

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

## **2020 Annual General Shareholders' Meeting**

### **Agenda**

**Time:** Friday, June 19, 2020 9:00 a.m.

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

**Total outstanding YNM shares :** 300,000,000 shares

**Total shares represented by shareholders present in-person  
or by proxy :** 285,792,617 shares (include electronic  
attendance: 165,790,617shares)

**Percentage of shares held by shareholders present in-person  
or by proxy :** 95.26%

**Directors Present :**

Yen Chen, Li Lien, Kuo-Rong Chen, Chen-Hsiang Yao,  
Leman C.C. Lee, Atsuo TANAKAM, Motoo SATO,  
Yun-Hua Yang, Hung-Wen Chang, and  
Jung-Fang Kuo

**In Attendance :** Wan-Yi Liao CPA

Deloitte & Touche Tohmatsu Limited

**Chairperson :** Yen Chen, Li Lien

**Recorder :** Chao-Yen Liang

## **1. Call to Order**

## **2. Chairperson's Address**

## **3. Report Items**

(1) To report the Business Operations of 2019

(Please refer to the handbook of 2020 Annual General Shareholders' Meeting.)

(2) 2019 Audit Committee' Report

(Please refer to the handbook of 2020 Annual General Shareholders' Meeting.)

(3) To report 2019 Employees' Compensation Distribution.

(Please refer to the handbook of 2020 Annual General Shareholders' Meeting.)

## 4. Approval Items

### Proposal 1: Ratification of the 2019 Business Report and Financial Statements.

(Proposed by the Board of Directors.)

#### Description:

(1)The compilation of the Company's Fiscal 2019 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 Wan-Yi Liao, CPA, and Robert Yu, CPA, of Deloitte & Touche. The Business Report and Financial Statements have been audited by the Audit Committee, and are hereby submitted for adoption by this Annual General Shareholders' Meeting.

(2)Please refer to the handbook for the Fiscal 2020 Business Report, the CPA Audit Report issued by Deloitte & Touche and the Financial Statements, respectively.

(3)Adoption requested.

#### Resolution:

Shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	120,002,000	120,000,000	0	0	2,000
e - voting	165,790,617	165,768,264	2,053	0	20,300
Total	285,792,617	285,768,264	2,053	0	22,300
%		99.99	0.00	0.00	0.01

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

## **Proposal 2: Recognition of 2019 Earnings Distribution.**

(Proposed by the Board of Directors.)

### Description :

- (1) Based on the audited 2019 financial statement, YNM presents 2019 earnings distribution statement, please refer to the Attachment 1.
  
- (2) According to earnings distribution statement, YNM proposes to distribute NT\$ 21.27 per share and the target date for distributing cash dividend will be set on August 18, 2020. According to the Article 165 of Company Act, entries into register of shareholder shall not be allowed within 5 days prior to the target date of distributing cash dividend. Hence, entries into register of shareholder are not allowed from August 14, 2020 to August 18, 2020.
  
- (4) Request to resolve.

### **Resolution:**

Shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	120,002,000	120,000,000	0	0	2,000
e - voting	165,790,617	165,768,264	2,053	0	20,300
Total	285,792,617	285,768,264	2,053	0	22,300
%		99.99	0.00	0.00	0.01

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

## 5. Discussions Items

### **Proposal 1: Amendment to the Company's " Articles of Incorporation ".**

**Please proceed to discuss.**

(Proposed by the Board of Directors.)

Explanation:

(1) Complied with the requirements under the notice letter No. 10700083291 which about the amendment of article 162 in Company Act. and No. 10802432410 which about the calculation way of the legal reserve , the Company's "Articles of Incorporation" shall be amended accordingly to conform to the relevant business operations. Please refer to the comparison table as Attachment 2.

(2) Request to resolve.

### **Resolution:**

Shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	120,002,000	120,000,000	0	0	2,000
e - voting	165,790,617	165,561,055	23,160	0	206,402
Total	285,792,617	285,561,055	23,160	0	208,402
%		99.92	0.00	0.00	0.07

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

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

**Please proceed to discuss.**

(Proposed by the Board of Directors.)

Explanation:

(1) According to regulation of R.O.C. Company Law No.209, first paragraph, A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

(2) Please approve to lift the prohibition that directors shall not act as a director and/or manager of another company in response to the need of the company's business operations. Please refer to the comparison table as Attachment 3.

(3) Request to resolve.

**Resolution:**

Shares represented of voting		Votes in favor	Votes against	Votes invalid	Votes abstained
Attendance	120,002,000	120,000,000	0	0	2,000
e - voting	165,790,617	164,213,405	25,954	0	1,551,258
Total	285,792,617	284,213,405	25,954	0	1,553,258
%		99.45	0.01	0.00	0.54

Since the percentage of affirmative vote was compliant with the Law, the proposal was acknowledged as submitted.

**6. Extraordinary Motions**

**7. Closure of the Meeting**

**8. Time of Closure of the Meeting: AM 09:27**

**Chairman** : Yen Chen, Li Lien

**Recorder** : Chao-Yen Liang

**Attachment 1:****YULON NISSAN MOTOR CO., LTD.****2019 Earnings Distribution Statement**

Unit: NT dollar

Item	Sub-total	Total
Beginning retained earnings		121,720,919
Less: Adjustment arising from investments accounted for using equity method		(51,185)
Add: Remeasurement of defined benefit plans		10,519,549
Less: Changes in subsidiaries equity		(195,962,330)
2019 Adjusted undistributed earnings (excluded net income)		(63,773,047)
2019 Net income after tax	7,281,897,557	
Less : Legal reserves	(721,812,451)	
Less : Special reserves	(106,935,653)	
Less : Distribution of shareholders dividends (Cash dividends \$21.27 per share)	(6,381,000,000)	72,149,453
Ending Undistributed Earnings		8,376,406

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



## Attachment 2

### Comparison Table for the “Articles of Incorporation”

After the revision	Before the revision	Description
<p><b>Article 8</b> The Company’s share certificates shall be numbered, signed by or sealed with stamps of <u>the director representing the company</u>, and certified by <u>the bank which is competent to certify shares</u> in accordance with laws before the share certificates are issued. The Company may issue shares without printing share certificate(s) and shall register with the Centralized securities depository enterprises.</p>	<p><b>Article 8</b> The Company’s share certificates shall be numbered, signed by or sealed with stamps of <del>more than three Directors</del>, and certified in accordance with laws before the share certificates are issued. The Company may issue shares without printing share certificate(s) and shall register with the Centralized securities depository enterprises.</p>	<p>Complies with the amendment of Article 162 in Company Act. From No.10700083291 which issued by MOEA.</p>
<p><b>Article 31</b> For the Company’s <u>surplus profit (The ‘surplus profit’ refers to the net income plus the amounts of the current retained earnings adjustments which are not counted in the net income)</u> at the end of each fiscal year, it shall cover the accumulated losses first, then, appropriating 10% as legal reserve, and set aside or reverse special reserve in accordance with the law. The shareholders' dividend or bonuses out of remaining current profit and undistributed retained earnings at the beginning of the year shall be proposed first by the Board of Directors and to be resolved in the shareholders meeting.</p>	<p><b>Article 31</b> For the Company’s <del>net income</del> at the end of each fiscal year, it shall cover the accumulated losses first, then, appropriating 10% as legal reserve, and set aside or reverse special reserve in accordance with the law. The shareholders' dividend or bonuses out of remaining current profit and undistributed retained earnings shall be proposed first by the Board of Directors and to be resolved in the shareholders meeting.</p>	<p>Complies with the amendment of No.10802432410 which issued by MOEA</p>

After the revision	Before the revision	Description
<p><b>Article 35</b>  The Articles were formulated on June 30th,2003; the first amendment was made on March 30th, ....., and the tenth amendment was made on June 30th,2016. the twelfth amendment is made on June 26th, 2017 and shall be applicable as of the director election of 7th term, <u>the thirteen amendment was made on June 19th, 2020.</u></p>	<p><b>Article 35</b>  The Articles were formulated on June 30th, 2003; the first amendment was made on March 30th,....., and the tenth amendment was made on June 30th, 2016, the twelfth amendment is made on June 26th, 2017 and shall be applicable as of the director election of 7th term.</p>	<p>Added revision date</p>

### Attachment 3:

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

Title	Name	Acting as a Director and/or Managerial Personnel of Another Company
Chairperson	Yen Chen, Li-lien	<ol style="list-style-type: none"><li>1. Chairperson, Yulon Motor Co., Ltd.</li><li>2. Chairperson, China Motor Co., Ltd.</li><li>3. Chairperson, Yulon Finance Co., Ltd.</li><li>4. Director, Yulon Construction Co., Ltd.</li><li>5. Chairperson, Winsome Co., Ltd.</li><li>6. Chairperson, Tai-Yuen Textiles Co., Ltd.</li><li>7. Chairperson, Yung Hong Investment Co., Ltd.</li><li>8. Chairperson, Yulon Management Co., Ltd.</li><li>9. Chairperson, Yu-Pong Business Co., Ltd.</li><li>10. Director, Chun Yuan Investment Co., Ltd.</li><li>11. Chairperson, Tai-Wen Textiles Co., Ltd.</li><li>12. Chairperson, Xiang Wei Investment Co., Ltd.</li><li>13. Chairperson, Sinshing Investment Co., Ltd.</li><li>14. Chairperson, Yuen Wei Investment Co., Ltd.</li><li>15. Chairperson, Yun Shueng Investment Co., Ltd.</li><li>16. Chairperson, Lee Yuan Investment Co., Ltd.</li><li>17. Chairperson, Ly Pon Investment Co., Ltd.</li><li>18. Chairperson, Yuan Tuo Investment Co., Ltd.</li><li>19. Director, Feuille D'or Holdings Inc.</li><li>20. Director, Yen Tjing Ling Medical Foundation</li><li>21. Chairperson, Yen Tjing Ling Industrial Development Foundation</li><li>22. Chairperson, Vivienwu Journalism Award Foundation</li><li>23. Chairperson, Vivienwu Industrial Development and Promotion Association</li></ol>

Title	Name	Acting as a Director and/or Managerial Personnel of Another Company
Director	Chen, Kuo-Rong	1. Vice Chairperson, Yulon Motor Co., Ltd. 2. Director, China Motor Co., Ltd. 3. Chairperson, Hwa-Chuan Auto Technology Center Co., Ltd. 4. Vice Chairperson, Yulon Finance Co., Ltd. 5. Director, Tai-Yuen Textiles Co., Ltd. 6. Vice Chairperson, Dongfeng Yulon Motor Co., Ltd. 7. Director, Dong Feng Yulon Motor Sales Co., Ltd. 8. Director, Luxgen (Hangzhou) Motor Sales Co., Ltd. 9. Chairperson, Yi Jan Overseas Investment Co., Ltd. 10. Director, Jetford Inc. 11. Director and CEO, Yulon Management Co., Ltd. 12. Director, Yu Pong Business Co., Ltd. 13. Chairperson, Yulon China Motor Investment Co., Ltd. 14. Director, Yulon China Investment (Hong Kong) Co., Ltd. 15. Director, Yulon Motor Investment (Hong Kong) Co., Ltd. 16. Chairperson, Wen Yang(Samoa) Investment Co., Ltd. 17. Chairperson, Tai Xin(Samoa) Investment Co., Ltd. 18. Chairperson, Qing Yi(Samoa) Investment Co., Ltd. 19. Director, Chun Yuan Investment Co., Ltd. 20. Director, Tai-Wen Textiles Co., Ltd. 21. Director, Yu Xin Investment Co., Ltd. 22. Director, Wen Shen Investment Co., Ltd. 23. Director, Yuen Wei Investment Co., Ltd. 24. Director, Yun Shueng Investment Co., Ltd. 25. Director, Lee Yuan Investment Co., Ltd. 26. Director, Ly Pon Investment Co., Ltd. 27. Director, PAC-LINK MANAGEMENT CORP. 28. Director, Yulon New Energy (Hong Kong) Co., Ltd. 29. Director, Feuille D'or Holdings Inc.

		30. Director, Grand Win Overseas Ltd. 31. Director, Yen Tjing Ling Medical Foundation 32. Director, Yen Tjing Ling Industrial Development Foundation. 33. Director, Vivienwu Journalism Award Foundation.
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Title	Name	Acting as a Director and/or Managerial Personnel of Another Company
Director	Yao, Chen Hsiang	1. Director and CEO, Yulon Motor Co., Ltd. 2. Chairperson, Luxgen Motor Co., Ltd. 3. Director, Yulon Finance Co., Ltd. 4. Chairperson, Uni Auto Parts Manufacture Co., Ltd. 5. Chairperson, China Ogihara Co., Ltd. 6. Chairperson, Yulon Construction Co., Ltd. 7. Chairperson, Yu Sing Motor Co., Ltd. 8. Chairperson, Yushin Motor Co., Ltd. 9. Supervisor, Dongfeng Yulon Motor Co., Ltd. 10. Director, Guangzhou Aeolus Automobile Co., Ltd. 11. Chairperson, Ding Long Motor Co., Ltd. 12. Chairperson, Yulon IT Solutions Co., Ltd. 13. Director, Yung Hong Investment Co., Ltd. 14. Chairperson, Yulon Tobe Motor Co., Ltd. 15. Chairperson, Sin Chi Co., Ltd. 16. Director, Yulon China Motor Investment Co., Ltd. 17. Director, Yulon Philippines Investment Co., Ltd. 18. Director, Yen Tjing Ling Industrial Development Foundation.