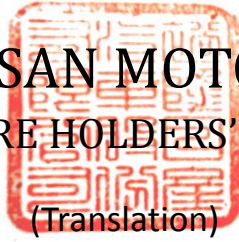


YULON NISSAN MOTOR CO., LTD.
2014 ANNUAL SHAREHOLDERS' MEETING MINUTES



Meetint Time: Monday, June 23, 2014 9:00 a.m.

Meetint Place: 1F, No. 3, Sec. 3, Zhonxing Road, Xindian District, New Taipei City

(The Dome Theater at Auto Mall)

Total outstanding YNM shares : 300,000,000 shares

Total shares represented by shareholders present in person or by proxy : 282,309,890 shares

Percentage of shares held by shareholders present in person or by proxy : 94.10%

Directors Present : Kenneth K. T. Yen. , Kuo-Rong Chen , Wen-Rong Tsay , Zhen-Xiang Yao , Junichi

Ohori, and Moritami Matsumoto.

Supervisor Present : Kuan-Tao Lee, Tai-Ming Chen

In Attendance : Chien-Hsin Hsieh CPA Deloitte & Touch

Chairman : Kenneth K. T. Yen.

Recorder : Chao-Yen Liang

1. Called the meeting to order

2. Chairman's Address(omitted)

3. Report Items

(1) To report the business operations of 2013

(Please refer to 2014 Regular Shareholders' Meeting Agenda.)

(2) 2013 supervisors' review financial report .

(Please refer to 2014 Regular Shareholders' Meeting Agenda.)

4 Approval Items

Proposal 1: Ratification of the 2013 Business Report and Financial Statements.

Please ratify.

(Proposed by the Board of Directors.)

Description:

- (1) The compilation of the Company's Fiscal 2013 Business Report and Financial Statements are completed and has been approved by the Board of Directors. The Financial Statements have been audited and certified by Chien-Hsin Hsieh, CPA, and En-Ming Wu, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Supervisors, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.
- (2) Please refer to the Fiscal 2013 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.
(Please refer to 2014 Regular Shareholders' Meeting Agenda.)
- (3) Adoption requested.

Resolution : Being requested by the president the opinions of the Shareholders, the shareholders recognized the proposal without objection.

Proposal 2:Ratification of 2013 earnings distribution Explanation:

Please ratify.

(Proposed by the Board of Directors.)

Description:

- (1) Based on the audited 2013 financial statement, we present earnings distribution sheet.
(Please refer to 2014 Regular Shareholders' Meeting Agenda.)
- (2) To comply with the Securities and Exchange Act No.41 article, YNM had recognized the special reserve NT\$439,911,312 because the cumulative translation adjustments was negative NT\$439,911,312 on the December 31, 2012. because the cumulative translation adjustments was positive NT\$210,437,636 on the December 31, 2013. YNM can reverse the special reserve NT\$439,911,312.
- (3) The Board of Directors decided to distribute cash dividends NT\$19.47/per share
- (4) The shareholders of No. 19977 and 20149 proposed the cash dividend of NT\$25 the shareholder proposed to a cash dividend of NT\$25/per share.
- (5) Cash dividend base date will be on the August 5, 2014.
- (6) Adoption requested.

Resolution: Recognized through the vote the proposal of surplus distribution submitted by the board, a cash dividend of NT\$19.47 per share will be paid to the shareholders (Number of voting rights:282,309,890 in favour of weight:275,362,000 Against weight:0, abstention weights:0)

5 Discussion Items

Proposal 1: Amendment to the Operational Procedures for Acquisition and Disposal of Assets. Please proceed to discuss.

(Proposed by the Board of Directors.)

Description:

In order to conform to the needs of commercial practice, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets. Please refer to page 6 for details.

Resolution: Being requested by the president the opinions of the Shareholders, the shareholders recognized the proposal without objection.

YULON NISSAN MOTOR CO., LTD.

Table Comparing Original and Amended Articles of “Acquisition or Disposal of Assets Procedure”

Article No	Amended Article (or portion thereof)	Original Article (or portion thereof)	Explan
2	<p>The procedure "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment. 	<p>The procedure "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including inventories of construction enterprises) and other fixed assets. 	<p>Conform to the amendments to related regulations.</p>
3	<p>Procedures used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> 1. Assets acquired or disposed through mergers, demergers, 	<p>Procedure used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> 1. Assets acquired or disposed through mergers, demergers, 	<p>Conform to the amendments to related regulations.</p>

	<p>acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.</p> <p>2.Related party: <u>As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>3. Subsidiary: <u>As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p>4.Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or <u>equipment.</u></p> <p>5.Date of occurrence: Refers to</p>	<p>acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefore (hereinafter "transfer of shares") under Article 156, paragraph <u>6</u> of the Company Act.</p> <p>2. Related party: <u>As defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF).</u></p> <p>3. Subsidiary: <u>As defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.</u></p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to</p>	
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	<p>the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area</p> <p>7. The expression “total assets” as used in the Procedure and the counting of total assets is prepared in accordance with the latest individual or separate financial report of</p>	<p>engage in the value appraisal of real property or <u>other fixed assets</u>.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	
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	Regulations Governing the Preparation of Financial Reports by Securities Issuers.		
5	<p>2)The Company’s acquisition or disposal of real estate should be made by relevant divisions to address the purpose or use of the acquisition or disposal; the name, nature, location, areas, scheduled date of transaction, method (bid or bargain), price (including broker fees when applicable), conditions of delivery or payment of the property in the planned transaction, in accordance with the regulations of <u>paragraphs 4 and 6</u> of this article. The item 5,</p> <p>3)The Company’s acquisition or disposal of equipment. should be made by relevant divisions to address the purpose or use of the acquisition or disposal; the name, nature, location, areas, scheduled date of transaction, method (bid or bargain), price (including broker fees when applicable), conditions of delivery or payment of the property in the planned transaction, in accordance with the regulations of <u>paragraphs 4 and 6</u> of this article. The item 5,</p>	<p>2)The Company’s acquisition or disposal of real estate should be made by relevant divisions to address the purpose or use of the acquisition or disposal; the name, nature, location, areas, scheduled date of transaction, method (bid or bargain), price (including broker fees when applicable), conditions of delivery or payment of the property in the planned transaction, in accordance with the regulations of <u>paragraphs 5</u> of this article. The item 5,</p> <p>3)The Company’s acquisition or disposal of equipment. should be made by relevant divisions to address the purpose or use of the acquisition or disposal; the name, nature, location, areas, scheduled date of transaction, method (bid or bargain), price (including broker fees when applicable), conditions of delivery or payment of the property in the planned transaction, in accordance with the regulations of <u>paragraphs 4 and 6</u> of this article. The item 5,</p>	Conform to the amendments to related regulations.
8	In acquiring or disposing of real property or <u>equipment</u> where the transaction amount reaches 20	In acquiring or disposing of real property or <u>other fixed assets</u> where the transaction amount	Conform to the amendments

	<p>percent of Yulon-Nissan Motors Company Ltd. (“the company”) paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1 · (Omitted)</p> <p>2 · (Omitted)</p> <p>3 · Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the</p>	<p>reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery and equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1 · (Omitted)</p> <p>2 · (Omitted)</p> <p>3 · Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by</p>	<p>to related regulations.</p>
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	<p>appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the <u>ROC Accounting Research and Development Foundation</u> (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (Omitted)</p>	<p>the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (Omitted)</p>	
10	<p>Where the company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, <u>except in transactions with a government agency</u>, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Where the company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Conform to the amendments to related regulations.</p>
13	<p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or</p>	<p>When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or</p>	<p>Conform to the amendments to related regulations.</p>

	<p>to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds,</u> the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors</p>	<p>to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more,, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p>	
14	<p>The company acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13 and the preceding three paragraphs do not apply:</p> <p>1. The related party</p>	<p><u>3.A</u> public company that acquires real property from a related party and appraises the cost of the real property in accordance with paragraph 1 and paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where a public company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 13 and the preceding three paragraphs do not apply:</p> <p><u>1.</u> The related party acquired</p>	<p>Conform to the amendments to related regulations.</p>

	<p>acquired the real property through inheritance or as a gift.</p> <p>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or <u>through engaging a related party to build real property, either on the company's own land or on rented land,.</u></p>	<p>the real property through inheritance or as a gift.</p> <p><u>2.</u> More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p><u>3.</u> The real property is acquired through signing of a joint development contract with the related party.</p>	
15	<p>1) Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property from or to a related party, or</p>	<p>1) Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>1. Acquisition or disposal of real property from or to a related party, or acquisition</p>	Conform to the amendments to related regulations.

	<p>acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or <u>subscription or redemption of domestic money market funds</u>.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area</p>	<p>or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company</p> <p>4. Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following</p>	
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	<p>reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ul style="list-style-type: none"> A. Trading of government bonds. B. Trading of bonds under repurchase/resale agreements, or <u>subscription or redemption of domestic money market funds.</u> C. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million. D. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on 	<p>circumstances:</p> <ul style="list-style-type: none"> A. Trading of government bonds. B. Trading of bonds under repurchase/resale agreements. C. Where the type of asset acquired or disposed is equipment/<u>machinery</u> for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million. D. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to 	
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	<p>rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction is less than NT\$500 million</p>	<p>invest in the transaction is less than NT\$500 million</p>	
30	<p>The procedure was formulated on March 30th, 2004; The first amendment was made on June 16th, 2006; The second amendment was made on June 22nd, 2007; The third amendment was made on June 23rd, 2011; The fourth amendment was made on June 13th, 2012; The fifth amendment will be made on June 23rd, 2014.</p>	<p>The procedure was formulated on March 30th, 2004; The first amendment was made on June 16th, 2006; The second amendment was made on June 22nd, 2007; The third amendment was made on June 23rd, 2011; The fourth amendment was made on June 13th, 2012.</p>	

6 . Extraordinary Motions

None

7. Others to be contained

None

8. Closure of the Meeting

9:20a.m

Chairman : Kenneth K. T. Yen.



Recorder : Chao-Yen Liang

