

FORM OF INSTRUMENT CONVERSION NOTICE

INSTRUMENT CONVERSION NOTICE

YAGEO CORPORATION
UP TO US\$230,000,000
Zero Coupon Convertible Instruments due 2014

PLEASE READ THE NOTES AT THE END OF THIS NOTICE BEFORE COMPLETING THIS NOTICE.

Please fax the completed Instrument Conversion Notice to:

**Citibank, N.A., London Branch
21st Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom**

Facsimile No.: +44 207 508 3866

Attention: Agency & Trust

Please enter principal amount and serial or identifying numbers of Instruments to be converted:

Total principal amount of Instruments:	<hr/> <hr/>
Serial or identifying number of Instruments*:	<hr/> <hr/>
ISIN number of Instruments:	<hr/> <hr/>

* Not required for Instruments represented by a Global Certificate.

**TO: Citibank, N.A.
Yageo Corporation (the "Company")**

I/We, being the Holder of the Instruments specified above, hereby irrevocably elect to convert such principal amount of Instruments (being US\$100,000 in principal amount or integral multiple thereof) as indicated above into:

common shares (“**Shares**”);

Regulation S global depositary receipts (“**Regulation S GDRs**”)*; or

Rule 144A global depositary receipts (“**Rule 144A GDRs**”, and together with Regulation S GDRs, “**GDRS**”)*

in accordance with Condition 5 and the terms and conditions of the Instruments.[†]

* **NOTE: PRIOR TO JULY 22, 2007 (BEING THE “UNRESTRICTED DATE” AS THAT TERM IS DEFINED IN THE INDENTURE), YOU AGREE THAT YOU MAY NOT ELECT TO RECEIVE GDRs, AND YOU ACKNOWLEDGE THAT THE TRUSTEE AND THE COMPANY SHALL REJECT ANY INSTRUMENT CONVERSION NOTICE THAT ELECTS TO RECEIVE GDRs SUBMITTED TO THEM PRIOR TO THE UNRESTRICTED DATE. YOU FURTHER AGREE THAT IF YOU ELECT TO CONVERT INSTRUMENTS PRIOR TO THE UNRESTRICTED DATE, YOU WILL NOT DEPOSIT THE SHARES RECEIVED UPON CONVERSION IN THE DEPOSITARY RECEIPT FACILITIES OF THE COMPANY PRIOR TO THE UNRESTRICTED DATE AND YOU WILL NOTIFY ANY SUBSEQUENT PURCHASER OF SUCH SHARES OF THE RESTRICTION.**

† Please indicate your election to convert your Instruments into either Shares, Regulation S GDRS or Rule 144A GDRs by ticking your choice in one of the boxes above.

Please complete Item A below:

A. Information on the Registered Holder of the Shares or GDRs

1. Name and address of the person in whose name Shares are to be registered upon conversion of the Instruments:

Name:	_____
Address:	_____ _____ _____

2. I/We hereby request that the Shares (together with any cash) delivered upon conversion of the Instrument specified above be registered in the name of the person specified above and be delivered to the account registered in the name of the following person at Taiwan Depository & Clearing Corporation ("TDCC") specified below:

Name (English): (Chinese, if any)	_____
Address (English): (Chinese, if any)	_____ _____ _____
TDCC Account Number:	_____ _____
Contact Person in Taiwan:	_____
Daytime Telephone No.:	_____
Fax No.:	_____

3. Name and address of person in whose name the GDRs required to be delivered on conversion are to be registered:

Name:	_____
Address:	_____ _____ _____

4. Delivery instructions for GDRs:

Euroclear/Clearstream/DTC Participant Account No.:

Account No. For Investor or Euroclear/Clearstream/DTC Participant (f/b/o information):

Contact Person at Euroclear/Clearstream/DTC Participant:

Daytime Telephone Number of Contact
Person at Euroclear/Clearstream/DTC Participant:

E-mail Address of Contact Person at Euroclear/Clearstream/DTC Participant:

N.B. If necessary, the details relating to stated principal amounts of Instruments may be attached separately.

Please read and complete Items B through F below:

B. Delivery of the Required Documents. I/we have provided the Conversion Agent with the Instruments to be converted hereby and any documents required in relation to the declarations below or to verify the same accompany this form.

C. Acknowledgement of the Closed Period. I/we hereby declare that I/we have been notified by the Company that the Company's register of shareholders may be closed from time to time. I/We hereby declare that any applicable condition to conversion of the Instruments, if any, has been complied with by me/us, that I/we am/are not acting on behalf of the Company or any of its affiliates and that the Shares or GDRs issued upon conversion will not be, when received by the converting Holder of the Instruments, "restricted securities" under the U.S. Securities Act of 1933, as amended.

D. Taxes and Duties Payable. I/We hereby declare that all stamp, issue, registration or similar taxes and duties payable on conversion of the Instruments in the jurisdiction where the Instruments are delivered have been paid. I/We hereby agree that we have paid or will pay the fees of the Depositary under the applicable Deposit Agreement and have provided or will provide all certifications required by the Depositary.

E. Relationship with the Company. I/We are providing the information below to enable the Company to comply with its reporting obligations under the laws and regulations of the Republic of China and understand that the Company shall rely on the information provided herein for such purpose. I/We also agree that the Company may provide or report such information for such purpose.

F. All approvals, consents and authorizations required by the laws of the Republic of China to be obtained by me/us in relation to the said conversion have been obtained and are in full force and effect and that any applicable condition thereto has been complied with by me/us.

I/we certify that:
[tick one]

(i) I am not/ None of we are a "Related Person" (as defined under "NOTES" below) of the Company.

(ii) I, or the person whose name and nationality is _____, is a "Related Person" of the Company.

(iii) I, together with my spouse, relative(s) by blood within the second degree and the enterprise(s) in which it acts as a responsible person (i.e., the director, supervisor or manager of the enterprise), will own _____ Common Shares of the Company after the conversion of the Instruments surrendered herewith.

G. Converting Holder's Information and Signature.

Please complete the following information with respect to the converting Holder of the Instrument.

Name:	_____
Date:	_____
Signature:	_____
Nationality:	_____
Address:	_____ _____
Euroclear/Clearstream* Account No.:	_____
Contact Person:	_____
Daytime Telephone No.:	_____
Fax No.:	_____
Email Address:	_____

For Conversion Agent's use only:

1. Instruments Deposited for Conversion.

(a) Instruments conversion identification reference: Yageo Corporation Zero Coupon Convertible Instruments Due 2014/ _____

* Delete as appropriate.

(b) Deposit Date: _____

(c) Conversion Date: _____

2. Shares or GDRs Issuable Upon Conversion.

(a) Aggregate principal amount of Instruments deposited for conversion:

(b) Conversion Price on Conversion Date: _____

(c) Number of Shares and GDRs deliverable: _____

By executing this form, I/we

(A) acknowledge (or if I/we am/are acting for the account of another person, such person has confirmed to me/us that it acknowledges) that the Shares or GDRs have not been and will not be registered under the U.S. Securities Act, and

(B) agree (or if I/we am/are acting for the account of another person, such person has confirmed to me/us that, as the beneficial owner of the Shares or GDRs issuable upon conversion, it agrees) either that:

(i) I/we are, or at the time the Shares or GDRs issuable upon conversion are issued, the beneficial owner of such Shares or GDRs and (i) I/we am/are not a U.S. person (as defined in Regulation S under the U.S. Securities Act) and I/we am/are located outside the United States (within the meaning of Regulation S) and I/we acquired, or have agreed to acquire and will have acquired, the Shares or GDRs outside the United States (within the meaning of Regulation S), (ii) I/we am/are not an affiliate of the Company or a person acting on behalf of such an affiliate, and (iii) I/we am/are not in the business of buying and selling securities or, if I/we am/are in such business, I/we did not acquire the securities from the Company or any affiliate thereof in the initial distribution of the Shares or GDRs; or

(ii) I/we (or it) will not offer, sell, pledge or otherwise transfer the Shares or GDRs except (i) to a person who I/we reasonably believe (or it and anyone acting on its behalf reasonably believes) is a QIB within the meaning of Rule 144A under the U.S. Securities Act in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S under the U.S. Securities Act, (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another exemption from registration under the Securities Act (if available), or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any other applicable law.

NOTES

1. This Conversion Notice shall be void unless the applicable Sections A through G above are duly completed and must be deposited during the Conversion Period.

2. Your attention is drawn to Condition 5(B) of the Instruments with respect to the conditions precedent which must be fulfilled before the Instruments specified above shall be treated as effectively deposited for conversion.

3. If a retroactive adjustment of the Conversion Price contemplated by the terms and conditions of the Instruments is required in respect of a conversion of Instruments or additional Shares or GDRs deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) shall be delivered or dispatched in accordance with the Indenture.

4. Dispatch of Shares, GDRs or other securities or property will be made at the risk and expense of the converting Holder.

5. A person or entity is deemed to be a “*Related Person*” of the Company if the person or entity is:

- (a)
 - (i) a company of which the chairman of the board of directors or the general manager serves as the chairman of the board of directors or the general manager of the Company, or is the spouse or member of the immediate or second immediate family of the chairman of the board of directors or general manager of the Company;
 - (ii) a non-profit organization of which the funds donated from the Company exceeds one-third of the non-profit organization’s total fund;
 - (iii) a director, supervisor, general manager, vice-general manager, assistant vice-general manager, or departmental head of the Company reporting to the general manager;
 - (iv) the spouse of a director, supervisor or general manager of the Company;
 - (v) a member of the immediate or second immediate families of the Company’s chairman of the board of directors or general manager.

OR

- (b) a person or entity in which the Company has invested, which investment is accounted for by the equity method of accounting under generally accepted accounting principles in the ROC (the “**Equity Method**”); or a person or entity which uses the Equity Method to account for an investment in the Company.