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Public issuing companies who seek listing on TSEC must meet certain criteria with regard to their financial and operational conditions. Applicant companies are screened according to the relevant listing criteria of the Securities and Exchange Law.

▶ LISTING PROCEDURES

The applicant company shall have registered its issued shares in an emerging market at least six months before submitting an application to TSEC through its underwriter. After close examination by the Listing Department of TSEC, the application is submitted to the "Securities Listing Review Committee" for consideration. Thereafter, the application needs to be confirmed by a resolution from the Board of Directors for endorsement, before being submitted to Financial Supervisory Commission (FSC) for final approval.

▶ LISTING CRITERIA FOR DOMESTIC ISSUERS

A. Domestic Stocks

Applicant companies need to meet the following criteria:

1. Duration of Corporate Existence:

The company needs to be at least three years old starting from the date of its incorporation.

2. Amount of Capital:

The company needs to have at least NT\$600 million in paid-in capital at the time when it applies for listing.

3. Profitability:

There shall be no cumulative loss for 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 shall represent 6% or more of paid-in capital in its final accounts. Alternatively, the average operating profit and before-tax net profit for the most recent two years shall

represent 6% or more of paid-in capital in its final accounts, and the profitability of the most recent year is more than that of the preceding year.

(ii) The average operating profit and average before-tax net profit for the most recent five years shall represent 3% or more of paid-in capital in its final accounts.

4. Distribution of Shareholdings:

The number of name-bearing shareholders shall be at least one thousand. Of these, 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).

B. Domestic Stocks (Technology-Based Companies)

An applicant company which has been certified as a technology-based company by the governing authority may 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 approved by the governing authority in charge of the enterprise concerned.
3. It has obtained a recommendation letter from a securities underwriter.
4. 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 these, 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 needs to meet the following criteria:

1. The number of shares to be listed shall be 20 million or more (or have a market value of

not less than NT\$300 million).

2. The name-bearing share certificates issued by the foreign company need to have been listed for over six months on one of the stock exchanges or securities markets approved by the FSC.

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 company needs to have made a before-tax net profit for each of the two most recent years before application, with no cumulative loss, and one of the following criteria needs to have been met:

- (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 represents 3% or greater, and the profitability for the most recent year is greater than that of 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. Distribution of Shareholdings:

For those shares listed on TSEC, 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 on TSEC, the total number of name-bearing shareholders shall be more than two thousand, and shares held by non-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 from selling the stocks on foreign stock exchanges or securities markets.

B. Taiwan Depository Receipts (TDRs)

1. The number of units of TDRs to be listed shall be 20 million or more (or have a market value not less than NT\$300 million).
2. The name-bearing share certificates issued by a foreign company need to have been listed for over six months on a stock exchange or securities market approved by the FSC.
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 company needs to have made a before-tax net profit for each of the two most recent years before application, with no cumulative loss, and one of the following criteria needs to have been met:

- (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 represents 3% or greater, and the profitability for the most recent year is greater than that of the immediately preceding year.
- (iii) The before-tax net profit for each of the most recent two years should be NT\$400 million or more.

5. Distribution of Shareholdings:

For those shares on TSEC, the number of TDRs holders within the territory of the ROC shall not be less than one thousand. Of these, the number of units held by the holders holding one thousand to fifty thousand units shall not be less than 20% in issue or 10 million. At the time of listing on TSEC, the total number of name-bearing shareholders

represented by TDRs shall be more than two thousand, and shares held by non-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 TDRs.
7. The rights and obligations of the stockholders represented by TDRs shall be identical with those of other stocks of the same class issued at the same time.

C. Foreign Stocks And TDRs (Technology-Based Companies)

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

1. The number of shares to be listed is 20 million or more (or they have a market value of not less than NT\$300 million).
2. The institution 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 six months on a stock exchange or securities market approved by the FSC.

4. Shareholders' Equity:

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

5. Profitability

The company needs to have made a before-tax net profit for the most recent year before application, with no cumulative loss.

6. Distribution of Shareholdings:

The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand. Of these, 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 by non-insiders 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 from selling the stocks on foreign stock exchanges or securities markets.

► INFORMATION DISCLOSURE

Complete and timely disclosure of financial reports is required of all listed companies. The annual and half-yearly financial reports need to be audited and certified by CPAs accredited by the FSC. 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 FSC, TSEC and GTSM have integrated financial data and 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 on the English language website of MOPS.

► CORPORATE GOVERNANCE

Corporate governance remains a significant issue in Taiwan. After the revision of the Corporate Governance Best-Practice Principles on December 31, 2003, TSEC revised related rules (such as Rules Governing Procedures of Shareholders' Meetings, Rules Governing Operation of Financial Business among Affiliates, Rules Governing Conduct of Board Meetings, Guidelines for Advanced Education of Directors and Supervisors of TSEC/GTSM Listed Companies etc.) in February and May 2004. TSEC also issued rules

governing the exercise of the power and duty of the audit committee and nomination committee, and guidelines for listed companies to enact a Code of Ethics. The rules and guidelines serve as reference points for TSEC/GTSM listed companies. TSEC/GTSM listed companies are advised to promulgate their own corporate governance principles in accordance with Best-Practice. The FSC, TSEC and GTSM are dedicated to a comprehensive corporate governance infrastructure and the promotion of corporate governance. Several campaigns were launched to highlight the issue of corporate governance in 2004. Through the process of strengthening corporate governance in Taiwan, we hope to enhance the quality of listed companies and recover investors' confidence. Competent authorities', listed companies', and investors' recognition of the importance of corporate governance will all facilitate the reform of corporate governance in Taiwan.

► LISTING FEES

Listing fees are paid upon initial listing of stocks and subsequent listing of new shares. In addition, an annual fee for the listing of stocks is paid in January of each 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

The ceiling amount of total listing fee per year is NT\$450,000.

* If the listing fee calculated is under NT\$100,000, the floor amount of NT\$100,000 shall be charged per year.

Table 2. New Listings in 2004

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
4119	SCI Pharmtech, INC.	30,129	301,290	1/7
3311	Silitech Technology Corporation	78,060	780,600	3/8
6605	DEPO AUTO PARTS INDUSTRIAL CO., LTD.	114,557	1,145,570	3/17
5534	CHONG HONG CONSTRUCTION CO., LTD.	92,238	922,383	5/24
6189	Promate Electronic Co.,Ltd.	60,063	600,627	5/24
6196	MARKETECH INTERNATIONAL CORP.	85,251	852,508	5/24
6172	Billionton Systems Inc.	62,234	622,340	5/24
8101	Arima Communication Corp.	280,000	2,800,000	7/1
6115	I-SHENG ELECTRIC WIRE & CABLE CO., LTD.	65,883	658,832	7/19
5305	LITE-ON SEMICONDUCTOR CORP.	314,328	3,143,283	7/19
6004	YUANTA CORE PACIFIC SECURITIES CO.,LTD	2,546,865	25,468,648	7/19
3142	Optodisc Technology Corporation	168,000	1,680,000	7/30

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
6206	FLYTECH TECHNOLOGY CO.,LTD.	36,504	365,038	8/3
6235	Waffer Technology Corp.	140,294	1,402,939	8/23
3701	FIC Global, Inc.	548,827	5,488,274	8/30
6116	HannStar Display Corporation	5,036,891	50,368,907	9/6
4414	Roo Hsing Garment Corporation	92,871	928,707	9/6
6216	Draytek Corporation	36,373	363,729	9/27
5203	Cyberlink Co., Ltd.	71,694	716,942	9/27
6192	LUMAX INTERNATIONAL CORP. LTD.	76,532	765,317	9/27
6202	HOLTEK SEMICONDUCTOR INC.	194,100	1,941,000	9/27
6131	YOKO TECHNOLOGY CORP.	60,194	601,944	9/27
6201	YA HORNG ELECTRONIC CO.,LTD	89,200	892,000	9/27
6225	AIPTEK International Inc.	147,944	1,479,435	9/27
3189	KINSUS INTERCONNECT TECHNOLOGY CORP.	222,000	2,220,000	11/1
8008	LITE-ON IT CORPORATION	661,627	6,616,267	11/5
6239	Powertech Technology Inc.	338,000	3,380,000	11/8
6166	ADLINK TECHNOLOGY INC.	63,336	633,357	11/8
6209	KINKO OPTICAL CO.,LTD.	77,681	776,810	11/8
4106	APEX MEDICAL CORP.	60,400	604,000	11/8
6197	JESS-LINK PRODUCTS CO., LTD.	70,866	708,663	11/8
5854	TAIWAN COOPERATIVE BANK	2,208,548	22,085,482	11/17
3214	South Epitaxy Corporation	126,000	1,260,000	11/24
5525	SWEETEN CONSTRUCTION CO.,LTD.	98,038	980,381	11/26

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
5607	FAR GLORY AIR CARGO TERMINAL CO., LTD	95,220	952,200	12/2
3380	Alpha Networks Inc.	250,000	2,500,000	12/20
2227	Yulon Nissan Motor Co.,Ltd.	300,000	3,000,000	12/21
6280	SYSTEM GENERAL CORP.	37,332	373,319	12/28

Table 3. Total Market Capitalization of Listed Companies Year-end 1995-2004

Year	No. of Listed Companies	No. of Issues	No. of Listed Shares(Million)	Total Market Capitalization (NT\$Million)
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
2004	697	709	503,132	13,989,100

Table 4. Listed Stocks by Industrial Group 2003-2004

Industry	2004				
	No. of Companies	No. of Issues	Shares (Thousand)	Face Values (NT\$ Million)	%
Total	697	709	503,131,668	5,031,317	100.00
Cement	8	9	8,039,802	80,398	1.60
Foods	22	22	9,131,384	91,314	1.81
Plastics	22	23	32,400,855	324,009	6.44
Textiles	50	50	20,035,598	200,356	3.98
Electric & Machinery	35	35	7,528,549	75,285	1.50
Electric Appliance & Cable	14	14	7,097,302	70,973	1.41
Chemicals	34	34	8,712,194	87,122	1.73
Glass & Ceramics	7	7	2,522,833	25,228	0.50
Paper & Pulp	7	7	4,316,505	43,165	0.86
Steel & Iron	24	25	18,425,312	184,253	3.66
Rubber	9	9	3,852,353	38,524	0.77
Automobile	5	6	4,389,870	43,899	0.87
Electronics	305	309	206,634,744	2,066,347	41.07
Construction	35	35	14,218,077	142,181	2.83
Transportation	18	18	17,175,530	171,755	3.41
Tourism	6	6	1,299,202	12,992	0.26
Finance	45	49	118,410,647	1,184,106	23.53
Wholesale & Retail	11	11	5,536,520	55,365	1.10
Conglomerate	1	1	909,720	9,097	0.18
Others	39	39	12,494,670	124,947	2.48

Table 4. Listed Stocks by Industrial Group 2003-2004 (Cont.)

Industry	2003				
	No. of Companies	No. of Issues	Shares (Thousand)	Face Values (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

**Table 5. Listed Stocks by Classification and Ownership Type
2003-2004**

	Total	Class of stocks			Type of Ownership	
		Common	Preferred	Others*	Government Enterprises	Private Enterprises
2004						
Number of Companies	697	-	-	-	2	695
Number of Issues	709	697	7	5	2	707
Shares (Million)	503,132	501,611	1,507	14	11,856	491,275
Amount (NT\$Million)	5,031,317	5,016,106	15,068	143	118,563	4,912,754
% of Total Amount	100.00	99.70	0.30	0.00	2.36	97.64
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
Change from 2003						
Number of Companies	28	-	-	-	1	27
Number of Issues	19	28	0	-9	1	18
Shares (Million)	32,580	32,683	-13	-90	2,209	30,372
Amount (NT\$Million)	325,802	326,833	-130	-901	22,085	303,717

* 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
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
2004	63,098,059	53,628,941	9,469,118	0
Jan.	73,047	0	73,047	0
Feb.	3,000,000	3,000,000	0	0
Mar.	1,682,384	170,000	1,512,384	0
Apr.	37,345,877	37,345,877	0	0
May	380,000	380,000	0	0
Jun.	570,064	570,064	0	0
Jul.	1,760,500	0	1,760,500	0
Aug.	3,730,000	3,730,000	0	0
Sept.	1,236,000	1,236,000	0	0
Oct.	3,000,000	3,000,000	0	0
Nov.	4,597,350	885,000	3,712,350	0
Dec.	5,722,837	3,312,000	2,410,837	0

Table 7. Changes in Sources of Capital of Listed Companies

Unit : NT\$ Million

Year	2004		2003		Changes from 2003	
Item	Amount Approved	%	Amount Approved	%	Amount Approved	%
Sources of Capital						
Total	275,275	100.00	232,475	100.00	42,801	18.41
Cash Offering (in Face Value)	44,683	16.23	70,842	30.47	-26,160	-36.93
Capitalization of Retained Earnings	179,396	65.17	119,194	51.27	60,202	50.51
Capitalization of Capital Reserves & Others	51,197	18.60	42,438	18.26	8,759	20.64

Table 8. Financial Status of Listed Companies 2002-2003

Unit : NT\$ Million

Item	2003	2002	2003/2002 growth (%)
Total Assets	17,316,824	17,018,072	1.76
Total Net Worth	7,284,376	6,432,535	13.24
Total Capital	4,690,327	4,358,467	7.61
Revenues	7,269,445	5,928,422	22.62
Net Profit before Taxes	720,516	226,622	217.94

Table 9. Annual/Average Sales of Listed Companies by Industrial Group 2003-2004

Unit : NT\$ Million

Industry	Number of Companies 2004	Annual Sales		Average Sales*		2004/2003 growth(%)
		2004	2003	2004	2003	
Total	697	10,798,420	8,687,814	15,493	12,465	24.29
Cement	8	52,485	46,096	6,561	5,762	13.86
Foods	22	143,616	138,483	6,528	6,295	3.71
Plastics	22	902,396	649,791	41,018	29,536	38.87
Textiles	50	253,670	230,691	5,073	4,614	9.96
Electric & Machinery	35	152,253	127,863	4,350	3,653	19.08
Electric Appliance & Cable	14	99,267	99,900	7,091	7,136	-0.63
Chemicals	34	149,445	115,341	4,395	3,392	29.57
Glass & Ceramics	7	23,262	19,139	3,323	2,734	21.55
Paper & Pulp	7	64,536	59,283	9,219	8,469	8.86
Steel & Iron	24	442,683	321,363	18,445	13,390	37.75
Rubber	9	46,981	39,484	5,220	4,387	18.99
Automobile	5	243,085	171,043	48,617	34,209	42.12
Electronics	305	5,262,653	4,116,664	17,255	13,497	27.84
Construction	35	115,411	108,583	3,297	3,102	6.29
Transportation	18	388,913	312,225	21,606	17,346	24.56
Tourism	6	7,374	6,496	1,229	1,083	13.52
Finance	45	2,108,363	1,816,531	46,853	40,367	16.07
Wholesale & Retail	11	147,252	145,474	13,387	13,225	1.22
Conglomerate	1	13,071	10,651	13,071	10,651	22.72
Others	39	181,703	152,714	4,659	3,916	18.98

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

Table 10. Changes in Value of Government Bonds 2003-2004

	No. of Issues	Principal Value (NT\$ Million)
End of 2003	80	2,587,070
During the Year 2004		
Newly Listed	13	507,000
Delist	7	241,000
End of 2004	86	2,850,670
Redemption Payment	0	2,400

Table 11. Changes in Value of Convertible Bonds 2003-2004

	No. of Issues	Principal Value (NT\$ Million)
End of 2003	16	4,438
During the Year 2004		
Newly Listed	1	192
Delist	8	610
converted	-	3,323
End of 2004	9	696