

SEQ_NO	11	Date of announcement	2005/11/16	Time of announcement	19:52:03
Subject	Notice of the 2005 Special Shareholders' Meeting to propose new issue of Class B Preferred Shares through private placement				
Date of events	2005/11/15	To which item it meets	article 2 paragraph 47		
Statement	<p>1.Date of occurrence of the event:2005/11/15</p> <p>2.Cause of occurrence: Private placement of Class-B preferred shares in amount not more than NT\$ 30 billion (approximately 1,200,000,000 shares) .</p> <p>a)Basis and rationale for setting the price for private placement of Class-B preferred shares</p> <p>According to relevant regulations, the per share price for private placement shall be not less than 80% of the following: the closing price of common shares one day before the price for private placement is decided, or the average closing price for the previous three or five days, minus the price differential resulting from distribution of stock dividends.The per share price for this private placement is tentatively set at NT\$25,which is in conformity with the afore-mentioned regulations. The Board of Directors shall be authorized to decide on the final price at a meeting to be held within one month after the Special Shareholders' Meeting.</p> <p>b)Designation of special shareholders.</p> <p>Special shareholders will be designated according to the stipulations in Article 43-6 of the Securities and Exchange Act.</p> <p>c)Reasons for private placement of Class-B preferred shares</p> <p>The private placement of Class-B preferred shares is proposed to increase our capital and strengthen our financial structure. It is a convenient and effective way to raise capital at a reasonable cost and will not affect the right of shareholders. Of the funds raised, NT\$10 billion will be used in August 2006 to repay the preferred shares issued in 2000. According to our projection as of September 30, 2005, the Class-B preferred shares should raise our capital adequacy ratio (CAR) to over 137% and lower our double leverage ratio (DLR)below 95%.</p> <p>3.Countermeasures:None</p> <p>4.Any other matters that need to be specified:None</p>				