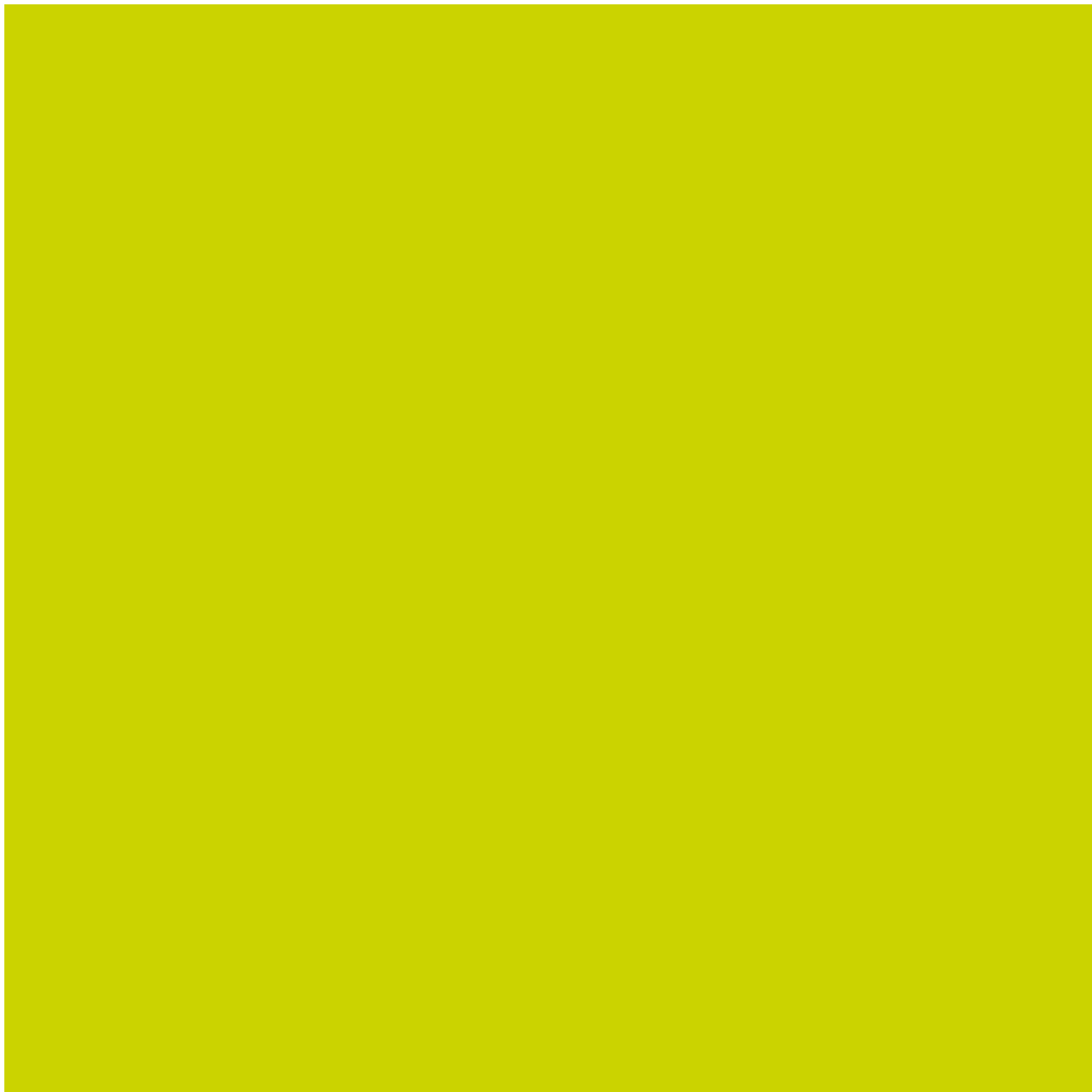


PricewaterhouseCoopers Taiwan

Taiwan Depository Receipts (TDRs)

Your capital markets entry to Taiwan and access to Asia







Contents

1. List in two markets, reap multiple benefits.....	06
2. Professional consulting is key to success.....	08
3. Criteria for listing Taiwan Depository Receipts (TDRs).....	10
4. TDR listing application flowchart.....	12
5. PwC Taiwan – Support from pre- to post-listing	14
6. PwC Taiwan – Trusted advisor	16
7. PwC Taiwan – Our professional service team	18

Foreword





Asia's capital markets offer international companies diverse alternative channels for funding. Indeed, with global resources increasingly focusing on Asia, the region has become an important center for international finance. Taiwan's capital market boasts a number of advantages, including well-developed high-tech clusters, favorable PE ratios and high liquidity levels. Listing Taiwan Depositary Receipts allows you to enter Taiwan's capital market, and thereby gain access to Asia's thriving financial market.

1

List in two markets,
reap multiple benefits



TDRs allow public companies to have shares traded in one market and also list in Taiwan, thereby offering greater market listing benefits.

1. TDRs tend to show high premiums. When a company is undervalued because conditions are poor in the market where its shares are listed, or if investors are unable to appreciate the company's real potential, TDRs offer an alternative way to reflect the enterprise's true value.
2. TDRs increase financing channels. Since companies retain their original listings, TDRs effectively expand the financing channels available.
3. Fast and easy listing process. Reorganization is not required, and there are fewer investment structure or tax planning issues. Also, the TDR review process takes less time than an IPO listing.

2

Professional consulting
is key to success



In TDR applications, the emphasis is on quality, speed and efficiency. Scrupulous planning is required for firms to proceed smoothly and quickly. CPAs, underwriters and custodian institutions are essential partners for companies to sail smoothly through the TDR application and review process.

1. **Schedule properly, grasp the key issues**

CPA firms, underwriters and custodian institutions with ample experience can help you identify and analyze the problems you may face, and provide sound advice. They can also assist in scheduling and execution for a glitch-free application and review process.

2. **Outside experts play vital role, helping allay review concerns**

Expert TDR consultants can play a critical role in the application process as a communication bridge between the firm and the governing authorities, helping the authorities understand the firm and reducing unnecessary doubts during the review phase.

3. **Your long-term, dedicated professional partners following a successful listing**

A successful TDR listing gets you in the door to Taiwan's capital market, but it is only the first step: There are many post-listing management issues that must not be ignored. Hence, choosing a CPA firm familiar with Taiwan's capital market regulations is critical to success both during the application process and afterwards.

3

Criteria for listing Taiwan Depository Receipts



	General Businesses	Technology Businesses
Number of units or market capitalization	20 million or more units or a market capitalization of not less than NT\$300 million.	
shareholders' equity	At least NT\$600 million.	Shareholder equity of at least NT\$300 million in latest financial report.
Profitability	<p>No cumulative loss for the most recent fiscal year and meets one of the following criteria:</p> <ul style="list-style-type: none"> - Income before tax for the most recent fiscal year represents not less than 6% of the shareholders' equity as shown in its final accounts; or - The ratio of income before tax to shareholder's equity in the final accounts for each of the past 2 fiscal years is 3% or higher, or the average is 3% or higher, and profitability in the most recent fiscal year is better year-on-year than in the preceding year. - Income before tax for the most recent two years is NT\$250 million or more. 	No cumulative loss in the latest fiscal year or in the latest CPA-certified financial report at the time of the listing application.

	General Businesses	Technology Businesses
Shareholding dispersal (any time prior to listing)	<p>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 of which such insiders own over 50% of the shareholding is 20 percent or more of the total number of issued shares or is 10 million shares or more.</p>	
Other rules	<p>Local holders of the stock are not restricted from selling the stock on foreign stock exchanges or securities markets. The rights and obligations of the holders of stock are identical with those of the same class of stock listed on other stock exchanges or securities markets.</p>	

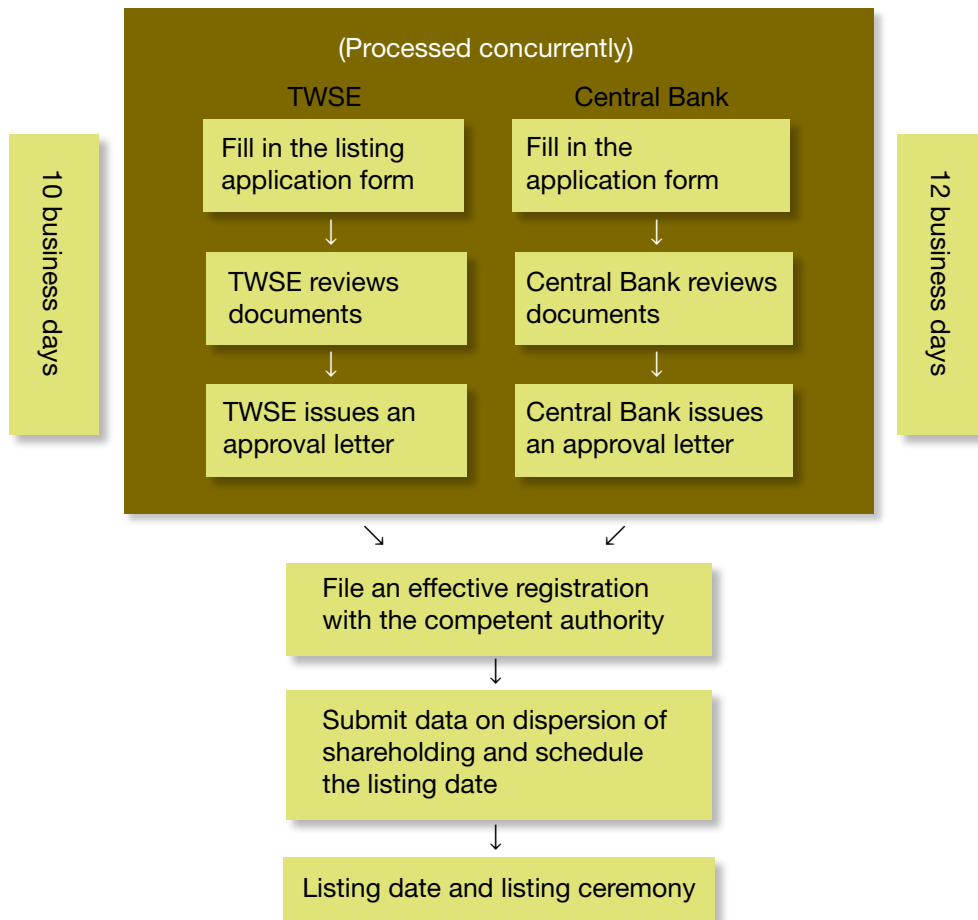
	General Businesses	Technology Businesses
<p>List of stock exchanges or stock markets authorized by the competent authority</p>	<ul style="list-style-type: none"> - NYSE Euronext (US) - American Stock Exchange (US) - NASDAQ (US) - London Stock Exchange (UK) - Deutsche Börse AG (Germany) - Italian Stock 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 the competent authority 	

4

TDR listing application flowchart



TDR listing application flowchart



5

PwC Taiwan – Support from pre- to post-listing

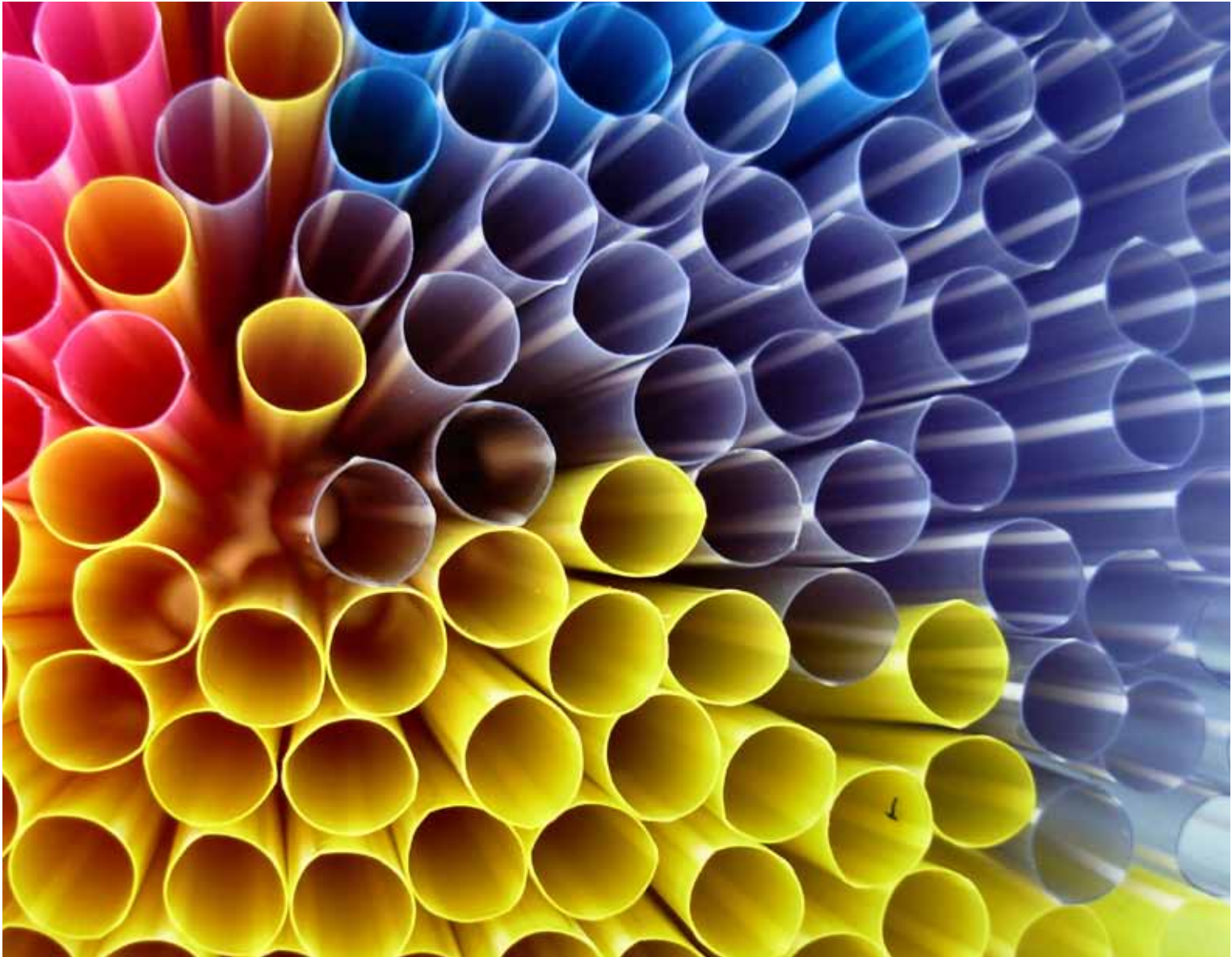


PwC Taiwan acts as long-term partner to the TDR issuer. We work closely with the company from the preparation stage to the implementation and post-listing stages to maximize the company's success in Taiwan's capital markets.

	Prior to TDR listing	Post TDR listing
Legal compliance	<ul style="list-style-type: none"> • Issue opinion on the GAAP differences and their impact on the financial statements. • Assist in preparing Chinese and English CPA-certified financial reports for the last 3 years. (If review period extends over 8 months into the fiscal year, a consolidated report for the first half of the year must be included.) 	<ul style="list-style-type: none"> • Consult on Taiwan's security regulations. • Assist in understanding Taiwan's capital market culture. • Advise on raising funds in Taiwan's capital market. • Consult on Taiwan M&A transactions.
Consulting services	<ul style="list-style-type: none"> • Act as go-between with competent authorities. • Help respond to questions raised by the authorities. • Advise on accounting standard conversion. • Assist in understanding adjustments due to accounting standard differences and their effect on net value and profit. • Assist on TDR issuance assessment and scheduling. • Assist in understanding impact on shareholder equity or share price that could affect the success of the TDR issuance. • Review basic information forms, the prospectus, and other declaration forms stipulated by the authorities. 	<ul style="list-style-type: none"> • Continue to act as go-between with authorities and clear up any questions raised. • Help review content of related public announcements. • Provide periodic updates on securities and accounting-related regulations, as well as professional advice on their impact, tailored to the client. • Provide timely advice on financial strategy and related professional consultation.

6

PwC Taiwan – Trusted advisor



PricewaterhouseCoopers (PwC) is the largest international accounting and management consulting organization in the Greater China region and the world. With service locations in 150 countries worldwide, member firms work together across regions to develop coordinated solutions and enhanced decision-making.

PricewaterhouseCoopers Taiwan (PwC Taiwan) has enjoyed 40 years of continuous, vibrant growth since it was founded in 1970. Our integrated professional services are effective in helping firms issue TDR successfully.

14 Firms approved for TWSE listings in 2008 and 2009



NT\$29.9 billion raised through TDR issuance in 2009

PwC Taiwan has successfully advised five companies — Tingyi, Want Want China, New Focus Auto Tech, Kith Holdings, and Good Friend International Holdings — more than any other CPA firms.

As a result, PwC Taiwan has been recognized by the TWSE as the “No.1 accounting firm for advising overseas companies on TDR listings.”

Companies advised by PwC Taiwan on their TDR listings raised NT\$21 billion, accounting for over 70% of the total funds raised by TDR issuers.

PwC Taiwan's professional TDR counseling experience

Ample financial statement conversion expertise

- PwC Taiwan professionals are experts at financial statement conversion, especially regarding Hong Kong GAAP and Taiwan GAAP harmonization

Successful track record in TDR counselling

- Long-term role as communication bridge to governing authorities
- Assisted many firms in assessing and planning their TDR schedules
- Helped many firms rapidly identify factors critical to successful TDR
- Assisted many firms in reviewing mandatory data forms, prospectuses and other application documents

Professional post-listing management experience

- Provided clients updates on securities and accounting-related regulations, and offered advice on their potential impact
- Provided firms timely professional advice and consultation on financial strategy

7

PwC Taiwan – Our professional service team

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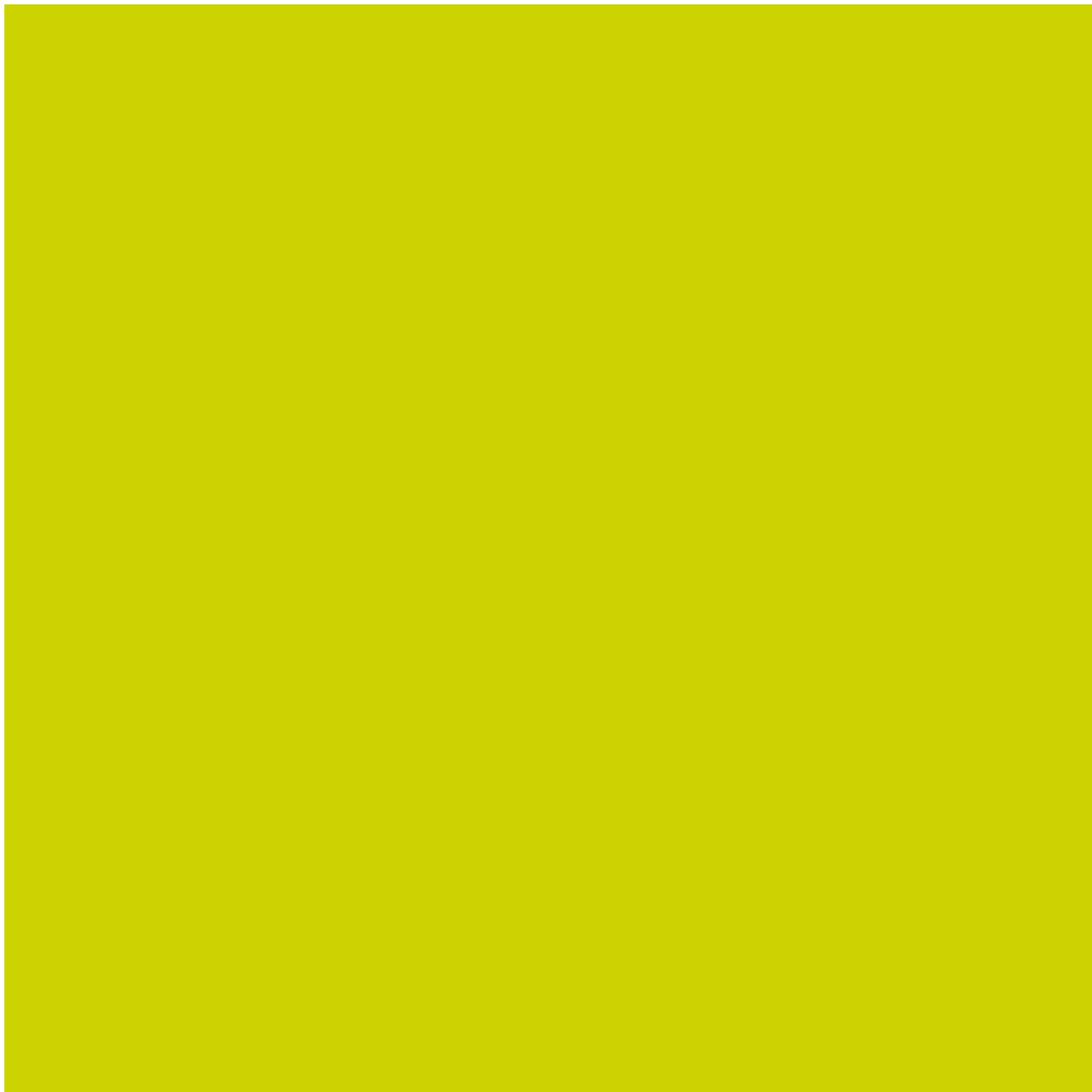
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