

LISTING

Public-issuing companies which desire to be listed on TSEC must meet certain criteria in regard to their financial and operational conditions. Applicant companies are screened according to the relevant listing criteria of the Securities and Exchange Law.

LISTING PROCEDURE

The applicant company should submit a preliminary application to TSEC through its underwriter. It must go through an “adjustment period” for twelve months before formal application is submitted. TSEC will review monthly to determine if the listing requirements have been met in this period. When a formal application is submitted, public opinions will be solicited and a “Listing Screening Committee” of TSEC will meet to decide the case. Approved case needs to be sanctioned by the Board of Directors of TSEC and by the Securities and Futures Commission (SFC) for final approval.

LISTING CRITERIA

The applicant company should, as a prerequisite, meet the following criteria:

1. Duration of Corporate Existence:

There shall have been over five years since its incorporation.

2. Amount of Capital:

The amount of its paid-in capital shall be NT\$600 million or more at the time when it applies for listing.

3. Profitability:

There shall not have accumulative loss in the most recent fiscal year. The operating profit and before-tax net profit shall meet one of the following criteria.

- (i) The operating profit and before-tax net profit for the most recent two years represents 6%, or greater of the amount, of paid-in capital in its final accounts; or the average operating profit and before-tax net profit for the most recent two years represent 6%, or greater of the amount, of paid- in capital in its final accounts, and the profitability for the most recent year is greater than that for the immediately preceding year.

(ii) The operating profit and before-tax net profit for the most recent five years represents 3%, or greater of the amount, of paid-in capital in its final accounts.

4. Dispersion of Shareholdings:

The number of name-bearing shareholders shall be one thousand or more. Among them, the number of shareholders holding one thousand to fifty thousand shares shall not be less than five hundred, and the total number of shares they hold shall not be less than 20% of the total issued shares (or at least 10 million).

LISTING CRITERIA: TECHNOLOGY-BASED COMPANIES

The applicant company who has received an unequivocal opinion from the central authority in charge certifying it as a technology-based company can apply under the following criteria:

1. Its paid-in capital is at least NT\$300 million.
2. It has successfully developed a product with market potential as evidence by an unequivocal opinion issued by the central authority in charge of the enterprise concerned.
3. It has obtained a recommendation letter from a securities underwriter.
4. The projected net worth in the financial forecast of the fiscal year in which it applies for listing, the net worth in its most recent financial report and the financial report of the most recent fiscal year do not fall short of two-thirds of its paid-in capital.
5. The number of name-bearing shareholders shall be one thousand or more. Among them, the number of shareholders holding one thousand to fifty thousand shares shall not be less than five hundred.

LISTING CRITERIA FOR FOREIGN ISSUERS

A. Foreign Stocks

A foreign company applying for listing of its stocks on TSEC should meet the following criteria:

1. The number of shares to be listed should be 20 million or more (or a market value not less than NT\$300 million).

2. The name-bearing share certificates issued by the foreign company should have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.

3. Shareholders' Equity:

The shareholders' equity in the financial report of the most recent fiscal year shall not be less than the equivalent of NT\$1 billion.

4. Profitability:

The before-tax net profit for each of the most recent two years is in positive figure, and it does not have accumulative loss and meets one of the following criteria:

- (i) The before-tax net profit for the most recent year represents not less than 6% of the shareholders' equity as indicated in its final accounts;
- (ii) The ratio of before-tax net profit to shareholders' equity for each of the most two recent years represents 3% or greater, or the average of it represents 3% or greater, and the profitability for the most recent year is greater than that for the immediately preceding year.
- (iii) The before-tax net profit for each of the most recent two years shall be NT\$400 million or more.

5. Dispersion of Shareholdings:

The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of shares held by the shareholders holding one thousand to fifty thousand shares shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than two thousand and shareholdings other than insiders of the company shall represent at least 25% of the total shares issued.

6. The stocks to be listed shall be the same class of stocks listed on other stock exchanges or securities markets. The rights and obligations of these stockholders shall be identical with those of the same class of stocks listed on other stock exchanges or securities markets. Local holders

of the stocks shall not be restricted to selling the stocks on foreign stock exchanges or securities markets.

B. Taiwan Depository Receipts (TDRs)

1. The number of units of TDR to be listed shall be 20 million or more (or market value not less than NT\$300 million).
2. The name-bearing share certificates issued by the foreign company should have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.
3. Shareholders' Equity:

The shareholders' equity in the financial report of the most recent fiscal year shall not be less than the equivalent of NT\$1 billion.

4. Profitability:

The before-tax net profit for each of the most recent two years is in positive figure, and it does not have accumulative loss and meets one of the following criteria:

- (i) The before-tax net profit of the most recent year represents not less than 6% of the shareholders' equity as indicated in its final accounts;
- (ii) The ratio of before-tax net profit to shareholders' equity for each of the most recent two years represents 3% or greater, or the average of it represents 3% or greater, and the profitability for the most recent year is greater than that for the immediately preceding year.
- (iii) The before-tax net profit for each of the most recent two years shall be NT\$400 million or more.

5. Dispersion of Shareholdings:

The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of units held by the shareholders holding one thousand to fifty thousand units shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than two thousand and

shareholdings other than insiders of the company shall represent at least 25% of the total shares issued.

6. There shall be no restriction on transfer of stocks represented by TDR.
7. The rights and obligations of the stockholders represented by TDR shall be identical with those of other stocks of the same class issued at the same time.

C. Foreign Stocks And TDRs (Technology-Based)

When a professional institution engaged by this Corporation has submitted a clear opinion that a foreign issuer has successfully developed marketable goods or technology, and meets each of the following criteria:

1. The number of shares to be listed shall be 20 million or more (or market value not less than NT\$300 million).
2. It has obtained a recommendation letter from a securities underwriter.
3. The name-bearing share certificates issued by the foreign issuer in accordance with the laws of its home country have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.

4. Shareholders' Equity:

The shareholders' equity in the financial report of the most recent fiscal year shall be the equivalent of NT\$500 million or more.

5. Profitability

The before-tax net profit of the most recent year is in positive figure, and it does not have accumulative loss.

6. Dispersion of Shareholdings:

The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of shares held by the shareholders holding one

thousand to fifty thousand shares shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than two thousand and shareholdings other than insiders of the company shall represent at least 25% of the total shares issued.

7. The stocks to be listed shall be the same class of stocks listed on other stock exchanges or securities markets. The rights and obligations of these stockholders shall be identical with those of the same class of stocks listed on other stock exchanges or securities markets. Local stockholders shall not be restricted to selling the stocks on foreign stock exchanges or securities markets.

LISTING CRITERIA: WARRANTS

In June 1997, the “Rules Governing Examination of Warrants” was announced by TSEC. According to this regulation, the warrants to be listed on TSEC are non-collateralized covered warrants. The qualifications of issuers shall be reviewed by TSEC and subsequently by the SFC. Aside from certain requirements for selecting underlying securities, warrants shall meet the following criteria:

1. The number of units to be issued shall be 20 million or more. However, if the expected market value is NT\$200 million or more, the number of units to be issued can be reduced to no less than 10 million.
2. Dispersion of Holdings:
 - (i) The number of holders shall not be less than one hundred; the number of holders with one thousand to fifty thousand units shall not be less than 80 and their holdings represent more than 20% of the units issued.
 - (ii) An individual holder shall not hold more than 10% of the units issued; the issuer shall not

retain more than 30% of the units issued.

(iii) The total holdings of the issuer, its related parties and employees shall not represent more than 35% of the units issued.

(iv) The holdings of warrants by directors, managers, major shareholders with holdings of 10% or more of the underlying securities issuing company shall not represent exercise right more than their holdings of the underlying securities.

3. The expiration date must be less than two years and more than six months from the date of listing.

4. The total number of shares of the underlying securities that may be subscribed through the call (put) warrants and the shares of the same underlying security represented by other existing call (put) warrants already listed on TSEC may not exceed 20% of the total number of outstanding shares of the issuing company after deduction of each of the following types of shareholdings:

(i) The total percentage of shares held by directors and supervisors under statutory shareholding ratio requirements.

(ii) Already pledged securities.

(iii) The number of centrally deposited shares mandatory for newly listed companies.

(iv) Treasury shares under “Regulations Governing the Shares Bought by the Listed Companies on TSEC or Gre Tai Securities Market (GTSM ; formerly known as R.O.C. Over-the-Counter Securities Exchange)”, and not yet cancelled.

INFORMATION DISCLOSURE

Complete and timely disclosure of financial reports are required of all listed companies. The annual and semi-annual financial reports shall be audited and certified by CPAs accredited by the SFC. Quarterly financial reports reviewed by an accredited CPA shall be made available to the public. If the listed companies do not submit financial reports to TSEC before the deadline,

the trading of shares will be suspended. Any event, which may significantly affect the shareholders' interests or securities prices, shall be reported to TSEC and made public immediately. To facilitate timely information disclosure, the SFC, TSEC and GTSM have integrated financial data, operational data, and developed "Market Observation Post System (MOPS)" an information retrieving system for investors (website : <http://mops.tse.com.tw>). TSEC/GTSM listed companies that issue securities overseas are required to disclose their material information in English web version of MOPS.

CORPORATE GOVERNANCE

Corporate governance remains a significant issue in Taiwan. TSEC and GTSM issued the related rules (such as Rules of Procedures of Shareholders' Meetings, Norm Governing Financial and Business Operational Procedures among Affiliated Companies, Rules of procedures of Board Meetings, Guidelines for Advanced Education of Directors and Supervisors of TSEC/GTSM Listed Companies etc.) in April and August 2003 as references for companies. The revised draft of the Best-Practice, after approved by the SFC, became effective on December 31, 2003. TSEC/GTSM listed companies are advised to promulgate their own corporate governance principles in accordance with the Best-Practice. Moreover, the Executive Yuan approved the Policy Agenda and Action Plan to Strengthen Corporate Governance in November 2003, which demonstrates the government's determination to implement the reform of corporate governance. With the government's recognition of the importance of corporate governance, it will be more efficient and effective to establish comprehensive corporate governance system in Taiwan.

LISTING FEES

The listing fees are paid upon initial listing of stocks and further listing of new shares. In addition, an annual fee for the listing of stocks shall be paid in January of each succeeding year.

Table 1. Rates of Stock Listing Fee

Face Value of Listed Shares	Rate (%)
NT\$500 million and below	0.03
Portion in excess of NT\$500 million - NT\$1 billion	0.02
Portion in excess of NT\$1 billion - NT\$2 billion	0.01
Portion in excess of NT\$2 billion - NT\$3 billion	0.005
Portion in excess of NT\$3 billion	0.0025

Table 2. New Listings in 2003

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2892	First Financial Holding Co. Ltd.	3,821,600	38,216,000	1/2
1736	Johnson Health Tech. Co., Ltd.	70,000	700,000	1/9
1477	Makalot Industrial Co., Ltd.	80,438	804,375	1/21
3056	KING BILLION ELECTRONICS CO., LTD.	30,789	307,888	3/3
1541	Chang Type Industrial Co., Ltd.	60,504	605,037	3/19
3061	FORMOSA EPITAXY INCORPORATION	51,970	519,700	4/11
3060	MIN AIK TECHNOLOGY CO., LTD.	77,950	779,500	4/21
6128	GENERAL PLASTIC INDUSTRIAL CO., LTD.	60,929	609,290	6/16

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
4906	Gemtek Technology Co., Ltd.	73,375	733,750	6/30
3062	CyberTAN Technology, Inc.	146,359	1,463,588	7/28
6112	SYSAGE THCHNOLOGY CO., LTD.	64,161	641,608	8/4
6165	JYE TAI PRECISION INDUSTRIAL. CO., LTD.	76,313	763,134	8/4
4532	RECHI PRECISION CO., LTD.	192,666	1,926,657	8/4
6142	CAMEO COMMUNICATIONS, INC.	90,201	902,008	8/4
6119	TECO ENTERPRISE CO., LTD.	63,000	630,000	8/4
3231	Wistron Corporation	811,797	8,117,970	8/19
6257	SIGURD MICROELECTRONICS CORP.	91,093	910,926	8/25
5469	HannStar Board Corp.	100,102	1,001,021	8/25
5484	EverFocus Electronics Corp.	64,402	644,020	8/25
5471	SONIX TECHNOLOGY CO.,LTD.	94,810	948,095	8/25
6117	IN WIN DEVELOPMENT INC.	62,300	623,000	8/25
5608	SHIH WEI NAVIGATION CO., LTD.	152,577	1,525,770	8/25
5434	TOPCO SCIENTIFIC CO.,LTD.	67,945	679,446	8/25
6012	TAIWAN INTERNATIONAL SECURITIES CORPORATION	780,000	7,800,000	8/25
6132	XEPEX ELECTRONICS CO., LTD.	61,600	616,000	8/25
8926	Taiwan Cogeneration Corporation	315,009	3,150,086	8/25

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
6133	Golden Bridge Electech Inc.	60,000	600,000	8/25
6139	L & K ENGINEERING CO., LTD.	71,600	716,000	8/25
6145	POWER QUOTIENT INTERN ATONAL CO.,LTD.	76,300	763,000	8/25
6168	HARVATEK CORPORATION	74,262	742,617	8/25
6136	FULLERTON TECHNOLOGY CO., LTD.	68,028	680,285	8/26
6289	Arima Optoelectronics Corporation	132,500	1,325,000	8/28
3063	International Semiconductor Technology Ltd.	207,240	2,072,400	9/8
6282	ACBEL POLYTECH INC.	332,730	3,327,300	9/8
4526	TONG-TAI MACHINE TOOL CO., LTD.	66,226	662,256	9/15
6285	Wistron NeWeb Corporation	80,998	809,980	9/22
6269	FLEXIUM INTERCONNECT, INC.	70,000	700,000	9/23
5515	CHIEN KUO CONSTRUCTION CO., LTD	112,000	1,120,000	10/6
6286	Richtek Technology Corporation	30,000	300,000	10/21
6141	Plotech Co.,Ltd	64,166	641,658	10/22
6277	ATEN INTERNATIONAL CO., LTD.	73,113	731,135	10/30
1737	TAIWAN SALT COMPANY	250,000	2,500,000	11/18
8078	Compal Communications Inc.	261,000	2,610,000	12/9

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
8016	Sitronix Technology Corp.	33,432	334,325	12/25
6505	Formosa Petrochemical Corp	7,840,000	78,400,000	12/26

Table 3. Total Market Value of Listed Companies Year-end 1994-2003

Year	No. of Listed Companies	No. of Issues	No. of Listed Shares(Million)	Total Market Value of Listed Shares (NT\$Million)
1994	313	354	107,171	6,504,368
1995	347	383	132,462	5,108,437
1996	382	425	162,680	7,528,851
1997	404	470	206,632	9,696,113
1998	437	498	269,666	8,392,607
1999	462	510	305,654	11,803,524
2000	531	560	363,018	8,191,474
2001	584	614	406,400	10,247,599
2002	638	668	441,040	9,094,936
2003	669	690	470,551	12,869,101

Table 4. Listed Stocks by Industrial Group 2002-2003

Industry			2003		
	No. of Companies	No. of Issues	Shares (Thousand)	Face Amounts (NT\$ Million)	%
Total	669	690	470,551,436	4,705,514	100.00
Cement	8	9	7,727,090	77,271	1.64
Foods	24	24	9,804,415	98,044	2.08
Plastics	22	23	30,585,068	305,851	6.50
Textiles	53	53	20,815,807	208,158	4.42
Electric & Machinery	35	35	7,259,376	72,594	1.54
Electric Appliance & Cable	16	17	11,942,698	119,427	2.54
Chemicals	32	32	8,371,639	83,716	1.78
Glass & Ceramics	7	7	2,427,991	24,280	0.52
Paper & Pulp	7	7	4,078,807	40,788	0.87
Steel & Iron	24	25	17,730,227	177,302	3.77
Rubber	9	9	3,654,403	36,544	0.78
Automobile	4	5	4,526,650	45,267	0.96
Electronics	279	289	183,370,156	1,833,702	38.97
Construction	33	33	14,231,151	142,312	3.02
Transportation	17	19	15,313,965	153,140	3.25
Tourism	6	6	1,283,799	12,838	0.27
Finance	43	47	108,662,019	1,086,620	23.09
Wholesale & Retail	12	12	5,565,357	55,654	1.18
Conglomerate	1	1	1,434,889	14,349	0.30
Others	37	37	11,765,928	117,659	2.50

Industry	2002				
	No. of Companies	No. of Issues	Shares (Thousand)	Face Amounts (NT\$ Million)	%
Total	638	669	441,039,852	4,410,399	100.00
Cement	8	9	7,966,232	79,662	1.81
Foods	26	26	10,229,178	102,292	2.32
Plastics	20	22	17,494,669	174,947	3.97
Textiles	57	58	27,469,001	274,690	6.23
Electric & Machinery	34	35	7,180,778	71,808	1.63
Electric Appliance & Cable	16	16	11,985,336	119,853	2.72
Chemicals	30	31	7,898,966	78,990	1.79
Glass & Ceramics	7	7	2,460,332	24,603	0.56
Paper & Pulp	7	7	4,354,511	43,545	0.99
Steel & Iron	25	26	17,762,450	177,625	4.03
Rubber	9	9	3,520,025	35,200	0.80
Automobile	4	5	4,484,796	44,848	1.02
Electronics	243	260	162,228,778	1,622,288	36.78
Construction	37	37	18,555,071	185,551	4.21
Transportation	16	17	14,434,754	144,348	3.27
Tourism	6	6	1,272,433	12,724	0.29
Finance	44	48	104,781,074	1,047,811	23.76
Wholesale & Retail	11	12	4,907,549	49,075	1.11
Conglomerate	1	1	1,434,889	14,349	0.33
Others	37	37	10,619,030	106,190	2.41

Table 5. Listed Stocks by Classification and Ownership Type 2002-2003

	Total	Class of stocks			Type of Ownership	
		Common	Preferred	Others*	Government Enterprises	Private Enterprises
2003						
Number of Companies	669	-	-	-	1	668
Number of Issues	690	669	7	14	1	689
Shares (Million)	470,551	468,927	1,520	104	9,648	460,904
Amount (NT\$Million)	4,705,514	4,689,272	15,197	1,045	96,477	4,609,037
% of Total Amount	100.00	99.65	0.32	0.02	2.05	97.95
2002						
Number of Companies	638	-	-	-	1	637
Number of Issues	668	638	7	23	1	667
Shares (Million)	441,040	439,620	1,332	88	9,648	431,392
Amount (NT\$Million)	4,410,399	4,396,198	13,318	883	96,477	4,313,921
% of Total Amount	100.00	99.68	0.30	0.02	2.19	97.81
Change from 2002						
Number of Companies	31	-	-	-	0	31
Number of Issues	22	31	0	-9	0	22
Shares (Million)	29,512	29,307	188	16	0	29,512
Amount (NT\$Million)	295,116	293,074	1,880	162	0	295,116

* Certificate of entitlement to new shares form convertible bonds.

Table 6. Fund-Raising Activities of TSEC Listed Companies

Unit : NT\$ 1,000

Year & Month	Total	Sources of Cash Raised		
		Rights Offering	Initial Stock Offering	Debt Offering
1999	176,938,712	141,671,139	26,567,573	8,700,000
2000	153,242,637	106,095,374	45,647,263	1,500,000
2001	53,120,434	39,040,696	13,079,738	1,000,000
2002	60,872,623	36,847,574	22,625,049	1,400,000
2003	65,831,709	45,195,112	20,636,597	0
Jan.	841,770	0	841,770	0
Feb.	0	0	0	0
Mar.	415,216	0	415,216	0
Apr.	6,494,162	5,631,526	862,636	0
May	0	0	0	0
Jun.	10,310,000	10,310,000	0	0
Jul.	1,317,480	564,750	752,730	0
Aug.	1,659,896	293,986	1,365,910	0
Sep.	2,563,250	96,600	2,466,650	0
Oct.	20,393,291	19,000,000	1,393,291	0
Nov.	6,262,250	3,852,250	2,410,000	0
Dec.	15,574,394	5,446,000	10,128,394	0

**Table 7. Changes in Sources of Capital of Listed Companies
2002-2003**

Unit : NT\$ Million

Year	2003		2002		Changes from 2002	
Item	Amount	%	Amount	%	Amount	%
	Approved		Approved		Approved	
Sources of Capital						
Total	232,475	100.00	259,173	100.00	-26,698	-10.30
Cash Offering (in Face Value)	70,842	30.47	31,157	12.02	39,685	127.37
Capitalization of Retained Earnings	119,194	51.27	141,124	54.45	-21,930	-15.54
Capitalization of Capital Reserves & Others	42,438	18.26	86,892	33.53	-44,454	-51.16

Table 8. Financial Status of Listed Companies 2001-2002

Unit : NT\$ Million

Item	2002	2001	2002/2001 growth (%)
Total Assets	17,018,072	21,190,938	-19.69
Total Net Worth	6,432,535	6,127,293	4.98
Total Capital	4,358,467	4,026,918	8.23
Revenues	5,928,422	5,429,642	9.19
Net Profit before Taxes	226,622	108,162	109.52

Table 9. Financial Data of Listed Companies by Industrial Group 2002-2003

Unit : NT\$ Million

Industry	Number of Companies	Annual Sales Revenue		Average Sales Revenue*		2002/2003 growth (%)
		2003	2002	2003	2002	
Total	669	8,687,814	7,434,011	12,986	11,652	11.45
Cement	8	46,096	48,198	5,762	6,025	-4.36
Foods	24	138,483	131,078	5,770	5,041	14.45
Plastics	22	649,791	509,246	29,536	25,462	16.00
Textiles	53	230,691	220,494	4,353	3,868	12.52
Electric & Machinery	35	127,863	106,176	3,653	3,123	16.98
Electric Appliance & Cable	16	99,900	89,782	6,244	5,611	11.27
Chemicals	32	115,341	103,334	3,604	3,444	4.64
Glass & Ceramics	7	19,139	18,096	2,734	2,585	5.76
Paper & Pulp	7	59,283	54,210	8,469	7,744	9.36
Steel & Iron	24	321,363	259,673	13,390	10,387	28.91
Rubber	9	39,484	34,155	4,387	3,795	15.60
Automobile	4	171,043	165,585	42,761	41,396	3.30
Electronics	279	4,116,664	3,305,868	14,755	13,604	8.46
Construction	33	108,583	113,845	3,290	3,077	6.94
Transportation	17	312,225	283,065	18,366	17,692	3.81
Tourism	6	6,496	7,291	1,083	1,215	-10.90
Finance	43	1,816,531	1,694,465	42,245	38,511	9.70
Wholesale & Retail	12	145,474	139,285	12,123	12,662	-4.26
Conglomerate	1	10,651	9,421	10,651	9,421	13.06
Others	37	152,714	140,743	4,127	3,804	8.51

* Average Sales Revenue is the Annual Sales Revenue divided by the number of listed companies under the line of business.

Table 10. Changes in Volume and Value of Government Bonds 2002-2003

	No. of Issues	Principal Value (NT\$ Million)
End of 2002	74	2,212,720
During the Year 2003		
Newly Listed	10	465,000
Delist	4	77,000
End of 2003	80	2,587,070
Redemption Payment	0	13,650

Table 11. Changes in Volume and Value of Convertible Bonds 2002-2003

	No. of Issues	Principal Value (NT\$ Million)
End of 2002	30	12,072
During the Year 2003		
Newly Listed	0	0
Delist	14	3,426
converted	-	4,207
End of 2003	16	4,438