen Taipei Motor Co., Ltd.	15,000	5,000
Luxgen Taoyuan Motor Co., Ltd.	5,000	-
Luxgen Taichung Motor Co., Ltd.	5,000	-
Luxgen Tainan Motor Co., Ltd.	5,000	-
Luxgen Kaohsiung Motor Co., Ltd.	5,000	-
Total	614,766	76,066

Proposals

Motion No. 1

Proposed by the Board

Proposal: adoption of the 2021 Financial Statements.

Explanation:

1. The Company's 2021 Financial Statement had been duly audited by Certified Public Accountants Li-Wen Kuo and Yu-Wei Fan of Deloitte Touche Tohmatsu International Taiwan. The aforementioned Financial Statement along with the Business Report have been completed in the review process by the Company's Audit Committee who proves the contents authentic and duly issues the Audit Report.
2. Please find enclosed herewith the Company's 2021 Business Report (Please refer to Page 2–3) and Financial Statement. Please refer to Appendices 1 and 2 (Page 14–35).
3. Please acknowledge as proposed

Decision resolved:

Motion No. 2

Proposed by the Board

Proposal: adoption of the Proposal for Distribution of 2021 Profits.

Explanation:

1. On the grounds of the Company's 2021 final account statement, the net profit made by the Company after tax in that year amounted to NT\$4.71552 billion and the earnings per share amounted to NT\$4.82. In accordance with Article 27 of the Company's Articles of Incorporation and the consideration of the Company's future business plans regarding potential change, funding needs and changes in the industrial ambiance, shareholders' equity and long-term financial programming, we duly plan the Company's 2021 Surplus Distribution Table. Please refer to Attachment 3 (page 36) for the contents of the said Table.
2. The distribution of dividends is to be processed in accordance with Article 27 of the Company's Articles of Incorporation. Dividends are distributed in the form of cash or shares for an amount to be proposed by the board of directors and resolved in the shareholders' meeting. For the Company in Year 2021, the cash dividend is proposed to be distributed at NT\$1.5 per share. It is further scheduled that August 31, 2022 is the base day for cash dividends distribution.
3. Regarding the present distribution of the Company's earnings, in the event that the number of the Company's outstanding shares as of the base day for dividends distribution is affected because the Company's act to repurchase the Company's shares or transfer the treasury shares to employees, it is proposed that the shareholders' meeting authorize the Board of Directors to duly adjust the rate of dividends to be distributed to shareholders based on the amount of cash dividends as resolved for the present distribution.
4. Please acknowledge as proposed

Decision resolved:

Discussions

Motion No. 1

Proposed by the Board

Subject: proposal for partial amendment to the Company's "Articles of Incorporation."

Explanation:

1. It is proposed to have the Company's "Articles of Incorporation" amended partially in response to the Company's business operations and the amendments made to the Company Act.
2. For Table of Contents Before and After Amendment in Comparison, please refer to Attachment 4 (Page 37 to 38).
3. The issue is duly presented for discussion.

Decision resolved:

Motion No. 2

Proposed by the Board

Subject: proposal for partial amendment to the Company's "Procedures for the Acquisition and Disposal of Assets."

Explanation:

1. It is proposed to have the Company's "Procedures for the Acquisition and Disposal of Assets" be amended in response to the amendments made to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" by the Financial Supervisory Commission.
2. For Table of Contents Before and After Amendment in Comparison, please refer to Attachment 5 (Page 39 to 44).
3. The issue is duly presented for discussion.

Decision resolved:

Elections

Motion No. 1

Proposed by the Board

Subject: For the elections of the Directors of Session 17th.

Explanation:

1. The Company's directors (including independent directors) for the 16th term of office will expire on June 30, 2022. According to the Company's Articles of Incorporation, nine (9) directors (including three independent directors) are to be elected for the 17th term of office for three years from July 1, 2022 to June 30, 2025.
2. According to Article 14 of the Company's Articles of Incorporation, a candidate nomination system is adopted for the election of directors (including independent directors). The list of candidates for the election of directors has been approved by the Company's Board of Directors on March 10, 2022. Please refer to Annex VI (Page 45-47) for the information related to the candidates' education, work experience and others.
3. Please elect as proposed.

Election results:

Other Matters

Motion No. 1

Proposed by the Board

Subject: proposal to lift the Directors of Session XVII from prohibition of business strife.

Explanation:

1. Pursuant to Article 209 of the Company Act, a proposal may be made to the shareholders' meeting to lift the Directors of Session XVII from the prohibition of business strife.
2. A director newly elected into Session XVII of the Company, is very likely to serve with a company that engages in business items that is the same as the Company's or to serve with an investee invested by the Company or a strategic alliance or a joint venture in a capacity of a director or a manager. All such facts are given the account of the business performance and adequate usage of talent expertise. The concurrent jobs so served are completely to meet the business needs. In the very premise of no impairment to the Company's interests, it is proposed that the prohibition of business strife should be lifted from him based on the aforementioned laws.
3. The issue is duly presented for discussion.

Decision resolved:

Questions and Motions

Adjournment of the meeting

Attachment 1

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yulon Motor Company Ltd.

Opinion

We have audited the accompanying financial statements of Yulon Motor Company Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for the year ended December 31, 2021 are stated as follows:

Estimated Impairment of Trade Receivable from Invested subsidiary (Yulon Finance Co, Ltd.)

The provision for impairment of trade receivables from Yulon Finance Co, Ltd. is based on assumptions about risk of default and expected loss rates. Yulon Finance Co, Ltd. uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based

on Yulon Finance Co, Ltd.'s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. The key assumptions and inputs used involved significant management judgment and estimation uncertainty; thus, impairment assessment is determined as a key audit matter.

Our audit procedures included the following:

1. We understood the policies on impairment of trade receivables and assessed the reasonableness of impairment of receivables by performing inquiry, inspection and re-performance of related internal controls.
2. We involved our internal IT specialists in testing Yulon Finance Co, Ltd.'s system that generated related documents used by management in the evaluation and determination of default rate and expected loss rate; the tests verified the correctness of the assumptions used in the determination of default rate and expected loss rate.
3. We calculated the expected credit loss based on the impairment policy.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li-Wen Kuo and Yu-Wei Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2022

Notice to Readers

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

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

YULON MOTOR COMPANY LTD.

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,095,830	3	\$ 1,602,487	2
Financial assets at fair value through profit or loss	863,864	1	2,056,899	3
Financial assets at amortized cost	1,091,077	1	1,676,880	2
Note and trade receivable	25,410	-	10,751	-
Notes and trade receivable from related parties	315,583	1	82,238	-
Other receivables	172,815	-	178,042	-
Inventories	7,279,017	9	7,555,666	10
Other current assets	204,878	-	267,451	-
Total current assets	12,048,474	15	13,430,414	17
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss	41,985	-	-	-
Financial assets at fair value through other comprehensive income	2,327,421	3	2,271,662	3
Investments accounted for using equity method	41,944,083	53	43,461,105	55
Property, plant and equipment	7,633,561	10	7,424,065	9
Right-of-use assets	7,019	-	9,461	-
Investment properties	13,681,852	18	11,686,745	15
Intangible assets	50,849	-	57,361	-
Deferred tax assets	566,600	1	610,768	1
Other non-current assets	296,493	-	241,447	-
Total non-current assets	66,549,863	85	65,762,614	83
TOTAL	\$ 78,598,337	100	\$ 79,193,028	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ -	-	\$ 1,500,000	2
Short-term bills payable	998,798	1	1,997,789	2
Trade payables	1,373,783	2	1,452,723	2
Trade payables to related parties	932,568	1	1,553,047	2
Other payables	2,263,371	3	3,412,348	4
Current tax liabilities	17,154	-	-	-
Lease liabilities	1,263	-	2,387	-
Current portion of bonds payable	7,000,000	9	-	-
Other current liabilities	293,685	-	33,231	-
Total current liabilities	12,880,622	16	9,951,525	12
NON-CURRENT LIABILITIES				
Bonds payable	8,300,000	11	15,300,000	19
Deferred tax liabilities	2,503,619	3	2,476,892	3
Lease liabilities	5,818	-	7,082	-
Net defined benefit liabilities	210,840	-	376,412	1
Deposits received	1,035,316	2	768,256	1
Credit balance on the carrying value of investments accounted for using the equity method	1,004,424	1	1,567,265	2
Other non-current liabilities	5,835	-	7,128	-
Total non-current liabilities	13,065,852	17	20,503,035	26
Total liabilities	25,946,474	33	30,454,560	38
EQUITY				
Share capital				
Ordinary shares	10,000,000	13	10,000,000	13
Capital surplus	6,578,018	8	6,563,888	8
Retained earnings				
Legal reserve	8,281,822	11	8,281,822	10
Special reserve	22,228,565	28	24,228,565	31
Unappropriated earnings (accumulated deficit)	5,514,701	7	(363,310)	-
Total retained earnings	36,025,088	46	32,147,077	41
Other equity				
Exchange differences on translation of foreign operations	(1,287,377)	(1)	(1,118,814)	(2)
Unrealized gain on financial assets at fair value through other comprehensive income	1,712,376	2	1,522,597	2
Gain on hedging instrument	62	-	24	-
Treasury shares	425,061	1	403,807	-
	(376,304)	(1)	(376,304)	-
Total equity	52,651,863	67	48,738,468	62
TOTAL	\$ 78,598,337	100	\$ 79,193,028	100

YULON MOTOR COMPANY LTD.

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

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

(Continued)

YULON MOTOR COMPANY LTD.

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

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

(Concluded)

YULON MOTOR COMPANY LTD.

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

	Retained Earnings					Other Equity		Gain/(Loss) on Hedging Instruments	Treasury Shares	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficit) Undistributed Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE, JANUARY 1, 2020	\$ 15,729,199	\$ 6,566,495	\$ 8,281,822	\$ 39,373,565	\$ (23,880,202)	\$ (1,255,680)	\$ 1,397,517	\$ (4)	\$ (376,304)	\$ 45,836,408
Capital reduction for covering accumulated deficit	(5,729,199)	-	-	-	5,729,199	-	-	-	-	-
Appropriation of the 2019 earnings Special reserve	-	-	-	(15,145,000)	15,145,000	-	-	-	-	-
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	(2,607)	-	-	(44,834)	-	-	-	-	(47,441)
Net profit for the year ended December 31, 2020	-	-	-	-	2,739,210	-	-	-	-	2,739,210
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	(9,363)	136,866	82,760	28	-	210,291
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	2,729,847	136,866	82,760	28	-	2,949,501
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	23,034	-	(23,034)	-	-	-
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(65,354)	-	65,354	-	-	-
BALANCE, DECEMBER 31, 2020	10,000,000	6,563,888	8,281,822	24,228,565	(363,310)	(1,118,814)	1,522,597	24	(376,304)	48,738,468
Appropriation of 2020 earnings Special reserve	-	-	-	(2,000,000)	2,000,000	-	-	-	-	-
Cash dividends distributed by the Company (NT\$ 1 per share)	-	-	-	-	(1,000,000)	-	-	-	-	(1,000,000)
Change in equity from investments in subsidiaries, associates and joint ventures accounted for by using equity method	-	153	-	-	-	-	-	-	-	153
Adjustment of capital surplus due to dividends paid to subsidiaries	-	7,527	-	-	-	-	-	-	-	7,527
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	6,450	-	-	(1)	-	-	-	-	6,449
Net profit for the year ended December 31, 2021	-	-	-	-	4,715,516	-	-	-	-	4,715,516
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	133,642	(168,563)	218,633	38	-	183,750
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	4,849,158	(168,563)	218,633	38	-	4,899,266
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(10,231)	-	10,231	-	-	-
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	39,085	-	(39,085)	-	-	-
BALANCE, DECEMBER 31, 2021	<u>\$ 10,000,000</u>	<u>\$ 6,578,018</u>	<u>\$ 8,281,822</u>	<u>\$ 22,228,565</u>	<u>\$ 5,514,701</u>	<u>\$ (1,287,377)</u>	<u>\$ 1,712,376</u>	<u>\$ 62</u>	<u>\$ (376,304)</u>	<u>\$ 52,651,863</u>

YULON MOTOR COMPANY LTD.

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

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

(Continued)

YULON MOTOR COMPANY LTD.

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

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

(Concluded)

Attachment 2

INDEPENDENT AUDITORS' REPORT

Yulon Motor Company Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yulon Motor Company Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Estimated Impairment of Trade Receivable

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

Our audit procedures included the following:

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

Other Matter

Yulon Motor Company Ltd. has prepared individual financial statements for year 2021 and 2020, and the audit report issued by the accountant with an unqualified opinion is in the case of reference.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Li-Wen Kuo and Yu-Wei Fan.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2022

Notice to Readers

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

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 15,292,207	5	\$ 20,036,878	7
Financial assets at fair value through profit or loss	1,404,337	-	4,315,296	1
Financial assets at fair value through other comprehensive income	203,006	-	113,077	-
Derivative financial assets for hedging	484	-	1,594	-
Financial assets at amortized cost	5,919,832	2	4,386,706	1
Notes and trade receivable	166,813,066	52	141,722,783	47
Notes and trade receivable from related parties	642,896	-	457,018	-
Finance lease receivables	23,048,596	7	22,838,380	7
Other receivables	2,884,919	1	1,818,711	1
Inventories	10,462,267	3	11,997,687	4
Other current assets	4,991,634	2	4,876,780	2
Incremental costs of obtaining a contract	3,191,248	1	2,621,758	1
Total current assets	234,854,492	73	215,186,668	71
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss	44,061	-	2,136	-
Financial assets at fair value through other comprehensive income	486,472	-	438,922	-
Financial assets at amortized cost	1,126,362	-	624,140	-
Investments accounted for using the equity method	28,028,713	9	28,968,473	10
Property, plant and equipment	35,566,354	11	35,542,275	12
Right-of-use assets	2,648,561	1	3,190,202	1
Investment properties	14,953,989	5	11,832,290	4
Goodwill	882	-	882	-
Vehicle model development cost	254,104	-	328,319	-
Other intangible assets	417,497	-	475,147	-
Deferred tax assets	2,567,126	1	2,471,273	1
Long-term finance lease receivables	1,240,184	-	1,074,998	1
Refundable deposits	805,627	-	311,288	-
Other non-current assets	868,355	-	875,733	-
Total non-current assets	89,008,287	27	86,136,078	29
TOTAL	\$ 323,862,779	100	\$ 301,322,746	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 41,623,922	13	\$ 45,307,626	15
Short-term bills payable	130,764,899	40	106,544,979	35
Financial liabilities for hedging	349	-	1,541	-
Notes and trade payables	3,828,338	1	4,655,668	2
Notes and trade payable to related parties	1,265,765	1	1,817,464	1
Other payables	9,085,622	3	12,327,544	4
Current tax liabilities	1,100,726	-	948,109	-
Provisions	91,040	-	159,271	-
Lease liabilities	578,022	-	604,309	-
Current portion of bonds payable	22,796,697	7	14,121,823	5
Current portion of long-term borrowings	1,771,703	1	1,480,632	-
Other current liabilities	14,088,055	4	13,040,517	4
Total current liabilities	226,995,138	70	201,009,483	66
NON-CURRENT LIABILITIES				
Bonds payable	8,300,000	3	15,300,000	5
Long-term borrowings	10,466,506	3	12,337,066	4
Provisions	397,396	-	641,441	-
Deferred tax liabilities	4,145,767	1	3,942,336	2
Lease liabilities	1,623,965	1	1,742,404	1
Net defined benefit liabilities	513,030	-	725,107	-
Other non-current liabilities	721,454	-	749,589	-
Total non-current liabilities	26,168,118	8	35,437,943	12
Total liabilities	253,163,256	78	236,447,426	78
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	10,000,000	3	10,000,000	3
Capital surplus	6,578,018	2	6,563,888	2
Retained earnings				
Legal reserve	8,281,822	2	8,281,822	3
Special reserve	22,228,565	7	24,228,565	8
Unappropriated earnings (accumulated deficits)	5,514,701	2	(363,310)	-
Total retained earnings	36,025,088	11	32,147,077	11
Other equity				
Exchange differences on translation of foreign operations	(1,287,377)	-	(1,118,814)	-
Unrealized gain on financial assets at fair value through other comprehensive income	1,712,376	-	1,522,597	-
Gain on hedging instrument	62	-	24	-
Total other equity	425,061	-	403,807	-
Treasury shares	(376,304)	-	(376,304)	-
Total equity attributable to owners of the Company	52,651,863	16	48,738,468	16
NON-CONTROLLING INTERESTS	18,047,660	6	16,136,852	6
Total equity	70,699,523	22	64,875,320	22
TOTAL	\$ 323,862,779	100	\$ 301,322,746	100

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

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Concluded)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											Non-controlling Interests	Total Equity
	Retained Earnings					Other Equity			Treasury Shares	Total			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	(Accumulated Deficits) Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments					
BALANCE, JANUARY 1, 2020	\$ 15,729,199	\$ 6,566,495	\$ 8,281,822	\$ 39,373,565	\$ (23,880,202)	\$ (1,255,680)	\$ 1,397,517	\$ (4)	\$ (376,304)	\$ 45,836,408	\$ 11,244,743	\$ 57,081,151	
Capital reduction for covering accumulated deficit	(5,729,199)	-	-	-	5,729,199	-	-	-	-	-	-	-	
Appropriation of the 2019 earnings													
Special reserve	-	-	-	(15,145,000)	15,145,000	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,293,234)	(1,293,234)	
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	(2,607)	-	-	(4,527)	-	-	-	-	(7,134)	-	(7,134)	
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	-	-	-	(40,307)	-	-	-	-	(40,307)	-	(40,307)	
Net profit for the year ended December 31, 2020	-	-	-	-	2,739,210	-	-	-	-	2,739,210	2,100,352	4,839,562	
Other comprehensive income for the year ended December 31, 2020, net of income tax	-	-	-	-	(9,363)	136,866	82,760	28	-	210,291	30,698	240,989	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	2,729,847	136,866	82,760	28	-	2,949,501	2,131,050	5,080,551	
Disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	(42,851)	-	42,851	-	-	-	-	-	
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	531	-	(531)	-	-	-	-	-	
Effect of deconsolidation of subsidiary	-	-	-	-	-	-	-	-	-	-	4,054,293	4,054,293	
BALANCE, DECEMBER 31, 2020	10,000,000	6,563,888	8,281,822	24,228,565	(363,310)	(1,118,814)	1,522,597	24	(376,304)	48,738,468	16,136,852	64,875,320	
Appropriation of the 2020 earnings													
Special reserve	-	-	-	(2,000,000)	2,000,000	-	-	-	-	-	-	-	
Cash dividends distributed by the Company (NT\$1 per share)	-	-	-	-	(1,000,000)	-	-	-	-	(1,000,000)	-	(1,000,000)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,285,875)	(1,285,875)	
Change in equity from investments in associates and joint ventures accounted for by using equity method	-	153	-	-	-	-	-	-	-	153	-	153	
Adjustment of capital surplus due to dividends paid to subsidiaries	-	7,527	-	-	-	-	-	-	-	7,527	-	7,527	
Change in equity from the differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during disposal or acquisition	-	6,450	-	-	(1)	-	-	-	-	6,449	(6,449)	-	
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	210,244	210,244	
Net profit for the year ended December 31, 2021	-	-	-	-	4,715,516	-	-	-	-	4,715,516	3,026,799	7,742,315	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	133,642	(168,563)	218,633	38	-	183,750	(33,911)	149,839	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	4,849,158	(168,563)	218,633	38	-	4,899,266	2,992,888	7,892,154	
Associates disposed the investments in equity instruments designed as at fair value through other comprehensive income	-	-	-	-	28,854	-	(28,854)	-	-	-	-	-	
BALANCE, DECEMBER 31, 2021	\$ 10,000,000	\$ 6,578,018	\$ 8,281,822	\$ 22,228,565	\$ 5,514,701	\$ (1,287,377)	\$ 1,712,376	\$ 62	\$ (376,304)	\$ 52,651,863	\$ 18,047,660	\$ 70,699,523	

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Continued)

YULON MOTOR COMPANY LTD. AND SUBSIDIARIES

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

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

(Concluded)

Attachment 3

YULON MOTOR CO., LTD
2021 Profit Distribution Table



Unit: NTD

Items		Total
Number available for distribution		5,026,900,351
Unappropriated retained earnings of prior years	636,690,001	
Net profit after tax this term	4,715,516,436	
Less: Disposal of the investment in equity instruments measured at fair value through other comprehensive profit and loss	(10,230,748)	
Add: defined benefits plan re-measurement recognized as retained earnings	125,346,646	
Add: Retained earnings adjusted due to investments in the equity method	47,379,166	
The net profit after tax this term added with items other than net profit this term added with unappropriated retained earnings of the current year	4,878,011,500	
Appropriation of legal reserve	(487,801,150)	
Distributable amount for current period	5,026,900,351	
Distributable items		1,500,000,000
Distribution of bonus to shareholders – Cash dividends (At NT\$1.5 per shares)	1,500,000,000	
Undistributed earnings, ending of year		3,526,900,351

Note 1: Upon calculation under Article 66–9 of the Income Tax Act, that is, upon calculation of unappropriated retained earnings “upon extra levy of 5% of the profit-seeking enterprise income tax,” the earnings of the latest fiscal year shall be preferentially allocated.

Note 2: Cash dividends are distributed with a round up amount. The fractional share less than NT\$1 should be booked in the Company’s “Other income” account.

Chairman:



Manager:



Accounting Supervisor:



Attachment 4

Articles of Incorporation amendment before and after

After amendment	Current Article	Description
Article 2: The Company's business lines are as enumerated below: 1. <u>CD01030 Motor Vehicles and Parts Manufacturing</u> 2. <u>JA01010 Automobile Repair</u> 3. <u>JA01990 Other Automobile Services</u> 4. <u>F114010 Wholesale of Motor Vehicles</u> 5. <u>F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories</u> 6. <u>E701040 Simple Telecommunications Equipment Installation</u> 7. <u>E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering</u> 8. <u>I501010 Product Designing</u> 9. <u>F113070 Wholesale of Telecommunication Apparatus</u> 10. <u>F213060 Retail Sale of Telecommunication Apparatus</u> 11. <u>F401010 International Trade</u> 12. <u>I199990 Other Consulting Service</u> 13. <u>I103060 Management Consulting</u> 14. <u>H701010 Housing and Building Development and Rental</u> 15. <u>H701020 Industrial Factory Development and Rental</u> 16. <u>H703100 Real Estate Leasing</u> 17. <u>D101011 Electric Power Generation</u> 18. <u>IG03010 Energy Technical Services</u> 19. <u>CD01040 Motorcycles and Parts Manufacturing</u> 20. <u>ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u>	Article 2: The Company's business lines are as enumerated below: 1. Manufacture and sales, design, testing, inspection, processing, repair of a variety of automobiles and related raw materials, parts and components, molds, fixtures, tools, and other mechanical parts and the like; operation of type A auto repair shops, sales of auto parts (accessories), vehicular body refitting and sales, agency services rendered for car inspection business as well as car sales business. 2. A variety of raw materials and components oriented to automobiles to be supplied to Nissan Motor Co., Ltd. and those overseas automobile-affiliated enterprises. 3. Installation, sales and import and export of low-power radio frequency motor equipment as oriented to vehicles. 4. F113070 Wholesale of Telecommunication Apparatus 5. F213060 Retail Sale of Telecommunication Apparatus 6. General import and export trade related businesses (excluding such businesses subject to special permits) 7. Technical consultation and advisory services linked up with the aforementioned business lines. 8. Consultation services oriented to general business administration. (Excluding certified public accountant professional services) (Excluding securities investment related consultation services). 9. H701010 Housing and Building Development and Rental	1. The business items are amended to be in line with the Company's business operation and they are presented by the business code as specified in the code table. 2. An adjustment to the title code order

After amendment	Current Article	Description
	10. H703010 Factory/plant leasehold services. 11. H703020 warehouse leasehold services. 12. H703030 Office building leasehold services. 13. D101011 Electric Power Generation 14. IG03010 Energy Technical Services 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 9: The Company's special shareholders' meetings are classified into the two categories below: 1. Shareholders' meeting: To be duly convened within six (6) months from closure of every fiscal year. 2. Special shareholders' meeting: to be duly convened in accordance with the Company Act whenever considered necessary. <u>The shareholders' meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority.</u>	Article 9: The Company's special shareholders' meetings are classified into the two categories below: 1. Shareholders' meeting: To be duly convened within six (6) months from the closure of every fiscal year. 2. Special shareholders' meeting: To be duly convened in accordance with the Company Act whenever considered necessary.	The alternative of holding a virtual shareholders' meeting is provided.
Article 31: This Articles of Incorporation was created on July 23, 1953; the 1st amendment was made on October 23, 1954; ... (omitted); the 53rd amendment was made on June 21, 2019; the 54th amendment was made on June 18, 2020; the 55th amendment was made on July 15, 2021; <u>the 56th amendment is made on June 17, 2022.</u>	Article 31: This Articles of Incorporation was created on July 23, 1953; the 1st amendment was made on October 23, 1954; ... (omitted); the 53rd amendment was made on June 21, 2019; the 54th amendment was made on June 18, 2020; the 55th amendment was made on July 15, 2021.	Add amendment date.

Attachment 5

Procedures for Acquisition or Disposal of Assets amendment before and after

After amendment	Current Article	Description
Article 4: Professional appraisers and their officers, certified public accounts, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements: 1.... 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or <i>de facto</i> related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules issued by respective professional associations and</u> the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and	Article 4: Professional appraisers and their officers, certified public accounts, attorneys and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions or underwriter's opinions shall meet the following requirements: 1.... 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or <i>de facto</i> related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience and independence. 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy and</u>	Description of texted revision.

After amendment	Current Article	Description
reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u> and that they have complied with the applicable laws and regulations.	reasonableness of the sources of data used, the parameters and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion and that they have evaluated and found that the information used is <u>reasonable and accurate</u> and that they have complied with the applicable laws and regulations.	
Article 8: The Company... 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be rendering a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	Article 8: The Company... 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be <u>engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	Deleted the text description regarding the “Generally Accepted Auditing Standards.”

After amendment	Current Article	Description
(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. ...	(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. ...	
Article 9: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, to publicly quoted prices of securities that have an active market or where otherwise provided by regulations of the competent authority.	Article 9: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> However, to publicly quoted prices of securities that have an active market or where otherwise provided by regulations of the competent authority.	Deleted the text description regarding the “Generally Accepted Auditing Standards.”
Article 10: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public	Article 10: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public	Deleted the text description regarding the “Generally Accepted Auditing Standards.”

After amendment	Current Article	Description
accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price	accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF.</u>	
Article 14: The Company obtains from related parties... ... 3. <u>With respect to</u> the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16. ... 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee by a majority vote and resolved by the <u>shareholders' meeting</u> and Board of Directors need not be counted toward the transaction amount. Between the Company and the subsidiaries... When the proposal is submitted to the Board of Directors for discussion pursuant to Paragraph 1, it is necessary to take into full	Article 14: The Company obtains from related parties... ... 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 and Article 16. ... 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 27, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee by a majority vote and resolved by the Board of Directors need not be counted toward the transaction amount. Between the Company and the subsidiaries... When the proposal is submitted to the Board of Directors for discussion pursuant to Paragraph 1, it is necessary to take into full	Description of the new text added.

After amendment	Current Article	Description
consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting. If approval of one-half or more of all Audit Committee members as required in the Paragraph 1 is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors' meeting. <u>When the Company or the Company's subsidiary that is not a public company in Taiwan has the transactions as stated in Paragraph 1 for an amount more than 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the matters in Paragraph 1 have been approved in the shareholders' meeting. However, transactions between the Company and the subsidiaries or between subsidiaries are not subject to this limitation.</u> The terms "all audit committee members" and "all directors" in Paragraph 1 shall be counted as the actual number of persons currently holding those positions.	consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board meeting. If approval of one-half or more of all Audit Committee members as required in the Paragraph 1 is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors' meeting. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.	
Article 27: The Company acquisition and disposal of assets... 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a	Article 27: The Company acquisition and disposal of assets... 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a	Description of the new text added.

After amendment	Current Article	Description
financial institution or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. this shall not apply to the following circumstances: (1) Trading of domestic government bonds <u>or foreign government bonds with a credit rating not below the sovereignty rating of our government.</u> (2) Trading of bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: 1....	financial institution or an investment in the Mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. this shall not apply to the following circumstances: (1) Trading of domestic government bonds. (2) Trading of bonds under repurchase and resale agreements or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: 1....	
Article 33: The Procedures were enacted on June 30, 2003. The 1st amendment was made on June 12, 2006; ... (Omitted) The 9th amendment was made on June 21, 2019; <u>the 10th amendment is made on June 17, 2022.</u>	Article 33: The Procedures were enacted on June 30, 2003. The 1st amendment was made on June 12, 2006; ... (Omitted) The 9th amendment was made on June 21, 2019.	Add amendment date.

Attachment 6

List of candidates for directors

I. Candidates for directors

Name and shareholdings of juristic persons	Name of representatives	Education (work experience) of the representatives
Tai Yuen Textile Co., Ltd. Number of shares held : 181,128,973	Yen Chen Li-Lien Number of shares held : 34,174,253	Department of Physical Education, Chinese Culture University Chairman of YULON MOTOR CO., LTD Chairman of Tai Yuen Textile Co., Ltd. Chairman of China Motor Corporation Chairman of Yulon Nissan Motor Co., Ltd. Chairman of Taiwan Acceptance Corporation Chairman of Carnival Industrial Corporation
	Tso, Chi-Sen Number of shares held : 0	Entrepreneur Management Research Class, Department of Business Administration, National Chengchi University Vice Chairman of YULON MOTOR CO., LTD Vice Chairman of Foxtron Vehicle Technologies Co., Ltd. Director of Taiwan Acceptance Corporation Chairman and President of Luxgen Motor Co., Ltd. President of Dongnan (Fujian) Automobile Industry Co. Vice President of China Motor Corporation Vice president of Hua-Chuang Automobile Information Technical Center Co., Ltd.
China Motor Corporation Number of shares held : 166,714,441	Shin-I Lin Number of shares held : 0	Department of Mechanical Engineering, National Cheng Kung University Vice Chairman, Director and President of China Motor Corporation Director of YULON MOTOR CO., LTD Managing and independent director of WEIER Electric Dalian Co., Ltd. Vice Premier of the Executive Yuan and Chairman of the Council for Economic Planning and Development Minister of Economy Chairman of Industrial Technology Research Institute President of Taiwan Transportation Vehicle Manufacturers Association
	Liang Zhang Number of shares held : 0	Ph.D. in Economics, State University of New York in Albany, USA. Director of YULON MOTOR CO., LTD Director of Taiwan Acceptance Corporation Supervisor of Yulon-Administered Enterprises Company Limited Independent director of My Humble House Hospitality Management Consulting Independent director of Ho-Ping Power Company Independent Director of CSRC

Name and shareholdings of juristic persons	Name of representatives	Education (work experience) of the representatives
Yen Ching-Ling's Foundation Number of shares held : 10,990,936	Zhen-Xiang Yao Number of shares held : 212,738	Master of Business Administration, MIB Institute of Industrial Technology, Curtin University, Australia Director and President of YULON MOTOR CO., LTD Director of China Motor Corporation Director of Yulon Nissan Motor Co., Ltd. Director of Taiwan Acceptance Corporation Director of Foxtron Vehicle Technologies Co., Ltd.
	Jack, J.T. Huang Number of shares held : 0	Doctor of Laws, Harvard University, USA Director of YULON MOTOR CO., LTD Director of Tai Yuen Textile Co., Ltd. Independent director of WPG Holdings Independent director of SYSTEX Corporation Independent director of CTCI Corporation Independent director of Delta Electronics, Inc.

II. Candidates for independent directors

Name	Education (Experience)
Zhong-Qi Zhou Number of shares held : 0	Master of Science in Mathematics, Colorado State University, USA Independent director of Taiwan Acceptance Corporation Independent director of Standard Foods Corporation Independent director of Fubon Life Insurance Co., Ltd. Director of Kiwi Technology Inc. Senior Consultant, Chairman's Office, Chunghwa Telecom Co.
Yen-Chin Tsai Number of shares held : 0	Ph.D. in Accounting from the University of California, Los Angeles Professor of Accounting Department and Research Institute, National Taiwan University Consultant of Taiwan Financial Reporting Standards Committee, Accounting Research and Development Foundation of the Republic of China Independent director of Nan Shan Life Insurance Company, Ltd. Independent Director of Genesys Logic, Inc. Independent Director of Cowealth Medical Holding Co., Ltd.
Yun-Hua Yang Number of shares held : 0	Ph.D. of Laws, University of Tübingen, Germany Professor of Law, National Chengchi University Independent Director of China Motor Corporation Independent Director of Yulon Nissan Motor Co., Ltd. Independent director of Universal Vision Biotechnology Co., Ltd.

Appendix 1

YULON MOTOR CO., LTD Shareholdings of Directors

Base date: April 19, 2022

Unit: shares

Position	Name	Number of shares held	Shareholding percentages (%)	Remarks
Chairman	Yen Chen Li-Lien	181,128,973	18.11%	Tai Yuen Textile Co., Ltd. Representative
Vice Chairman	Tso, Chi-Sen			
Director	Shin-I Lin	166,714,441	16.67%	China Motor Corporation Representative
Director	Liang Zhang			
Director	Jack, J.T. Huang	10,990,936	1.09%	Yen Ching-Ling's Foundation, Representative
Director	Zhen-Xiang Yao			
Independent Director	Yi-Hong Hsieh	-	-	
Independent Director	Zhong-Qi Zhou	-	-	
Independent Director	Yen-Chin Tsai	-	-	
Total Directors' shareholding		358,834,350	35.87%	

Note: Pursuant to provisions set forth under Article 26 of Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the aggregate total number of shares by all directors of the Company shall not be below 3.2% minimum, that is, 32,000,000 shares. As of April 19, 2022, the aggregate total shares held by all directors of the Company were at the number of 358,834,350 shares (35.87%), well consistent with the legal requirements. The number of shares held by all directors of the Company is enumerated on the Table above.

Appendix 2

YULON MOTOR CO., LTD **Rules of Procedure for Shareholders' Meetings**

- Article 1: The Company's shareholders' meetings shall be as provided in these Rules.
- Article 2: A shareholder who participates in a shareholders' meeting either in person (or through a proxy) shall submit a sign-in card instead of the sign-in process in person. A sign-in card shall be taken as the basis in counting the participating shares.
- The number of participating shares in a shareholders' meeting shall be counted based on the sign-in cards added with the voting powers exercised electronically.
- Attendance and Voting at a shareholders' meeting shall be calculated based the number of shares.
- Article 3: The chairperson shall call the meeting to order when the total number of shares represented by the participating shareholders is in excess of one-half of the Company's total outstanding shares. In case of inadequate quorum when the time scheduled for a shareholders' meeting is over, the chairperson may announce a postponement for the meeting within the maximum limit of postponement twice. The total period accumulated by such postponements shall not exceed one hour maximum. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 4: If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.
- The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding paragraphs (including Questions and Motions), except by a resolution of the shareholders' meeting. Where the chairperson violates these Shareholders' Meeting Procedure Rules by inappropriately announcing adjournment of the meeting, a new chairperson may be elected by one half majority of the attending shareholders to continue the meeting.
- After the adjournment of the meeting is lawfully promulgated by the chairperson, the shareholders shall not elect another chairperson to continue the same meeting at the same venue or at a new venue.

- Article 5: Before speaking, an attending shareholder must specify on a speaker's slip his/her shareholder account number (or attendance card number), account name and the subject of the speech. The order in which shareholders speak will be set by the chair.
- A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. Where the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 6: Where a shareholder delivers a speech, another shareholder (or proxy) shall not speak on the same issue more than twice, not more than five (5) minutes each time unless agreed upon by the chairperson.
- Article 7: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- When two juristic persons or more are appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 8: Whenever an attending shareholder speaks overtime or speaks beyond the specified scope or speaks discourteously. The chairperson may stop his or her speech.
- Other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violations.
- Article 9: During the discussion process, the chairperson may announce end of discussion and bring the issue into resolution process at an appropriate time point. The chairperson shall arrange a time adequate for the voting process. The chairperson may announce discontinuance from discussion whenever necessary.
- Article 10: Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The voting process shall be carried out on the on a case-by-case basis for relevant issues (including extemporary motion and an amendment to an original motion). The voting power for shareholders shall be duly handled in accordance with the laws and ordinances concerned.
- Where a shareholder appoints a proxy to participate in a shareholders' meeting on his or her behalf, all acts concerned shall be duly handled exactly in accordance with the "Regulations Governing Use of Powers of Attorney (Proxies) for the Shareholders' Meeting of Public Offering Companies."
- Article 11: During the process of a meeting, the chairperson may announce a break. Whenever a meeting cannot be concluded, a decision may be resolved in the shareholders' meeting to resume the meeting within five (5) days without a need to serve a notice or a public announcement for the resumed meeting.
- Article 12: Where there are amendments or alternatives to the same proposal, the chair shall, together with the original proposal, determine the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be

deemed rejected and no further voting shall be required.

Article 13: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 14: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced onsite and recorded.

Article 15: If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the directors to act as chair, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 16: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 17: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 18: The entire process of a shareholders' meeting shall be audio recorded/videotaped which shall be put into prudential custody for one year minimum.

Article 19: Matters not specified in this Agreement, if any, shall be duly handled in accordance with the Company Act and laws and ordinances concerned.

Article 20: This Regulations was created on June 30, 1975; the 1st amendment was made on June 10, 1989; the 2nd amendment was made on May 9, 1998; the 3rd amendment was made on May 18, 2001; the 4th amendment was made on June 14, 2002; the 5th amendment was made on June 12, 2012; the 6th amendment was made on June 18, 2020.

Appendix 3

Articles of Incorporation of YULON MOTOR CO., LTD

Chapter 1 General Principles

- Article 1: This Company, pursuant to provisions governing company limited by shares as set forth under the Company Act, is duly incorporated under the full name of “Yulon Motor Co., Ltd.” (hereinafter referred to as the Company)
- Article 2: The Company’s business lines are as enumerated below:
1. Manufacture and sales, design, testing, inspection, processing, repair of a variety of automobiles and related raw materials, parts and components, molds, fixtures, tools, and other mechanical parts and the like; operation of type A auto repair shops, sales of auto parts (accessories), vehicular body refitting and sales, agency services rendered for car inspection business as well as car sales business.
 2. A variety of raw materials and components oriented to automobiles to be supplied to Nissan Motor Co., Ltd. and those overseas automobile-affiliated enterprises.
 3. Installation, sales and import and export of low-power radio frequency motor equipment as oriented to vehicles.
 4. F113070 Wholesale of Telecom Instruments
 5. F213060 Retail Sale of Telecommunication Apparatus
 6. General import and export trade related businesses (excluding such businesses subject to special permits)
 7. Technical consultation and advisory services linked up with the aforementioned business lines.
 8. Consultation services oriented to general business administration.
(Independent auditor’s service is excluded)
(Securities investment consulting business is excluded)
 9. H701010 Housing and Building Development and Rental
 10. H703010 Factory/plant leasehold services.
 11. H703020 warehouse leasehold services.
 12. H703030 Office building leasehold services.
 13. D101011 Electric Power Generation
 14. IG03010 Energy Technical Services
 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: The Company is entitled to render inter-guarantee services toward affiliated enterprises in response to business needs.
- Article 2-2: The Company shall not become a partner for an unlimited liability shareholder or partnership of another company. Whenever the Company acts as a shareholder of limited liability of another company, the aggregate total investment by the Company is free of the restriction of 40% of the total paid-in capital.
- Article 3: The Company is headquartered in Miaoli County and may duly set up branch companies, offices and factories elsewhere at home and abroad in response to business needs. The incorporation, change or revocation of a branch as

mentioned under the preceding Paragraph shall be subject to a decision duly resolved in the Board of Directors.

Article 4: A public announcement of the Company shall be duly published in the daily news circulated in the venue where the Company is headquartered unless otherwise specified by the competent authority in charge of securities management.

Chapter 2 Shares

Article 5: The Company has capital amounting to Twenty Billion New Taiwan dollars in total, divided into two billion shares at NT\$10 par value. The Board of Directors is authorized with power in full to issue the unissued shares in installments. The total amount mentioned under the preceding Paragraph includes one hundred million shares to be reserved to issue share subscription warrants, preferred shares with corporate bonds warrants and corporate bonds with corporate bonds.

Article 6: The Company's shares shall be registered ones in all cases and shall be serially numbered, bearing statutory elements, to be duly signed and stamped with seal(s) by director(s) representing the Company, duly affixed with official seal of the Company and be duly verified by the verifier bank who is entitled to act as stock issuer according to law. For the shares to be issued by the Company, the Company is exempted from printing physical share certificates. For the shares, nevertheless, the Company shall apply to the Taiwan Depository and Clearing Corporation (TDCC) for registry.

Article 7: The Company shall duly prepare register of shareholders to bear entries of the required elements. The Company's shareholders shall submit their names, addresses or domiciles, registered specimen seals along with the specimen seal certificate cards into the Company's custody beforehand. Whenever a shareholder receives dividend or exercises all sorts of other rights, the registered specimen seal archived in the Company shall prevail as the base. A change in any entry into the register of shareholders shall be discontinued within sixty (60) days prior to a shareholders' regular meeting, within thirty (30) days prior to a special shareholders' meeting and within five (5) days prior to another base day scheduled for allocation of dividend, bonus or other interests.

Article 8: All share and stock affairs of the Company shall be duly handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless otherwise specified in laws and ordinances concerned.

Chapter 3 Shareholders' Meetings

Article 9: The Company's special shareholders' meetings are classified into the two categories below:

1. Shareholders' meeting: To be duly convened within six (6) months from closure of every fiscal year.
2. Special shareholders' meeting: to be duly convened in accordance with the Company Act whenever considered necessary.

Article 10: Notices of a shareholders' meeting, bearing the date, time, venue and reasons to convene the meeting, shall be served to all shareholders thirty (30) days in advance of a shareholders' regular meeting and fifteen (15) days in advance of a special shareholders' meeting.

- Article 11: Unless otherwise specified in the Company Act, a shareholders' meeting shall not be convened until attended by shareholders representing one half majority of the total outstanding shares. A decision in a shareholders' meeting shall be duly resolved by one half majority of the attending shareholders. Each share held by a participating shareholder is entitled to one voting power unit unless otherwise specified in the Company Act.
- Article 12: A shareholder who is unavailable to participate in a shareholders' meeting in person may issue the proxy form in the format printed by the Company and shall specify the scope of authorized power to appoint a proxy to participate in the meeting on his or her behalf. The appointment, agency restriction and key points for attention for such a proxy shall be subject to the provisions set forth under the Company Act. A shareholder who issues the proxy form mentioned under the preceding Paragraph shall not receive any consideration. In case of violation, such proxy is null and void.
- Article 13: The minutes shall be duly worked out for a shareholders' meeting to expressly bear the date, venue, name of the chairperson, number of participating shareholders, number of voting powers, method of resolution, process of the meeting progress, the highlights and outcome of the meeting, to be signed or stamped with seal by the chairperson and shall be duly put into prudential custody in the Company along with the shareholders' sign-in book (cards) and the proxy forms of the appointed proxies. The distribution of the minutes mentioned above may be by publishing them.

Chapter 4 Directors and the Board of Directors

- Article 14: The Company has 6–15 directors to be elected through the candidate nomination system. The directors shall be elected in the shareholders' meeting from the list of director candidates. Directors have a three-year tenure of office and are entitled to reelection. The percentage of total shares to be held by the directors shall be duly subject to the provisions promulgated by the competent authority in charge of securities affairs.
- The Company's directors shall include independent directors in the number of three as the minimum, to be elected through the candidate nomination system, to be elected in the shareholders' meeting from the list of independent director candidates.
- The professional qualification requirements, shareholding ratio, restriction upon moonlighting, nomination and election methods and other issues for compliance for the independent directors mentioned under the preceding Paragraph shall be duly handled in accordance with the requirements promulgated by the competent authority in charge of securities affairs.
- Article 15: The directors shall organize the board of directors. By attendance of two-thirds majority of directors and by a majority vote of the attending directors, one chairman shall be duly elected from among the directors. The Company may, as well, have one vice chairman to be elected from among the directors in the same manner.
- Article 16: The chairman shall chair the shareholders' meeting and board of directors meeting internally and shall represent the Company externally. The chairman may, as well, take charge of overall business operation of the Company. Where

the chairman is on leave or unavailable to exercise his responsibilities and powers, the vice chairman shall act as his deadline. In the event that the Company has no vice chairman or while the vice chairman is on leave or unavailable to exercise his responsibilities and powers either, the chairman shall appoint one director to act as the substitute. Where the chairman does not appoint a substitute, one director shall be elected from among themselves to act as the substitute.

- Article 17: The powers and responsibilities of the board of directors are as follows:
1. To resolve the business policies.
 2. To verify a variety of regulations and rules.
 3. To approve the budgets and final account settlement.
 4. To fix distribution of earnings.
 5. To propose the increase/decrease of capital.
 6. To propose the issuance of new shares.
 7. To appoint and discharge key staff members.
 8. To approve the purchase and disposal of the Company's major properties and Representative Office.
 9. To exercise other responsibilities and powers as bestowed by the laws and ordinances concerned and by the shareholders' meeting.
- Article 18: The board of directors shall convene a meeting every three (3) months in principle for which all directors shall be informed within the specified time limit. In case of an emergency or when requested by one half majority of directors, an interim meeting may be duly convened. All sorts of board of directors' meetings shall be convened by the chairman. The notices for a board of directors' meeting shall be served to all directors in writing, by e-mail or fax.
A director who is unavailable to participate in a board of directors meeting in person may appoint another director to act as his or her proxy, provided, that a proxy may accept appointment from only one director.
- Article 19: Unless otherwise provided for in the Company Act, decisions in the board of directors meeting shall be resolved by over one-half majority in the meeting attended by directors representing over one half majority of the total number of director seats. The minutes of a board of directors meeting shall be duly signed or stamped with seal by the chairman and shall be archived in the Company.
- Article 20: (This Article is deleted)

Chapter 5 Functional committees

- Article 21: The Company may set up Audit Committee according to law. The Audit Committee or the Audit Committee members shall exercise the supervisory power in accordance with the Company Act, Securities and Exchange Act or other laws and ordinances concerned.
The supervisor system is revoked on the very day on which the Audit Committee is established.
The Audit Committee shall be organized by all independent directors.
The number of Committee members, tenure of office, responsibilities and powers, rules for meeting and the issues to provide resources upon exercise of the responsibilities and powers shall be separately enacted in the Organizational Rules of the Audit Committee.

Article 21-1: The Company's Board of Directors may set up a variety of functional committees. Those functional committees shall duly enact rules and regulations to be enforced which shall be put into enforcement after being resolved in the Board of Directors.

Article 22: (This Article is deleted)

Article 23: (This Article is deleted)

Chapter 6 Managerial officers and staff

Article 24: The Company has one general manager and a certain number of vice general manager(s), assistant general manager(s) and managers all of whom shall be duly appointed and discharged by the Board of Directors according to law. Other staff members shall be duly appointed and discharged as approved by the general manager.

Article 25: The general manager shall, as instructed by the chairman, guide all managerial officers and department heads thereunder to take charge of business affairs. The vice general manager(s) shall assist the general manager.

Chapter 7 Accounting

Article 26: The Company's fiscal year is starting from January 1 until December 31 of every calendar year. Upon closure of every fiscal year, the Board of Directors shall duly work out a variety of books as specified under Article 228 of the Company Act to be reviewed by the Audit Committee before the Audit Committee issues a report to be acknowledged by the shareholders' regular meeting.

Article 27: The Company shall amortize remuneration as enumerated below in a year with profit:

1. The remuneration to directors shall not exceed the maximum limit of 0.5% while, nevertheless, the independent directors shall not participate in the distribution of the aforementioned remuneration.
2. The remuneration to employees shall not be below 0.1% minimum. The aforementioned remuneration to employees shall be duly distributed in either stocks or in cash as resolved by the Board of Directors. The distribution of remuneration to employees and directors should be reported in the shareholders' meeting.
3. In case of accumulated loss. The amount to make up such loss shall be retained beforehand before distribution based on the percentages mentioned in the preceding Paragraphs.
4. From the earnings as shown through final account settlement in a year, other than the sums reserved to make up for previous losses and to pay taxes according to law, a sum 10% for legal reserve and the special reserve as required by the competent authority shall be withheld beforehand. The final surplus, if any, along with the beginning unappropriated retained earnings, shall become the earnings distributable in the current year.
5. Where the Company operates business amidst an environment as a mature and stable industry, given such facts notably the Company's profitability, future operating plans, funding needs and changes in the industrial environments and taking into account the long-term shareholders' equity and the Company's long-term financial planning, the Company's dividend distribution plan is

mapped out not below 10% of the total surplus available for distribution in the current year in principle. The dividends are distributed in either cash or in stocks among which the proportion of cash dividends shall not be less than 20% of the aggregate total dividends. Eventually, the Board of Directors shall work out the percentage of distribution to be resolved in the shareholders' meeting.

Article 28: The board of directors is authorized with full power to determination the amount of remuneration to directors in accordance with their individual contribution to the Company with reference to the standards/criteria prevalent in the counterpart peers in the same industry. Where the Company operates at a profit, if any, the remuneration to directors shall be distributed extra in accordance with Article 27 of the Articles of Incorporation.

Chapter 8 Supplementary provisions

Article 29: The Company's organizational rules and a variety of rules and regulations shall be duly enacted or approved by the board of directors as the actual circumstances may justify.

Article 30: Matters not specified in this Agreement, if any, shall be duly handled in accordance with the Company Act and other laws and ordinances concerned.

Article 31: This Articles of Incorporation was created on July 23, 1953;

The 1st amendment was made on October 23, 1954;

The 2nd amendment was made on June 23, 1956;

The 3rd amendment was made on July 20, 1958;

The 4th amendment was made on June 29, 1960;

The 5th amendment was made on September 28, 1964;

The 6th amendment was made on July 5, 1965;

The 7th amendment was made on November 14, 1966;

The 8th amendment was made on November 14, 1967;

The 9th amendment was made on November 27, 1968;

The 10th amendment was made on November 28, 1969;

The 11th amendment was made on September 29, 1970;

The 12th amendment was made on November 29, 1971;

The 13th amendment was made on May 31, 1972;

The 14th amendment was made on November 30, 1973;

The 15th amendment was made on December 12, 1974;

The 16th amendment was made on June 30, 1975;

The 15th amendment was made on March 18, 1976;

The 18th amendment was made on June 16, 1977;

The 19th amendment was made on April 19, 1979;

The 20th amendment was made on May 2, 1980;

The 21st amendment was made on May 2, 1981;

The 22nd amendment was made on May 7, 1983;

The 23rd amendment was made on June 9, 1984;

The 24th amendment was made on June 1, 1985;

The 25th amendment was made on August 31, 1985;

The 26th amendment was made on June 21, 1986;

The 27th amendment was made on June 6, 1987;

The 28th amendment was made on June 11, 1988;
The 29th amendment was made on June 10, 1989;
The 30th amendment was made on December 16, 1989;
The 31st amendment was made on May 12, 1990;
The 32nd amendment was made on May 25, 1991;
The 33rd amendment was made on May 23, 1992;
The 34th amendment was made on May 15, 1993;
The 35th amendment was made on May 7, 1994;
The 36th amendment was made on June 8, 1996;
The 37th amendment was made on May 17, 1997;
The 38th amendment was made on May 9, 1998;
The 39th amendment was made on May 6, 1999;
The 40th amendment was made on May 15, 2000;
The 41st amendment was made on December 8, 2000;
The 42nd amendment was made on May 18, 2001;
The 43rd amendment was made on June 14, 2002;
The 44th amendment was made on June 16, 2004;
The 45th amendment was made on June 13, 2005;
The 46th amendment was made on June 12, 2006;
The 47th amendment was made on June 21, 2007;
The 48th amendment was made on June 19, 2009;
The 49th amendment was made on June 17, 2011;
The 50th amendment was made on June 12, 2012;
The 51st amendment was made on June 11, 2013;
The 52nd amendment was made on June 21, 2016;
The 53rd amendment was made on June 21, 2019;
The 54th amendment was made on June 18, 2020;
The 55th amendment was made on July 15, 2021.

Appendix 4

YULON MOTOR CO., LTD Procedures for Election of Directors

- Article 1: The Company's directors shall be duly elected in accordance with these Rules.
- Article 2: The Company's directors shall be duly elected in the single-name cumulative voting method. Upon election of the directors, each share is entitled to the same voting rights as the number of directors to be elected. The voting power may be used in concentration to elect one director or be distributed to elect several directors. A voter may vote using the code of the shareholder account number as printed onto the election ballot.
- Article 3: Where the election process starts, the chairperson shall appoint a certain number of ballot scrutineers and vote-counters to implement a variety of duties concerned.
- Article 4: The Company's directors shall be duly elected through the candidate nomination system. Based on the number quota of directors set forth under the Company's Articles of Incorporation, the candidates who win more election votes reflected through the ballots shall be elected directors. The independent directors and non-independent directors shall be elected together and the numbers of successful winners shall be counted separately.
In the event that two or more candidates win the same election votes in excess of the specified quota, the candidates who win the same election votes shall draw lots to decide the winner. While such a candidate is absent, the chairperson shall draw the lot on their behalf.
- Article 5: The election ballots shall be prepared by the board of directors and shall be distributed based on the shareholder account numbers and the number of directors to be elected. In accordance with Article II of these Regulations, each election ballot shall duly bear the election votes entitled to the shareholders pro rata. (Note: The election ballots and the agenda handbook shall be distributed at the same time when a shareholder submits his or her sign-in card).
- Article 6: (This Article is deleted)
- Article 7: A ballot is invalid under any of the following circumstances:
1. Without use of the election ballot produced under Article V of these Regulations.
 2. There are more than two candidates indicated on one ballot.
 3. Other wording was marked on the ballot of the candidate.
 4. The writing is unclear and indecipherable or has been altered.
 5. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 6. A blank ballot is placed in the ballot box.
- Article 8: (This Article is deleted)
- Article 9: The ballots are counted immediately at the end of voting and the chair is to announce the voting results.

Article 10: In case directors duly elected as declared under the preceding Article, the board of directors shall issue the notice of successful election.

Article 11: These Procedures and any amendments hereto, shall be implemented after approval by a shareholders' meeting. This Regulations was created on June 30, 1975; the 1st amendment was made on June 21, 1986; the 2nd amendment was made on June 14, 2002; the 3rd amendment was made on June 12, 2006, the 4th amendment was made on June 21, 2016; the 5th amendment was made on July 15, 2021.

Appendix 5

The Impact of Stock dividends Issuance on Business Performance, EPS and Shareholder Return Rate:

This is not applicable as no issuance of bonus shares is carried out in the present fiscal year.

Innovation



Teamwork



Speed



Yulon Motor Co., Ltd.

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