

Stock code: 2227

**YULON NISSAN MOTOR CO., LTD.**

**Handbook of 2023**

**Annual General Shareholders' Meeting**



Time: June 30, 2023

Location: No.3, Sec. 3, Zhongxing Rd., Xindian Dist., New Taipei City, Taiwan, R.O.C

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**YULON NISSAN MOTOR CO., LTD.**  
**2023 Annual General Shareholders' Meeting**  
**Meeting Procedure**

1. Call to Order
2. Chairperson's Address
3. Report Items
4. Ratification Items
5. Discussion Items
6. Extraordinary Motions
7. Closure of the Meeting

**YULON NISSAN MOTOR CO., LTD.**  
**2023 Annual General Shareholders' Meeting**  
**Agenda**

Time: Friday, June 30, 2023 9:00 a.m.

Location: No.3, Sec. 3, ZhongXing Rd., Xindian Dist., New Taipei City, Taiwan, R.O.C

Meeting type: Physical Shareholders' Meeting

**1. Call to Order**

**2. Chairperson's Address**

**3. Report Items**

- (1) To report the Business Operations of 2022
- (2) 2022 Audit Committee' Report
- (3) To report 2022 Employees' Compensation Distribution.

**4. Ratification Items**

- (1) 2022 Business Report and Financial Statements
- (2) 2022 Earnings Distribution

**5. Discussion Items**

- (1) Amendment to YNM Rules of Procedure for Shareholders' Meeting
- (2) The Lift on the Prohibition on Directors from Concurrently Acting as a Director and/or Managerial Personnel of Another Company

**6. Extraordinary Motions**

**7. Closure of the Meeting**

# Report Items

## Item One:

### The 2022 Business Report

Business Report

#### (I) Taiwan economic development

The COVID-19 pandemic has been ebbing all around the world, however, Taiwan export performance is still being influenced by the tight monetary policy enforced by major economic systems, the stalemate of the Russia-Ukraine war, and interference with geopolitical risk. DGBAS (Directorate General of Budget, Accounting and Statistics) estimates annual economic growth rate in 2022 is 2.45%.

Impacted by the pandemic and the global short supply of automotive chips, Taiwan car market sales were 0.415 million units in 2022. In the sales amount of 2022, sales of domestic and import vehicles dropped 2.9% and 6.2%, respectively, while sales of passenger and RV cars had 3.3% and 7.3% as the decline rate, respectively.

#### (II) The Company's business report

The Company sold 25,060 vehicles in 2022 and the marketing share of 6.0%. The operating income amounted to NT\$23.61 billion, the operating profit amounted to NT\$0.11 billion, the net income before tax amounted to NT\$3.03 billion, and the earnings per share after tax was NT\$8.04. The relevant business activities in 2022 are as follows:

##### 1. New car models marketed

###### (1) First half of a year

In response to the pandemic effect, our company has tried to generate hot topics for discussion by rolling out a series of special edition cars and new-model cars to boost the number of visitors.

Brand NISSAN:

Special edition KICKS and X-TRAIL Nocturnal has been launched in March. A strong visual impact was brought by the fashionable black appearance. Demands for fashion and safety were also satisfied by various NIM intelligent driving technologies.

Together with TIIDA J, ALL NEW SENTRA rolled out a special edition BLACK JAZZ in April. It is believed that entire market's attention was captured by its impressive mirrors, black appearance and upgrade kit "The King's Voice".

Brand INFINITI:

The Japanese SUV QX55 LUXURY, first introduced in March, was very popular among consumers for its classic sport car-style model inherited from the FX-series, stunning appearance, powerful motion and intelligent safety, etc.

## (2) Second half of a year

In order to occupy more market shares, following special edition cars were introduced.

Brand NISSAN:

Long-range EVO edition LEAF came in September. It shows its excellent quality to consumers and features “More Power, Less Payment”.

All New ALTIMA 2022 type showed its presence in the market officially in September. Equipped with the intelligent safety system ProPILOT, it realized level 2 semi-automatic driver assistance and demonstrated the Nissan advanced technology.

In order to sustain the strong demand, KICKS special edition SMART was rolled out in July. Its ultimate edition intelligent driving technology came along with intelligent V2X system to warm up the special edition car market at the end of the year. All New KICKS officially launched in October won the sales champion of the compact SUV again with its four all-new highlights “Appearance, Safety, Convenience and Motion”.

An online marketing campaign “Connoisseur” for the ultimate SUV X-TRAIL e-POWER was initiated in December to demonstrate three attractive Nissan black technologies “e-Power, e-4ORCE and ProPILOT”. Initial quota of 600 units was totally sold out in presale which successfully created a sales climax.

Brand INFINITI:

Enhanced edition QX60, initially equipped with the intelligent driving assistance technology ProPILOT, was introduced in September. Its design perfectly integrates the finest Japanese technique with modern technology which resulted in great success in sales

## **2. Corporate Sustainable Operation**

In 2022, our company won the awards “2022 Taiwan Corporate Sustainability Awards (TCSA) – Bronze Prize for ESG Report”, “2022 Taiwan Corporate Sustainability Awards (TCSA) – Prize for Talent Development & Leadership” and “2022 Prize for Project Management (PMI)”. Additionally, we also received certificates “Taiwan i Sprots” and “Corporate Health Responsibility (CHR)” in recognition of safeguarding of colleague’s health through effectively managing and creating excellent working environment.

In the aspect of talent cultivation, we donated 8 electric cars NISSAN LEAF to 8 domestic education units together with our dealers in 2022. We also held campaigns like “One Day in the Maintenance Plant as a Car Master” to groom potential talents for the automotive industry.

In the aspect of public welfare, since 2004, our company has annually donated insurance premium of the “Employer’s Liability Insurance” for those temporary cleaners from the department of environmental protection, Taipei City government. Altogether over 33 thousand people have been benefited.

In addition, with the help of the employees in our company and dealers, we invited our car owners and their families to participate in “Help the World by Reading”. Through this charity campaign of the book drive, we donated total rewards for book re-purchase as a project operation fund for “Physical & Psychological Reconstruction Service for Facial Disfigurement and Burn Victims” of Sunshine Social Welfare Foundation.

In the aspect of corporate sustainable operation, our company presents a Sustainable development report annually and build up a green supply chain as a contribution to environmental protection.

### **3. Business operation in Mainland China**

In 2022, car sales in Mainland China were 26.86 million units. Among them, passenger car sales were 23.56 million units and commercial car sales were 3.3 million units. With regard to Dongfeng Nissan, its passenger car sales were 0.917 million units in the whole year.

## **(III) The prospects**

Look forward to this year, global economic recovery is still retarded by inflation which impacts Taiwan export performance and slowdowns economic growth. However, our company will do our best to break through it and sustain our operation development stably and steadily.

### **1. Introduction of new products**

Brand NISSAN plans to roll out three new car models this year:

X-TRAIL e-POWER realizes new-era moving experience of electric power & turing drive for its feature “Charging-free EV”.

X-TRAIL mild hybrid electric car model available with an upgraded VC-Turbo and mild hybrid electric power as well as safety technology ProPILOT creates a product image of the ultimate SUV and exquisite technology product.

The e-POWER car model will also be available in KICKS at the same time. It can provide consumers with more product options by its all-new motive performance combined with product superiority in the mini CUV.

Brand INFINITI plans to introduce two new car models this year:

QX55 2023 type strengthens its product competitiveness through equipment upgrade and brings more luxurious driving & riding experience to the consumers fond of Japanese luxury SUVs.

QX50 2024 type equipped with the advanced intelligent driving assistance technology ProPILOT can make the driver more relaxed and safeguard passengers’ safety.

### **2. Improvement of Customer Service Satisfaction**

Brands NISSAN and INFINITI will continue to enhance the sales and service quality, and improve the software & hardware equipment. They will provide consumers with more excellent products and service through innovative IT applications as well as quick and thoughtful service.

### **3. Export expansion**

In 2022, despite prevalence of the Covid-19 pandemic, we were still dedicated ourselves to developing component & accessory export. The revenue has reached over 20 million TW dollars.

In 2023, besides developing sales opportunities in South East Asia and the Middle East, we are also progressively striving for collaboration with the parent company of NISSAN for component development. We expect to sell them back to Japan and North America and create a win-win opportunity.

#### **4. Business operation in Mainland China**

According to the forecast by CAAM, the car market in Mainland China is expected to have sales of 27.6 million units, with 3% YOY growth. As Mainland China eases the restriction on infection prevention and control (IPC) measures successively and automotive chip supply recovers gradually, we cautiously and optimistically believe that Dongfeng Nissan will show superior performance in 2023 than that in 2022.

With the support from all shareholders and the endeavors of all colleagues, YULON NISSAN Co. is confident that we will create the maximum benefits in this highly competitive market.



**Item Two:**

**2022 Audit Committee' Report**

Yulon Nissan Motor Co., Ltd.

**Audit Committee' Report**

The Board of Directors submits the 2022 Business Report, Financial Statements (including Consolidated Financial Statements), and Earnings Distribution Proposal. Among them, the Financial Statements (including Consolidated Financial Statements) were audited by accountants Chien-Hsin Hsieh and Jui-Chuan Chih of Deloitte Touche Tohmatsu Ltd., who issued the audit report. The aforementioned Business Report, Financial Statements (including Consolidated Financial Statements) and Earnings Distribution Proposal were inspected by the Audit Committee who affirmed that these reports have complied with Article 14.4 of the Securities Exchange Act and Article 219 of the Company Law.

Submitted to:

2023 Regular Shareholders' Meeting of the Company

Yulon Nissan Motor Co., Ltd.

Audit Committee Convenor : Jung-Fang Kuo



May 9, 2023

### **Item Three:**

#### **2022 Employees' Compensation Distribution**

1. According to the article 31 of incorporation, the Company's profits of current year shall be distributed not less than 0.1% as the employee compensation after offset the accumulated losses.
2. The employee compensation shall be distributed in cash with the amount of NT\$3,056 thousand dollars.

# Ratification Items

Proposed by the Board of Directors

## **Proposal 1: Ratification of the 2022 Business Report and Financial Statements.**

**Please ratify.**

### **Description:**

1. The compilation of the Company's Fiscal 2022 Business Report and Financial Statements are completed and has been approved by the Board of Directors. The Financial Statements have been audited and certified by Chien-Hsin Hsieh, CPA, and Jui-Chuan Chih, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Audit Committee, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.
2. Please refer to page 3 to page 6 of this handbook and Attachments 1 (p.14 to p.33) for the Fiscal 2022 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.
3. Request to resolve.

### **Resolution:**

**Proposal 2: Ratification of 2022 Earnings Distribution.**

Description :

1. Based on the audited 2022 financial statements, YNM presents 2022 earnings distribution statement as Attachment 2 (p.34).
2. According to earnings distribution statement, YNM proposes to distribute NT\$7.22 per share and the undistributed profit from the most recent years shall be distributed first .The target date for distributing cash dividend will be set on September 4, 2023. According to the Article 165 of Company Act, entries into register of shareholder shall not be allowed within 5 days prior to the target date of distributing cash dividend. Hence, entries into register of shareholder are not allowed from August 31, 2023 to September 4, 2023.
3. Request to resolve.

Resolved:

## **Discussion Items**

Proposed by the Board of Directors

### **Proposal 1: Amendment to YNM Rules of Procedure for Shareholders' Meeting**

Explanation:

1. Complied with the requirements under the notice letter No. 11100042501, YNM Rules of Procedure for Shareholders' Meeting shall be amended accordingly to conform to the relevant business operations. Please refer to the comparison table as Attachment 3 (p.35 to p.42).
2. Request to resolve.

Resolution:

Proposed by the Board of Directors

**Proposal 2: The Lift on the Prohibition on Directors from Concurrently Acting as a Director and/or Managerial Personnel of Another Company.**

Explanation:

1. According to Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
2. Please approve to lift the prohibition that some directors shall not act as a director and/or manager of another company in response to the need of the company's business operations. Please refer to the list as Attachment 4 (p.43).
3. Request to resolve.

Resolution:

## **Extraordinary Motions**

## **Closure of the Meeting**

## **Attachment 1**

### **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
Yulon Nissan Motor Company, Ltd.

#### **Opinion**

We have audited the accompanying financial statements of Yulon Nissan Motor Company, Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and 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, 2022 and 2021, 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 the Standards on Auditing of 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, 2022. 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.

The key audit matter of the Company's financial statements for the year ended December 31, 2022 is described as follows:

##### Depreciation of Molds and Dies

In accordance with IAS 16 "Property, Plant and Equipment", the depreciable amount of an asset should be allocated on a systematic basis over its useful life. The Company depreciates molds and dies using the unit of production method, and reviews the estimated number of vehicles that are expected to be sold in the future for each vehicle model every six months based on market sales. The estimated number of vehicles to be sold is then used to calculate the amount allocated to each mold and die, and is used as the basis for the depreciation of



molds and dies. The depreciation of molds and dies in 2022 was \$505,100 thousand. Since the amount of depreciation of molds and dies is significant and estimates of the units sold are highly dependent on management's judgment, the depreciation of molds and dies is considered to be a key audit matter.

The related accounting policies and critical accounting judgments are disclosed in Notes 4 and 5 to the financial statements, respectively; the related amounts are disclosed in Note 12 to the financial statements.

We understood the Company's depreciation process of molds and dies and related control systems, evaluated the design of the controls and tested the operating effectiveness of the controls. We also obtained the information and documents from management which is used as the basis for the estimated number of units of vehicles of each model to be sold in the future and assessed the rationality and reliability of the supporting information. In addition, we took appropriate samples of the transactions of molds and dies and checked them against the original documents and cash flows, performed inventory counts and sent confirmation requests. We also recalculated the amount of depreciation of molds and dies on the basis of estimated production volume and assessed the rationality of the calculated depreciation and the accuracy of the carrying amount of the molds and dies. Moreover, we determined that there was no significant difference between the amended estimated number of units of future sales of vehicles in the previous year's financial statements and the actual number of units sold, and confirmed the appropriateness of management's estimation.

### **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 independent directors and 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 Standards on Auditing of 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 Standards on Auditing of 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 appropriate audit evidence regarding the financial information of the 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, 2022 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 Chien-Hsin Hsieh and Jui-Chuan Chih.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2023

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 NISSAN MOTOR COMPANY, LTD.

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,516,229	6	\$ 2,736,644	11
Financial assets at fair value through profit or loss	2,342,779	10	547,289	2
Notes receivable	930	-	235	-
Notes receivable - related parties	-	-	21	-
Trade receivables	23,800	-	23,567	-
Trade receivables - related parties	356,964	1	287,324	1
Other receivables	9,736	-	43,358	-
Other receivables - related parties	115,610	1	159,614	1
Prepayments	3,861	-	4,974	-
Total current assets	<u>4,369,909</u>	<u>18</u>	<u>3,803,026</u>	<u>15</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost	2,120	-	-	-
Investments accounted for using the equity method	17,707,374	72	17,825,436	72
Property, plant and equipment	1,231,620	5	1,715,905	7
Right-of-use assets	652,564	3	687,034	3
Computer software	53,953	-	22,757	-
Deferred tax assets	60,158	-	80,155	1
Other non-current assets	433,168	2	519,162	2
Total non-current assets	<u>20,140,957</u>	<u>82</u>	<u>20,850,449</u>	<u>85</u>
<b>TOTAL</b>	<u>\$ 24,510,866</u>	<u>100</u>	<u>\$ 24,653,475</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities	\$ 70,028	-	\$ -	-
Trade payables	71,858	1	15,961	-
Trade payables - related parties	441,956	2	300,085	1
Other payables	780,435	3	870,903	3
Other payables - related parties	141,440	1	226,817	1
Current tax liabilities	516,410	2	631,800	3
Provisions	208,904	1	219,190	1
Lease liabilities	53,434	-	51,666	-
Other current liabilities	6,995	-	5,509	-
Total current liabilities	<u>2,291,460</u>	<u>10</u>	<u>2,321,931</u>	<u>9</u>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	58,191	-	63,542	-
Tax liabilities - non-current	-	-	117,017	1
Deferred tax liabilities	2,303,706	9	2,425,443	10
Lease liabilities	604,590	3	637,348	3
Net defined benefit liabilities	31,429	-	87,486	-
Total non-current liabilities	<u>2,997,916</u>	<u>12</u>	<u>3,330,836</u>	<u>14</u>
Total liabilities	<u>5,289,376</u>	<u>22</u>	<u>5,652,767</u>	<u>23</u>
<b>EQUITY</b>				
Capital stock - NT\$10 par value; authorized - 600,000 thousand stocks; issued and outstanding - 300,000 thousand stocks	<u>3,000,000</u>	<u>12</u>	<u>3,000,000</u>	<u>12</u>
Capital surplus	<u>5,988,968</u>	<u>24</u>	<u>5,988,968</u>	<u>24</u>
Retained earnings				
Legal reserve	7,151,689	29	6,848,964	28
Special reserve	1,470,531	6	1,328,436	5
Unappropriated earnings	2,586,013	11	3,304,871	14
Total retained earnings	<u>11,208,233</u>	<u>46</u>	<u>11,482,271</u>	<u>47</u>
Other equity	<u>(975,711)</u>	<u>(4)</u>	<u>(1,470,531)</u>	<u>(6)</u>
Total equity	<u>19,221,490</u>	<u>78</u>	<u>19,000,708</u>	<u>77</u>
<b>TOTAL</b>	<u>\$ 24,510,866</u>	<u>100</u>	<u>\$ 24,653,475</u>	<u>100</u>

# YULON NISSAN MOTOR COMPANY, LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 23,206,378	98	\$ 24,489,014	99
Service revenue	294,470	1	61,075	-
Other operating revenue	<u>106,343</u>	<u>1</u>	<u>118,295</u>	<u>1</u>
Total operating revenue	23,607,191	100	24,668,384	100
OPERATING COSTS	<u>20,666,547</u>	<u>87</u>	<u>21,854,727</u>	<u>89</u>
GROSS PROFIT	<u>2,940,644</u>	<u>13</u>	<u>2,813,657</u>	<u>11</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,765,856	8	1,716,888	7
General and administrative expenses	498,317	2	509,265	2
Research and development expenses	<u>537,954</u>	<u>2</u>	<u>419,245</u>	<u>2</u>
Total operating expenses	<u>2,802,127</u>	<u>12</u>	<u>2,645,398</u>	<u>11</u>
OTHER OPERATING INCOME AND EXPENSES	<u>(2,811)</u>	<u>-</u>	<u>170</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>135,706</u>	<u>1</u>	<u>168,429</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiary	2,795,803	12	3,660,469	15
Net foreign exchange gain (loss)	119,872	-	(26,865)	-
(Loss) gain on financial assets at fair value through profit or loss, net	(16,576)	-	34,789	-
Interest income	15,397	-	10,549	-
Other revenue	3,696	-	2,089	-
Interest expenses	(9,662)	-	(15,096)	-
Loss on disposal of investments, net	(8,806)	-	(23,904)	-
Overseas business expenses	(7,913)	-	(7,649)	-
Other losses	<u>(1,890)</u>	<u>-</u>	<u>(2,189)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,889,921</u>	<u>12</u>	<u>3,632,193</u>	<u>15</u>
PROFIT BEFORE INCOME TAX	3,025,627	13	3,800,622	15
INCOME TAX EXPENSES	<u>615,046</u>	<u>3</u>	<u>774,629</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,410,581</u>	<u>10</u>	<u>3,025,993</u>	<u>12</u>

(Continued)

# YULON NISSAN MOTOR COMPANY, LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 41,691	-	\$ 1,574	-
Share of the other comprehensive loss of subsidiaries accounted for using the equity method	35	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(8,345)</u>	<u>-</u>	<u>(315)</u>	<u>-</u>
	<u>33,381</u>	<u>-</u>	<u>1,259</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of foreign operations	<u>494,820</u>	<u>2</u>	<u>(142,095)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>528,201</u>	<u>2</u>	<u>(140,836)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				
	<u>\$ 2,938,782</u>	<u>12</u>	<u>\$ 2,885,157</u>	<u>12</u>
EARNINGS PER SHARE				
Basic	<u>\$ 8.04</u>		<u>\$ 10.09</u>	
Diluted	<u>\$ 8.03</u>		<u>\$ 10.09</u>	

(Concluded)

**YULON NISSAN MOTOR COMPANY, LTD.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)**

	Capital Stock	Capital Surplus	Retained Earnings			Other Equity	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Foreign Operations	
BALANCE AT JANUARY 1, 2021	\$ 3,000,000	\$ 5,988,968	\$ 6,194,981	\$ 1,270,832	\$ 6,548,206	\$ (1,328,436)	\$ 21,674,551
Appropriation of 2020 earnings							
Legal reserve	-	-	653,983	-	(653,983)	-	-
Special reserve	-	-	-	57,604	(57,604)	-	-
Cash dividends distributed by the Company - NT\$18.53 per share	-	-	-	-	(5,559,000)	-	(5,559,000)
	-	-	653,983	57,604	(6,270,587)	-	(5,559,000)
Net profit for the year ended December 31, 2021	-	-	-	-	3,025,993	-	3,025,993
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,259	(142,095)	(140,836)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	3,027,252	(142,095)	2,885,157
BALANCE AT DECEMBER 31, 2021	3,000,000	5,988,968	6,848,964	1,328,436	3,304,871	(1,470,531)	19,000,708
Appropriation of 2021 earnings							
Legal reserve	-	-	302,725	-	(302,725)	-	-
Special reserve	-	-	-	142,095	(142,095)	-	-
Cash dividends distributed by the Company - NT\$9.06 per share	-	-	-	-	(2,718,000)	-	(2,718,000)
	-	-	302,725	142,095	(3,162,820)	-	(2,718,000)
Net profit for the year ended December 31, 2022	-	-	-	-	2,410,581	-	2,410,581
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	33,381	494,820	528,201
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,443,962	494,820	2,938,782
BALANCE AT DECEMBER 31, 2022	\$ 3,000,000	\$ 5,988,968	\$ 7,151,689	\$ 1,470,531	\$ 2,586,013	\$ (975,711)	\$ 19,221,490

# YULON NISSAN MOTOR COMPANY, LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,025,627	\$ 3,800,622
Adjustments for:		
Depreciation expenses	599,588	670,001
Amortization expenses	8,454	21,616
Loss (gain) on financial assets at fair value through profit or loss, net	16,576	(34,789)
Interest expense	9,662	15,096
Interest income	(15,397)	(10,549)
Share of the profit of subsidiary	(2,795,803)	(3,660,469)
Loss (gain) on disposal of property, plant and equipment, net	2,811	(170)
Loss on disposal of investment, net	8,806	23,904
Net foreign exchange loss (gain)	(127,263)	14,525
(Reversal) recognition of inventory purchase commitments	(3,528)	2,408
Warranty costs	136,926	149,709
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(1,820,872)	90,110
Increase in other financial assets	(2,120)	-
Notes receivable	(695)	1,699
Notes receivable - related parties	21	558
Trade receivables	(233)	(11,148)
Trade receivables - related parties	(69,634)	102,074
Other receivables	36,629	(6,273)
Other receivables - related parties	44,004	(25,813)
Prepayments	1,113	(4,647)
Contract liabilities	70,028	-
Trade payables	55,897	(802)
Trade payables - related parties	141,871	125,141
Other payables	(13,411)	6,025
Other payables - related parties	(82,213)	104,344
Other current liabilities	1,486	1,145
Provisions	(149,035)	(159,697)
Net defined benefit liabilities	<u>(14,366)</u>	<u>(47,736)</u>
Cash (used in) generated from operations	(935,071)	1,166,884
Interest paid	(9,662)	(15,096)
Income tax paid	<u>(957,538)</u>	<u>(1,342,019)</u>
Net cash used in operating activities	<u>(1,902,271)</u>	<u>(190,231)</u>

(Continued)



# YULON NISSAN MOTOR COMPANY, LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	\$ 3,408,720	\$ 3,557,760
Interest received	12,390	11,664
Payments for property, plant and equipment	(204,251)	(393,918)
Proceeds from disposal of property, plant and equipment	997	602
Payments for computer software	(39,650)	(4,491)
Decrease in refundable deposits	<u>150,267</u>	<u>48,282</u>
Net cash generated from investing activities	<u>3,328,473</u>	<u>3,219,899</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(55,870)	(54,251)
Payments of dividends	<u>(2,718,000)</u>	<u>(5,559,000)</u>
Cash used in financing activities	<u>(2,773,870)</u>	<u>(5,613,251)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>127,253</u>	<u>(14,554)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,220,415)	(2,598,137)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,736,644</u>	<u>5,334,781</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,516,229</u>	<u>\$ 2,736,644</u>

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
Yulon Nissan Motor Company, Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Yulon Nissan Motor Company, Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of 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 consolidated financial statements for the year ended December 31, 2022. 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.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

#### Depreciation of Molds and Dies

In accordance with IAS 16 "Property, Plant and Equipment", the depreciable amount of an asset should be allocated on a systematic basis over its useful life. The Group depreciates

molds and dies using the unit production method, and reviews the estimated number of vehicles that are expected to be sold in the future for each vehicle model every six months based on market sales. The estimated number of vehicles to be sold is then used to calculate the amount allocated to each mold and die, and is used as the basis for the depreciation of molds and dies. The depreciation of molds and dies in 2022 was \$505,100 thousand. Since the amount of depreciation of molds and dies is significant and estimates of the units sold are highly dependent on management's judgment. Therefore, the depreciation of molds and dies is considered to be a key audit matter.

The related accounting policies and critical accounting judgments are disclosed in Notes 4 and 5 to the consolidated financial statements, respectively; the related amounts are disclosed in Note 13 to the consolidated financial statements.

We understood the Company's depreciation process of molds and dies and related control systems, evaluated the design of the controls and tested the operating effectiveness of the controls. We also obtained the information and documents from management which is used as the basis for the estimated number of units of vehicles of each model to be sold in the future and assessed the rationality and reliability of the supporting information. In addition, we took appropriate samples of the transactions of molds and dies and checked them against the original documents and cash flows, performed inventory counts and sent confirmation requests. We also recalculated the amount of depreciation of molds and dies on the basis of estimated production volume and assessed the rationality of the calculated depreciation and the accuracy of the carrying amount of the molds and dies. Moreover, we determined that there was no significant difference between the amended estimated number of units of future sales of vehicles in the previous year's consolidated financial statements and the actual number of units sold, and confirmed the appropriateness of management's estimation.

### **Other Matter**

We have also audited the parent company only financial statements of Yulon Nissan Motor Company, Ltd., as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance, including independent directors and 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 Standards on Auditing of 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 Standards on Auditing of 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 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, 2022 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 Chien-Hsin Hsieh and Jui-Chuan Chih.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 14, 2023

#### 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 NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,613,339	11	\$ 4,044,196	16
Financial assets at fair value through profit or loss	2,342,779	10	547,289	2
Notes receivable	930	-	235	-
Notes receivable - related parties	-	-	21	-
Trade receivables	23,800	-	23,567	-
Trade receivables - related parties	356,964	2	287,324	1
Other receivables	11,846	-	46,275	-
Other receivables - related parties	110,585	-	146,968	1
Prepayments	83,229	-	107,927	1
Total current assets	<u>5,543,472</u>	<u>23</u>	<u>5,203,802</u>	<u>21</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at amortized cost	2,120	-	-	-
Investments accounted for using the equity method	16,533,811	67	16,424,660	67
Property, plant and equipment	1,231,620	5	1,715,905	7
Right-of-use assets	652,564	3	687,034	3
Computer software	53,953	-	22,757	-
Deferred tax assets	60,158	-	80,155	-
Other non-current assets	433,168	2	519,162	2
Total non-current assets	<u>18,967,394</u>	<u>77</u>	<u>19,449,673</u>	<u>79</u>
<b>TOTAL</b>	<u>\$ 24,510,866</u>	<u>100</u>	<u>\$ 24,653,475</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Contract liabilities	\$ 70,028	-	\$ -	-
Trade payables	71,858	1	15,961	-
Trade payables - related parties	441,956	2	300,085	1
Other payables	780,435	3	870,903	3
Other payables - related parties	141,440	1	226,817	1
Current tax liabilities	516,410	2	631,800	3
Provisions	208,904	1	219,190	1
Lease liabilities	53,434	-	51,666	-
Other current liabilities	6,995	-	5,509	-
Total current liabilities	<u>2,291,460</u>	<u>10</u>	<u>2,321,931</u>	<u>9</u>
<b>NON-CURRENT LIABILITIES</b>				
Provisions	58,191	-	63,542	-
Tax liabilities - non-current	-	-	117,017	1
Deferred tax liabilities	2,303,706	9	2,425,443	10
Lease liabilities	604,590	3	637,348	3
Net defined benefit liabilities	31,429	-	87,486	-
Total non-current liabilities	<u>2,997,916</u>	<u>12</u>	<u>3,330,836</u>	<u>14</u>
Total liabilities	<u>5,289,376</u>	<u>22</u>	<u>5,652,767</u>	<u>23</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Capital stock - NT\$10 par value; authorized 600,000 thousand stocks; issued and outstanding 300,000 thousand stocks	<u>3,000,000</u>	<u>12</u>	<u>3,000,000</u>	<u>12</u>
Capital surplus	<u>5,988,968</u>	<u>24</u>	<u>5,988,968</u>	<u>24</u>
Retained earnings				
Legal reserve	7,151,689	29	6,848,964	28
Special reserve	1,470,531	6	1,328,436	5
Unappropriated earnings	<u>2,586,013</u>	<u>11</u>	<u>3,304,871</u>	<u>14</u>
Total retained earnings	<u>11,208,233</u>	<u>46</u>	<u>11,482,271</u>	<u>47</u>
Other equity	<u>(975,711)</u>	<u>(4)</u>	<u>(1,470,531)</u>	<u>(6)</u>
Total equity	<u>19,221,490</u>	<u>78</u>	<u>19,000,708</u>	<u>77</u>
<b>TOTAL</b>	<u>\$ 24,510,866</u>	<u>100</u>	<u>\$ 24,653,475</u>	<u>100</u>

# YULON NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 23,206,378	98	\$ 24,489,014	99
Service revenue	294,470	1	61,075	-
Other operating revenue	<u>106,343</u>	<u>1</u>	<u>118,295</u>	<u>1</u>
Total operating revenue	23,607,191	100	24,668,384	100
OPERATING COSTS	<u>20,666,547</u>	<u>87</u>	<u>21,854,727</u>	<u>89</u>
GROSS PROFIT	<u>2,940,644</u>	<u>13</u>	<u>2,813,657</u>	<u>11</u>
OPERATING EXPENSES				
Selling and marketing expenses	1,765,856	8	1,716,888	7
General and administrative expenses	520,063	2	554,700	2
Research and development expenses	<u>537,954</u>	<u>2</u>	<u>419,245</u>	<u>2</u>
Total operating expenses	<u>2,823,873</u>	<u>12</u>	<u>2,690,833</u>	<u>11</u>
OTHER OPERATING INCOME AND EXPENSES	<u>(2,811)</u>	<u>-</u>	<u>170</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>113,960</u>	<u>1</u>	<u>122,994</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates	3,052,224	13	3,668,664	15
Net foreign exchange loss	(151,623)	(1)	(32,585)	-
Interest income	52,217	-	53,509	-
(Loss) gain on fair value changes of financial assets				
at fair value through profit or loss, net	(16,576)	-	34,789	-
Other revenue	3,696	-	2,089	-
Interest expenses	(9,662)	-	(15,096)	-
Overseas business expenses	(7,913)	-	(7,649)	-
Loss on disposal of investments, net	(8,806)	-	(23,904)	-
Other losses	<u>(1,890)</u>	<u>-</u>	<u>(2,189)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,911,667</u>	<u>12</u>	<u>3,677,628</u>	<u>15</u>
PROFIT BEFORE INCOME TAX	3,025,627	13	3,800,622	15
INCOME TAX EXPENSES	<u>615,046</u>	<u>3</u>	<u>774,629</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>2,410,581</u>	<u>10</u>	<u>3,025,993</u>	<u>12</u>

(Continued)

# YULON NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 41,691	-	\$ 1,574	-
Share of other comprehensive loss of associates accounted for using the equity method	35	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(8,345)</u>	<u>-</u>	<u>(315)</u>	<u>-</u>
	<u>33,381</u>	<u>-</u>	<u>1,259</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on the translation of foreign operations	<u>494,820</u>	<u>2</u>	<u>(142,095)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>528,201</u>	<u>2</u>	<u>(140,836)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,938,782</u>	<u>12</u>	<u>\$ 2,885,157</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 2,410,581</u>	<u>10</u>	<u>\$ 3,025,993</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 2,938,782</u>	<u>12</u>	<u>\$ 2,885,157</u>	<u>12</u>
EARNINGS PER SHARE				
Basic	<u>\$8.04</u>		<u>\$10.09</u>	
Diluted	<u>\$8.03</u>		<u>\$10.09</u>	

(Concluded)



**YULON NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)

	Capital Stock	Capital Surplus	Retained Earnings (Note 21)			Other Equity	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Foreign Operations	
BALANCE AT JANUARY 1, 2021	\$ 3,000,000	\$ 5,988,968	\$ 6,194,981	\$ 1,270,832	\$ 6,548,206	\$ (1,328,436)	\$ 21,674,551
Appropriation of 2020 earnings							
Legal reserve	-	-	653,983	-	(653,983)	-	-
Special reserve	-	-	-	57,604	(57,604)	-	-
Cash dividends distributed by the Company - NT\$18.53 per share	-	-	-	-	(5,559,000)	-	(5,559,000)
	-	-	653,983	57,604	(6,270,587)	-	(5,559,000)
Net profit for the year ended December 31, 2021	-	-	-	-	3,025,993	-	3,025,993
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,259	(142,095)	(140,836)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	3,027,252	(142,095)	2,885,157
BALANCE AT DECEMBER 31, 2021	3,000,000	5,988,968	6,848,964	1,328,436	3,304,871	(1,470,531)	19,000,708
Appropriation of 2021 earnings							
Legal reserve	-	-	302,725	-	(302,725)	-	-
Special reserve	-	-	-	142,095	(142,095)	-	-
Cash dividends distributed by the Company - NT\$9.06 per share	-	-	-	-	(2,718,000)	-	(2,718,000)
	-	-	302,725	142,095	(3,162,820)	-	(2,718,000)
Net profit for the year ended December 31, 2022	-	-	-	-	2,410,581	-	2,410,581
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	33,381	494,820	528,201
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	2,443,962	494,820	2,938,782
BALANCE AT DECEMBER 31, 2022	\$ 3,000,000	\$ 5,988,968	\$ 7,151,689	\$ 1,470,531	\$ 2,586,013	\$ (975,711)	\$ 19,221,490

# YULON NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,025,627	\$ 3,800,622
Adjustments for:		
Depreciation expenses	599,588	670,001
Amortization expenses	8,454	21,616
Loss (gain) on fair value changes of financial assets at fair value through profit or loss, net	16,576	(34,789)
Interest expense	9,662	15,096
Interest income	(52,217)	(53,509)
Share of profit of associates	(3,052,224)	(3,668,664)
Loss (gain) on disposal of property, plant and equipment, net	2,811	(170)
Loss on disposal of investment, net	8,806	23,904
Net foreign exchange loss	365,599	427,543
(Reversal) recognition of inventory purchase commitments	(3,528)	2,408
Warranty costs	136,926	149,709
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(1,820,872)	90,110
Notes receivable	(695)	1,699
Notes receivable - related parties	21	558
Trade receivables	(233)	(11,148)
Trade receivables - related parties	(69,634)	102,074
Other receivables	36,629	(6,273)
Other receivables - related parties	36,383	(23,330)
Prepayments	1,113	(4,647)
Increase in other financial assets	(2,120)	-
Contract liabilities	70,028	-
Trade payables	55,897	(802)
Trade payables - related parties	141,871	125,141
Other payables	(13,411)	6,025
Other payables - related parties	(82,213)	104,344
Other current liabilities	1,486	1,145
Provisions	(149,035)	(159,697)
Net defined benefit liabilities	(14,366)	(47,736)
Cash generated from operations	(743,071)	1,531,230
Interest paid	(9,662)	(15,096)
Income tax paid	(1,286,119)	(1,666,623)
Net cash used in operating activities	<u>(2,038,852)</u>	<u>(150,489)</u>

(Continued)

# YULON NISSAN MOTOR COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	\$ 3,280,588	\$ 3,244,238
Interest received	50,017	53,716
Payments for property, plant and equipment	(204,251)	(393,918)
Proceeds from disposal of property, plant and equipment	997	602
Decrease in refundable deposits	150,267	48,282
Payments for computer software	<u>(39,650)</u>	<u>(4,491)</u>
Net cash generated from investing activities	<u>3,237,968</u>	<u>2,948,429</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of the principal portion of lease liabilities	(55,870)	(54,251)
Payments of dividends	<u>(2,718,000)</u>	<u>(5,559,000)</u>
Cash used in financing activities	<u>(2,773,870)</u>	<u>(5,613,251)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>143,897</u>	<u>(107,531)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,430,857)</b>	<b>(2,922,842)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>4,044,196</b></u>	<u><b>6,967,038</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 2,613,339</b></u>	<u><b>\$ 4,044,196</b></u>

(Concluded)

**Attachment 2****YULON NISSAN MOTOR CO., LTD.**

## 2022 Earnings Distribution Statement

Unit: NT dollar

Item	Sub-total	Total
Beginning retained earnings		142,052,161
Add: Adjustment arising from investments accounted for using equity method		35,232
Add: Remeasurement of defined benefit plans		33,345,793
2022 Adjusted undistributed earnings (excluded net income)		175,433,186
2022 Net income after tax	2,410,580,963	
Less: Legal reserves	(244,396,198)	
Less: Distribution of shareholders dividends (Cash dividends \$7.22 per share)	(2,166,000,000)	184,760
Ending Undistributed Earnings		175,617,946

Note: Distribution of cash dividends will be calculated to New Taiwan Dollar. Fractional amount less than one dollar will be set aside as other revenue.

**Attachment 3**

**Comparison Table for the “Rules of Procedure for Shareholders’ Meeting”**

After the revision	Before the revision	Description
<p><b>Article 2</b> Shareholders (representatives) present at the shareholders’ meeting shall submit the Attendance Card <u>and the shares checked in on the virtual meeting platform</u> instead of signing in. The shareholding of the present shareholders is based on the Attendance Cards <u>and the shares checked in on the virtual meeting platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronically. Attendance at shareholders meetings shall be calculated based on numbers of shares. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date. In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p><b>Article 2</b> Shareholders (representatives) present at the shareholders’ meeting shall submit the Attendance Card instead of signing in. The shareholding of the present shareholders is based on the Attendance Cards plus the number of shares whose voting rights are exercised by correspondence or electronically. Attendance at shareholders meetings shall be calculated based on numbers of shares.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 3</b> The chair shall call the meeting to order at the appointed meeting time, and announce the number of shares of the attendance and no voting power. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the</p>	<p><b>Article 3</b> The chair shall call the meeting to order at the appointed meeting time, and announce the number of shares of the attendance and no voting power. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.  If the quorum is not met after two postponements as referred to in the</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>

After the revision	Before the revision	Description
<p>preceding paragraph, 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; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 2.</u></p>	<p>preceding paragraph, 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; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p>	
<p><b>Article 4</b>  Upon meeting adjournment announced by the Chairman, the shareholders shall not elect a new Chairman and resume the meeting at the original or new site.  <u>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p>	<p><b>Article 4</b>  Upon meeting adjournment announced by the Chairman, the shareholders shall not elect a new Chairman and resume the meeting at the original or new site.</p>	Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)
<p><b>Article 5</b>  Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. Present shareholders who have submitted the speech note but do not speak in the meeting are considered failure to address speech. If there is discrepancy between the content of the speech note and the speech in the meeting, the verbal speech shall prevail. The present shareholder who is speaking should not be interrupted by any other shareholders unless agreed by the Chairman and the speaking shareholder. The Chairman should have the disorderly conduct disciplined.  <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u></p>	<p><b>Article 5</b>  Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. Present shareholders who have submitted the speech note but do not speak in the meeting are considered failure to address speech. If there is discrepancy between the content of the speech note and the speech in the meeting, the verbal speech shall prevail. The present shareholder who is speaking should not be interrupted by any other shareholders unless agreed by the Chairman and the speaking shareholder. The Chairman should have the disorderly conduct disciplined.</p>	Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)

After the revision	Before the revision	Description
<p><b>Article 7-1</b>  <u>To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:</u></p> <ol style="list-style-type: none"> <li>1. <u>How shareholders attend the virtual meeting and exercise their rights.</u></li> <li>2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> <ol style="list-style-type: none"> <li>A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u></li> <li>B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></li> <li>C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></li> <li>D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></li> </ol> </li> <li>3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in</u></li> </ol>		<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>

After the revision	Before the revision	Description
<p><u>attending a virtual shareholders meeting online shall be specified.</u></p>		
<p><b>Article 10</b>            Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The calculation of the shareholder voting rights shall be followed relevant laws and regulations. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation. <u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p><b>Article 10</b>            Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The calculation of the shareholder voting rights shall be followed relevant laws and regulations. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 14</b>            The Chairman is to determine the tellers and ballot counting officer. The teller must be a shareholder. Vote result must be reported on the spot and documented accordingly. <u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session</u></p>	<p><b>Article 14</b>            The Chairman is to determine the tellers and ballot counting officer. The teller must be a shareholder. Vote result must be reported on the spot and documented accordingly.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>



After the revision	Before the revision	Description
<p>ends, and results of votes and elections shall be announced immediately.</p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with relevant regulations decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p><b>Article 16</b></p> <p>The location summoned for the shareholders' meeting shall be the location where the Company resides, or a location convenient for shareholders to attend and suitable for - 41 - organizing the shareholders' meeting. The schedule of the meeting shall not start before nine (9) o'clock in the morning or later than three (3) o'clock in the afternoon. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p><b>Article 16</b></p> <p>The location summoned for the shareholders' meeting shall be the location where the Company resides, or a location convenient for shareholders to attend and suitable for - 41 - organizing the shareholders' meeting. The schedule of the meeting shall not start before nine (9) o'clock in the morning or later than three (3) o'clock in the afternoon. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 18</b></p> <p>The whole process of the shareholders' meeting should be documented with audio or video recording and archived for at least one year.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be</u></p>	<p><b>Article 18</b></p> <p>The whole process of the shareholders' meeting should be documented with audio or video recording and archived for at least one year.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>

After the revision	Before the revision	Description
<p><u>provided to and kept by the party appointed to handle matters of the virtual meeting.</u>  <u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>		
<p><b><u>Article 19</u></b>  <u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>		<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b><u>Article 20</u></b>  <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b><u>Article 21</u></b>  <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u>  <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u>  <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders</u></p>		<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>

After the revision	Before the revision	Description
<p><u>meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of</u></p>		

After the revision	Before the revision	Description
<p><u>Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><b>Article 22</b>  <u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>		<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 23</b>  Issues that are not addressed in the “Rules of Procedure for Shareholders’ Meeting” should be processed in accordance with the Company Act, the Company’s Articles of Incorporation, and applicable laws and regulations.</p>	<p><b>Article 19</b>  Issues that are not addressed in the “Rules of Procedure for Shareholders’ Meeting” should be processed in accordance with the Company Act, the Company’s Articles of Incorporation, and applicable laws and regulations.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 24</b>  The “Rules of Procedure for Shareholders’ Meeting” shall be enforced upon the resolution reached in the shareholders’ meeting, so is the amendment.</p>	<p><b>Article 20</b>  The “Rules of Procedure for Shareholders’ Meeting” shall be enforced upon the resolution reached in the shareholders’ meeting, so is the amendment.</p>	<p>Complies with the requirements under the notice letter No. 11100042501 which issued by Taiwan Stock Exchange Corporation (TWSE)</p>
<p><b>Article 25</b>  The Procedures was regulated on March 30, 2004 ; the first amendment was made on June 30th, 2015; the second amendment was made on June 25th, 2021; <u>the third amendment was made on June 30th, 2023.</u></p>	<p><b>Article 21</b>  The Procedures was regulated on March 30, 2004 ; the first amendment was made on June 30th, 2015; the second amendment was made on June 25th, 2021.</p>	<p>Add the revision date.</p>

#### Attachment 4

### The Lift on the Prohibition on Directors from Concurrently Acting as a Director and/or Managerial Personnel of Another Company

Title	Name	Acting as a Director and/or Managerial Personnel of Another Company
Director	Chen Hsiang, Yao	<ol style="list-style-type: none"><li>1. Director, Luxgen Motor Co., Ltd. (newly added)</li><li>2. Vice President, Yulon Construction Co.,Ltd. (position change)</li><li>3. Director, Yu Yao Co., Ltd. (newly added)</li><li>4. Director, Yuco Co., Ltd. (newly added)</li><li>5. Director, Yonghan Investment Co., Ltd. (newly added)</li></ol>
Director	I-Hsueh Chuang,	<ol style="list-style-type: none"><li>1. Vice President, Yulon Finance Co.,Ltd (newly added)</li><li>2. Director and President, Yu Rich Financial Services Co.,Ltd (newly added)</li><li>3. Director, Yulon Finance Philippines Corporation (newly added)</li></ol>
Independent Director	Yun-Hua, Yang	<ol style="list-style-type: none"><li>1. Independent Director, Yulon Motor Co. Ltd. (newly added)</li></ol>

## Appendix 1:

# Articles of Incorporation of YULON NISSAN MOTOR CO., LTD.

## Chapter 1 General Provisions

- Article 1 The Company is incorporated in accordance with “Company Limited by Shares” of Company Act and named as “Yulon Nissan Motor Co., Ltd.”
- Article 2 The scope of business of the Corporation shall be as follows:
1. I501010 Product design business.
  2. CD01030 Automotive and parts manufacturing business.
  3. F114010 Automotive wholesale business.
  4. F214010 Automotive retail business.
  5. CQ01010 Mold manufacturing business.
  6. F106030 Mold wholesale business.
  7. F206030 Mold retail business.
  8. F114030 Automotive and motorcycle parts and accessories wholesale business.
  9. F214030 Automotive and motorcycle parts and accessories retail business.
  10. JA01010 Automotive repair business.
  11. JA01990 Other automotive service business (vehicle decoration).
  12. JA01020 Automotive towing business.
  13. F401010 International trade business.
  14. E701030 Installation engineering of telecommunication control and radio equipment business.
  15. I103010 Enterprise management consulting business.
  16. I401010 General advertising service business.
  17. F113070 Telecommunication equipment wholesale business.
  18. F213060 Telecommunication equipment retail business.
  19. ZZ99999 Other than permitted business, business not prohibited or restricted by Laws.
- Article 3 In order to achieve the goal of diversification, the Company’s reinvestment to other companies may exceed forty percent of the Company’s paid-up capital.
- Article 4 The Company may make guarantee for business necessity.
- Article 5 The Company's headquarters is located in Miaoli County and the Company may establish branches in the appropriate domestic and abroad locations.
- Article 6 Public announcements of the Company shall be advertised at visual areas of the daily newspapers published in the region where the Company’s headquarters resides, unless otherwise specified in the Company Act and other relevant rules and regulations.

## Chapter 2 Shares

- Article 7 The total capital stock of the Company shall be in the amount of 6,000,000,000 New Taiwan Dollars, divided into 600,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments. The first installment of 300,000,000 shares was issued upon the establishment of the Company, a total of 3,000,000,000 New Taiwan Dollars.

Article 8 The Company's share certificates shall be numbered, signed by or sealed with stamps of the director representing the company, and certified by the bank which is competent to certify shares in accordance with laws before the share certificates are issued. The Company may issue shares without printing share certificate(s) and shall register with the Centralized securities depository enterprises.

Article 9 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend bonus or any other benefit is scheduled to be paid by the Company.

Article 10 All other stocks related operations should follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related laws and regulations.

### **Chapter 3 Shareholders' Meetings**

Article 11 Shareholders' meetings of the Company are of the following two types:

1. Shareholders' regular meetings: Regular meetings shall be convened, by the Board of Directors, at least once per year and within six (6) months after the close of each fiscal year.
2. Shareholders' special meetings: Special meetings shall be convened in accordance with the Company Act when required.

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 12 Written notices of date, time, location and purpose of convening shareholders' meetings shall be sent to all shareholders, at least thirty (30) days in advance for regular meetings; and at least fifteen (15) days in advance for special meetings.

Article 13 The duties and power of shareholders' meetings are as follows:

1. To modify the articles of incorporation.
2. To elect and discharge Directors.
3. To verify annual financial statements.
4. To resolve the increase or reduction of total capital.
5. To resolve proposals of earnings distribution or loss appropriation.
6. To resolve the remuneration to Directors.
7. To resolve the dissolution, acquisition or disposal through merger, or spin-off of the Company.
8. Other duties and power that are authorized by the Company Act or other Laws.

Article 14 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 15 Shareholder's voting power, unless otherwise specified in the Company Act, is deemed one vote for each share.

Article 16 In case a shareholder is unable to attend the shareholders' meeting, he or she may issue the proxy, printed by the Company and stamped with the Company's seal and stating the scope of power, to commission an agent to attend the shareholders' meeting. Except the security agents and securities investment trust enterprises approved by the security authority, the proxy voting of the aforementioned agents commissioned by two or more

shareholders shall not exceed three (3) percent of the total voting right issued and the voting right beyond the said 3% threshold will be disregarded.

One shareholder is limited to issue one proxy and commission one agent only. The proxy shall be submitted to the Company five (5) days prior to the shareholders' meeting.

Article 17 The shareholders' meeting, convened by the Board of Directors, shall be presided over by the chairman of the Board of Directors. When the chairman of the Board of Directors asks for leave or unable to fulfill the responsibility for reasons, his agent shall be appointed in accordance with item 3, Article 208 of the Company Act. When the shareholders' meeting is convened by the authorized convener other than the chairman of the Board of Directors, the authorized convener shall preside over the meeting. In case of two or more authorized conveners, one of the authorized conveners is elected to act on the Chairman's behalf.

The resolution of the shareholders' meeting shall be executed in accordance with the Rules of Procedure for shareholders' meeting.

Article 18 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the Company.

The minutes shall record the year, month, day, location, name of the chairman, resolution method, outlines and conclusions of the meeting, and shall be kept permanently during the existence of the company. The attendance list and proxies shall be kept at least for one year, unless otherwise specified in the Company Act.

Article 19 If the Company's shareholder is only one juristic person shareholder, the duties and power of shareholders' meetings shall be executed by the Board of Directors and the rules of the shareholders' meeting shall not be applied.

#### **Chapter 4 Directors, Functional Committee, and Managers**

Article 20 The Company is with five to eleven (5~11) directors candidates nomination system is adopted for election of the directors, the shareholders shall elect the directors from among the nominees listed in the roster of director candidates\_in the shareholders' meeting, for a 3-year term and may be re-elected. The proportion of total shares owned by all directors shall be in accordance with the regulations specified by the security authority. Among the Company's aforementioned directors, at least three are independent directors who shall be elected by adopting candidate nomination system from the candidate list of independent director in the shareholders' meeting. The professional qualification, shares, restrictions of holding two positions, nomination and election method and other conditions of the independent directors to be complied, shall be in accordance with the relevant regulations of the security authority.

Article 21 The Board of Directors is composed of directors, with job responsibilities as follows:

1. To compose business planning reports.
2. To submit proposals of earnings distribution or loss appropriation.
3. To submit the increase or reduction of total capital.
4. To prepare important regulations and compose contracts.
5. To recruit and discharge the general manager, vice general manager and associate



manager of the Company.

6. To approve the Company's reinvestment in other business.
7. To establish and dissolve the branch offices.
8. To compile the budget and settlement.
9. To recruit and discharge the certified accountants and chief accountant.
10. To approve, within the limits of the authorized capital, the amount of shares for shareholders to the Company's monetary credit, technology, or commercial goodwill.
11. To approve, within the limits of the authorized capital, the Company to issue new shares to exchange shares of other companies.
12. To resolve the issuance of employee stock options.
13. To resolve the purchase of Company's shares to transfer to employees.
14. To resolve the application for public offer to the Securities regulatory authorities.
15. Other duties or responsibilities according to the Company Act or the resolution of the shareholders' meetings.

Execution of the Company's business shall be governed by the Board of Directors, unless otherwise those specified by the Company Act or the resolution of the shareholders' meetings according to the Article of Incorporation.

- Article 22 The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors among themselves based on the actual need, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation. When the chairman of the Board of Directors asks for leave or unable to fulfill the responsibility for reasons, his agent shall be appointed in accordance with item 3, Article 208 of the Company Act.
- Article 23 Meetings of the Board of Directors shall be called and convened by the Chairman of the Board of Directors, unless otherwise specified by the Company Act and shall be agreed upon by a majority in a meeting attended by a majority of Directors.
- Article 24 Meetings of the Board of Directors shall be convened with a notice to all Directors, at least seven days prior to the meetings by specifying the meeting's agenda. In case of urgent circumstances, meetings can be convened at any time. The notice of convention of board meetings may be delivered to the directors in writing or by e-mail or fax.
- Article 25 When a Director is unable to attend the meeting in person, the Director may appoint another Director on his behalf to attend any meeting of the Board of Directors in accordance with Laws, but no Director may act as proxy for more than one other Director.
- Directors who reside abroad may, by written authorization, appoint other shareholders to attend on their behalf any meeting of the Board of Directors regularly, but the aforementioned agent shall register with the authority to be effective, so do the change of agents.
- Article 26 The Board of Directors may establish various functional committees. The functional committees shall define their own articles of association and enforce the same upon approval of the Board of Directors.
- Article 27 The Company establishes the Audit Committee consisting of the whole independent directors pursuant to the Securities and Exchange Act.

The functions and other compliance affairs of the Audit Committee shall be in accordance with to the Securities and Exchange Act and other related laws and regulations.

Article 28 The Company shall employ one general manager, agreed by a majority in a meeting of the Board of Directors attended by majority of the Directors. The general manager shall operate the Company's business in accordance with the resolutions of the shareholders' meetings or meetings of the Board of the Directors and, within the scope authorized by the Article of Incorporation or contract, has the authority to manage business and sign on behalf of the Company.

Article 29 The Company shall employ several vice general managers and several associate managers, proposed by the Chairman of the Board of Directors and agreed by a majority in a meeting of the Board of Directors attended by majority of the Directors. Vice general managers and associate managers shall assist the general manager on the Company's business.

### **Chapter 5 Accounting**

Article 30 The Company's fiscal year shall be from January 1<sup>st</sup> to December 31<sup>st</sup>. After the close of each fiscal year, financial settlement shall be processed. The Board of Directors shall prepare the following financial statement reports in accordance with the Company Act and delivered to prepare the review reports to be submitted in the shareholders' meetings for acceptance:

1. Business reports
2. Financial statements
3. Proposals of earnings distribution or loss appropriation

Article 31 If the Company has profits for the current year, it shall be distributed not less than 0.1% as employees' compensation. The employees' compensation to be resolved in the form of shares or in cash, is agreed upon by a resolution of the Board of Directors and shall be submitted to the shareholders' meeting. However, if the Company has the accumulated losses, the profits must be reserved in advance to offset such losses. Then according to the ratio mentioned in preceding paragraph, to be reserved for such employees' compensation.

For the Company's surplus profit (The 'surplus profit' refers to the net income plus the amounts of the current retained earnings adjustments which are not counted in the net income) at the end of each fiscal year, it shall cover the accumulated losses first, then, appropriating 10% as legal reserve, and set aside or reverse special reserve in accordance with the law. The shareholders' dividend or bonuses out of remaining current profit and undistributed retained earnings at the beginning of the year shall be proposed first by the Board of Directors and to be resolved in the shareholders meeting.

The Company is in a stable and mature industry. Factors such as Company's profitability, funding of future operation and change in industrial environment, shareholder's interest and long term financial planning shall be considered in planning the Company's dividend distribution scheme. The amount shall not exceed 90% of current net income as the principal, however, the final dividend distribution ratio shall be proposed first by the board of directors and to be resolved in the shareholders meeting, regardless of such principle. Distribution of dividend is in the form of cash or shares. Cash dividend each year shall not be less than 20% of the total amount of the appropriated dividend of

current year.

- Article 32 The Company's directors shall receive remuneration (including travel expenses) of 100,000 New Taiwan Dollars monthly. The Board of Directors are authorized to determine the remuneration of the Chairman of the Board of Directors, based on the level of participation in the Company's operation and contribution without exceeding the highest salary standard decided by the Company. Such remuneration shall be paid regardless of whether the Company business generates profits or experiences loss.

### **Chapter 6 Supplementary Provisions**

- Article 33 The Company's organization regulations and detailed guidelines of operation shall be determined separately.

- Article 34 In regard to all matters not provided herein, the Company Act shall govern.

- Article 35 The Articles were formulated on June 30<sup>th</sup>, 2003; the first amendment was made on March 30<sup>th</sup>, 2004; the second amendment was made on June 18<sup>th</sup>, 2004; the third amendment was made on November 11<sup>th</sup>, 2004; the fourth amendment was made on June 17<sup>th</sup>, 2005; the fifth amendment will be made on June 16<sup>th</sup>, 2006; the sixth amendment was made on June 22<sup>nd</sup>, 2007; the seventh amendment was made on June 21<sup>st</sup>, 2010; the eighth amendment was made on June 13<sup>th</sup>, 2012; the ninth amendment was made on June 14<sup>th</sup>, 2013, the tenth amendment was made on June 30<sup>th</sup>, 2015, and the tenth amendment was made on June 30<sup>th</sup>, 2016, the twelfth amendment is made on June 26<sup>th</sup>, 2017 and shall be applicable as of the director election of 7<sup>th</sup> term, the thirteen amendment was made on June 19<sup>th</sup>, 2020 and the fourteenth amendment is made on June 24<sup>th</sup>, 2022.

**Appendix 2:****Shareholdings of Directors**

1. As of May 3, 2023, all directors minimum shareholding number and actually registered holding shares.

<b>Title</b>	<b>Minimum number of shares to be held</b>	<b>Shares actually held in share register</b>
Directors	12,000,000	263,500,000

2. As of May 3, 2023, table of shares held by all directors.

<b>Title</b>	<b>Name</b>	<b>Shares held in share register</b>
President	Yulon Motor Co., Ltd. Representative : Li-Lien Yen Chen	143,500,000
Director	Yulon Motor Co., Ltd. Representative : Chen-Hsiang Yao	
Director	Yulon Motor Co., Ltd. Representative : Wen-Rong Tsay	
Director	Yulon Motor Co., Ltd. Representative : I-Hsueh Chuang	
Director	Nissan Motor Co., Ltd. Representative : Atsushi Kubo	120,000,000
Director	Nissan Motor Co., Ltd. Representative : Masanari Ueda	
Director	Nissan Motor Co., Ltd. Representative : Hiroshi Shirakami	
Director	Nissan Motor Co., Ltd. Representative : Koichi Kitazawa	
Independent Director	Jung-Fang Kuo	-
Independent Director	Hung-Wen Chang	-
Independent Director	Yun-Hua Yang	-

## **Appendix 3:**

### **Yulon Nissan Motor Co., Ltd.**

#### **Rules of Procedure for Shareholders Meeting**

Formulated date: March 30th, 2004

- Article 1: The Company has shareholders meeting arranged in accordance with this “Rules of Procedure for Shareholders Meeting.”
- Article 2: Shareholders (representatives) present at the shareholders’ meeting shall submit the Attendance Card instead of signing in. The shareholding of the present shareholders is based on the Attendance Cards plus the number of shares whose voting rights are exercised by correspondence or electronically. Attendance at shareholders meetings shall be calculated based on numbers of shares.
- Article 3: The chair shall call the meeting to order at the appointed meeting time, and announce the number of shares of the attendance and no voting power.
- However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
- If the quorum is not met after two postponements as referred to in the preceding paragraph, 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; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.
- Article 4: If a shareholders meeting is summoned by the Board of Directors, the meeting agenda shall be determined by the Board of Directors. The meeting shall be held in accordance with the aforementioned agenda accordingly without changes made unless it is resolved in the shareholders’ meeting. If a shareholders meeting is summoned by an authorized convener other than the Board of Directors, the provision of the foregoing paragraph shall prevail. For the aforementioned two agendas, the Chairman may not announce the meeting adjourned without resolution before the end of the procedures (including motions). If the Chairman has the meeting adjourned in violation of the “Rules of Procedure for Shareholders’ Meeting,” a new Chairman can be elected to preside the meeting continuously by present shareholders with majority votes. Upon meeting adjournment announced by the Chairman, the shareholders shall not elect a new Chairman and resume the meeting at the original or new site.
- Article 5: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. Present shareholders who have submitted the speech note but do not speak in the meeting are considered failure to address speech. If there is discrepancy between the content of the

speech note and the speech in the meeting, the verbal speech shall prevail. The present shareholder who is speaking should not be interrupted by any other shareholders unless agreed by the Chairman and the speaking shareholder. The Chairman should have the disorderly conduct disciplined.

Article 6: Each shareholder may not speak more than twice and not more than five minutes each time on one subject unless agreed upon by the Chairman. The Chairman may stop the shareholder who has violated the rules, spoke beyond the subject scope, or behaved impolitely from speaking in the meeting.

Article 7: If a juristic person is attending the meeting by proxy, the juristic person may have only one representative delegated to attend the meeting. If the juristic person has more than two representatives delegated to attend the meeting, only one representative may speak about one subject.

Article 8: After the speech of the present shareholders, the Chairman may answer the questions in person or have it answered by the designated personnel.

Article 9: During the discussion of the motions, Chairman may announce the end of discussion at his/her discretion and proceed for voting, and schedule sufficient time for voting, or, may have the discussion suspended if necessary.

Article 10: Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The calculation of the shareholder voting rights shall be followed relevant laws and regulations. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation. The shareholder is deemed one vote for each share. Shareholders who have an agent to attend the shareholders' meeting shall be in accordance with the "Rules of appointing agents to attend the shareholders' meeting of Public Companies" and related laws and regulations.

Article 11: During the meeting, the Chairman may announce a recess during the meeting discretionally. If the procedure fails to be completed in a meeting, the meeting may continue within five (5) days with the resolution of the shareholders' meeting and no further notice and announcement are required.

Article 12: If a proposal is with amendment and/or alternative, the Chairman may have it consolidated with the order of voting determined. If one of the proposals is passed, other proposals are deemed as vetoed without further voting.

Article 13: The Chairman may direct pickets (or security guards) to maintain order of the meeting

premise. The pickets (or security guards) must wear the “Picket” armband while disciplining the order at the meeting premise.

- Article 14: The Chairman is to determine the tellers and ballot counting officer. The teller must be a shareholder. Vote result must be reported on the spot and documented accordingly.
- Article 15: If a shareholders’ meeting is summoned by the Board of Directors, the Chairman is to preside the meeting. If the Chairman asks for leave or cannot preside the meeting for reasons, the Vice Chairman is to act on the Chairman’s behalf. If there is no Vice Chairman or the Vice Chairman asks for leave or cannot preside the meeting for reasons, the Chairman is to designate his/her agent to preside the meeting. If the Chairman has not had his/her agent designated, one of the Directors shall be elected to act on the Chairman’s behalf. If a shareholders’ meeting is summoned by an authorized convener other than the Board of Directors, the authorized convener is the Chairman of the shareholders’ meeting. If there are two or more authorized conveners, one shall be elected among themselves.
- Article 16: The location summoned for the shareholders’ meeting shall be the location where the Company resides, or a location convenient for shareholders to attend and suitable for - 41 - organizing the shareholders’ meeting. The schedule of the meeting shall not start before nine (9) o’clock in the morning or later than three (3) o’clock in the afternoon. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- Article 17: The Company may assign the appointed attorney, CPA, or related personnel to attend the meeting. Conference staffs who help organize the shareholders’ meeting should wear identification badge or armband.
- Article 18: The whole process of the shareholders’ meeting should be documented with audio or video recording and archived for at least one year.
- Article 19: Issues that are not addressed in the “Rules of Procedure for Shareholders’ Meeting” should be processed in accordance with the Company Act, the Company’s Articles of Incorporation, and applicable laws and regulations.
- Article 20: The “Rules of Procedure for Shareholders’ Meeting” shall be enforced upon the resolution reached in the shareholders’ meeting, so is the amendment.
- Article 21: The Procedures was regulated on March 30, 2004; the first amendment was made on June 30th, 2015; the second amendment was made on July 20th, 2021.