

**EXHIBIT A
Conversion Notice**

**TATUNG CO.
US\$150,000,000
Zero Coupon Convertible Bonds due 2014 (the "Bonds")**

(Please read the notes overleaf before completing this Notice.)

Name: Date:
Name in Chinese (if any): Tel No:.....
Address: Fax No:.....

*Euroclear/Clearstream

Account No.:

(* Delete as appropriate)

Signature:

.....

To: Tatung Co. (the "**Company**")

I/We, being the holders of the Bonds specified below, hereby irrevocably elect to convert such Bonds into common shares of the Company (the "**Shares**") in accordance with the terms and conditions of the Bonds.

I/We understand that fractions of a Share will not be issued and that, subject as provided in Condition 5(A)(ii), no compensation will be given for the loss of any such fraction.

1 Total principal amount, number and identifying numbers of Bonds to be converted:-

Total principal amount:

Total number of Bonds:

Identifying numbers of Bonds (if relevant)*:

Identifying numbers of Certificates deposited in respect of Bonds to be converted (if relevant)*:

N.B. If necessary, the identifying numbers of Bonds and Certificates can be attached separately.

* Not required for Bonds represented by a Global Certificate

2 I/We hereby certify that:

(a) We are (I am) a "Related Person" of the Company (as defined below).*

We are (I am) not a "Related Person" of the Company (as defined below).*

(*Please delete as appropriate).

AND

- (b) (i) I/We will own _____ Shares of the Company from the conversion of the Bonds surrendered herewith (do not include Shares mentioned in (b)(ii) below):
- (ii) I/We have converted from the Bonds _____ Shares of the Company in this calendar month.

Note: 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 relative within the second degree 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 such non-profit organization's total funds;
- (iii) a director, supervisor or general manager, vice-general, assistant vice-general manager, or department head of the Company reporting to the general manager of the Company;
- (iv) the spouse of a director, supervisor or general manager of the Company; or
- (v) a relative within the second degree 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.

- 3 (a) I/We hereby request that the Shares (together with any other securities, property or cash) required to be delivered upon conversion be delivered to the account registered in the name of the following person at Taiwan Depository & Clearing Corporation or otherwise specified below:

Name:

Account Number:

[Other additional information required by Conversion Agent][†]:

The Certificate in respect of the Bonds converted hereby accompanies this Conversion Notice.*

- (b) I/We hereby request that the Shares be registered in the register of holders of Shares with the following details:

Name:

Address:

[†] To be supplied by the Conversion Agent and the additional information to be required by the Conversion Agent may differ from time to time.

.....
.....

* Not required for the Global Certificate.

4 The Company has notified the Conversion Agents that the Company's register of shareholders will be closed on the following dates:

.....
.....

5 I/We hereby represent and agree that:

- (a) all approvals, consents and authorisations 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;
- (b) all stamp, issue, registration, excise and similar taxes and duties (if any) arising on conversion of the Bonds or payable consequent upon the issue, delivery or transfer of Shares or any other property or cash upon conversion to or to the order of a person other than me/us have been paid or will be paid by me/us, except that the Company will pay the expenses arising in the Republic of China on the issue of Shares on conversion of Bonds and all charges of the Conversion Agents in connection therewith;
- (c) I/we hereby declare that I/we have duly appointed as my/our local agent the person named in section 3 above and acknowledge that the local agent is my/our agent and not the agent of the Company; and I/we further acknowledge that I/we will not hold the Company liable for any acts or omissions of the local agent; and
- (d) I/we hereby declare that a copy of this notice has been provided to the local agent.

Date:

Signed _____

as or on behalf of the holder of the Bonds specified above

N.B.

- (i) This Conversion Notice will be void unless the introductory details and Sections 1 and 3 are completed.
- (ii) Your attention is drawn to Condition 5(B)(ii) of the Bonds with respect to the conditions precedent which must be fulfilled before the Bonds specified above will be treated as effectively eligible for conversion.
- (iii) Despatch of Share certificates or other securities or property will be made at the risk and expense of the converting Bondholder and the converting Bondholder will be required to prepay the expenses of, and submit any necessary documents required in order to effect despatch in the manner specified.

(iv) If a retroactive adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds, Share certificates for the additional Shares deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash previously issued pursuant to the relevant Conversion Notice.

For Agent's use only:

- 1 (A) Bond conversion identification reference: [] Tatung Co. Zero Coupon Convertible Bonds due 2014
- (B) Deposit Date:
- (C) Conversion Date:
- 2 (A) Aggregate principal amount of Bonds in respect of which Certificates have been deposited for conversion:
- (B) Conversion Price on Conversion Date:
- (C) Number of Shares issuable: $\frac{(A)}{(B)} =$
- 3 (if applicable) amount of cash payment due to converting Bondholder under Condition 5(A)(ii) in respect of fractions of Shares:

The Conversion Agent must complete items 1 and (if applicable) 3.