

Operational Property Transaction Service Platform



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November 2008 For any discrepancy between the contents contained herein and the relevant regulations published by Gre Tai Securities Market, the published regulations shall govern.

 *GreTai Securities Market*

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I Forward

Gre Tai Securities Market has always been the “cradle for innovative enterprises and driver of economic vitality”. The establishment of the Operational Property Transaction Service Platform (hereinafter called the “Platform”) is a service platform that provides supply and demand information on operational properties that include intellectual property rights, spun-off departments, technical teams, or companies to be acquired. By setting up the Operational Property Transaction Service Platform, Gre Tai Securities Market hopes to link up the Platform with listed, OTC and emerging stock counter companies. Such link-up will effectively increase the size of operational property transactions, and will further invigorate Taiwan’s technological industry. Exchange & OTC listed and emerging stock counter companies can also utilise the Platform to raise capital, obtain technology, recruit technical teams, or acquire other companies to grow their operations. At the

Operational Property Transaction Service Platform

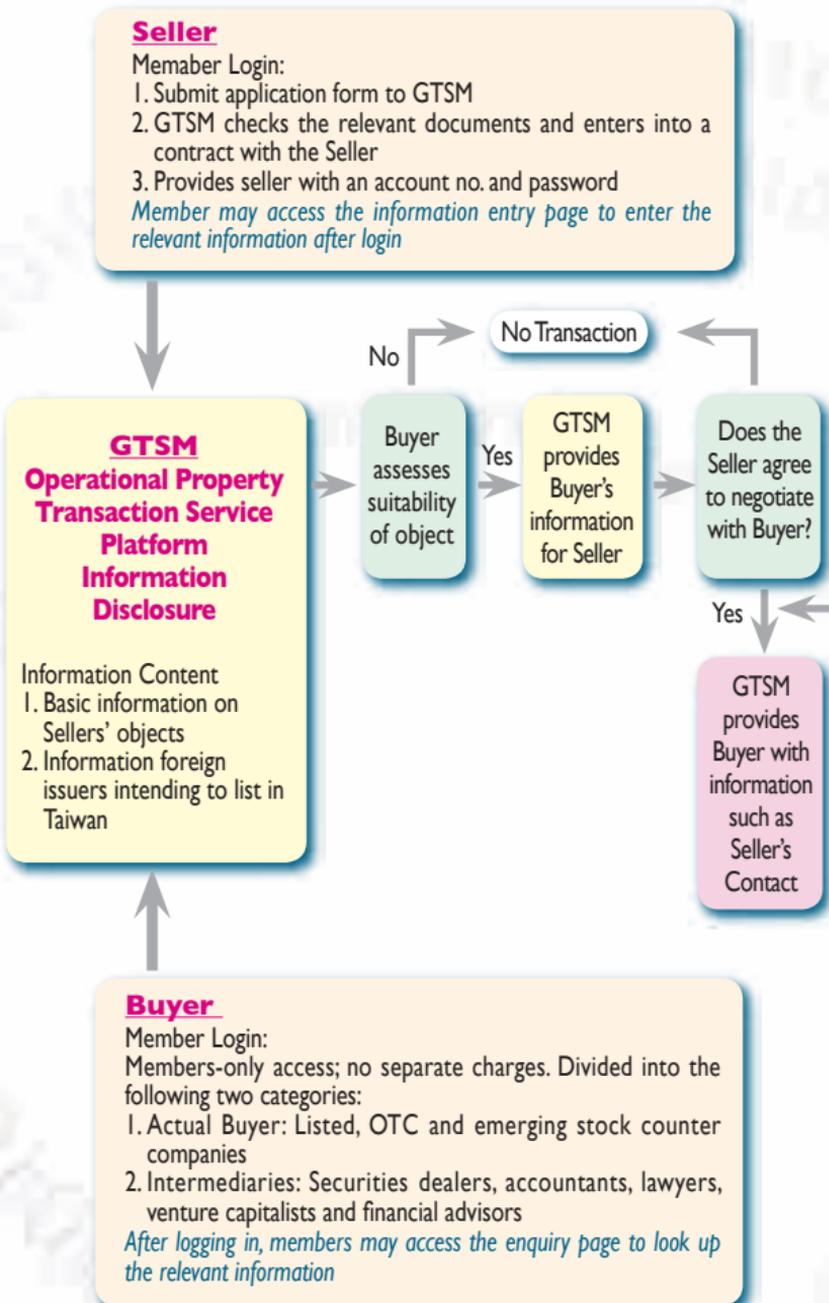


same time, by strengthening their operational properties, companies can build a stronger research & development teams to achievement their corporate objectives of sustainability and value maximisation.

The Platform also provides appropriate information disclosure channel to enable intermediaries such as securities dealers to obtain the relevant information on foreign issuers intending to list in Taiwan, as well as the necessary assistance.

For better understanding on the Platform's capabilities and the relevant regulations, Gre Tai Securities Market has specially produced this Handbook to help buyers, sellers and intermediaries interested in using the Platform.

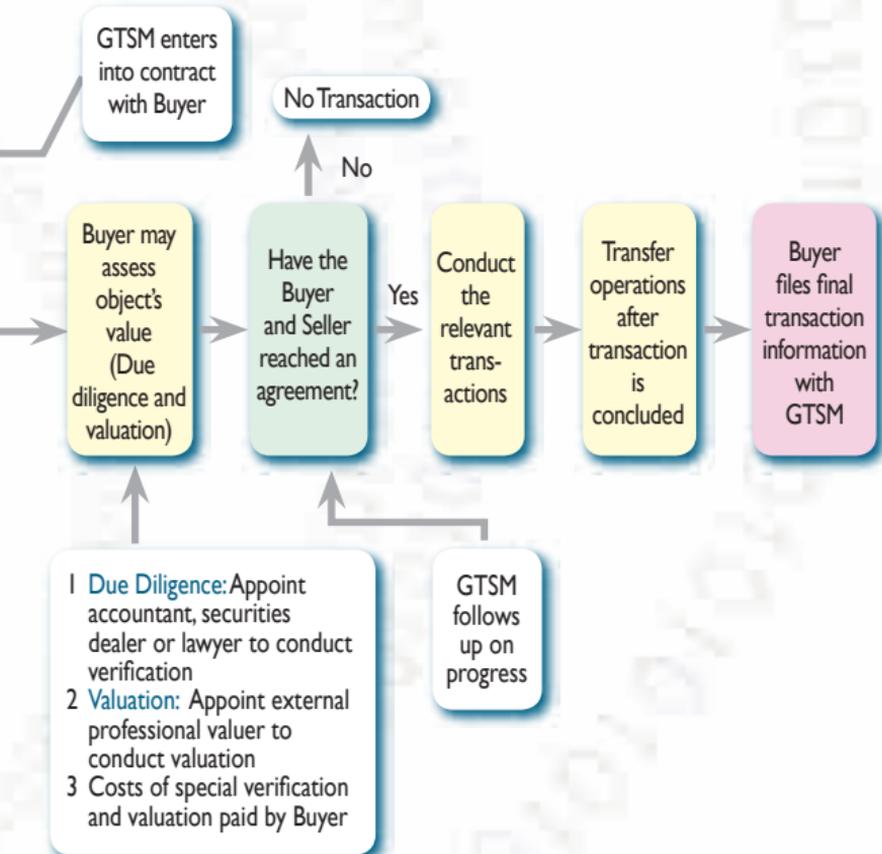
II Flow Chart of Platform Operations



Operational Property Transaction Service Platform

Please access the page as follows:

The Gre Tai Securities Market's Homepage(<http://www.gretai.org.tw>)/Operational Property Transaction Service Platform or <http://platform.otc.org.tw>





III Substantial Measures

In line with other local and foreign transaction platforms, this is also a members-only Platform whereby companies listed in our stock exchange, over-the-counter market and emerging stock counter, securities dealers, accountants, lawyers, venture capitalists and financial consultants may utilise the Platform. The GTSM does not collect any membership fee, and there is no membership requirement for sellers on the Platform.

The Platform provides the following two main information categories:

1. Information on sellers selling operational properties.
2. Information foreign issuers intending to obtain registration on the Emerging Stock Counter or a primary OTC (exchange) listing in Taiwan.

The following explains in detail the operations of aforesaid information categories:

I. Information on Sellers selling Operational Properties

(I) GTSM must first verify the Seller's information

A Seller who wishes to use the Platform shall provide information as set forth under the Regulations on the Use of Information on the Operational Property Transaction

Service Platform. GTSM shall verify the information provided and advise its decision on the Seller's application.

(II) Basic Information that the Seller must Disclose on the Platform

The Seller shall provide the following basic information on the operation properties it intends to sell:

1. Intellectual Property Rights

- (1) Industry category
- (2) Country of registration
- (3) Type (new model, invention or new design)
- (4) Effective period
- (5) Technical brief
- (6) Key technical advantages
- (7) Main purpose of usage and application
- (8) Any legal or non-legal proceeding to which such intellectual property is the subject of dispute
- (9) Intended selling price

2. Technical Team

- (1) Industrial classification
- (2) Number of members on the team
- (3) Primary technical capability
- (4) Quantity and types of related intellectual property rights
- (5) Any pending legal or non-legal proceeding to which such technical team



is a party

(6) Intended selling price

3. Spun-Off Department

(1) Industrial classification

(2) Research & development capability

(3) Research & development results

(4) Quantity and types of related intellectual property rights

(5) Any pending legal or non-legal proceeding to which such department is a party

(6) Intended selling price

4. Company to be Acquired

(1) Industrial classification

(2) Company size

(3) Technical R&D results

(4) Any pending legal or non-legal proceeding to which such company is a party

(5) Intended selling price

Disclosure of the aforesaid selling price is not mandatory. The Seller may disclose at its own discretion.

(III) GTSM will only disclose a Seller's basic information only after entering into a contract with the Seller

After verifying the Seller's basic information, Gre Tai Securities Market's administration officers should first enter into a contract with the Seller agreeing that the Seller shall be liable for the information provided, any default relating to the subsequent completion, non-completion or post-completion of the transaction and dispute on contract performance, as well as other rights

and duties. The Seller's basic information will be disclosed on the Platform only after the contract is signed.

(IV) When the Buyer expresses interest, GTSM will provide the Buyer's information for the Seller and requests the Seller's consent. Provides the relevant information for the Buyer after contract is signed.

When the Buyer expresses interest in the object disclosed on the Platform, Gre Tai Securities Market will first provide the Buyer's information for the Seller, and signs a contract with the Buyer upon obtaining the Seller's consent, agreeing on matters concerning the relevant rights and duties such as information confidentiality and subsequent transaction completion, non realisation of transaction or even contractual breach after transaction completion or disputes on contract performance. Upon such signing of contract, GTSM will provide the Buyer with the Seller's contact information and other information that the Seller is willing to provide. The aforesaid contact information includes company name, and the name, address and telephone number of the contact person.



(V) The Buyer and Seller may utilise the "Collaboration" system to carry out subsequent communications



The Platform provides an online “Collaboration” system for use by Buyers and Sellers. The system is an added feature to the Platform. Being only an intermediary, Gre Tai Securities Market is not involved in any communication or negotiation during the transaction. Through the Platform, Buyers and Sellers may carry out internet conferences to share resources, multi-party information display, file uploading and online discussions and dialogues. The Platform’s convenient and reliable functional capabilities are expected to improve transaction efficiency

(VI) The Buyer may appoint its own securities dealer, accountant, lawyer and other professional organisation or person to carry out due diligence investigation, and shall undertake the costs of such investigation

When transacting company operational properties, professional organisations and persons, such as securities dealers, accountants and lawyers, may utilise the Platform as a medium to provide the necessary assistance (such as carrying out due diligence investigation), so as to facilitate operational property transactions

(VII) The Buyer may appoint its own external professional valuation agency to appraise the value of the operational property, and shall undertake the cost of such valuation.

The Buyer may appoint its own external

professional valuation agency to appraise the value of the transaction object, and shall undertake the cost of valuation. Valuation is a reasonable step taken to determine the value of the transaction object, which enables a transaction to be carried out smoothly, thus attracting more participants in the market.

(VIII) Gre Tai Securities Market will track transaction progress

After the Buyer has obtained the Seller's contact and other information willingly provided by the Seller from Gre Tai Securities Market, material information shall be entered in the Market Observation Post System in accordance with the relevant regulations governing material information during operational property transactions, and shall keep GTSM posted of the latest progress.

Depending on the seriousness of the violation, a Buyer who fails to promptly report the latest progress as required by the regulations may be prohibited by GSTM from using the relevant information on the Platform for six months.

(IX) GTSM shall be notified upon the completion of the operational property transaction and transfer of the transacted property

To consolidate the relevant transaction



records so that GTSM may continue with its promotional efforts and improve the Platform's efficiency, upon the completion of the operational property transaction and transfer of the transacted property, the Buyer that has entered into a contract with GTSM shall report to GTSM within two business days upon such completion and transfer. GTSM shall withdraw the disclosed information on the next business day after accepting the aforesaid notification.

Depending on the seriousness of the violation, a Buyer who fails to promptly report the transaction completion as required by the regulations may be prohibited by GSTM from using the relevant information on the Platform for six months.

(X) The relevant rights and duties of Gre Tai Securities Market and the Buyer & Seller are specified and stipulated under the contract signed by GSTM and the respective parties.

The rights and duties of GTSM as well as the Buyer and Seller shall be determined by the contract separately signed by GTSM with the Buyer and the Seller. The aforesaid contract also stipulates the settlement of any future dispute arising from the transaction of operational properties and as well as the relevant liabilities that arise subsequently.

(XI) Prompt dissemination of the relevant information

GTSM provides rich content on the Platform by cooperating with the Industrial Technology Research Institute, facilitates transaction activity by utilising the Platform's large membership base (companies listed on the stock exchange, OTC and emerging stock counter possess membership qualifications) by collating information on properties for sale by industry, and distributing such information in the form of circulars to companies listed on the stock exchange, OTC and emerging stock counter in the respective industries.



II. Information foreign issuers intending to obtain registration on the Emerging Stock Counter or a primary OTC (exchange) listing in Taiwan.

The Platform also provides the relevant information of foreign issuers. Such information, which includes the company's name, location of registration, industrial category and company brief etc, are provided for reference by securities dealers and accounts, providing for them the necessary assistance to expand the operations of our over-the-counter securities market.



IV. Duty of Information Disclosure

- 1. Seller must promptly notify GTSM of any material change to the information it has disclosed, and shall notify the Buyer of the changed information.**

Where there is material change to the information provided by a Seller or to information relating to foreign issuers listing in Taiwan, GTSM shall be notified of such change within two business days upon the occurrence thereof. Upon its acceptance of such notification, GTSM shall verify the information as required by law, and shall update the relevant information on the platform. In the event that the information prior to updating has been provided for the Buyer, the Seller shall also notify the Buyer of the updated information.

- 2. Application by the Seller to terminate disclosure of information on the Platform**

A Seller applying to terminate disclosure of information on the Platform shall apply to GTSM for termination of disclosure on the next business day as of the delivery of application.

3. Disclosure period of Seller's information

The period during which the Seller discloses information on the Platform shall not exceed one year, commencing on the date indicated on the Contract on the Use of Transaction Service Platform by the Operational Property Seller. GTSM may terminate the disclosure of the Seller's information on the Platform after one year.



4. Inclusion of Disclaimer stating that the information provider shall be liable for the relevant information on the GTSM Service Platform Homepage

GTSM will only verify if the application documents submitted by a Seller or a foreign issuer are complete; hence, the Seller or foreign issuer shall be liable for the information content. The following statement is indicated on the Platform's Homepage to caution information users: "Information on this Service Platform is provided by the respective Sellers and or foreign issuers and published by the Platform. The respective Seller or foreign issuer shall be responsible and liable for any error, omission or inaccuracy".

Disclaimer

1. The information related to the Operational Property Transaction Service Platform contained in this Handbook is provided for informational purposes only. And although all reasonable steps shall be taken to ensure the accuracy and completeness of such information, Gre Tai Securities Market cannot and does not guarantee that the information made available is free of omission or error.
2. Gre Tai Securities Market shall not be liable for any omission or error herein provided, nor for any loss incurred as a result of any reliance on such information.
3. In the event of any discrepancy between the contents contained herein and the relevant regulations published by Gre Tai Securities Market, the published regulations shall govern.
4. Not separate notification shall be given for any change of information hereof as a result of any revision to the laws and regulations.

This Handbook may be downloaded by going to the Homepage of the Gre Tai Securities Market website at <http://www.gretai.org.tw> Please access the page as follows: **Homepage/ Operational Property Transaction Service Platform/Education & Publicity**

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