



Stock Code: 2206

Sanyang Motor Co., Ltd.

2024 Annual Shareholders' Meeting

Meeting Handbook

June 25, 2024

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THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2024 ANNUAL SHAREHOLDERS' MEETING OF SANYANG MOTOR CO., LTD. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY INCONSISTENCY BETWEEN THE CHINESE VERSION AND THIS TRANSLATION, THE CHINESE VERSION SHALL PREVAIL.

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I. Procedures for the 2024 Annual Shareholders' Meeting of Sanyang Motor Co., Ltd.

1. Announcement of the meeting (reporting the total number of shares held by the attending shareholders and shareholders' proxies)
2. Chairperson Remarks
3. Report Matters
4. Acknowledged Matters
5. Extemporaneous Motions
6. Adjournment

II. Agenda of the 2024 Annual Shareholders' Meeting of Sanyang Motor Co., Ltd.

1. Time: 09:00a.m. June 25, 2024
2. Location: No. 19, Sanmin Road, Hukou Township, Hsinchu County (The Company's Activity Center)
3. Report the number of shares attended by the attending shareholders
4. Chairperson Remarks
5. Report Matters
 - (1) 2023 Business Report
 - (2) Audit Committee's Reviews of the 2023 Annual Final Accounting Books and Statements
 - (3) Report on 2023 Employees' and Directors' Remuneration
 - (4) Earnings Distribution Report of the First Half of 2023
6. Acknowledged Matters
 - (1) 2023 Business Report and Financial Statements
 - (2) 2023 Earnings Distribution
7. Extemporary Motions
8. Adjournment

III. Report Matters

I. 2023 Business Report

Sanyang Motor Co., Ltd. Business Report

(I) Results of Implementation of Business Plan

Net sales amounted to NT\$49,290,243 thousand in 2023, increased by 37.37% compared with the net sales of NT\$35,882,517 thousand in 2022.

(II) Budget Execution

Unit: NT\$ thousand

Item	Estimated 2023 net operating revenue	Actual 2023 net operating revenue	Difference	Control rate (%)
Motorcycles	22,119,006	25,526,519	3,407,513	115.41
Automobiles	15,350,178	20,586,116	5,235,938	134.11
Others	2,557,032	3,177,608	620,576	124.27
Total	40,026,216	49,290,243	9,264,027	123.14

(III) Financial Revenue and Expenditure and Profitability Analysis

1. Financial Revenue and Expenditure :

In 2023, net operating revenue was NT\$49,290,243 thousand, operating cost was NT\$42,869,251 thousand, operating expense was NT\$2,850,465 thousand, net operating income was NT\$3,523,860 thousand, net profit of non-operating income and expense was NT\$3,675,244 thousand and profit before income tax was NT\$7,199,104 thousand.

2. Profitability Analysis :

Item	2023	2022
Return on assets (%)	14.81	8.47
Return on equity (%)	31.31	18.75
Net profit margin (%)	12.78	8.68
Earnings per share (current period) (NT\$)	7.95	3.93

(IV) Research and Development

1. Motorcycles

(1) New mass production models launched in 2023:

A. 『Fiddle LT 115 』 (Taiwan)

Model Introduction

Starting from the perspective of young female commuter motor scooters, the design concept focuses on a retro-chic and minimalist style complemented by fresh accents and color schemes. The emphasis is on lightweight and sleek body design, along with convenient storage solutions, catering to the needs of female riders. Additionally, the vehicle incorporates the latest ZRSG system, enhancing fuel efficiency while aligning with the prevailing environmental consciousness by reducing emissions and noise pollution during idle periods. In March 2023, we introduced the more convenient Keyless system, offering car owners a human-centric technology experience that eliminates the hassle of searching for keys. With new colors and shiny decals, it further enhances the technological convenience and youthful fashion.

Product Positioning

Targeting young female commuters aged 18~24, the commuter motor scooter prioritizes daily transportation needs. It places emphasis on design, compact body size, and affordability. Additionally, convenient storage options, a low seat height for easy footing, and a center stand that allows for easy upright positioning are additional desirable product features.

B. 『CLBCU 125 』 (Taiwan)

Model Introduction

In June 2023, the CLBCU was launched, featuring the image of a hummingbird integrated into its overall design, symbolizing lightness and flexibility. Designed to meet the needs of young female scooter riders, the EnMIS dual spark plug technology ensures agile and fuel-efficient riding. With its lightweight construction and low seat height, it offers a sense of confidence and ease of handling. Exclusive rotating rear mirrors cater to the rider's makeup after riding, while the specially designed handlebars enhance braking safety for women. Tailored to female preferences, CLBCU emerges as the new top choice in the female market. Furthermore, we incorporated color-changing technology baking paint inspired by the vibrant plumage of hummingbirds. This allows consumers to select from a range of color options, adding to the customization available.

Product Positioning

Trendy models targeting Gen Z women aged 18~29 prioritize urban commuting needs while enhancing human-centric design, ensuring that drivers can easily maneuver both on the road and while parking. This customer segment belongs to the digital native generation, relying heavily on online platforms and exhibiting diverse values. The daily code of conduct of this generation prioritizes satisfying personal needs, and products

are chosen to fulfill their sense of self-image. When selecting a scooter, consideration is given to whether the model aligns with individual traits, making CLBCU undoubtedly the most suitable choice for this demographic.

C. 『Fiddle 125/Fiddle DX 150』 (Taiwan)

Model Introduction

The Fiddle serves as Sanyang's flagship model, firmly establishing itself as a trendy icon. Its appearance exudes an elegant and refined retro style, with sleek and graceful design elements running through the entirety of its body. The rounded and soft lines encapsulate an air of refined understatement. In March 2023, a new lineup of car color decals, colored dashboards, and retro wheels were introduced, giving the entire vehicle a refreshed and contemporary yet retro look. Fiddle not only places emphasis on the intricacies of exterior design but also prioritizes customer usability requirements. It is designed to offer customers a seamless user experience, thereby embodying both elegant aesthetics in appearance and specifications.

Product Positioning

Targeting a clientele of mainly middle-to-high income office workers aged 25~44, with 125c.c. model for females and 150 c.c. for males, especially for individuals who have a preference for retro looks and place significant value on external appeal. The vehicle is designed for medium/short-distance urban commuting, striking a balance between style and practicality while achieving Tier 1 fuel efficiency.

D. 『JET SL 125』 (Taiwan)

Model Introduction

The Jet series has successfully become one of the first choices for young men aged 18~24 with a penchant for popular sports models.

The JET SL, outfitted with a water-cooled engine, not only upholds the extensive customization options synonymous with the JET series but also showcases a more assertive and sporty design. Its enhanced features include a light-sensing LCD dashboard and upgraded front and rear disc sizes, complemented by the ZRSG system. However, the most notable upgrade comes in the form of the water-cooled engine, delivering a remarkable 16% increase in horsepower and 9% boost in torque compared to its predecessor with an air-cooled engine. This ensures that the JET SL surpasses its competitors, securing championship titles on the racetrack. In May 2023, the newly launched JET SL not only retains the ABS anti-lock braking system but also features a traction control system (TCS), providing the target customers with not only riding enjoyment but also enhanced safety on the road.

Product Positioning

The primary customers are young men aged 18~24, who not only use motor scooters for commuting to school or work but also enjoy leisure activities such as riding around or heading into the mountains. Appearance, power handling, price and modifiability are important when purchasing a motor scooter.

E. 『JOYMAX Z+ 300』 (Taiwan)

Model Introduction

Since its launch, the JOYMAX Z has been favored by first-time buyers in the mid-sized scooter market for its dynamic and sleek design elements, as well as its agile handling, offering excellent value for money. Subsequently, the newly designed dual LED headlights and TCS function were introduced to improve driving safety and meet the needs of customers in this class for medium-distance and medium-high-speed riding. In July 2023, the JOYMAX Z+ underwent another facelift, featuring a redesigned shape and upgraded components such as a new tail light set, LED front and rear running lights, and direction lights. These enhancements significantly enhance riding safety and elevate the product value of the JOYMAX Z+.

Product Positioning

The primary customers of the Joymax Z+ are male office workers in their 30s~40s, typically with a stable economic background. They are discerning consumers who prioritize value for money and are sensitive to pricing. For usage patterns, 80% of the time is dedicated to daily commuting, while 20% is for weekend trips to nearby areas. Additionally, first-time buyers prioritize the need for expressway access rights.

F. 『ADX 125 』 (Europe)

Model Introduction

The all-new crossover adventure motor scooter "ADX" has been modified to meet the demands of the European market, with its engine displacement changed to 125c.c. water-cooled engine. It offers 12.1 horsepower and 11.5Nm of torque, showcasing excellent performance. The ADX is equipped with 13-inch front and rear wheels, boasting a 1,380mm wheelbase. Additionally, it features ABS, LED lamps, TFT color instrumentation, and a generous 15-liter long-range fuel tank, catering to the requirements of adventure enthusiasts.

Product Positioning

30~50-year-old mature male urban professionals who enjoy being close to nature and seek a versatile adventure bike for both daily commuting and weekend outings.

G. 『HUSKYADV 150 』 (China)

Model Introduction

The "HUSKYADV" crossover adventure motor scooter boasts a rugged appearance and is equipped with a water-cooled engine that delivers ample horsepower and torque, showcasing outstanding performance. The ADX is equipped with 13-inch front and rear wheels, boasting a 1,380mm wheelbase. Additionally, it features ABS, LED lamps, TFT color instrumentation, and a generous 15-liter long-range fuel tank, catering to the requirements of adventure enthusiasts. Since its debut, the vehicle has garnered positive feedback from consumers.

Product Positioning

30~50-year-old mature male urban professionals who enjoy being close to nature and seek a versatile adventure bike for both daily commuting and weekend outings.

H. 『FORMICA 150』 (China)

Model Introduction

FORMICA (China) caters to the demands of the Chinese market by introducing a water-cooled 150c.c. engine paired with front and rear 12-inch tires and a CBS braking system, ensuring optimal performance for transportation purposes. This initiative aims to redefine the product's positioning while introducing innovative imagery to the market.

The concept of "expanding the infinite possibilities of life" aims to introduce a unique style into the motor scooter market. The objective is to capture a youthful and minimalist look while addressing the diverse transportation needs of individuals in everyday life, thereby providing local customers with an exceptional user experience and increased mobility options.

Product Positioning

Targets customers aged 25 to 30, predominantly male, with outdoor activities such as travel, camping, and sports. It comes with additional cargo-carrying capabilities to meet commuting, delivery, and travel needs, offering both urban commuting and leisure usage.

I. 『HUSKYADV 300』 (China)

Model Introduction

The new crossover adventure motor scooter "HUSKY ADV" responds to the demand in the Chinese market and complements the ADV family product lineup, providing 19kW of horsepower and 26Nm of torque to demonstrate excellent performance. The ADV is equipped with 15-inch front and 14-inch rear wheels, boasting a 1,510mm wheelbase. Additionally, it features ABS&TCS, LED lamps, TFT color instrumentation, and a generous 16-liter long-range fuel tank, catering to the requirements of adventure enthusiasts.

Product Positioning

30~50-year-old mature male urban professionals who enjoy being close to nature and seek a versatile adventure bike for both daily commuting and weekend outings.

J. 『Tuscany 150』 (Thailand/Malaysia/Vietnam)

Model Introduction

In response to the prevailing trend of retro style scooters in the ASEAN market, SYM has teamed up with its global strategic partner in Thailand, GPX, to cater to the region's demand for innovation and change. Together, they aim to create the most eye-catching new retro style. Since mass production in Thailand in February 2023, the motor scooters were launched in Malaysia in August and in Vietnam in October. There are plans to further expand sales to Europe and the Middle East in the future. This model blends timeless retro classic fashion with a touch of light sportiness and personalized elements. It features front and rear disc brakes, dual rear suspension, and a stylish footboard specification, setting new standards in the ASEAN market. Powered by a 150c.c. engine and equipped with a full LED lighting system and Keyless system, it offers flagship

specifications at an accessible price point, igniting a surge of excitement in the market.

Product Positioning

Targets students and working professionals aged 20~39, attracting first-time buyers with the concept of "affordable luxury." We aspire to craft a vehicle that encapsulates the personality and trendy elements favored by this demographic while offering a sense of speed and a comfortable riding experience. Our goal is to furnish them with a nimble and high-quality mode of transportation that aligns with their expectations.

(2) Models available for mass production in 2024

In addition to the existing range of motorcycles and light electric motorcycles ranging from 50c.c. to 600c.c., which cater to various market demands, in 2024, we will introduce new and updated models tailored to different market segments both domestically and internationally. This lineup will include 5 new designs of scooters, 9 redesigned scooters, 1 new model of electric motorcycle, and 1 redesigned model of sports bike. These new offerings are expected to significantly contribute to sales volume and revenue.

2. Automobiles

(1) Mass production models launched in 2023 :

A. VENUE London Red, Oxford Green

Model Introduction

The new British-inspired version of VENUE "London Red" features a classic red exterior complemented by white two-tone roof and side mirrors, accentuated with white door handles for a touch of sophistication. The black-cut dual-tone alloy wheels, along with the exclusive British emblem, add personality and elegance to its design, embodying a sense of trendy charm. Not only does it exude British style, but it also adds a touch of glamour. The exclusive Scotch pattern and heat-pressed logo emblem adorn the dual front seats, providing a distinctive and luxurious feel. With these features, every outing feels akin to strolling the streets the UK.

Following the success of the VENUE British Urban Edition "London Red," which received rave reviews and sparked viral attention among color-conscious consumers, Hyundai is now introducing the new "Oxford Green" edition. Inspired by retro green hues, this edition embodies the charm of British classics favored by the younger generation. With its two-tone green and white exterior, exclusive decals, and British emblems, as well as Scottish pattern interior details, the "Oxford Green" edition perfectly interprets British classic fashion once again.

Product Positioning

The limited-edition and eye-catching colors are used to target young customers who are looking for innovation and change.

B. IONIQ 6

Model Introduction

Drawing inspiration from the proportions and minimalist lines of the "Prophecy" concept car, the IONIQ 6 encapsulates the aesthetic allure of the brand's inaugural pure

electric sports car. Its "Electrified Streamliner" design, characterized by minimalist curved lines, artfully captures the sleek silhouette emblematic of the EV era while optimizing dynamic airflow. Enhanced by features such as the AAF intelligent air intake system integrated into the front bumper, vertical air curtains, a sporty rear wing design, and 20-inch cut alloy wheels boasting low aerodynamic resistance, the IONIQ 6 achieves an unprecedented 0.21Cd drag coefficient performance. In terms of interior design, the IONIQ 6 boasts dual 12.3-inch digital instrument clusters, along with dual front seats equipped with fully reclining electric seats that include heating and ventilation functions. Additionally, it features a Column Rotary shift-by-wire system, a BOSE premium audio system, and 64-color dual-tone ambient lighting with speed-linked functionality. With these advanced technological features, the vehicle offers a futuristic and immersive cabin experience characteristic of a pure electric sports car.

The IONIQ 6 is built on the advanced E-GMP global modular platform for electric vehicles. It harnesses cutting-edge technology in high-density cell battery pack, power management, and high-efficiency permanent-magnet synchronous electric motor operation. This integration results in significant advantages, including extended cruising range and ultra-fast charging capabilities. As for ultra-fast charging, the IONIQ 6 boasts the current largest 800V direct current fast charging system, compatible with up to 350kW ultra-fast charging stations. It can achieve an 80% charge in just 18 minutes, making it the fastest in its class.

In terms of safety technology, the IONIQ 6 comes standard with the Hyundai SmartSense comprehensive active safety assistance system. Additionally, it introduces the RSPA 2.0 intelligent remote control parking assistance system for the first time. This system utilizes ultrasonic radar and omni-directional cameras to identify parking lines, enabling automatic control of parking maneuvers, including entering and exiting diagonal parking spaces.

With zero emissions from pure electric propulsion, the IONIQ 6 also incorporates environmentally friendly materials sourced from nature in both its exterior and interior design. This includes eco-processed leather, recycled paints, and recycled PET fabrics, creating a cleaner and more sustainable driving experience. The IONIQ 6, a pure electric sports car, epitomizes Hyundai's commitment to limitless design thinking in electric vehicles. It seamlessly blends innovative design, powerful electric capabilities, and cutting-edge safety technology. By reigniting people's passion and desire for sports cars, the IONIQ 6 sets a new standard in the electric vehicle market.

Product Positioning

With the innovative and advanced design concept of safety technology, it will bring consumers a new choice for a pure electric sports car.

C. TUCSON L TURBO HYBRID

Model Introduction

The Hyundai Tucson L takes a pioneering lead by introducing a turbocharged hybrid powertrain unit, a first in its class. This innovative system features the Transmission Mounted Electric Device (TMED) single-axis dual-power architecture. By integrating

the turbocharged engine, permanent magnet synchronous motor, and 6-speed automatic transmission onto the front-wheel-drive shaft, this design effectively minimizes transmission losses. The turbine petrol-electric system seamlessly integrates the brand's proven Hybrid technology. Utilizing the power direct-transmission single-axis design, each horsepower is efficiently transmitted for optimal performance. With a combined horsepower of 230ps, power delivery is smooth and responsive. The 1.49kWh lithium-ion polymer battery boasts excellent charge-discharge efficiency. Thanks to the synergy of the turbine engine and electric motor technologies, driving performance is fully unleashed, resulting in an impressive fuel-saving performance of 21.1km/L. High-performance battery modules, hybrid battery module disassembly and repair technology, and 8-year unlimited mileage warranty for hybrid batteries to construct a complete green energy hybrid lineup after-sales service.

The Tucson L turbocharged hybrid version embodies a winning impression, distinguished by its premium 19-inch low-resistance dual-tone alloy wheels that enhance the exterior with refined details, exuding sophistication and eye-catching appeal. The rear design is accentuated by a continuous LED light strip, offering strong recognition for the entire vehicle. Paired with the Turbo Hybrid exclusive identification badge, it adds a sense of depth and richness to the overall aesthetic. Having already integrated high-tech powertrain features and upgraded exterior, the interior of the Tucson L presents luxury with its two-tone deep brown design, enhancing the top-tier comfort experience. It offers amenities commonly found in imported sedans, including the bridge-style center console, SBW electronic gear shifter, ventilated/heated front seats, IMS driver memory function, and heated steering wheel. The best-in-class Bose premium surround theater system delivers an ultimate auditory experience. Additionally, features like the DC fan cabin air conditioning, 10.25-inch digital instrument cluster, and 10.25-inch multimedia entertainment system contribute to the unmistakably luxurious and sleek cabin ambiance.

To safeguard the safety of every passenger, the Tucson L Turbo Hybrid is equipped with the comprehensive Hyundai SmartSense smart safety assistance technology. The top-of-the-line model features enhanced safety measures, including the BVM blind spot monitoring system and SVM surround view monitor system, providing the driver with complete safety protection with zero blind spots. The TUCSON L TURBO HYBRID offers a richly layered exterior design, luxurious high-quality interior furnishings, and leading safety features in its class.

Product Positioning

Equipped with a new-generation 1.6L turbocharged engine and electric motor, targeting performance-oriented customers.

D. VENUE Espresso

Model Introduction

The all-new VENUE "Espresso", such as the classic Espresso with the small but strong taste of small but strong, is unforgettable, and the eye-catching new colors and exclusive styles have set off a new trend of urban small recreational travel this autumn. VENUE's "Espresso" variant adopts a light brown color to imbue the vehicle body with

a natural and warm feeling, while dark coffee accents embellish the details, creating a visually layered effect. The V-shaped emblem on the C-pillar and the exclusive Espresso plate at the rear of the vehicle not only enhances brand recognition but also infuse the VENUE "Italian coffee" with an exquisite artistic quality. The interior design details are meticulously crafted in the Espresso variant as well. Exclusive two-tone seats featuring Espresso's signature colors are employed, with the light brown outer ring of leather enhancing the seat's texture. Gray stitching lines skillfully adorn the seats and interior, contributing to a stylish and harmonious visual effect.

The VENUE "Espresso" is equipped with a 3D AVM surrounding view imaging system to provide active safety protection for novice drivers to meet and park without difficulty. The "Espresso" of VENUE is compact but powerful, which perfectly integrates abundant functional equipment and stylish design.

Product Positioning

The limited-edition and eye-catching colors are used to target young customers who are looking for innovation and change.

E.TUCSON L SHADOW

Model Introduction

The all-new TUCSON L Shadow continues the groundbreaking exterior design that captured attention upon its initial launch. Featuring the distinctive Shadow Grey color scheme, this variant exudes a refined and sophisticated style. Its avant-garde visual aesthetics and driving experience elevate the TUCSON L Shadow to a new dimension of refinement.

Diverging from conventional design norms, the TUCSON L presents a bold and dashing new-generation exterior aesthetic, further accentuated by the Shadow variant's personalized identity details. Notable features include the attention-grabbing hidden wing-shaped daytime running lights, a refined gray color palette exuding a refined aura, highlighted by a dark night red line encircling its body. The blackened side mirrors and door handles adds a touch of sophistication, complemented by exclusive 18-inch dual-tone machined alloy wheels and a distinctive tailgate marque. With a class-leading wheelbase of up to 2,755mm, the TUCSON L Shadow offers an even more upscale interior. The gentleman's style-exclusive suede seats, paired with metallic throttle pedals and door sill trim, further highlight the advanced and next-gen vibes of this crossover. The avant-garde and bold design, along with the technological sophistication of the interior, must be complemented by top-notch safety features to ensure the protection of every passenger. The TUCSON L Shadow is equipped with up to 18 advanced safety technologies under the "Hyundai SmartSense" suite, ensuring comprehensive riding safety for drivers and passengers alike. The TUCSON L Shadow integrates superior craftsmanship, next-generation design elements, luxurious interior features, and advanced safety technology to deliver a premium driving experience.

Product Positioning

The eye-catching interior and exterior design and safety technology are used to attract clientele inclined to performance.

F.QT500

Model Introduction

In response to the surge in demand for logistics and transportation following the liberalization of domestic commercial vehicle regulations, Hyundai's commercial vehicle distributor, Nanyang Industries, is strategically rolling out 5-tonne new vehicles. These commercial vehicles are characterized by five key strengths: comfort, spaciousness, reliability, peace of mind, and robust performance. Four models are available in the domestic market: mid-wheelbase with 6-speed manual transmission, mid-wheelbase with 6-speed automatic and manual transmission, long-wheelbase with 6-speed manual transmission, and long-wheelbase with 6-speed automatic and manual transmission. With a nationwide network of after-sales service centers and collaboration with vehicle body manufacturers, we are committed to assisting small and medium-sized business owners in dominating every road.

The all-new QT500 features a cargo bed width of 2.22 meters, far surpassing that of its counterparts. With the common 1.1-meter wide pallets found domestically, it can effortlessly double the cargo capacity, achieving the efficiency of two trips in one. Equipped with heavy-duty air brake system, the QT500 offers powerful braking force reducing braking distance by approximately 20%, without the traditional hydraulic brake high-temperature gas resistance issues. This is crucial for effective braking under daily heavy loads. Additionally, it features the only air handbrake in its class and employs high-rigidity steel reinforcement beams, meeting the highest European safety standards ECE R29, significantly enhancing safety on the road. Setting the benchmark with its incorporation of Hyundai SmartSense advanced active safety technologies, the vehicle offers features such as LDWS lane departure warning, EHS hill start assist, FCWS forward collision warning, AEBS emergency brake assist, VDC vehicle dynamic control, and ABS anti-lock braking system. In addition to these cutting-edge safety measures, the vehicle comes equipped with standard regulatory equipment like a four-channel dashcam and digital driving recorder, ensuring enhanced safety for both drivers and pedestrians on every journey.

In addition, maximum comfort is ensured with the heavy-duty luxury cabin of the QT500. Featuring a spacious and high-roofed interior, it minimizes long-term discomfort for both drivers and assistants. The vehicle is equipped with a brand-new 7-inch digital instrument panel and central console interface, which are localized in Traditional Chinese for user-friendly operation. Optional upgrades to premium heavy-duty luxury seats are also available, further enhancing the human-centric design of the commercial vehicle. With its European-inspired robust front, wide-body design, imposing grille, and Crossed Dynamic design language, the QT500 commands a strong and powerful presence. Its aerodynamics, with a coefficient of drag as low as 0.659Cd, effectively reduces fuel consumption during daily transportation. Equipped with a compliant 2.8L turbocharged diesel engine meeting Euro VI regulations, it delivers a maximum power of 146ps and a maximum torque of 40.77kgm, ensuring ample diesel power for quick acceleration at low speeds. The Great Peace of Mind warranty offers coverage for up to 120,000 kilometers or four years, providing assurance to customers. The QT500 has undergone extensive testing on various terrains, including flat roads,

mountain roads, and rough roads, at domestic institutions. This thorough testing process ensures the reliability and durability of the vehicle, giving business owners peace of mind knowing they are covered by the original factory warranty.

Product Positioning

The QT500 targets customers engaged in short to medium-distance transportation within the domestic five-ton commercial vehicle market, aiming to capture this customer segment.

(2) Models planned for mass production in 2024 :

In 2024, we will continue to introduce various levels of hybrid and electric vehicles to meet the diverse preferences and upgrading needs of our customers, emphasizing energy efficiency and environmental friendliness.

(V) Outline of 2024 Business Plan

1. Business strategies

- (1) Quality: Consider punctuality, top quality, and precise quantity as standards for work implementation and delivery.
- (2) Innovation: Enhance the Company's competitiveness through continuous improvement and the integration of innovative thinking and new technology.
- (3) Service: Strengthen professionalism and optimize customer experiences to improve brand satisfaction.

2. Expected sales volume

Business objectives for 2024: 413,000 motorcycles and 24,000 automobiles.

3. Key production and marketing policy

(1) Create new opportunities and capture the hearts and minds of customers

- A. Continuing with the efforts of the four major reforms, the "three standards, three sharing", and the "double quality, double quantity", our focus remains on consumer-centric strategies. We aim to integrate various product lines, challenge existing technological boundaries, and innovate to create new brand value that resonates with consumer preferences.
- B. Integrate digital channels, introduce information tools to accelerate the speed of channel feedback, strengthen online service technical training, and accelerate the development of channel stores and decoration that comply with the brand's professional image. This will allow us to agilely respond to market demands, enhance channel management efficiency, and improve the level of Sales, Service & Spare Parts (3S) dealership services.
- C. Proactively offer thoughtful services with innovative approaches, we aim to extend car owners' diverse life needs through online media channels, creating a seamless integration of people and vehicles while adding joy to life.

(2) Implementing a precise quality operation mechanism to ensure global competitiveness

- A. Establish the global production base for platform model and production leveling and consistent quality standards.
- B. The operation of the quality audit and counseling system operate on the principles of

"prevention, containment, and recurrence prevention" along with the three non-policies for defective products: "no acceptance, no production, no distribution." Continuous improvement and rapid response to market feedback are emphasized to provide customers with satisfactory products and services.

- C. Undertake a comprehensive inventory and update of smart equipment, leveraging extensive information technology utilization. Through continuous optimization and process improvement, heighten all employees' focus on quality and accelerate the pace of enhancement.
- (3) Leverage high-level craftsmanship in car manufacturing to create driving dreams and happiness.
- A. As a key partner in Hyundai Motor's international business, we are dedicated to strategically positioning our products in the market to enhance competitiveness, in line with Hyundai's brand philosophy of "Progress for Humanity."
 - B. Actively promote the management of a sustainable environment, introduce new energy vehicles, high-performance passenger cars and commercial vehicles, strengthen the brand image, and provide a complete sales product line.
- (4) Collaborate closely with overseas distributors to aggressively target export markets, enhance brand recognition, and expand our global market share through the promotion of high-quality products.

Chairman :
Ching-Yuan Wu

President :
Ching-Yuan Wu

Accounting Supervisor :
Kuei-Chin Huang

II. Audit Committee's Reviews of the 2023 Annual Final Accounting Books and Statements

Sanyang Motor Co., Ltd.

Review Report of the Audit Committee

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Proposal for Earnings Distribution, among which the Financial Statements have been audited by KPMG, Taiwan, by whom an audit report has been issued accordingly. The above Business Report, Financial Statements, and Proposal for Earnings Distribution have been reviewed by the Audit Committee, and no irregularities were found. According to the Securities and Exchange Act and the Company Act, we hereby submit this report.

Sincerely,

2024 Annual General Shareholders' Meeting of Sanyang Motor Co.,Ltd.

Convener of the Audit Committee :
Chung-Chuan Shih

Mar. 14, 2024

III. Report on 2023 Employees' and Directors' Remuneration

- (1) According to Article 31-1 of the Company's Articles of Incorporation, if the Company has a profit for the year, at least 1% of the profit before tax shall be appropriated as employee's remuneration and no more than 1% as director's remuneration.
- (2) In accordance with the Articles of Incorporation, the Board of Directors resolved on March 14, 2024 to distribute employee remuneration of NT\$73,460 thousand and director compensation of NT\$73,460 thousand for 2023, both to be paid in cash.

IV. Earnings Distribution Report of the First Half of 2023

- (1) According to the third paragraph of Article 32 of the Company's Articles of Incorporation, the earnings distribution or loss off-set of the Company may be made at the end of each semi-fiscal year. The business report and financial statements shall be submitted to the audit committee for review and then submitted to the board of directors for approval.
- (2) As resolved by the Board of Directors on November 13, 2023, the Company's net profit after tax in the first half of 2023 is NT\$ 3,624,270,316. In consideration of the Company's future capital and operating needs, it is proposed not to distribute 2023 earnings for the first half of the year.

IV. Acknowledged Matters

Motion 1

Proposed by the Board

Cause of motion: Acknowledgment of the 2023 Business Report and
Financial Statements

Description:

1. The Company's 2023 financial statements have been audited and certified by Kuo-Yang Tseng and Hsin-Ting Huang of KPMG Taiwan, and the Business Report has been duly reviewed by the Audit Committee of the Company, which believes that there is no discrepancy and thus issues the audit report.
2. For 2023 annual business report and financial statements, please refer to pages 4 to 15 and 19 to 30 of this handbook.
3. Please acknowledge.

Resolution:

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Current assets:				
1100 Cash and cash equivalents (Note 6(1))	\$ 1,991,827	4	2,175,711	5
1170 Notes and accounts receivable, net (Notes 6(3) and (19))	1,047,981	2	912,909	2
1180 Accounts receivable from related parties, net (Notes 6(3) ,(19) and 7)	376,393	1	506,701	1
1310 Inventories (for manufacturing business) (Notes 6(4))	5,025,344	11	4,015,334	10
1460 Non-current assets held for sale (Notes 6(5))	-	-	97,036	-
1476 Other current financial assets (Note 6(1) and 8)	9,177	-	54,371	-
1479 Other current assets, others (Note 7)	244,246	1	171,370	1
	<u>8,694,968</u>	<u>19</u>	<u>7,933,432</u>	<u>19</u>
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (Note 6(2))	557,947	1	132,037	-
1550 Investments accounted for using equity method (Notes 6(6), (7), (8) and 7)	28,298,754	62	25,585,616	62
1600 Property, plant and equipment (Notes 6(9), 7 and 8)	4,958,429	11	4,894,622	12
1755 Right-of-use assets (Note 7)	57,399	-	83,261	-
1760 Investment property (Notes 6(10) and 8)	2,371,475	5	2,391,001	6
1840 Deferred income tax assets (Note 6(16))	523,220	1	450,607	1
1933 Other non-current receivables (Notes 6(5))	455,965	1	-	-
1980 Other non-current financial assets (Note 8)	101,819	-	103,773	-
1995 Other non-current assets, others	28,849	-	27,433	-
	<u>37,353,857</u>	<u>81</u>	<u>33,668,350</u>	<u>81</u>
Total assets	\$ <u>46,048,825</u>	<u>100</u>	<u>41,601,782</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Current liabilities:				
2100 Short-term borrowings (Note 6(11))	\$ 4,400,000	10	4,838,567	11
2130 Current contract liabilities (Note 6(19))	33,439	-	41,451	-
2170 Accounts payable (Note 6(12))	2,819,240	6	2,398,944	6
2180 Accounts payable to related parties (Notes 6(12) and 7)	682,578	2	510,993	1
2200 Other payables	2,271,181	5	1,507,851	4
2220 Other payables to related parties (Note 7)	192,582	-	158,150	-
2230 Current tax liabilities	638,334	1	295,068	1
2251 Current provisions for employee benefits (Note 6(15))	69,653	-	70,682	-
2252 Short-term provisions for warranties (Note 6(14))	439,401	1	424,851	1
2280 Current lease liabilities (Note 7)	23,172	-	25,928	-
2322 Long-term borrowings, current portion (Note 6(13))	135,000	-	413,333	1
2399 Other current liabilities, others (Note 6(5))	295,323	1	264,978	1
	<u>11,999,903</u>	<u>26</u>	<u>10,950,796</u>	<u>26</u>
Non-current liabilities:				
2540 Long-term borrowings (Note 6(13))	9,315,000	20	10,106,667	24
2570 Deferred income tax liabilities (Note 6(16))	1,401,672	3	1,401,672	4
2580 Non-current lease liabilities (Note 7)	35,472	-	58,644	-
2640 Net defined benefit liability, non-current (Note 6(15))	519,450	1	806,217	2
2645 Guarantee deposits received (Note 7)	362,383	1	351,532	1
2670 Other non-current liabilities, others (Note 9)	19,734	-	92,373	-
	<u>11,653,711</u>	<u>25</u>	<u>12,817,105</u>	<u>31</u>
Total liabilities	<u>23,653,614</u>	<u>51</u>	<u>23,767,901</u>	<u>57</u>
Equity (Note 6(6) and (17)):				
3100 Share capital	7,974,896	17	7,974,896	19
3200 Capital surplus	1,713,762	4	1,713,762	4
3300 Retained earnings	14,197,678	31	9,603,610	23
3400 Other equity	(1,358,309)	(3)	(1,325,571)	(3)
3500 Treasury shares	(132,816)	-	(132,816)	-
Total equity	<u>22,395,211</u>	<u>49</u>	<u>17,833,881</u>	<u>43</u>
Total liabilities and equity	<u>\$ 46,048,825</u>	<u>100</u>	<u>41,601,782</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(19) and 7)	\$ 49,290,243	100	35,882,517	100
5000 Operating costs (Note 6(4) and 7)	42,869,251	87	31,649,964	88
	6,420,992	13	4,232,553	12
5910 Unrealized profit from sales	(46,667)	-	(27,619)	-
Gross profit from operations	6,374,325	13	4,204,934	12
Operating expenses (Notes 6(15), (20) and 7):				
6100 Selling expenses	917,429	2	781,585	2
6200 Administrative expenses	944,563	2	800,420	2
6300 Research and development expenses	992,368	2	879,954	3
6450 Expected credit gain (Note 6(3))	(3,895)	-	(2,742)	-
	2,850,465	6	2,459,217	7
Net operating income	3,523,860	7	1,745,717	5
Non-operating income and expenses:				
7010 Other income (Notes 6(21) and 7)	208,788	-	81,322	-
7020 Other gains and losses (Note 6(7), (21) and 7)	42,727	-	563,039	2
7050 Finance costs (Note 6(21) and 7)	(243,251)	-	(162,453)	-
7070 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method (note 6(6))	2,132,785	5	1,239,605	3
7229 Gains on disposal of non-current asset held for sale (Notes 6(5) and (21))	1,534,195	3	-	-
	3,675,244	8	1,721,513	5
7900 Profit before income tax	7,199,104	15	3,467,230	10
7950 Less: Income tax expenses (Note 6(16))	901,583	2	351,195	1
8200 Profit for the period	6,297,521	13	3,116,035	9
8300 Other comprehensive income (loss):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	(119,832)	-	(27,469)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	76,000	-	(9,447)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	92,708	-	151,715	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	23,966	-	5,494	-
Components of other comprehensive income that will not be reclassified to profit or loss	72,842	-	120,293	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(190,383)	-	409,237	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	(190,383)	-	409,237	1
8300 Other comprehensive income	(117,541)	-	529,530	1
8500 Comprehensive income	\$ 6,179,980	13	3,645,565	10
Earnings per share (Note 6(18))				
9750 Basic earnings per share (NT dollars)	\$ 7.95		3.93	
9850 Diluted earnings per share (NT dollars)	\$ 7.93		3.93	

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Retained earnings						Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity	Treasury shares	Total equity
Balance at January 1, 2022	\$ 7,976,396	1,708,432	2,622,007	1,443,600	3,116,915	7,182,522	(1,740,360)	417,929	(1,322,431)	(132,816)	15,412,103
Profit for the year	-	-	-	-	3,116,035	3,116,035	-	-	-	-	3,116,035
Other comprehensive income for the year	-	-	-	-	(19,417)	(19,417)	409,237	139,710	548,947	-	529,530
Comprehensive income for the year	-	-	-	-	3,096,618	3,096,618	409,237	139,710	548,947	-	3,645,565
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	164,258	-	(164,258)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(109,352)	109,352	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,036,931)	(1,036,931)	-	-	-	-	(1,036,931)
Increase in treasury shares	-	-	-	-	-	-	-	-	-	(4,351)	(4,351)
Retirement of treasury shares	(1,500)	(20)	-	-	(2,831)	(2,831)	-	-	-	4,351	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(239)	-	-	-	-	-	-	-	-	(239)
Changes in equity of associates and joint ventures accounted for using equity method	-	5,589	-	-	(187,855)	(187,855)	-	-	-	-	(182,266)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	552,087	552,087	-	(552,087)	(552,087)	-	-
Balance at December 31, 2022	<u>7,974,896</u>	<u>1,713,762</u>	<u>2,786,265</u>	<u>1,334,248</u>	<u>5,483,097</u>	<u>9,603,610</u>	<u>(1,331,123)</u>	<u>5,552</u>	<u>(1,325,571)</u>	<u>(132,816)</u>	<u>17,833,881</u>
Profit for the year	-	-	-	-	6,297,521	6,297,521	-	-	-	-	6,297,521
Other comprehensive income for the year	-	-	-	-	(94,603)	(94,603)	(190,383)	167,445	(22,938)	-	(117,541)
Comprehensive income for the year	-	-	-	-	6,202,918	6,202,918	(190,383)	167,445	(22,938)	-	6,179,980
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	345,802	-	(345,802)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(4,419)	4,419	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,435,481)	(1,435,481)	-	-	-	-	(1,435,481)
Changes in ownership interests in subsidiaries	-	-	-	-	(183,169)	(183,169)	-	-	-	-	(183,169)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	9,800	9,800	-	(9,800)	(9,800)	-	-
Balance at December 31, 2023	<u>\$ 7,974,896</u>	<u>1,713,762</u>	<u>3,132,067</u>	<u>1,329,829</u>	<u>9,735,782</u>	<u>14,197,678</u>	<u>(1,521,506)</u>	<u>163,197</u>	<u>(1,358,309)</u>	<u>(132,816)</u>	<u>22,395,211</u>

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 7,199,104	3,467,230
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	476,461	522,572
Amortization expense	10,886	11,642
Expected credit gain	(3,895)	(2,742)
Net gain on financial asset and liabilities at fair value through profit or loss	-	(2,299)
Interest expense	243,251	162,453
Interest revenue	(116,000)	(8,501)
Dividend revenue	(32,083)	(33,282)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(2,132,785)	(1,239,605)
Loss on disposal of property, plant and equipment	66,073	53,832
Gain on disposal of non-current assets classified as held for sale	(1,534,195)	-
Gain on disposal of Investments accounted for using equity method	-	(498,877)
Impairment loss on property, plant and equipment	1,768	-
Unrealized profit from sales	46,667	27,619
Others	18,652	118
Total adjustments to reconcile profit (loss)	<u>(2,955,200)</u>	<u>(1,007,070)</u>
Changes in operating assets and liabilities:		
Notes and accounts receivable, net	(131,177)	116,404
Accounts receivable from related parties	130,308	(190,361)
Inventories	(1,030,993)	(1,927,665)
Other current assets	21,684	(88,414)
Contract liabilities	(8,012)	(1,261)
Accounts payable	420,296	243,535
Accounts payable to related parties	171,585	(75,186)
Provisions for employee benefits	(1,029)	1,776
Other payables (including related parties)	760,369	119,115
Short-term provisions for warranties	14,550	31,627
Other current liabilities	150,155	36,593
Net defined benefit liabilities	<u>(406,599)</u>	<u>(62,625)</u>
Total adjustments	<u>(2,864,063)</u>	<u>(2,803,532)</u>
Cash inflow generated from operations	4,335,041	663,698
Interest received	16,740	8,025
Interest paid	(243,897)	(162,186)
Income taxes paid	<u>(606,963)</u>	<u>(265,238)</u>
Net cash flows from operating activities	<u>3,500,921</u>	<u>244,299</u>

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

SANYANG MOTOR CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(353,563)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	41,692	-
Acquisition of investments accounted for using the equity method	(1,083,061)	(2,144,086)
Proceeds from disposal of non-current assets classified as held for sale	1,200,000	-
Decrease in receipts in advance due to disposal of assets	(139,845)	-
Increase in receipts in advance due to disposal of assets	4,156	135,389
Acquisition of property, plant and equipment	(571,882)	(470,692)
Proceeds from disposal of property, plant and equipment	13,285	11,802
Acquisition of investment properties	(1,017)	(98,271)
Other current financial assets	45,194	88,288
Other non-current financial assets	1,954	163,687
Other non-current assets	(13,078)	(9,252)
Dividends received	130,485	311,217
Net cash flows used in investing activities	(725,680)	(2,011,918)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	32,680,486	37,235,326
Decrease in short-term borrowings	(33,119,053)	(35,817,403)
Decrease in short-term notes and bills payable	-	(300,000)
Proceeds from long-term borrowings	17,870,000	9,800,000
Repayments of long-term borrowings	(18,940,000)	(7,380,000)
Increase in guarantee deposits received	10,851	2,775
Payments of lease liabilities	(25,928)	(25,505)
Cash dividends paid	(1,435,481)	(1,036,931)
Cost of increase in treasury shares	-	(4,351)
Net cash flows from (used in) financing activities	(2,959,125)	2,473,911
Net increase (decrease) in cash and cash equivalents	(183,884)	706,292
Cash and cash equivalents at beginning of period	2,175,711	1,469,419
Cash and cash equivalents at end of period	\$ 1,991,827	2,175,711

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SANYANG MOTOR CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 8,811,431	14	7,867,822	14
1170	Notes and accounts receivable, net (Notes 6(4), (26) and 8)	2,675,915	4	2,737,441	5
1180	Notes and accounts receivable from related parties, net (Notes 6(4),(26) and 7)	901	-	591	-
1200	Other current receivables (Notes 6(4) and 7)	747,178	1	859,783	2
1310	Inventories (for manufacturing business) (Note 6(5))	7,900,381	13	7,572,290	13
1320	Inventories (for construction business) (Notes 6(5) and 7)	2,849,530	5	2,291,274	4
1410	Prepayments	750,110	1	805,448	1
1460	Non-current assets held for sale (Note 6(6))	-	-	97,036	-
1476	Other current financial assets (Notes 6(1) and 8)	6,385,540	10	6,467,492	11
1479	Other current assets, others	18,016	-	42,055	-
		<u>30,139,002</u>	<u>48</u>	<u>28,741,232</u>	<u>50</u>
Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss (Note 6(2))	15,459	-	15,459	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(3))	1,676,556	3	857,766	1
1550	Investments accounted for using the equity method (Notes 6(7) and 7)	4,625,282	7	4,643,509	8
1600	Property, plant and equipment (Notes 6(11), 7 and 8)	14,629,094	23	13,800,765	24
1755	Right-of-use assets (Notes 6(12) and 8)	838,948	1	881,840	2
1760	Investment property, net (Notes 6(13) and 8)	3,635,219	6	3,731,020	7
1780	Intangible assets (Notes 6(8) and (14))	1,096,283	2	1,040,230	2
1840	Deferred income tax assets (Note 6(23))	667,736	1	577,767	1
1933	Other non-current receivables (Notes 6(4) and (6))	455,965	1	-	-
1935	Long-term lease receivables (Notes 6(4), (26) and 8)	649,508	1	536,517	1
1975	Net defined benefit asset, non-current (Note 6(22))	2,103	-	1,088	-
1980	Other non-current financial assets (Notes 6(1) and 8)	4,187,295	7	2,101,008	4
1995	Other non-current assets, others	159,464	-	149,073	-
		<u>32,638,912</u>	<u>52</u>	<u>28,336,042</u>	<u>50</u>
Total assets		\$ <u>62,777,914</u>	<u>100</u>	<u>57,077,274</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SANYANG MOTOR CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022		
	Amount	%	Amount	%	
Liabilities and equity					
Current liabilities:					
2100	Short-term borrowings (Note 6(16))	\$ 7,723,314	12	9,175,249	16
2111	Short-term notes and bills payable (Note 6(15))	697,897	1	846,448	2
2130	Current contract liabilities (Note 6(26))	416,500	1	540,482	1
2170	Accounts payable (Note 6(17))	4,449,458	7	4,413,722	8
2180	Accounts payable to related parties (Notes 6(17) and 7)	233,039	-	181,236	-
2200	Other payables (Note 7)	4,020,519	6	2,966,709	5
2230	Current tax liabilities (Note 6(23))	921,929	2	456,569	1
2251	Current provisions for employee benefits (Note 6(22))	116,835	-	117,049	-
2252	Short-term provisions for warranties (Note 6(20))	484,883	1	436,975	1
2280	Current lease liabilities (Note 6(19))	135,279	-	137,028	-
2322	Long-term borrowings, current portion (Note 6(18))	597,161	1	820,030	2
2365	Current refund liabilities	362,752	1	232,239	-
2399	Other current liabilities, others (Note 6(6))	78,112	-	164,341	-
		<u>20,237,678</u>	<u>32</u>	<u>20,488,077</u>	<u>36</u>
Non-current liabilities:					
2540	Long-term borrowings (Note 6(18))	13,135,699	21	12,224,867	21
2552	Non-current provisions (Note 6(20))	362,153	1	225,762	-
2570	Deferred income tax liabilities (Note 6(23))	1,524,830	2	1,530,736	3
2580	Non-current lease liabilities (Note 6(19))	613,604	1	644,744	1
2640	Net defined benefit liability, non-current (Note 6(22))	520,078	1	810,552	2
2645	Guarantee deposits received (Note 7)	898,553	1	831,101	2
2670	Other non-current liabilities, others (Note 9)	91,417	-	78,947	-
		<u>17,146,334</u>	<u>27</u>	<u>16,346,709</u>	<u>29</u>
	Total liabilities	<u>37,384,012</u>	<u>59</u>	<u>36,834,786</u>	<u>65</u>
Equity attributable to owners of parent (Note 6(9) and (24)):					
3100	Share capital	7,974,896	13	7,974,896	14
3200	Capital surplus	1,713,762	3	1,713,762	3
3300	Retained earnings	14,197,678	22	9,603,610	16
3400	Other equity	(1,358,309)	(2)	(1,325,571)	(2)
3500	Treasury shares	(132,816)	-	(132,816)	-
	Total equity attributable to owners of parent:	<u>22,395,211</u>	<u>36</u>	<u>17,833,881</u>	<u>31</u>
36XX	Non-controlling interests	2,998,691	5	2,408,607	4
	Total equity	<u>25,393,902</u>	<u>41</u>	<u>20,242,488</u>	<u>35</u>
	Total liabilities and equity	<u><u>62,777,914</u></u>	<u><u>100</u></u>	<u><u>57,077,274</u></u>	<u><u>100</u></u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SANYANG MOTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(26) and 7)	\$ 64,461,239	100	50,850,618	100
5000 Operating costs (Notes 6(5), (22) and 7))	51,051,120	79	41,132,408	81
Gross profit from operations	<u>13,410,119</u>	<u>21</u>	<u>9,718,210</u>	<u>19</u>
Operating expenses (Notes 6(4), (22), (27) and 7):				
6100 Selling expenses	4,152,856	7	3,475,639	7
6200 Administrative expenses	1,795,636	3	1,582,063	3
6300 Research and development expenses	1,346,378	2	1,217,714	2
6450 Expected credit loss	4,473	-	26,050	-
	<u>7,299,343</u>	<u>12</u>	<u>6,301,466</u>	<u>12</u>
Net operating income	<u>6,110,776</u>	<u>9</u>	<u>3,416,744</u>	<u>7</u>
Non-operating income and expenses:				
7100 Interest income (Notes 6(28) and 7)	608,728	1	289,733	1
7010 Other income (Notes 6(7), (28) and 7)	99,130	-	426,204	1
7020 Other gains and losses (Notes 6(8), (28) and 7)	250,965	-	819,720	1
7050 Finance costs (Note 6(28))	(438,193)	-	(278,585)	(1)
7060 Share of profit (loss) of associates and joint ventures accounted for using the equity (Note 6(7))	(90,153)	-	(623,830)	(1)
7229 Gain on disposal of non-current assets held for sale (Notes 6(6) and (28))	1,534,195	2	-	-
	<u>1,964,672</u>	<u>3</u>	<u>633,242</u>	<u>1</u>
7900 Profit before income tax	8,075,448	12	4,049,986	8
7950 Less: Income tax expenses (Note 6(23))	1,412,060	2	610,045	1
Profit for the period	<u>6,663,388</u>	<u>10</u>	<u>3,439,941</u>	<u>7</u>
8300 Other comprehensive income (loss) (Notes 6(7) and (24)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Remeasurements of defined benefit plans	(119,151)	-	(24,126)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair through other comprehensive income	203,284	-	158,801	-
8320 Share of other comprehensive income of associates and joint ventures accounted for equity method, components of other comprehensive income that will not be profit or loss	(1,410)	-	(14,912)	-
8349 Income tax related to components of other comprehensive income that will not be to profit or loss	23,966	-	5,494	-
Components of other comprehensive income that will not be reclassified to	<u>106,689</u>	<u>-</u>	<u>125,257</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(226,597)	-	457,723	1
8370 Share of other comprehensive income of associates and joint ventures accounted for equity method, components of other comprehensive income that will be reclassified profit or loss	(762)	-	126	-
8399 Income tax related to components of other comprehensive income that will be profit or loss	-	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(227,359)</u>	<u>-</u>	<u>457,849</u>	<u>1</u>
8300 Other comprehensive income	<u>(120,670)</u>	<u>-</u>	<u>583,106</u>	<u>1</u>
8500 Comprehensive income	<u>\$ 6,542,718</u>	<u>10</u>	<u>4,023,047</u>	<u>8</u>
Profit attributable to:				
8610 Owners of parent	\$ 6,297,521	10	3,116,035	6
8620 Non-controlling interests	365,867	-	323,906	1
	<u>\$ 6,663,388</u>	<u>10</u>	<u>3,439,941</u>	<u>7</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 6,179,980	10	3,645,565	7
8720 Non-controlling interests	362,738	-	377,482	1
	<u>\$ 6,542,718</u>	<u>10</u>	<u>4,023,047</u>	<u>8</u>
Earnings per share (Note 6(25))				
9750 Basic earnings per share (NT dollars)	<u>\$ 7.95</u>		<u>3.93</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 7.93</u>		<u>3.93</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SANYANG MOTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Retained earnings					Other equity				Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity				Treasury shares
Balance at January 1, 2022	\$ 7,976,396	1,708,432	2,622,007	1,443,600	3,116,915	7,182,522	(1,740,360)	417,929	(1,322,431)	(132,816)	15,412,103	1,407,599	16,819,702
Profit for the year	-	-	-	-	3,116,035	3,116,035	-	-	-	-	3,116,035	323,906	3,439,941
Other comprehensive income for the year	-	-	-	-	(19,417)	(19,417)	409,237	139,710	548,947	-	529,530	53,576	583,106
Comprehensive income for the year	-	-	-	-	3,096,618	3,096,618	409,237	139,710	548,947	-	3,645,565	377,482	4,023,047
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	164,258	-	(164,258)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(109,352)	109,352	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,036,931)	(1,036,931)	-	-	-	-	(1,036,931)	-	(1,036,931)
Increase in treasury shares	-	-	-	-	-	-	-	-	-	(4,351)	(4,351)	-	(4,351)
Retirement of treasury shares	(1,500)	(20)	-	-	(2,831)	(2,831)	-	-	-	4,351	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(239)	-	-	-	-	-	-	-	-	(239)	(3,847)	(4,086)
Changes in equity of associates and joint ventures accounted for using the equity method	-	5,589	-	-	(187,855)	(187,855)	-	-	-	-	(182,266)	27	(182,239)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	627,346	627,346
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	552,087	552,087	-	(552,087)	(552,087)	-	-	-	-
Balance at December 31, 2022	7,974,896	1,713,762	2,786,265	1,334,248	5,483,097	9,603,610	(1,331,123)	5,552	(1,325,571)	(132,816)	17,833,881	2,408,607	20,242,488
Profit for the year	-	-	-	-	6,297,521	6,297,521	-	-	-	-	6,297,521	365,867	6,663,388
Other comprehensive income for the year	-	-	-	-	(94,603)	(94,603)	(190,383)	167,445	(22,938)	-	(117,541)	(3,129)	(120,670)
Comprehensive income for the year	-	-	-	-	6,202,918	6,202,918	(190,383)	167,445	(22,938)	-	6,179,980	362,738	6,542,718
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	345,802	-	(345,802)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(4,419)	4,419	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(1,435,481)	(1,435,481)	-	-	-	-	(1,435,481)	-	(1,435,481)
Changes in ownership interests in subsidiaries	-	-	-	-	(183,169)	(183,169)	-	-	-	-	(183,169)	200,108	16,939
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	27,238	27,238
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	9,800	9,800	-	(9,800)	(9,800)	-	-	-	-
Balance at December 31, 2023	\$ 7,974,896	1,713,762	3,132,067	1,329,829	9,735,782	14,197,678	(1,521,506)	163,197	(1,358,309)	(132,816)	22,395,211	2,998,691	25,393,902

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
SANYANG MOTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 8,075,448	4,049,986
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,365,161	1,356,666
Amortization expense	42,065	23,314
Expected credit loss	4,473	26,050
Net gain on financial assets or liabilities at fair value through profit or loss	-	(2,299)
Interest expense	438,193	278,585
Interest revenue	(608,728)	(289,733)
Dividend revenue	(57,842)	(47,254)
Share of loss of associates and joint ventures accounted for using the equity method	90,153	623,830
Loss on disposal of property, plant and equipment	56,312	51,167
Gain on disposal of investment properties	(57,014)	-
Gain on disposal of non-current assets classified as held for sale	(1,534,195)	-
Gain on disposal of investments accounted for using equity method	(17,708)	(498,877)
Impairment loss on non-financial assets	36,260	24,404
Gain recognised in bargain purchase transaction	-	(344,994)
Others	25,705	(6,680)
Total adjustments to reconcile profit (loss)	(217,165)	1,194,179
Changes in operating assets and liabilities:		
Notes and accounts receivable, net	54,128	(252,422)
Accounts receivable from related parties	(310)	36
Other receivables	315,670	(258,509)
Inventories	(1,208,653)	(3,002,669)
Prepayments	57,845	(19,875)
Other current assets	(2,838)	(5,904)
Net defined benefit assets	(1,015)	(1,088)
Contract liabilities	(118,898)	94,364
Accounts payable	(10,473)	231,334
Accounts payable to related parties	51,803	2,142
Other payables	1,020,339	395,792
Provisions	187,520	81,802
Other current liabilities	165,278	69,520
Net defined benefit liabilities	(385,658)	(59,107)
Provisions for employee benefits	462	4,760
Other operating liabilities	8,315	11,310
Total adjustments	(83,650)	(1,514,335)
Cash inflow generated from operations	7,991,798	2,535,651
Interest received	394,946	272,749
Interest paid	(438,815)	(277,688)
Income taxes paid	(1,014,949)	(496,883)
Net cash flows from operating activities	6,932,980	2,033,829

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SANYANG MOTOR CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(674,979)	(230,410)
Proceeds from disposal of financial assets at fair value through other comprehensive income	73,414	236,989
Acquisition of investments accounted for using the equity method	(243,809)	(1,774,583)
Proceeds from disposal of investments accounted for using the equity method	157,614	-
Proceeds from disposal of non-current assets classified as held for sale	1,200,000	-
Decrease in receipts in advance due to disposal of assets	(139,845)	-
Increase in receipts in advance due to disposal of assets	4,156	135,389
Acquisition of property, plant and equipment	(1,886,164)	(2,278,212)
Proceeds from disposal of property, plant and equipment	175,499	128,021
Net cash flow from acquisition of subsidiaries	-	470,900
Increase in other receivables	(259,680)	(264,660)
Decrease in other receivables	259,680	264,660
Acquisition of investment properties	(2,763)	(3,914)
Proceeds from disposal of investment properties	70,885	-
Acquisition of intangible assets	(78,458)	-
Increase in long-term lease receivables	(112,991)	(71,501)
Decrease (increase) in other current financial assets	(69,818)	433,919
Increase in other non-current financial assets	(2,156,108)	(669,162)
Increase in other non-current assets	(27,692)	(15,390)
Dividends received	67,544	56,725
Net cash flows used in investing activities	(3,643,515)	(3,581,229)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	56,101,769	65,460,778
Decrease in short-term borrowings	(57,508,616)	(63,242,893)
Decrease in short-term notes and bills payable	(135,222)	(13,387)
Proceeds from long-term borrowings	31,672,235	14,816,019
Repayments of long-term borrowings	(30,979,978)	(11,403,019)
Increase in guarantee deposits received	67,451	60,841
Payments of lease liabilities	(141,051)	(126,574)
Cash dividends paid	(1,435,481)	(1,036,931)
Cost of increase in treasury shares	-	(4,351)
Acquisition of subsidiaries	-	(4,086)
Changes in non-controlling interests	44,177	(5,741)
Net cash flows from (used in) financing activities	(2,314,716)	4,500,656
Effect of exchange rate changes on cash and cash equivalents	(31,140)	84,661
Net increase in cash and cash equivalents	943,609	3,037,917
Cash and cash equivalents at beginning of period	7,867,822	4,829,905
Cash and cash equivalents at end of period	\$ 8,811,431	7,867,822

Motion 2

Proposed by the Board

Cause of motion: Acknowledgment of the 2023 Earnings Distribution

Description:

1. The Company's 2023 net income amounted to NT\$ 6,297,521,345, and the earnings available for distribution in the current period amounted to NT\$ 9,104,346,994.
2. The 2023 earnings distribution proposal is proposed in accordance with Article 32 of the Company's Articles of Incorporation, cash dividends of NT\$ 3 per share are distributed. Please refer to the next page for the earnings distribution table.
3. Regarding the distribution of earnings, if there are changes in the outstanding shares due to the Company's repurchase of shares, it is proposed that the Chairman be authorized by the shareholders' meeting to adjust the dividend payout ratio to shareholders based on the actual outstanding shares on the ex-dividend date, in accordance with the total amount of cash dividends approved by the annual shareholders' meeting in 2024.
4. The cash dividends for this distribution will be calculated up to the nearest NT\$1, with amounts less than NT\$1 being rounded down. Any remaining fractional amounts less than NT\$1 will be categorized as other income for the Company.
5. Please acknowledge.

Resolution:

Sanyang Motor Co., Ltd.

2023 Earnings Distribution Table

Unit: NT\$

Summary	Amount
Undistributed earnings at the beginning of the period	3,706,233,062
Plus (minus):	
Changes in actuarial gains and losses in the current period	(94,602,211)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	9,799,566
Changes in ownership interests in subsidiaries	(183,169,470)
Reversal of special reserve (Note 1)	4,257,886
Net profit after tax	6,297,521,345
	9,740,040,178
Provisions:	
Provision of 10% as legal reserve	(602,954,923)
Provision of special reserve (Note 1)	(32,738,261)
Earnings available for distribution in the current period	9,104,346,994
Distribution item:	
Cash dividend of NT\$3/share (Note 2)	2,392,468,812
Undistributed earnings at the end of the period	6,711,878,182

Note 1: According to the Financial Supervisory Commission's Jin-Guan-Zheng-Fa-Zi No.1090150022 issued on March 31, 2021, subsidiaries are required to allocate the same amount to a special reserve fund at the year-end if the market price of the parent company's stock is lower than its book value, based on their shareholding ratio. This amount cannot be distributed. Subsequently, when the market price recovers, the same amount is reversed from the special reserve fund based on the shareholding ratio, totaling NT\$4,257,886. Additionally, the net amount of decreases in other equity items recorded during the period is allocated to a special reserve fund of NT\$32,738,261 beyond the net income after tax and other items included in the undistributed earnings for the period.

Note 2: The dividend per share is adjusted based on the actual number of shares outstanding as of the ex-dividend date.

Note 3: The Company's earnings were not distributed according to the decision made by the Board of Directors on November 13, 2023.

Chairman :
Ching-Yuan Wu

President :
Ching-Yuan Wu

Accounting Supervisor :
Kuei-Chin Huang

V. Extemporany Motions

VI. Adjournment

Appendix I Articles of Incorporation of Sanyang Motor Co., Ltd.

Chapter 1 General Provisions

Article 1 The Company is incorporated in accordance with the provisions related to companies limited by shares of the Company Act. The Company is named Sanyang Motor Co., Ltd.

Article 2 The Company's business scope is as follows:

- I. CB01010 Mechanical Equipment Manufacturing.
- II. CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
- III. CD01030 Motor Vehicles and Parts Manufacturing.
- IV. CD01040 Motorcycles and Parts Manufacturing.
- V. CD01050 Bicycles and Parts Manufacturing.
- VI. CD01990 Other Transport Equipment and Parts Manufacturing.
- VII. CQ01010 Mold and Die Manufacturing.
- VIII. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
- IX. F112040 Wholesale of Petroleum Products.
- X. F114010 Wholesale of Motor Vehicles.
- XI. F114020 Wholesale of Motorcycles.
- XII. F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts Accessories.
- XIII. F114040 Wholesale of Bicycle and Component Parts Thereof.
- XIV. F114990 Wholesale of Other Traffic Means of Transport and Component Parts Thereof.
- XV. F206030 Retail Sale of Molds.
- XVI. F212050 Retail Sale of Petroleum Products.
- XVII. F214010 Retail Sale of Motor Vehicles.
- XVIII. F214020 Retail Sale of Motorcycles.
- XIX. F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- XX. F214040 Retail Sale of Bicycle and Component Parts Thereof.
- XXI. F401010 International Trade.
- XXII. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
- XXIII. I199990 Other Consulting Service.
- XXIV. J101050 Environmental Testing Services.
- XXV. J303010 Magazine (Periodical) Publishing.

- XXVI. J304010 Book Publishing.
- XXVII. JA01010 Automobile Repair.
- XXVIII. JA02020 Motorcycle Repair.
- XXIX. JA02030 Bicycle Repair.
- XXX. JZ99990 Unclassified Other Services.
- XXXI. ZZ99999 All business activities that are not prohibited or restricted by

law, except those that are subject to special approval.

Article 3 The Company shall have its head office in Hsinchu County, R.O.C., and pursuant to a resolution adopted at the meeting of the Board of Directors, may set up, change or abolish a branch, factory, branch factory or business office within or outside the territory of R.O.C., where deemed necessary. For the Company's reinvestment both at home and abroad, the total amount reinvested may exceed the 40% of the Company's paid-in share capital.

Article 3-1 (Delete)

Article 4 The Company's announcement shall be published in newspaper or e-news or on website established or designated by central competent authority, unless otherwise specified by securities competent authority.

Article 5 The Company may make guarantee for relevant parties according to business needs.

Chapter 2 Shareholding

Article 6 The Company's total capital amount is NT\$ 9,500,000,000, contained in 950,000,000 shares (face value per share: NT\$ 10) which will be issued in separate installments. The large-denomination securities should be combined and issued as requested by Taiwan Depository & Clearing Corporation (TDCC).

Article 7 The Company's shares shall be registered and signed or sealed by Chairman of the Board of Directors; it will be issued upon the verification according to laws. In addition, the Company may be exempted from being printing any share certificate for the shares issued according to provisions of relevant laws. Instead, the Company shall register the issued shares with a centralized securities depository agency and comply with the provisions of that agency.

Article 8 The Company's shareholders shall report their domicile or dwelling place to the Company and fill out and send signature card to the Company for reference. All dividends and bonuses obtained or the written contact with the Company shall be subject to this seal; the same applies when it is changed.

Article 9 All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of the seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies," unless otherwise specified by law and securities regulations.

Article 9-1 If the Company has previously entrusted the stock affairs agency to handle the change of its own stock affairs, it shall be handed with the attendance of more than half of the shareholders representing the total number of shares issued and

with the consent of two-thirds of the voting rights of the attending shareholders, in accordance with the internal control system standard of the stock affairs organization of Taiwan Depository & Clearing Corporation. This provision shall also apply to those who have applied for self-establishment of stock affairs before the amendment of this provision.

Article 10 Registration for the transfer of shares shall be completed within 60 days before the date of annual general shareholders' meeting, 30 days before the date of special shareholders' meeting, or 5 days before the date fixed by the Company for distribution of dividends, bonus, or any other benefits. The period of the preceding paragraph shall be counted from the date of the meeting or the base date.

Chapter 3 Shareholders' Meeting

Article 11 Shareholders' meeting is divided into general and special ones. General shareholders' meeting shall be convened on a yearly basis. General shareholders' meeting is held within six months after the end of each fiscal year by the Board of Directors, and a special meeting will be convened as per the laws, where necessary.

Article 12 A notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice of the date, place and reasons to convene a special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

Article 12-1 The shareholders' meeting of the Company may be convened by way of video conference or other manners announced by the competent authority.

Article 13 Except as otherwise provided by the Company Act, the shareholders' meeting shall be held by shareholders of a majority of the total issued and outstanding shares of the Company and the resolution shall be adopted upon the approval of a majority of the voting shares present at the meeting.

Article 14 All shareholders are entitled to one vote for every share held, except for special stocks of the Company and the circumstances stipulated in Article 179 of the Company Act.

Article 15 A shareholder may designate a proxy to attend a shareholders' meeting by submitting a power of attorney that records the scope of authorization. The measures shall be subject to the Company Act as well as the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" set forth by the competent authority.

Article 16 Where a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there is more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them. Unless otherwise prescribed by the relevant laws and ordinances or the Company's Articles of Incorporation, the Company shall duly convene the shareholders' meeting exactly in accordance with the

Company's Rules of Procedure of Shareholders' Meeting.

Article 17 (Delete)

Chapter 4 Board of Directors

Article 18 The Company will establish a Board of Directors that consists of 7 to 11 Directors. Each Director will serve an office term of 3 years. Directors will be elected among the persons with disposing capacity at the shareholders' meeting and can be re-elected subsequently.

The total number of shares held by all Directors shall conform to the standards stipulated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority in charge of the securities industry.

The election of Directors is subject to the candidate nomination system stipulated by Article 192-1 of the Company Act.

Article 18-1 Since the 25th Board of Directors, the Company has designated at least three Independent Directors. The number of Independent Directors shall not be less than one-third of the aforesaid number of Directors.

Article 18-2 The Company has set up the Audit Committee since the 25th session Board of Directors, which shall be composed of the entire number of Independent Directors. The Audit Committee and its members shall be responsible for performing the Supervisors' duties under the Company Act, the Securities and Exchange Act, and other applicable regulations. Regulations in the Articles of Incorporation with regards to Supervisors shall cease to apply upon the Company's establishment of the Audit Committee.

Article 19 Directors shall organize board meeting, which shall be attended by more than two thirds of the Directors, and more than half of the participants agree to elect three Managing Directors from among Directors. One Chairman and one Vice Chairman shall be elected from the Managing Directors in accordance with the same manner. The Chairman internally serves as the chairperson of the meeting of the Board of Directors, the shareholders' meeting, and the meeting of the Managing Directors; and externally represents the company to manage all affairs. If the Chairman is on leave or absent or unable to exercise his authority and powers for any cause, the Vice Chairman shall act on his behalf. If the Vice Chairman is on leave or absent or unable to exercise his authority and powers as well, the Chairman shall designate a person to act on his behalf; if, however, the Chairman fails to designate his agent, the Managing Directors shall appoint an acting Chairman from among themselves.

Article 20 The Company's business policy and other material issues shall be determined by the Board of Directors. The meeting of the Board of Directors shall be convened and chaired by the Chairman. If the meeting is convened by a person with the authority to convene other than the Chairman, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them. The convening notice of the board meeting may be produced and distributed in

electronic form.

Article 21 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority vote of the Directors at a meeting attended by at least a majority of the Directors.

Article 22 Directors shall personally attend board meetings. However, if a Director is unable to attend a board meeting, he/she may appoint another Director to serve as proxy to attend the meeting by submitting a proxy form specifying the scope of delegation. However, a Director may only serve as a proxy for one other Director. The meeting of the Board of Directors may proceed via video conferencing. Directors who participate in the meeting by such means shall be deemed to have attended such meeting in person.

Article 23 For each board meeting, minutes must be drawn up that include the year, month, day, venue of the meeting, chairperson's name, and resolution method and matter. The meeting chairperson shall affix his/her signature or seal to the minutes, which must be sent to all Directors within 20 days from the meeting. The meeting minutes shall be retained for as long as the Company is in existence.

Article 24 The Board of Directors is authorized to determine the remuneration paid to the Chairman, Directors, and Supervisors based on the degree of their participation and contributions of the Company, as well as domestic and overseas industry standards.

Chapter 5 Supervisors

Article 25 The Company designates two Supervisors, who take office for 3 years. The Supervisors are elected among the persons with disposing capacity at the shareholders' meeting and can be re-elected subsequently. The total sum of all registered shares held by all Supervisors shall not be less than that as specified in "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

Article 26 Supervisors shall supervise the execution of business operations of the company, and may at any time or from time to time investigate the business and financial conditions of the company, inspect the accounting books and documents, and request the Board of Directors or managerial personnel to make reports thereon.

Article 27 For various statements prepared for submission to the shareholders' meeting by the Board of Directors, the Supervisors shall examine the records, investigate the actual situation, and report their opinions at the shareholders' meeting.

Article 28 The Supervisors may attend board meeting without voting rights.

Article 29 The remuneration provision applies to the Supervisors.

Chapter 6 Managers

Article 30 The Company may designate a President, Vice President, and Assistant Vice President according to its business needs. These individuals shall handle all the Company's affairs in accordance with the Chairman's instructions and board resolutions. The appointment, dismissal and remuneration of aforesaid personnel shall be governed by Article 29 of the Company Act.

Chapter 7 Finance

- Article 31 The Company's accounting period begins from January 1 and ends on December 31 each year. Upon the closing of each fiscal year, the Board of Directors shall prepare the following documents and shall forward the same to the Supervisors for review no later than thirty days prior to the date of the annual general shareholders' meeting:
- I. Business Report
 - II. Financial Statements
 - III. Proposals for Earnings Distribution or Deficit Coverage.
- Article 31-1 If the Company earns a profit for the year, it shall allocate over 1% of the income before tax as employee remuneration, and within 1% as director and supervisor remuneration. However, if the Company suffers accumulated losses, it shall first retain an appropriate amount for offsetting such losses. Independent Directors shall not participate in the foregoing remuneration distribution.
- Article 32 For any earnings in the annual account, the Company shall, as required by law, first extract and offset the accumulative deficit from the previous years. Next, it shall extract the 10% statutory surplus reserve and calculate the accumulative undistributed earnings after adding the undistributed earnings at the beginning of period. Then, it shall extract or reserve special surplus reserve as required by law. The remaining portion constitutes the distributable earnings for the current year. The Board of Directors shall prepare the proposal for earning distribution and submit it to the Shareholders' Meeting for resolution.
- The Company is at the mature stage of the business lifecycle. However, the industrial environment may vary with other external factors, and the Company will still actively expand domestic and foreign markets for further growth. Therefore, in addition to considering the actual earnings, the Company shall also discuss its future capital demand, tax system, and influence on shareholders for earnings distribution, as well as determine the dividend distribution with an objective of maintaining stable dividend distribution. The dividends may be distributed either in cash or by stocks, but the ratio of stock dividends shall not exceed 50% of the total dividends. The proposal for distribution shall be proposed and resolved by the Board of Directors in accordance with the Company Act.
- The earnings distribution or deficit offset of the Company may be performed at the end of half of a fiscal year. The proposal for earnings distribution or deficit offset in the first half of a fiscal year, along with the business report and financial statements, shall be submitted to the Audit Committee for review and then to the Board of Directors for resolution.
- In distributing earnings in accordance with the aforementioned provisions, the Company shall first estimate and reserve the amount for taxes payable, offsetting losses, and allocating legal reserves, as well as extract or reverse special reserves as required by law. In case of any surplus, the surplus and the beginning balance of the accumulated undistributed earnings shall be accounted as distributable earnings. However, this provision shall not apply if the amount of legal reserves

has reached the total capital of the Company.

In distributing earnings by issuing new shares in accordance with the foregoing Paragraph 3, the Company shall follow the Company Act. For distributing earnings in cash, the distribution shall be resolved by the Board of Directors.

Chapter 8 Supplementary Provisions

- Article 33 Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and other relevant laws and regulations.
- Article 34 Board of Directors shall determine the Company's organization regulations and affairs handling rules separately.
- Article 35 The Articles of Incorporation were erected on Jul. 17, 1961; the 1st amendment took place on Dec. 25, 1961; the 2nd amendment took place on Mar. 31, 1965; the 3rd amendment took place on Jun. 16, 1966; the 4th amendment took place on Nov. 20, 1966; the 5th amendment took place on Sep. 16 1967; the 6th amendment took place on Oct. 16, 1968; the 7th amendment took place on May 26, 1969; the 8th amendment took place on Aug. 14, 1970; the 9th amendment took place on Apr. 18, 1971; the 10th amendment took place on Apr. 16, 1972; the 11th amendment took place on Apr. 15, 1973; the 12th amendment took place on Dec. 25, 1973; the 13th amendment took place on Apr. 7, 1964; the 14th amendment took place on Mar. 29, 1977; the 15th amendment took place on Mar. 5, 1978; the 16th amendment took place on Feb. 25, 1979; the 17th amendment took place on Mar. 23, 1980; the 18th amendment took place on Mar. 15, 1981; the 19th amendment took place on Mar. 21, 1982; the 20th amendment took place on Mar. 20, 1983; the 21st amendment took place on Mar. 25, 1984; the 22nd amendment took place on Mar. 23, 1986; the 23rd amendment took place on Mar. 22, 1987; the 24th amendment took place on Mar. 27, 1988; the 25th amendment took place on Mar. 24, 1991; the 26th amendment took place on Mar. 26, 1992; the 27th amendment took place on Mar. 26, 1993; the 28th amendment took place on Mar. 26, 1994; the 29th amendment took place on Mar. 24, 1995; the 30th amendment took place on Jun. 5, 1999; the 31st amendment took place on Jun. 7, 2000; the 32nd amendment took place on Jun. 20, 2001; the 33rd amendment took place on Jun. 21, 2002; the 34th amendment took place on May 28, 2004; the 35th amendment took place on May 27, 2005; the 36th amendment took place on Jun. 6, 2006; the 37th amendment took place on Jun. 19, 2009; the 38th amendment took place on May 27, 2011; the 39th amendment took place on Jun. 6, 2012; the 40th amendment took place on May 20, 2013; the 41st amendment took place on Nov. 19, 2014; the 42nd amendment took place Jun. 22, 2016; the 43rd amendment took place on Jun. 20, 2017; the 44th amendment took place on Jun. 28, 2019; the 45th amendment took place on Jul. 7, 2021; the 46th amendment took place on Jun. 23, 2022; the 47th amendment took place on Jun. 28, 2023.

Appendix II Rules of Procedure for Shareholders' Meeting of Sanyang Motor Co., Ltd.

- Article 1 Unless otherwise prescribed by relevant laws and ordinances or the Company's Articles of Incorporation, the Company's shareholders' meeting shall be subject to these Rules.
- Article 2 The Company's notice of meeting shall include the time of attendance registration of for shareholders, place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as described in the preceding paragraph, shall be completed at least 30 minutes ahead of the meeting. There should be an explicit sign at the registration office and sufficient competent personnel should be assigned. Shareholders or their proxies shall attend shareholders' meeting by presenting an official attendance certificate, sign-in card, or other attendance certificates. The proxies shall also carry along an ID card for verification. A shareholder who exercises his/her voting power at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. The shareholders' meeting of the Company may be convened by way of video conference or other manners announced by the competent authority.
- Article 3 The participation and voting by shareholders shall be duly calculated based on the number of shares they hold.
- Article 4 The shareholders' meeting shall be held in the city or county where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- Article 5 The shareholders' meeting shall be convened by Board of Directors and duly chaired by the Chairman. In the Chairman's absence or unavailability due to any reason, the Vice Chairman shall chair the meeting on his behalf. In the event that the Vice Chairman is absent or unavailable as well, the chairman shall, in advance, appoint a Managing Director to act in his place. In the event that the chairman does not appoint an agent, one Managing Director shall be elected from among themselves to act in his place. When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for six months or more and who are familiar with the financial and business conditions of the company. The same requirements shall apply if the chairperson for the meeting is a director representative of a juristic (corporate) person. If the shareholders' meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.
- Article 6 The Company may appoint the retained Attorney(s)-at-Law, Certified Public

Accountant(s), or relevant personnel to participate in a shareholders' meeting as an observer.

Staff at the shareholders' meetings shall wear ID badges or arm badges.

Article 7

The Company shall record the registration, meeting progress, and vote casting and counting of shareholders' meeting in its entirety through continuous audio and videotape. The recorded materials shall be kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 8

The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

When, prior to adjournment of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution to the shareholders' meeting for voting in accordance with Article 174 of Company Act.

Article 9

The agenda for the shareholders' meeting shall be set by the Board of Directors and relevant proposals (including extraordinary motions and amendments to original proposal) shall be voted case by case if such meeting is convened by the Board of Directors.

Unless otherwise resolved by a resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda.

The preceding paragraph shall apply mutatis mutandis to the shareholders' meeting convened by any person, other than the Board of Directors, with the authority to convene such meeting.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

After the meeting is adjourned, the shareholders shall not elect another chairperson to resume such meeting at the same location or at an alternative venue.

Article 10

Prior to speaking at the meeting, an attending shareholder shall submit a slip of paper summarizing his/her/its speech main idea, shareholder's account number (or the attendance ID number) and the account name of the shareholder, so that the chairperson could determine the speaking order.

After setting down the speech's main idea in the preceding slip of paper, the shareholder shall announce it at the public position of venue of the meeting, and the chairperson will determine the speaking order. In case of any inconsistencies between the shareholder's speech and the record on the slip of paper, the later shall apply. The chairperson shall not adjourn the meeting without discussion or

resolution if the contents of the shareholder's speech are amendments, alternatives, extraordinary motions, or other motions.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

- Article 11 On the same issue, each shareholder shall not take the floor more than twice and shall not speak for more than five minutes for each time, unless agreed upon by the chairperson.
The chairperson may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.
- Article 12 In the event that a juristic (corporate) person is entrusted to participate in a shareholders' meeting, that juristic (corporate) person may appoint only one representative to participate in the meeting.
In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one of the representatives may speak on the same proposal.
- Article 13 After a shareholder speaks on the floor, the chairperson may answer either by himself or herself or through a designee.
- Article 14 When the chairperson believes that a matter has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring that matter to a vote.
- Article 15 The person(s) supervising the casting of the ballots and the person(s) counting the ballot(s) are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder.
The voting results shall be announced at the meeting and recorded. The counting of votes or election motions at shareholders' meeting shall be handled publicly on spot, and the results of the voting or election, including the statistical tallies of the numbers of votes and the list of elected Directors along with the numbers of votes by which they were elected, shall be announced on the spot and recorded.
- Article 16 During the process of the meeting, the chairperson may announce a recess at an appropriate time.
- Article 17 Unless otherwise provided for by law and in the Company's Articles of Incorporation, decisions at the shareholders' meeting shall be resolved by a majority vote of the shareholders attending the meeting. A decision, if no objection is raised upon the chairperson's inquiry, shall be deemed as having been passed, and the effect shall be the same as that of voting.
- Article 18 When there is an amendment or an alternative to the same proposal, the chairperson shall present this amendment or alternative together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposal(s) is (are) deemed rejected, and no further voting shall be required.
- Article 19 The chairperson may direct the proctors (or security personnel) to maintain order at the meeting place. Such patrol personnel (or security personnel) shall wear arm

badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.

Article 20

The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and venue of the meeting, chairperson's name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the statistical tallies of the numbers of votes); in the event of an election of Directors and Supervisors, it shall disclose the number of votes of each candidate. The meeting minutes shall be retained for as long as the Company is in existence.

Article 21

The Rules were enacted on Mar. 26, 1994; the 1st amendment took place on Jun. 4, 1998; the 2nd amendment took place on Jun. 21, 2002; the 3rd amendment took place on Jun. 6, 2012; the 4th amendment took take place on May 20, 2013; the 5th amendment took place on Jun. 20, 2017; the 6th amendment took place on Jul. 7, 2021; the 7th amendment took place on Jun. 23, 2022.

Appendix III - Shareholding of Directors

1. Total shares issued on April 27, 2024: 797,489,604 shares
2. Number of shares to be held by all Directors according to law: 25,519,667 shares
3. Number of shares held by all Directors as of the book closure date for the Annual General Meeting of Shareholders: 63,932,240 shares
4. The number of shares held by all directors individually:

Sanyang Motor Co., Ltd. Register of Directors

Record date: April 27, 2024

Title	Name	Shareholding When Elected		Current Shareholding	
		Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Chairman	Ching-Yuan Wu	20,126,240	2.36%	20,126,240	2.52%
Vice Chairman Director Director	Chien-Jin Investment Co., Ltd. Representative: Li-Chu Wu Li-Hsi Jiang Yi-Cheng Wu	29,181,000	3.42%	29,181,000	3.66%
Managing Director/ Independent Director	Chung-Chuan Shih	-	-	-	-
Director Director Director	Chao-Yao Investment Co., Ltd. Representative: Yu-Chang Huang Ren-Hao Tien Te-Ching Chang	14,625,000	1.71%	14,625,000	1.83%
Independent Director	Chen Chiang	-	-	-	-
Independent Director	Chih-Hung Hsieh	-	-	-	-
Independent Director	Fu-Wei Chen	-	-	-	-
Total shares held by directors		63,932,240	7.49%	63,932,240	8.02%