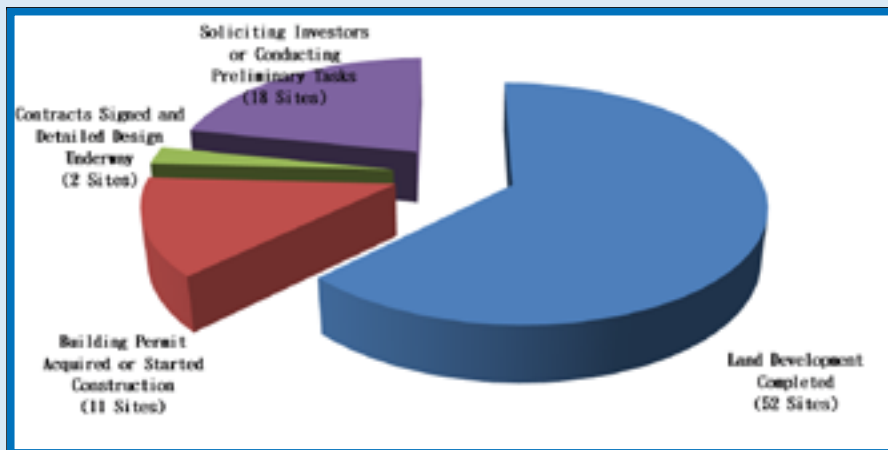


Land Acquisition and Land Development Fund Implementation Results

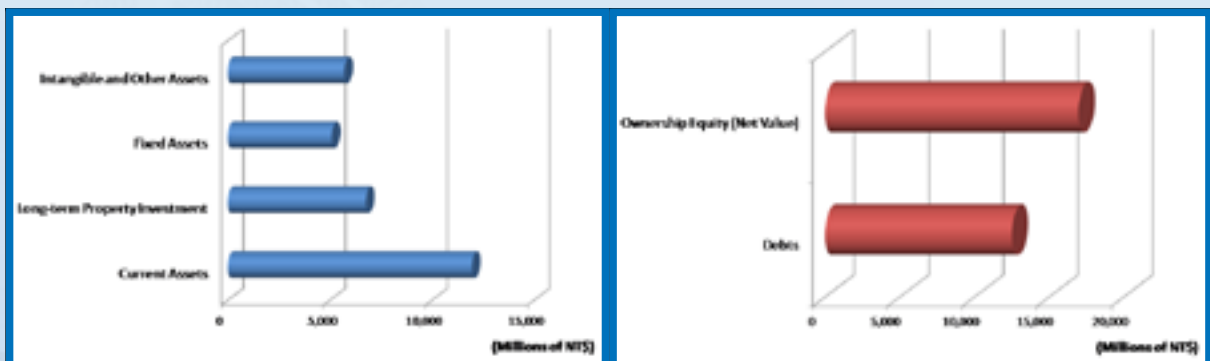
An Overview of Land Development

- The following chart shows 83 station sites approved for land development. Urban rezoning on another 15 sites was underway.



2. MRT Land Development Fund Status

Fund Status: As of December 2013, performance of total assets amounting to more than NT\$29,482,000,000 (including the Sanchong- Taipei section of the Taiwan Taoyuan International Airport Line) was as follows:



Sites in the Construction Stage

Ten sites were under construction: Xinhai Station (T10), Neihu Station (T11), Dapinglin Station (M8), Xingtian Temple Station (M8), Cailiao Station (M4), Nanjing Fuxing Station (M4), Zhongshan Station (M1), Zhongshan Station (M2), Xinyi Anhe Station (M5), and Luzhou Station (M6).

1. Xinhai Station (T10): As of December 2013, the project was 41.05% complete.



Rendering of Xinhai Station (T10) JD project Xinhai Station (T10) JD project under construction

2. Neihu Station (T11): As of December 2013, the project was 61% complete.



Rendering of Neihu Station (T11) JD project Neihu Station (T11) JD project under construction

3. Dapinglin Station (M8): As of December 2013, the project was 93.45% complete.



Rendering of Dapinglin Station (M8) JD project Dapinglin Station (M8) JD project under construction

4. Xingtian Temple Station (M8): As of December 2013, the project was 90% complete.



Rendering of Xingtian Temple Station (M8) JD project



Xingtian Temple Station (M8) JD project under construction

5. Cailiao Station (M4): As of December 2013, the project was 59% complete.



Rendering of Cailiao Station (M4) JD project



Cailiao Station (M4) JD project under construction

6. Nanjing Fuxing Station (M4): As of December 2013, the project was 100% complete. The usage permit will be applied in 2014.



Rendering of Nanjing Fuxing Station (M4) JD project



Nanjing Fuxing Station (M4) JD project under construction

7. Zhongshan Station (M1): Delivery and receipt of integrated construction was underway and work had not begun.
8. Zhongshan Station (M2): Delivery and receipt of integrated construction was underway and work had not begun.
9. Xinyi Anhe Station (M5): Delivery and receipt of integrated construction was underway and work had not begun.
10. Luzhou Station (M6): As of December 2013, the project was 71.09% complete.



Rendering of Luzhou Station (M6) JD project

Luzhou Station (M6) JD project under construction

Sale by Open Tender of Publicly-Owned Property Acquired from MRT Land Development

Since October 2013, DORTS' Land Acquisition Office has conducted registration of JD project-associated property rights; calculation of land area, extent of ownership, and floor area; as well as sale by open tender of property the government gains from JD projects. Results are as follows:

Performance of Sale by Open Tender of Property the Government Gains from JD Projects

Completion Date	Site	Results
June 4, 2013	Nanshijiao Station, Zhonghe Line (M6)	A total of 114 units were successfully auctioned off at the 2 nd open tender.
October 1, 2013	Nanjing Sanmin Station (M9), Songshan Line	Five of seven units were successfully auctioned off at the 1 st open tender.
December 23, 2013	Muzha Station (T13), Wenhui Line	Two units were opened to bidding and successfully auctioned off at the 3 rd open tender.
December 24, 2013	Nanjing Sanmin Station (M13), Songshan Line	Two units were opened to bidding and successfully auctioned off at the 2 nd open tender.

Operation and Management of Publicly-Owned MRT Land Development Property — for Rent

In 2013, JD buildings at all development sites totaled 179 units (including 137 offices, 13 stores, 15 shopping malls, and 14 parking spaces for rent individually). Rent status at each development building was as follows:

MRT Route	JD Building	Number of Offices	Number of Stores	Number of Shopping Malls	Number of Parking Spaces (for Rent Individually)	Total (Including Parking Spaces for Rent Individually)	Number of Units Rented	Number of Units for Rent
Tamsui Line	Taipei Main Station (T1)	9				9	9	0
Wenhua Line	Technology Building Station (T7)	4	1		14	19	14	5
	Daan Station (T6)	7				7	7	0
	Gangqian Station (M9)			4		4	1	3
	Zhongxiao Fuxing Station (T4, 10)			1		1	1	0
Bannan Line	Yongchun Station (T19)		3			3	3	0
	Yongchun Station (T21)		1			1	1	0
	Houshanpi Station (T24)	1	1			2	2	0
	Houshanpi Station (T25)		3			3	3	0
	Jiangzicui Station (M1)	2				2	2	0
Xindian Line	Guting Station (T14)	4				4	3	1
	Guting Station (T15)	5	2			7	4	3
	Taipower Building Station (T13)	4				4	4	0
	Gongguan Station (T11)	27		4		31	19	12
	Wanlong Station (T6,7)	1	1			2	2	0
	Jingmei Station (T3)	1				1	0	1
	Jingmei Station (T4)	3				3	3	0
	Qizhang Station (M10, 11)			4		4	0	4
Xindian District Office Station (M22)	25				25	9	16	
Zhonghe Line	Dingxi Station (M2)	11				11	6	5
	Dingxi Station (M3)			2		2	0	2

MRT Route	JD Building	Number of Offices	Number of Stores	Number of Shopping Malls	Number of Parking Spaces (for Rent Individually)	Total (Including Parking Spaces for Rent Individually)	Number of Units Rented	Number of Units for Rent
Xinlu Line	Zhongxiao Xinsheng Station (M14)	13				13	12	1
	Xingtian Temple Station (M5)	12	1			13	12	1
	Xingtian Station (M7)	4				4	3	1
	Dongmen Station (M1)	4				4	4	0
	Total	137	13	15	14	179	124	55

Soliciting Investors for the Taipei Main Station District Parcels C1 and D1 Joint Development Project

After the first-priority bidder in the Taipei Main Station District Parcels C1 and D1 JD project was disqualified over its failure to pay a required performance bond within the allotted time, review of conditions of the second-placed bidder, BES Engineering Corporation, began, in accordance with Taipei City Government's decision to select a replacement based on bidder priority. Incorporating suggestions gathered from Taipei City Government agencies, DORTS modified conditions and received approval from Taipei City Government in November 2013. It then conducted follow-up negotiations with the second priority bidder, in conjunction with lawyers, consultants and financial experts hired to assist with negotiation and review. On November 25, DORTS sent an official notice regarding investment applicant replacement to BES Engineering, and on December 5 it held the first negotiation meeting regarding review qualification conditions proposed by BES Engineering. The negotiation continued in early 2014.

Commissioning of Urban Renewal for City-owned Land

1. DORTS was commissioned to conduct urban renewal on 12 sites. Solicitation of investors and signing of contracts was completed on six of the sites and the remaining six were returned to Taipei City Department of Finance on January 2, 2013.

2. Progress of six sites where solicitation of investors and signing of contracts was completed:

- (1) Urban renewal business of city-owned military dormitory land and adjacent land on Roosevelt Road, Wenshan District, Taipei: 44 city-owned units were handed over to buyers. It was the first such project conducted by Taipei City Government.
- (2) Urban renewal business consisting of six plots on Land Lot No. 107-2, Subsection 2, Yixian Section, Xinyi District, Taipei: Construction permits issued by Taipei City Government were received.
- (3) Urban renewal project on Land Lot No. 781, Nanshan Section, Zhonghe District, New Taipei City and urban renewal project on Land Lot No. 140, Xinhe Section, Zhonghe District, New Taipei City: Review of rights exchange plan was underway.

(4) Urban renewal project consisting of eight plots on Land Lot No. 580, Subsection 4, Zhongshan Section, Zhongshan District, Taipei: Urban renewal business plan review was underway.

(5) Urban renewal project consisting of 38 plots on Land Lot No. 623, Subsection 3, Muzha Section, Taipei: Urban renewal business plan review was underway.

Land Development Fund Implementation Results in 2013

1. Reduction in Land Expropriation Costs and Smooth Acquisition of Land for MRT Use

Among 46 sites on the initial network, public and private held land that took part in land development programs and completed contract signing accounted for 31.31% of the total land development sites, saving NT\$17.7 billion in land acquisition costs. For the subsequent network, apart from Nanjing Station (M9) on the Xinzhuang line, which was expropriated as city-owned land, negotiation for the remaining 25 sites saved a total of NT\$22.3 billion in acquisition costs. Benefits are as follows:

(1) Internal Benefits: Contracts were signed and usage permits were acquired at 52 sites. The private sector invested NT\$80 billion and provided more than 550,000 pings of floor area for commercial and residential use.

(2) External Benefits: To facilitate transfer between transportation modes, transfer facilities established at nine sites provided 839 parking spaces for cars, 1,165 spaces for scooters, and 736 spaces for bikes. Taipei City Government also established YouBike facilities near MRT station entrances/exits to provide an accessible and convenient green transportation mode.

2. Provision of Land for MRT Facilities and Integrated Construction to Achieve MRT Operational Goals

Construction permits were requested for land development buildings, whether or not they were integrated with MRT facilities. In 1987, the Executive Yuan defined MRT facilities as special buildings that had to be completed prior to the scheduled operation date. Therefore, DORTS typically launched design and construction of integrated structures or MRT facilities prior to investor solicitation.

3. Yielding of MRT Facility Construction at Land Development Sites to Investors to Increase Efficiency and Reduce Interface

In 2013, investors were permitted to launch construction at a total of seven sites: Xinzhuang line's Xingtian Temple Station (M8); Xinyi line's Daan Park Station (M2) and Daan Station (M2); Songshan line's Nanjing Sanmin Station (M9), Nanjing Fuxing Station (M4), and Songjiang Nanjing Station (M10). This practice not only led to efficient implementation and fewer design changes but also reduced disbursement for integrated construction.