

IPO in Taiwan

The path to successful listings in Taiwan by foreign issuers



PRICEWATERHOUSECOOPERS 



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Foreword

In 2008, as part of its capital market liberalization policy, the Taiwan government amended the stock exchange rules to actively encourage foreign businesses to list in Taiwan. It also relaxed restrictions on the qualifications of foreign issuers and the use of raised funds. Now, as long as foreign issuers and Taiwanese businesses established abroad meet the relevant requirements, they can readily apply to list on the Taiwan Stock Exchange (TWSE) or the over-the-counter GreTai Securities Market (GTSM).

Taiwan's capital market can now truthfully boast unsurpassed advantages for many firms: an extremely tech-savvy investing public, proximity and access to the greater China market, big savings on listing costs, and outstanding share price performance. Both IPOs and secondary listings (Taiwan Depositary Receipts) are available as listing options, and funds can be remitted for investment in any offshore territory, including China. As commerce and investment across the Taiwan Strait flourish, more and more companies will be making Taiwan their first choice for a successful share listing.

This booklet is intended to provide an overview of Taiwan's market listing process, including current listing requirements and an outline of the basic steps involved. It is not a comprehensive guide, however, and we encourage prospective foreign issuers to contact PricewaterhouseCoopers Taiwan for further information.

Advantages of Taiwan's capital market

Well-developed industry clusters

Shanghai's capital market is centred around large state-owned enterprises that cater to domestic demand, while Hong Kong's market is dominated by financial and real estate firms. Both markets focus on large-scale corporations. Taiwan's market, on the other hand, serves a broad array of high-tech industries such as information technology, communications, optoelectronics, solar energy and biotechnology, as well as consumer goods and auto parts sectors, etc. Companies thrive in well-developed industry clusters, and Taiwan's capital market is ideally suited to market listings by companies of all sizes and types. With the recent liberalization of cross-strait relations, Taiwan is looking forward to a new wave of industry clusters forming, and these will target China's internal demand.

Favourable government policies

Taiwan's securities regulators have set a clear goal: They hope to see 200 Taiwanese-owned businesses list their shares in Taiwan over the next four years. To help achieve this goal, the rules on applying for a belated registration have been loosened – replacing heavy fines with light penalties – for the many firms with unregistered investments in China. Meanwhile, new rules allow money raised in Taiwan to be

remitted and invested elsewhere. Again and again, the Taiwan government has demonstrated its determination to open the doors and welcome firms from abroad.

Tax environment has undergone a major overhaul

The Taiwan government recently lowered estate taxes from a top rate of 50% to a single 10% rate. Also, the maximum corporate income tax rate was lowered to 20%. Such measures are expected to encourage Taiwanese-owned firms overseas to “come home” as they add to the appeal of Taiwan's stock market.

Reasonable listing costs

For a listing of comparable size, typical listing costs in the region are highest in Hong Kong, followed by China. Listing costs are the most reasonable in Taiwan.

With a large pool of knowledgeable investors, it is easier for a firm's value to be recognized

In other markets, Taiwanese firms struggle to win investors' appreciation, and there are many examples where such firms have been undervalued. With a Taiwan listing, there is no

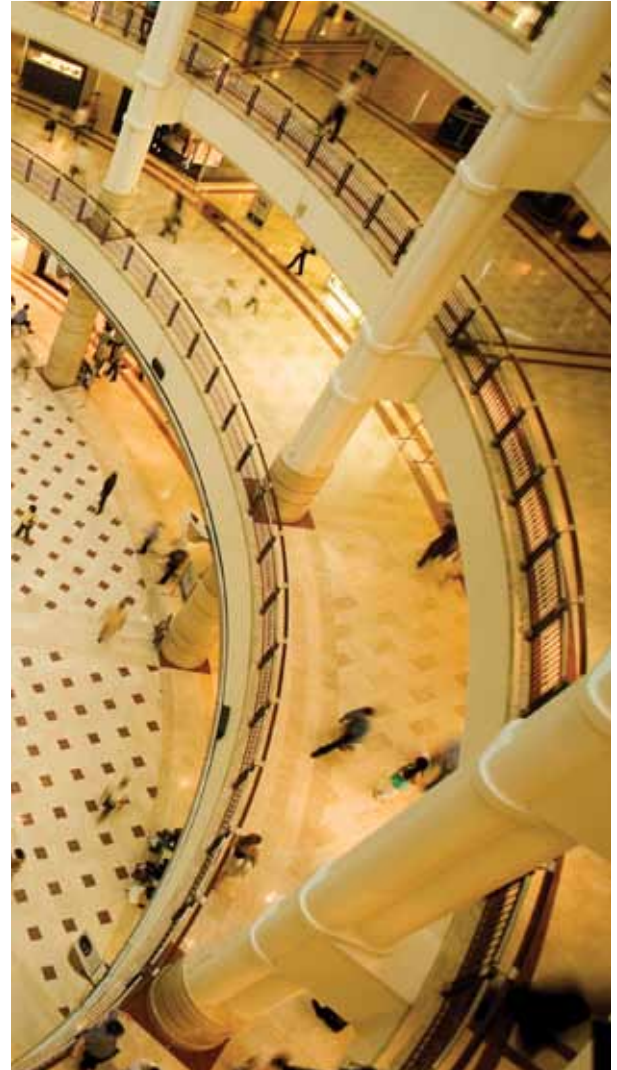
communication barrier to break through to reach investors, and stock prices are more likely to reflect a firm's true value.

Raising funds after a listing is easier

The P/E ratios of Taiwanese tech firms in other capital markets tend to be lower than average, making it harder for them to raise capital after their initial listing. P/E ratios in Taiwan are comparatively high, so raising additional funds is easier in Taiwan.

Doors are open to QDII investment in Taiwan shares

The Taiwan government has already opened up Taiwan-listed shares to investment by qualified domestic institutional investors (QDII), and this will no doubt help boost the share prices of first-rate companies.



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Primary listing criteria



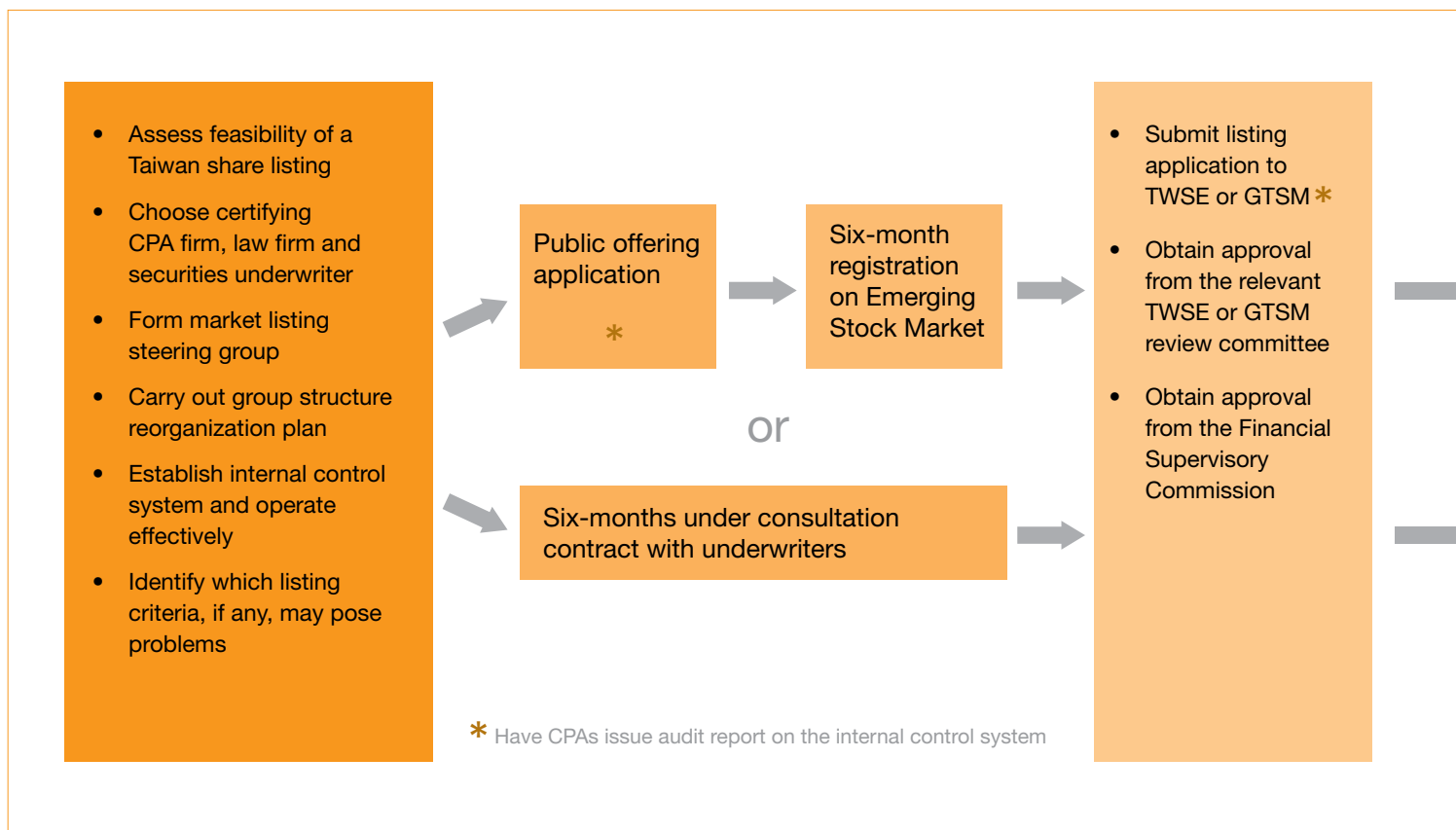
	Primary Listing on TWSE	Primary Listing on GTSM
Profitability	Cumulative pre-tax earnings of at least NT\$250 million over the last 3 fiscal years, with at least NT\$120 million in the latest fiscal year, and no cumulative losses.	<p>Consolidated income before tax of at least NT\$4 million in the latest fiscal year, not taking into account the effects of net minority interest income (or loss).</p> <p>Furthermore, the ratio of income before tax to shareholders' equity must meet one of the following requirements:</p> <ol style="list-style-type: none"> (1) At least 4% and no accumulated deficit in the latest fiscal year. (2) At least 3% for the latest 2 fiscal years. (3) At least 3% for the average of the most recent 2 fiscal years, and profitability in the most recent fiscal year is higher than that of the preceding fiscal year.
Paid-in capital or shareholders' equity	Paid-in capital or shareholders' equity of at least NT\$600 million or market capitalization over NT\$1,600 million.	Shareholders' equity of at least NT\$100 million in the latest fiscal year.
Par value	NT\$10 per share.	NT\$10 per share.

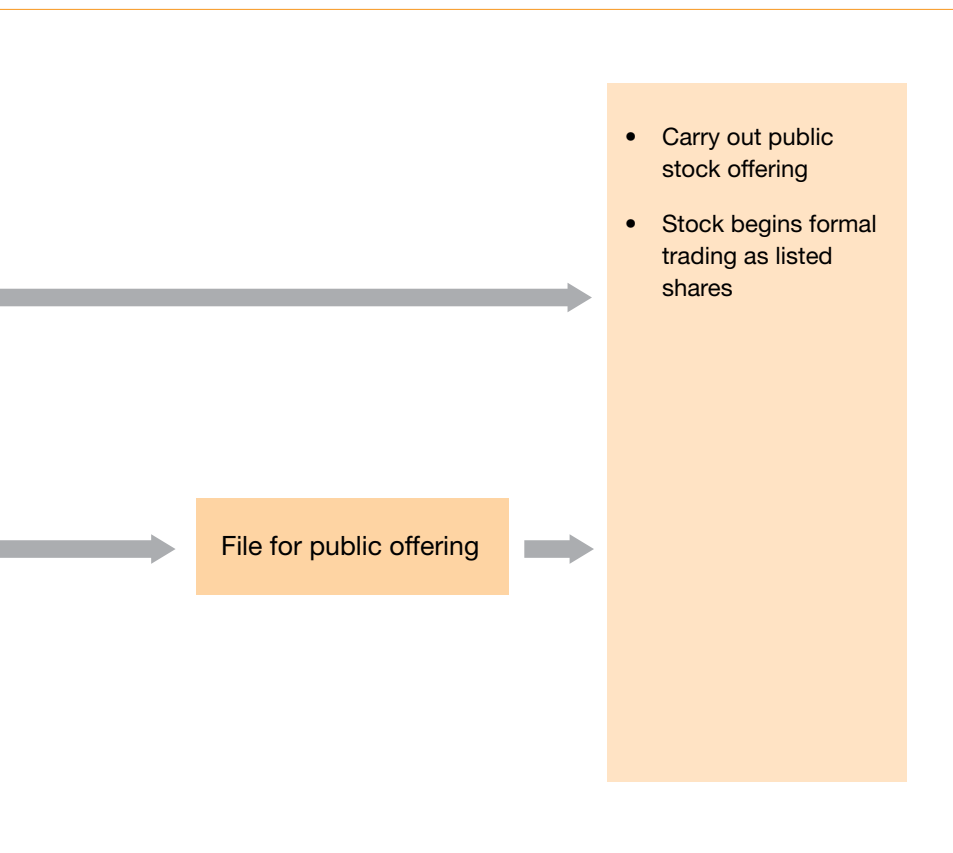
	Primary Listing on TWSE	Primary Listing on GTSM
Trading record	<p>1. The applying foreign issuer or any of its controlled companies shall have 3 years or more of trading records.</p> <p>2. Where the applying foreign issuer is an investment holding company, the trading record may be based on the actual number of years of operation of its subsidiaries.</p>	<p>1. 2 years or more.</p> <p>2. Where the applying foreign issuer is an investment holding company, the trading record may be based on the actual number of years of operation of its subsidiaries.</p>
Shareholding spread	At least 1,000 shareholders, and where insiders of the foreign issuer and juristic persons own over 50% of the shareholding, no less than 500 shareholders other than such insiders own at least 20% of the total issued shares (or not less than 10 million shares).	Where insiders of the foreign issuer and juristic persons own over 50% of the shareholding, no less than 300 shareholders other than such insiders own at least 20% of the total issued shares (or more than 10 million shares).
Directors	At least 5 board members and at least 2 independent non-executive directors, at least 1 of whom must be domiciled in Taiwan	At least 3 independent directors, which must account for at least 1/5 of the total number of director seats. At least 1 of the independent directors shall be domiciled in Taiwan.
Audit committee	Either an audit committee (which shall comprise all the independent directors and shall not be less than 3 persons) or supervisors (at least 3 persons)	Not stipulated
Financial reporting	<p>Taiwan Generally Accepted Accounting Principles; International Financial Reporting Standards; U.S. Generally Accepted Accounting Principles</p> <p>If the financial reports are not prepared in accordance with the Taiwan GAAP, the foreign issuer must disclose any items with material discrepancies and the amount of any monetary impact of those discrepancies, and provide an opinion by a Taiwan-licensed CPA regarding those items.</p>	<p>1. Taiwan Generally Accepted Accounting Principles; International Financial Reporting Standards ; U.S. Generally Accepted Accounting Principles</p> <p>2. If the financial reports are not prepared in accordance with the Taiwan GAAP, the foreign issuer must disclose any items with material discrepancies and the amount of any monetary impact of those discrepancies, and provide an opinion by a Taiwan-licensed CPA regarding those items.</p>
Others	At least 6 months after filing a consultancy contract with underwriters, or registering as an emerging stock on the GreTai Securities Market.	At least 6 months after filing a consultancy contract with underwriters, or registering as an emerging stock on the GreTai Securities Market.

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Primary listing process

Application process for a share listing in Taiwan





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Key tasks for Taiwan market listings



Preparatory tasks firms need to complete

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|--|---|---|--|
| <ul style="list-style-type: none">■ Assess market listing goals; formulate Taiwan listing strategy■ Perform analysis to determine core and non-core business; develop/revise reorganization plans■ Assess effect on meeting market listing criteria■ Assess financial impact of reorganization plans■ Assess personal/corporate tax impact of reorganization plans■ Establish market listing steering committee | <ul style="list-style-type: none">■ Carry out organizational, business and process adjustments■ Establish and implement internal control system■ Establish and implement internal audit system■ Strengthen shareholder structure and capital formation■ Enhance and integrate corporate information systems■ Assess differences between currently adopted accounting standards and Taiwan GAAP■ Improve quality of financial statements | <ul style="list-style-type: none">■ Prepare consolidated financial statements in compliance with regulatory provisions■ Make internal controls operate on a continually effective basis■ Have CPAs issue audit report on the internal control system■ Strengthen corporate governance and appoint independent directors■ Submit public offering application■ Evaluate market conditions and submit market listing application. | <ul style="list-style-type: none">■ Continue to boost operating efficiency■ Use human resources effectively■ Strengthen financial risk management■ Emphasize protection of intellectual property■ Improve investor relations management■ Maintain transparency of corporate financial information |
|--|---|---|--|

Formulate Taiwan market listing strategy

Choose strategic partners, make internal adjustments

Submit public offering market listing application

Post-listing management

What PwC can do for you

Assurance	<ul style="list-style-type: none"> Initial assessment of financial statement quality Analysis of impact of reorganization plans on the financial statements Consulting on account integration Financial planning and market listing guidance 	<ul style="list-style-type: none"> Information system efficacy evaluation Effective advice on accounting treatment methods Internal control system assessment and related advisory Internal audit system assessment and related advisory Accounting principles 	<ul style="list-style-type: none"> Produce financial statement audit reports Help improve effectiveness of internal control system Aid in answering regulator's inquiries Produce CPA audit report on the internal control system Assist with matters related to the application for public offering and Attend petitions and appeals committee hearings and answer questions 	<ul style="list-style-type: none"> Attendance at board and shareholders' meetings Review/audit of quarterly financial statements Ongoing advice on internal control system implementation Updates on securities and accounting regulations Review of declaration forms & public information Timely provision of advice on financial strategy
Tax Services	<ul style="list-style-type: none"> Group investment structure reorganization Management model and transaction structure reorganization Planning and rearrangement of major shareholders' equity prior to listing Consulting on mainland China investment structures Consulting on customs and other taxes in collaboration with PwC China 	<ul style="list-style-type: none"> Integration of local taxes in jurisdictions of operation Business/resource partitioning or transfer Evaluation and planning of VAT, customs duties and other indirect taxes Shareholder equity and global intellectual property law services International assignment tax issues Asset and tax management for major shareholders 	<ul style="list-style-type: none"> Consultation on market listing-related tax matters Consultation on transaction models to reduce tax risk in conjunction with multinational strategy Tax incentive-related application and advisory services Global transfer pricing planning services Consultation on planning distributions of corporate group profit 	<ul style="list-style-type: none"> Assistance establishing tax risk management mechanisms International tax consultation and planning services M&A services Employee compensation system consultation and planning Planning and establishment of global transfer pricing policies and production of records/documents for simultaneous use worldwide
Consulting	<ul style="list-style-type: none"> Assistance planning the establishment and introduction of an ERP system Assistance in adopting software for consolidated financial statement preparation 	<ul style="list-style-type: none"> Aid in setting up basic corporate governance & internal control structure Aid in setting up info system-related internal control protocols; train internal audit personnel in info system checking 	<ul style="list-style-type: none"> Assistance to enterprises in establishing financial management mechanisms for transnational business activity 	<ul style="list-style-type: none"> Services for introducing integrated performance-based compensation management systems Assistance establishing data security management systems
Legal	<ul style="list-style-type: none"> Consultation and legal advice on the choice of entity for a Taiwan listing Review and evaluation of listing entity's charter and other documents 	<ul style="list-style-type: none"> Examine legal issues related to a market listing Aid in establishing corporate governance framework in compliance with laws and regulations 	<ul style="list-style-type: none"> Issuance of legal opinions on market listings Examination of market listing application documents for legal compliance 	<ul style="list-style-type: none"> Advisory services on foreign and domestic legal matters Assistance establishing intellectual property rights protection and management systems

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Secondary listing criteria

Prior listing of shares

The registered shares, or securities representing its shares, issued by the foreign issuer in accordance with the laws of its home country, have been listed on one of the stock exchanges or securities markets approved by the competent authority.

Number of units or market capitalization

20 million units or more of Taiwan depository receipts (TDRs), or a market capitalization of not less than NT\$300 million.

Shareholders' equity

At least NT\$600 million.

Profitability

No cumulative loss for the most recent fiscal year and meet one of the following criteria:

- The income before tax for the most recent fiscal year represents not less than 6% of the shareholders' equity as shown in the issuer's final accounts; or
- The ratio of income before tax to shareholder's equity for each of the past 2 fiscal years is 3% or higher, or the average is 3% or higher, and the profitability in the most recent fiscal year is better year-on-year than in the preceding year.
- The income before tax for the most recent two fiscal years is NT\$250 million or more.

Shareholding spread

At the time of the proposed listing, the number of registered shareholders in Taiwan is not less than 1,000 persons, and the total number of shares held by shareholders other than insiders of the foreign issuer and juristic persons, where such insiders own over 50% of the shareholding, is 20% or more of the total number of issued shares or is 10 million shares or more.



Other rules

- Local holders of the stock are not restricted from selling the stock on foreign stock exchanges or securities markets.
- The rights and obligations of stockholders are identical to those for the same class of stock listed on other stock exchanges or securities markets.

List of stock exchanges or stock markets authorized by competent authorities

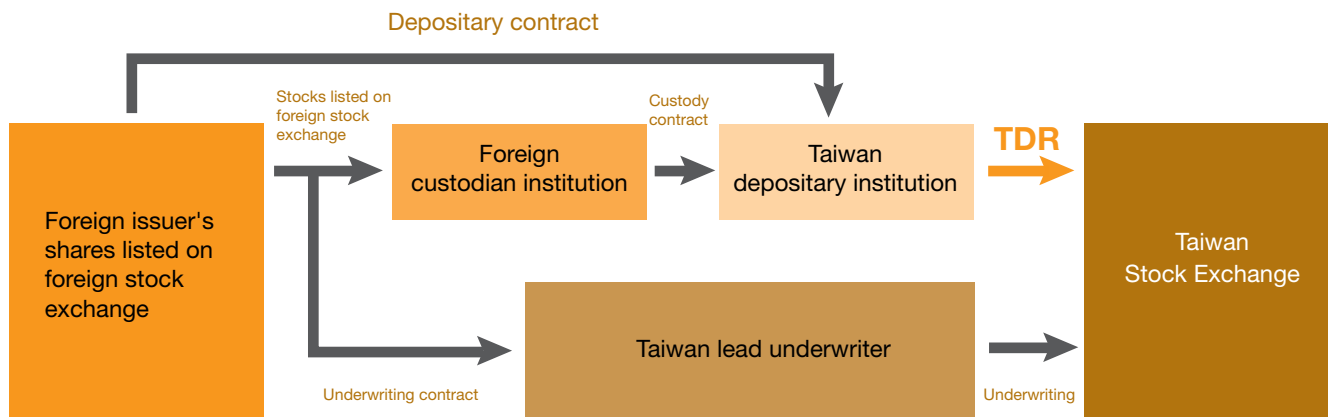
- NYSE Euronext (US)
- American Stock Exchange (US)
- NASDAQ (US)
- London Stock Exchange (UK)
- Deutsche Börse AG (Germany)
- Italian Stock Exchange (Italy)
- Toronto Stock Exchange (Canada)
- Australian Securities Exchanges (Australia)
- Tokyo Stock Exchange (Japan)
- Osaka Securities Exchange (Japan)
- Stock Exchange of Singapore (Singapore)
- Kuala Lumpur Stock Exchange (Malaysia)
- Stock Exchange of Thailand (Thailand)
- Johannesburg Stock Exchange (South Africa)
- Hong Kong Exchanges and Clearing Limited (HK)
- Korea Exchange (Korea)
- Other securities exchanges approved by competent authorities

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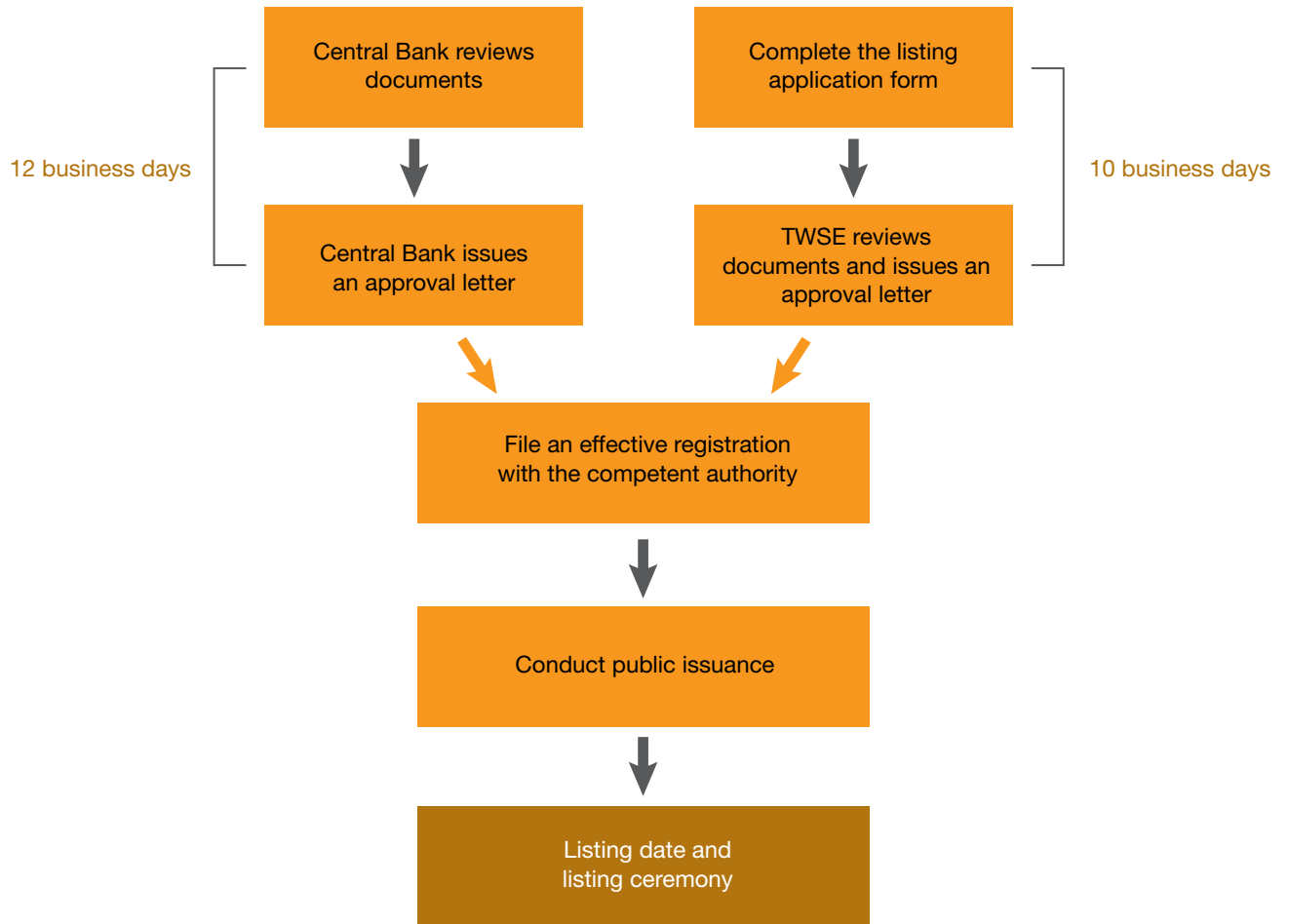
Secondary listing process



Application process for TDR listing



Listing Application Flowchart





PwC: Your best Taiwan listing partner

PricewaterhouseCoopers Taiwan

PricewaterhouseCoopers (PwC) Taiwan deeply understands Taiwan's business culture, and is thoroughly versed in the laws and regulations of both Taiwan and China. A dedicated team of professionals has been formed to guide overseas companies through to a successful listing in Taiwan, and they can help you to plan effectively, solve problems and counter any risks that may arise along the way.

Excellent team

- We understand best the needs and aspirations of companies considering a share listing in Taiwan.
- We have the best grasp of the Taiwanese business community – how people think and the language they speak.
- Our professionals have an unparalleled grasp of the compliance problems and tax planning requirements involved in Taiwan market listings.

Communication bridge

- Through close interaction with domestic and overseas clients, we are constantly in touch with the Taiwanese business community's needs and its service network.
- We provide the most up-to-date information on market listing and tax regulations.
- We have extensive market listing experience to draw on, and whether it is guiding companies through the listing process, adopting innovative operating strategies, or implementing profitable business models, we speak your language.



Bold commitment

- Play a key role by helping your business through a Taiwan market listing.
- Provide effective financial accounting and tax solutions to meet today's changing regulatory environment and business strategies.
- Provide the highest quality services at very competitive rates.

Value creation

- Aid firms in developing effective market listing proposals and tax risk management solutions.
- Help firms take advantage of local and international fundraising platforms.
- Help firms comply with Taiwan standards and norms, as well as specific governance requirements.



Professional services PwC can offer

Assurance services

Rapid changes in economic conditions, industrial structure, and investment climate mean that companies face greater risks than ever before. In order to provide more effective and comprehensive services to our clients, PwC professionals specialize in particular industries, and we are also continually raising the quality of audits through concepts like performance audits. We strive to understand corporate operations and decision-making—via continuous audit methodology—in order to anticipate, prevent, and reduce exposure to operating and audit risk.

Our services include:

- Financial statement audit
- Financial information review
- Computer system and process assurance
- Internal control consultation
- Annual report and public information review
- Corporate governance consultation
- Accounting and auditing problem consultation
- Periodic seminars for clients
- Updates on the latest laws and regulations

Listing services

Running extensive enterprises requires capital, and external funding can be critical to successful growth. When an enterprise heads for an IPO or is anticipating being listed on the TWSE or GTSM, at each critical step PwC's experienced and enthusiastic team acts as a trustworthy partner, providing short-to-long-term counselling and planning.

Our services include:

- Planning the number of directors and supervisors
- Spreading stockholder ownership
- Designing the capital structure, subscribed capital formation and financing mechanism
- Dealing with accounting and audit issues related to raising capital, M&A, etc.
- Reviewing fundraising projects
- Choosing fundraising method
- Implementing an increase of capital
- Financial programming and timing consultation prior to carrying out a market listing
- Preparing and reviewing documents for a market listing
- Appearing before the market listing review board





IT system and operations audit service

Both information technology and the financial reporting environment have grown ever more complex, and many companies have come to rely on information produced by complex processes and sophisticated IT systems. This makes it increasingly important that control system design, documentation and operations are all sound, as this is necessary to ensure financial reporting and management decision-making are correct and timely.

PwC Taiwan's professionals possess a wealth of experience in financial accounting, tax and information system auditing. Their unrivalled audit and consulting services for IT system controls and operations help firms to boost information quality and strengthen their overall control structure.

Our services include:

- IT system and control system project examination
- IT general controls review and consultation
- Review of IT system architecture and database security
- Pre- or post-adoption IT system review and control system consultation
- Information quality review

Internal control consultation

A sound internal control system is an essential foundation for enterprise sustainability, ensuring that financial reports are reliable and comply with related laws and regulations. The internal control consultation of PwC is centred on the firm's risk management system and the COSO control model. PwC provides consultation on the design, implementation and operation of internal control systems, focusing on the five COSO elements from the standpoint of overall risk management. By tailoring solutions to the scale and needs of the enterprise, we can help establish appropriate internal control processes and auditing methods, enhance the internal audit function, and achieve a cohesive internal control system.

Our services include:

- Consultation on risk management for entire internal control systems
- Review of internal control procedures and risk management
- Consultation on internal control system implementation
- Internal audit management system consultation
- Internal control audit and related consultation



Corporate governance consultation

The purpose of corporate governance is to ensure that all stakeholders in a company get fair and equitable treatment, that stakeholders' interests are protected, and that business operations serve a company's interests.

PwC professionals possess a thorough knowledge of corporate governance concepts and practices. After taking into account a company's workflows, leadership style and organizational dynamics, they apply this knowledge to assist boards of directors and management to analyse their own corporate governance trends and operating models. In this way, they help enterprises establish sound corporate governance systems, meet and exceed stakeholders' expectations, and become models of corporate governance in their industries.

Our services include:

- Consultation on corporate governance systems and related regulations
- Assistance in establishing a corporate governance culture and systems
- Assistance raising the management ability of the board of directors
- Assistance in promoting information transparency
- Assistance with governance system internationalization
- Assistance in establishing an audit committee
- Consultation on improving the effectiveness of the audit committee
- Assistance raising the effectiveness of independent directors and supervisors

Tax services

Market pressures, an increasingly complex regulatory environment, competition and globalization have all converged to complicate the tax planning and compliance landscape that organizations face. PricewaterhouseCoopers brings together a distinctive combination of tax planning, compliance, and industry and regulatory experience to help our clients navigate this changing landscape. PwC's size and experience allows us to assemble client service teams tailored to meet the specific needs of our clients, and serve our clients whenever and wherever they need us.

Our services include:

- International tax consultation and planning services
- Merger and acquisition (M&A) services
- Global transfer pricing services
- PRC investment and tax consultation services
- Domestic tax consultation and planning services
- International assignment solutions
- Personal tax services
- Shareholder equity and investment services
- Intellectual property rights (IPR) planning and consultation services



Legal consulting services

Foreign companies seeking to list on the TWSE or the GTSM face a different set of circumstances than domestic firms. Since the prospective issuer's jurisdiction of registration and its principal jurisdictions of business are outside Taiwan, the corporate and securities laws and corporate governance mechanisms in such jurisdictions may differ from Taiwan, and the major shareholders and officers of the foreign company may not be domiciled in Taiwan. Therefore, the TWSE and GTSM tend to place more emphasis on evaluating the risks, especially the legal risks, associated with the listing of such foreign companies in order to ensure conformity with international practices and the protection of investor rights.

From a legal perspective, the process for foreign companies seeking to list their shares on the TWSE or the GTSM consists of 3 stages: (1) the corporate restructuring stage prior to the listing, in which the foreign company determines its listing structure; (2) the application stage for listing; and (3) the post-listing compliance stage. Legal professionals should be engaged during all of these stages to ensure full compliance with applicable regulations and proper risk management. PricewaterhouseCoopers Legal provides professional legal services, backed by extensive legal expertise and experience in capital markets, to assist foreign companies seeking to list shares in Taiwan.

Our services include:

Restructuring stage before listing on the TWSE or GTSM:

- Incorporating offshore holding companies, including the listing issuer entity
- Providing legal advice on conducting the restructuring, including the rights of shareholders to be incorporated into the issuer's constituent documents, and advice regarding the legal implications of the transaction flow among the restructured entities
- Preparing agreements and other documentation as necessary for the restructuring, including internal control measures and agreements to cover restructured transactions as required

Application stage for listing on the TWSE or GTSM:

- Assisting the prospective issuer to amend its articles of association to incorporate Taiwan requirements and other internal constituent documentation
- Assisting the issuer to reconcile differences between the laws of its jurisdiction and the laws of Taiwan
- Collaborating with and supervise attorneys from the issuer's jurisdiction of the issuer and the jurisdictions of the principal subsidiary entities to conduct legal due diligence on the issuer and its principal subsidiary entities
- Reviewing the due diligence results, completing the legal due diligence checklists of the TWSE or GTSM and issuing a legal opinion on the legal compliance issues of the issuer and its principal subsidiary entities
- Reviewing the listing prospectus and other documentation
- Responding to legal compliance inquiries from the TWSE and GTSM

Post-listing stage:

- Providing legal assistance on subsequent legal compliance, particularly securities regulation compliance and the handling of disclosure requirements

PwC IPO Service Team

Visit our dedicated website at www.pwc.com/tw/IPOinTaiwan

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PwC has 14 locations in China (including Hong Kong and Macao) that provide a wide range of professional services.

Appendix 1

Market listing criteria in Hong Kong, Shanghai and Shenzhen

Hong Kong Stock Exchange Main Board

Profitability	<p>Criteria 1 Profits: Cumulative profits of HK\$50 million over the 3 preceding financial years</p> <p>Criteria 2 Revenue: HK\$500 million</p> <p>Criteria 3 Revenue: HK\$500 million Positive cashflow from operating activities: At least HK\$100 million in aggregate over the 3 preceding financial years</p>
Market capitalisation	<p>Criteria 1 At least HK\$200 million</p> <p>Criteria 2 At least HK\$4 billion</p> <p>Criteria 3 At least HK\$2 billion</p>
Trading record	3 years or more.
Shareholding spread	<ul style="list-style-type: none">• Market capitalisation of at least US\$6 million (HK\$50 million) held by the public at the time of listing.• Minimum 25% of the issuers' total issued share capital at the time of listing. (May accept 15%~25% if the market capitalisation of the issuer at the time of listing exceeds US\$1.3 billion (HK\$10 billion).• Minimum shareholders: Criteria 1, 2 – 300; Criteria 3 – 1,000

Directors	3 independent non-executive directors required, qualified accountant required, accounting or financial management expertise for at least 1 independent director
Audit committee	<ol style="list-style-type: none"> 1. Listed issuers must establish an audit committee comprising non-executive directors only. 2. The audit committee must have a minimum of three members, at least 1 of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. 3. The majority must be independent non-executive directors and the audit committee must be chaired by an independent non-executive director.
Financial reporting	<ol style="list-style-type: none"> 1. To cover 3 financial years except for exempted companies. 2. Can be prepared in accordance with either Hong Kong Financial Reporting Standards or International Financial Reporting Standards for primary listings on the Exchange. 3. May be prepared in accordance with U.S. GAAP or other acceptable accounting standards acceptable to the Exchange under certain circumstances.
Other	<ol style="list-style-type: none"> 1. Management continuity for at least the 3 preceding financial years; and 2. Ownership continuity and control for at least the most recent audited financial year.

Shanghai Stock Exchange Main Board

Profitability	<ol style="list-style-type: none"> 1. Cumulative profits of RMB 30 million over the 3 preceding years. 2. Cumulative net cash flows from operating activities for the last 3 years exceeded RMB 50 million; or cumulative operating income for the last 3 years exceeded RMB 300 million.
Paid-in capital or shareholders' equity	Minimum 30 million shares before issuance; and minimum RMB 50 million of share capital at the time of listing.
Trading record	3 years or more.
Shareholding spread	<ol style="list-style-type: none"> 1. The quantity of publicly offered stocks accounts for more than 25% of its total stocks. For an issuer whose total share capital exceeds RMB 400 million, such percentage is 10%. 2. The aforesaid public shareholders include all the shareholders of a listed company, except the following: <ol style="list-style-type: none"> (1) Any shareholder holding more than 10% of the stocks of a listed company and the parties acting in concert; and (2) Directors, supervisors, senior officers and its related parties.
Financial reporting	Chinese Accounting Standards.
Other	<ol style="list-style-type: none"> 1. No significant change in the principal operations, directors and senior management and no change in de facto controlling people in the last 3 years. 2. In the most recent 3 years, it has not committed any major illegal acts. 3. The stocks have been offered to the public with the approval of the China Securities Regulatory Commission.

Shenzhen Stock Exchange Main Board

Profitability	<ol style="list-style-type: none"> 1. Net profits for the last 3 years are positive with the aggregate amount exceeding RMB 30 million. 2. Cumulative net cash flows from operating activities for the last 3 years exceeded RMB 50 million; or cumulative operating income for the last 3 years exceeded RMB 300 million.
Paid-in capital or shareholders' equity	<ol style="list-style-type: none"> 1. Minimum 30 million shares before issuance; and minimum RMB 50 million of share capital at the time of listing. 2. Intangible assets did not exceed 20% of the net assets at the end of the latest year. 3. No cumulative loss recorded for the latest period.
Trading record	3 years or more.
Shareholding spread	Minimum 25% of share capital shall be held by the public; and minimum 10% of share capital shall be held by the public if the total issued share capital exceeds RMB 400 million.
Financial reporting	Chinese Accounting Standards.
Others	<ol style="list-style-type: none"> 1. No significant change in the principal operations, directors and senior management and no change in de facto controlling people in the last 3 years. 2. In the most recent 3 years, it has not committed any major illegal acts and there has been no falsehood in its financial reports. 3. The stocks have been offered to the public with the approval of the China Securities Regulatory Commission.

Shenzhen Stock Exchange Growth Enterprise Market

<p>Profitability</p>	<p>Profitability shall meet one of the following requirements:</p> <ol style="list-style-type: none"> 1. Net profits for the last 2 years are positive with aggregate amount at least RMB 10 million and continuing growth 2. Net profits for the most recent year is positive and at least RMB 5 million. Revenue of at least RMB 50 million for the most recent year, Revenue growth rate of at least 30% for the 2 preceding years. <p>Note:</p> <p>Net profits shall be the lower of the amounts stated before and after extraordinary items.</p>
<p>Paid-in capital or shareholders' equity</p>	<ol style="list-style-type: none"> 1. Minimum RMB 30 million of share capital at the time of listing. 2. Net assets of at least 20 million RMB and no uncovered losses at the end of the most recent period.
<p>Trading record</p>	<p>3 years or more.</p>
<p>Shareholding spread</p>	<ol style="list-style-type: none"> 1. At least 25% of the total shares of the company be publicly issued; the company's total share capital exceeds 400 million RMB and at least 10% of the amount is publicly issued shares. 2. There are no fewer than 200 shareholders.
<p>Financial reporting</p>	<p>Chinese Accounting Standards.</p>
<p>Others</p>	<ol style="list-style-type: none"> 1. The issuer must focus on one type of business, and its production and operating activities must comply with the provisions of laws, administrative regulations and the company's articles of incorporation, in addition to complying with the industrial policies and environmental protection policies of the state. 2. No significant change in the principal operations, directors and senior management and no change in de facto controlling people in the last 3 years. 3. In the most recent 3 years, it has not committed any major illegal acts.

Appendix 2

Related organizations

Securities and Futures Bureau

+886-2-8773-5100

<http://www.sfb.gov.tw>

Taiwan Stock Exchange Corporation

+886-2-8101-3101

<http://www.tse.com.tw>

GreTai Securities Market

+886-2-2369-9555

<http://www.otc.org.tw>

Central Bank of the Republic of China

+886-2-2393-6161

<http://www.cbc.gov.tw>

Taxation Agency, Ministry of Finance

+886-2-2322-8000

<http://www.dot.gov.tw>

Investment Commission, MOEA

+886-2-3343-5700

<http://www.moeaic.gov.tw>

PricewaterhouseCoopers Taiwan

27F, 333 Keelung Road, Sec. 1, Taipei, Taiwan 11012

Tel: +886-2-2729-6666

Fax: +886-2-2729-6686

<http://www.pwc.com/tw/IPOinTaiwan>



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90.93 lbs of waterborne waste was not created



13,373 gallons of wastewater flow were saved



1479 lbs of solid waste was not generated



2913 lbs net of greenhouse gases was prevented



22,299,750 of BTUs energy not consumed

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