

# PlayNitride Inc.

## Operational Procedures for Application of Halt and Resumption of Trading

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### Article 1

The Operational Procedures for Application of Halt and Resumption of Trading are adopted pursuant to Article 13-4, Paragraph 1 of the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities" ("the Procedures").

### Article 2

To implement confidentiality and instant disclosure on material information and to provide sufficient time for material information to be circulated among the public, PlayNitride Inc("the company") shall apply to the Taiwan Stock Exchange Corporation("TWSE") for a halt of trading before 5 p.m. on a business day of the public disclosure or the resolution adopted by the board of directors, giving investors time to digest the information to reduce information asymmetry. The company shall apply for the resumption of trading after having submitted full disclosure of related information or explanation.

### Article 3

The company shall apply for a halt or resumption of trading in accordance with TWSE regulations and the Procedures.

### Article 4

The company shall establish a unit in charge of trading halt and resumption of trading (hereinafter " the Responsible Unit"). The Responsible Unit shall carry out constant monitoring for the occurrence of circumstances under Article 6 and Article 9 of the Procedures. In the event of such an occurrence, the Responsible Unit shall apply for trading halt or resumption. To ensure smooth operation, the Responsible Unit shall maintain channels of mutual communication with TWSE personnel.

### Article 5

The principle part of the Procedures is the company. However, in the event of a significant impact on shareholders' equity or securities prices, the company's subsidiary must notify the Responsible Unit of the company to apply for trading halt.

## Article 6

The company plans to publicly disclose or convene a board of directors meeting to adopt resolutions on any of the following before 5 P.M. on a business day, it shall apply to the TWSE for a halt of dealings on the business day before the public disclosure or meeting:

1. Serious decrease in output or complete stoppage of work.
2. Any event set forth in Article 185 of the Company Act, except where the event has no material impact on shareholder equity or securities prices.
3. A petition to court for bankruptcy or reorganization.
4. Merger or consolidation, spin-off, acquisition, or swap, conversion or assignment of shares, or cancellation of any of the above, except where no shareholders' resolution is required for the merger or consolidation, or no material impact is caused to shareholder equity or securities prices.
5. Completion of development of a new product, successful development and formal entrance into mass production of trial products, and major development progress of a new product or new technology, except where no material impact is caused to shareholder equity or securities prices.
6. Other circumstances with a material effect on shareholder equity or securities prices.

## Article 7

The subjects of trading halt including the following categories:

1. TWSE/TPEX listed securities of the company (such as Common Stock, Preferred Stock, etc.)
2. Equity Linked Note issued by the company (such as Convertible Bonds, Equity Warrant Bonds), which are trading on the Taipei Exchange (hereinafter referred to as the OTC).
3. Equity Linked Note issued by a third party that are linked to the company's equity (such as Exchangeable Bonds, Warrants, and Equity Options, Equity Futures), which are trading on TWSE, OTC or Taiwan Futures Exchange.

## Article 8

The period of each trading halt as mentioned in the preceding paragraph shall be 1 business day in principle and maximum 3 business days, and continuous trading halts may be imposed by TWSE when necessary.

## Article 9

If trading of the company's negotiable securities has been suspended by TWSE and the company has fully explained the material circumstance or considers none of circumstance of a halt of trading

exists, the company shall take initiatives to apply to TWSE for a resumption of trading.

#### Article 10

Before preparation of resolution for a board of directors meeting or the disclosure of material information, the Responsible Unit shall monitor whether any of mentioned events has occurred under Article 6 of the Procedures. If the above-mentioned event is considered to be a material event by the company after thorough evaluation, the company shall, on the immediately preceding on the business day before public disclosure or convening a board of directors meeting, fill out an "Application for a Halt of Trading " with evidentiary documents, which shall be approved by the chairman of the company and affixed with the company and chairman's seals, and apply to TWSE for a halt of trading via fax and in the meantime sending an email and making a phone call to inform TWSE of the name and phone number of the company's contact person. The company shall notify TWSE in the manner that TWSE recognized for the applications which are not on the business day.

The company may submit the application before 7:00 A.M. on the business day of the public disclosure or meeting of the Board of Directors provided that there is an emergency situation preventing timely application. Documentation regards to the emergency situation shall also be submitted to TWSE for verification.

The Responsible Unit, in the circumstances of that any mass media reportage or other information would be sufficient to cause material impact on shareholder equity or securities prices and the company could not provide explanations on that day, shall apply to the TWSE for a halt of dealings according to this article, paragraph 1.

#### Article 11

The company, according to the resolution of the Board of Directors or actual circumstances, shall arrange for a public disclosure of information in accordance with the Procedures, collect relevant documentation, fill out the application form for trading resumption, obtain approval from the general manager, imprint the form with the company's and the chairman's stamps, and fax the documents to TWSE to apply for trading resumption. The Responsible Unit shall also notify TWSE and provide it with the name and telephone number of the company's contact person through both an e-mail and a telephone call. The company shall notify TWSE in the manner that TPEX recognized for the applications which are not on the business day.

#### Article 12

During the application for halt of trading and before the public disclosure of related information of the event, the company's Directors, managerial officers, and employees who have knowledge of

internal material information shall follow the relevant regulations of the Procedures for Handling Material Inside Information to keep it confidential, and the company shall make public disclosure of material information based on the following principles:

1. The disclosure of information shall be accurate, complete, and timely.
2. The disclosure of information shall have its evidences.
3. The disclosure of information shall be fair.

#### Article 13

If TWSE informs or publicly announces information regarding halt or resumption of trading on its website ( <http://mis.twse.com.tw/> ) , the company shall disclose such material information regarding the halt or resumption of trading within one hour.

#### Article 14

The Procedures are implemented after being approved by the board of directors; the same shall apply to all future amendments.