海外上市風雲

勤業眾信聯合會計師事務所
王儀雯  會計師
2013年11月26日
Agenda

- Stock Exchanges Overview
- US Capital Markets
  - Pre-public Planning
  - Registration
  - Reporting Obligation under the SEC after IPO
- Mainland Exchanges
- Hong Kong Exchanges
- Appendix
Stock Exchanges —
global context
Capital Market on the Global stage
Size by Market Capitalization

New York
(No 1: US$ 14,722bn)

NASDAQ
(No 2: US$ 4,195bn)

London
(No 4: US$ 4,039bn)

Euronext
(No 5: US$ 3,412bn)

Tokyo
(No 3: US$ 3,642bn)

Shanghai
(No 6: US$ 2,926bn)

Shenzhen
(No 16: US$ 1,305bn)

Singapore
(No 22: US$ 681bn)

Hong Kong
(No 7: US$ 2,825bn)

Taiwan
(No 21: US$ 838bn)

Source: World Federation of Exchanges (as of April 2011)
Aggregate IPO funds raised in Shenzhen, Shanghai, Hong Kong, and Taiwan were about 2.1x of that of NYSE, NASDAQ and LSE in 2010.

Funds raised in 2010 (US$ bn)

Source: World Federation of Exchanges (Full year 2010)
U.S. Capital Markets
Alternatives Available

Capital raising
- Private Placement
  - Rule 144A
- Public
  - 1933 ACT

Non-capital raising
- ADR Programme
  - Un-sponsored
  - Sponsored
    - Level I
    - Level II
    - Level III
Alternatives Available - Raising Capital

- **Public markets**
  - Time consuming
  - Expensive, but no liquidity discount
  - High profile

- **Private placements (Rule 144A)**
  - Limit offers in the US to Qualified Institutional Buyers
  - Minimal filings with SEC
  - Can be executed more quickly
  - Lower direct costs, but liquidity discount attached
## Public Offering VS Private Placements

### Public vs. Private Offerings: Summary of Benefits and Costs

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Private Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better pricing</td>
<td>No possibility of delay from an SEC review</td>
</tr>
<tr>
<td>Easier, quicker access to capital markets</td>
<td>Flexibility to address exceptional financial and other disclosure issues (although similar level of disclosure to a public offering)</td>
</tr>
<tr>
<td>going forward (e.g., shelf registration)</td>
<td>Minimal requirements for ongoing reporting</td>
</tr>
<tr>
<td>May use U.S. listed shares instead of cash as</td>
<td>Not subject to corporate governance requirements</td>
</tr>
<tr>
<td>“currency” to pay for acquisitions</td>
<td></td>
</tr>
<tr>
<td>May provide U.S. employees with share based</td>
<td></td>
</tr>
<tr>
<td>compensation</td>
<td></td>
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<tr>
<td>Enhanced profile</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC review</td>
<td>Potential price discount due to distribution and resale restrictions</td>
</tr>
<tr>
<td>Takes longer to effect</td>
<td></td>
</tr>
<tr>
<td>Annual reporting requirements under Form 20-F</td>
<td></td>
</tr>
<tr>
<td>Audit committee, internal control and other</td>
<td></td>
</tr>
<tr>
<td>corporate governance requirements</td>
<td></td>
</tr>
</tbody>
</table>
Alternatives Available - Non Capital Raising

1. Unsponsored ADR
2. Sponsored ADR

Level I (OTC facility)
- Relatively easy to implement
- Minimal filings with SEC
- Can only be traded on the OTC market

Level II (Listing facility)
- More costly to implement
- Must file a registration statement with SEC and comply with SEC rules
- Traded on an exchange including NYSE, NASDAQ and AMEX

Level III (Offering facility)
- Adhere to stricter rules similar to those follow by US companies
- Issue shares to raise capital
U.S. Capital Markets

- Pre-public Planning
- Registration
- Reporting Obligation under the SEC after IPO
Major IPO Steps

● Decide to go public

● Undertake accounting, legal and other due diligence

● Prepare prospectus for application for listing

● Obtain regulatory approvals

● Market the shares
Offering Process

- Kick off meetings
- Planning and timelines
- Initial document
- Drafting sessions
- “The Printers”
- SEC reviews and comments
- Preliminary offering document
- Road show
- Pricing / final offering document
- Closing
Planned Timeline for IPO Process

Time schedule typically 7-12 months in total

<table>
<thead>
<tr>
<th>Month</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IPO FILING</td>
<td>EFFECTIVE DATE</td>
<td>CLOSING</td>
<td></td>
<td></td>
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<tr>
<td>Phase 1: Feasibility</td>
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<td>Phase 2: Assemble Team</td>
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<td>Phase 3: Planning</td>
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<td>Phase 4: Execute Plan &amp; Prepare Registration</td>
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<tr>
<td>Phase 5: Investment Banker Due Diligence</td>
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<tr>
<td>Phase 6: Road Show</td>
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<tr>
<td>Phase 7: SEC Reviews</td>
<td></td>
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<tr>
<td>Offering</td>
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</tr>
</tbody>
</table>
Advisors and Experts

Company

Sponsor(s)

Joint Bookrunners

Share Register

Property Valuer

Legal Counsels

Printer /Translator

Reporting Accountant

PR Advisors
U.S. Capital Markets

- Pre-public Planning
- Registration
- Reporting Obligation under the SEC after IPO
SEC Registration Process

Overview

1933 ACT

Raising new capital

Form F-1

1934 ACT

Trading existing securities*

Form 20-F*

*Can be used in limited conditions, e.g. Level II ADR program, but can not be used to offer securities
Types of Forms

*Domestic*

- Annual report - Form 10-K
- Quarterly report - Form 10-Q
- Periodic report - Form 8-K

*Foreign*

- Annual report - Form 20-F
- Periodic report - Form 6-K
The Content of the Registration Statement of on IPO

- Overview of the Disclosure Rules under Form F-1.
- Financial Statement Requirements.
- Executive Compensation Disclosure.
- Additional Registration Statement Disclosure.
- Signature of the Registration Statement.
- Plain English.
In the prospectus for an IPO in the US., a Non-US company must present:

- 5-year selected financial data; including revenues, income, assets and share capital;
- 3-year audited financial statement;
- Pro forma financial information;
  - Significant business combination or disposition occurred;
  - Financial statements of significant business acquired or to be acquired;
- Unaudited interim financial statements.
The financial statements are required to be presented in conformity with:

- US GAAP or
- IFRS or
- The accounting principle of the issuer’s home country, provided they are audited by US GAAP and contain a GAPP reconciliation.
Common Issues Faced When Going Public

• Accounting Issues
• Functional currency
• Group restructuring
• Merger and acquisition
• Financial instruments
• Fair value measurement
• Share based payment
• Tax provision
• Related party transactions

• Revenue recognition
• Impairment of assets
Other Issues Faced When Going Public

- Continuity of management involvement record
- Deficiency in control procedures
- Tax Issues during group reconstruction
- Submission of relevant information
- Responding to comments from the regulators
- Various related costs
Periodic Reporting

- Covers on-going reporting requirements, subsequent to registration of securities.
- Forms provide general guide, but it is not simply “filling in the blanks.”
- Different forms, and requirements, for domestic and foreign registrants:
  - Domestic registrants have annual, interim and periodic (material event) reports.
  - Foreign registrants have annual and periodic reports.
Form 20-F

- Annual report
- Due within 4 months after fiscal year end
- Contents:
  - development of the business;
  - risk factors affecting the business;
  - financial data;
  - management analysis of financial conditions and results;
  - information on directors, their interests and their compensation;
  - ownership of securities;
  - management’s annual report on internal control over financial reporting;
  - attestation report of the independent registered public accounting firm;
  - audit committee financial expert;
  - code of ethics;
  - principal accountant fees and services;
  - corporate governance;
  - audited consolidated financial statements and Report of Independent Registered Public Accounting Firm
Form 6-K

- Promptly filed upon the occurrence of a reportable event

Examples:

- Changes in control or management, significant acquisitions or dispositions, changes in independent auditors, defaults on senior securities, material legal proceedings, results of shareholder votes

- No requirement to provide interim financial statements, unless provided to investors in home country

- When filed in 6-K, must be in English but no US GAAP information required

- Timing requirements not as specific as for domestic registrants
U.S. Capital Markets

• Pre-public Planning
• Registration
• Reporting Obligation under the SEC after IPO
Ongoing Reporting Requirements

- Annual reports on the Form 20-F
- M&A Interpretive Release
- Form 6-K (Interim reports)
- Required disclosure about non-GAAP financial measures
- Company websites
- Use of Extensible Business Reporting Language (XBRL) for the electronic filing of financial statements
Corporate Governance under the Sarbanes-Oxley Act and Stock Exchange Rules

- Independent audit committee and whistle blowing procedures (SOX 301)
- Internal control over financial reporting (SOX 404)
  - Management’s report on internal controls
  - The auditor attestation on internal controls
- Disclosure controls and related CEO and CFO certifications
- Code of ethics
- Auditor independence requirements
  - Prohibited from providing specific non-audit services
  - Pre-approval and disclosure of all permitted services
  - Rotation of audit partners
Mainland Exchanges — Recent developments
## Active capital markets

<table>
<thead>
<tr>
<th></th>
<th>NYSE</th>
<th>Nasdaq</th>
<th>Shanghai</th>
<th>Hong Kong</th>
<th>Shenzhen</th>
<th>Taiwan</th>
<th>Singapore</th>
<th>Taiwan OTC</th>
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</thead>
<tbody>
<tr>
<td><strong>Domestic market capitalization (US$ billion)</strong></td>
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<td></td>
<td></td>
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<td></td>
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<td>818</td>
<td>647</td>
<td>68</td>
</tr>
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<td><strong>Number of listed companies</strong></td>
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<td>1,169</td>
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<td>564</td>
</tr>
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<td><strong>Average market value (US$ billion)</strong></td>
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<td>5.78</td>
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<td><strong>Average turnover velocity for 2010 (%)</strong></td>
<td>131.2</td>
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<td>62.2</td>
<td>344.3</td>
<td>135.3</td>
<td>53.3</td>
<td>306.7</td>
</tr>
</tbody>
</table>

Source: World Federation of Exchanges, TWSE and OTC websites, as of December 31, 2010

*Market size adjusted turnover rate = domestic share turnover divided by domestic share market cap
Mainland Exchanges — An Overview

Shenzhen Stock Exchange:
- Positioned for small-cap listings over the long-run and China’s strategy for independent innovation

Characteristics:
- Abundant liquidity
- Very volatile
- Capital controls
- Laws & regulations less developed
- Closed to overseas issuers

Shanghai Stock Exchange:
- Positioned to become China’s global financial center

Source: Shanghai and Shenzhen Exchanges
Shanghai — Global financial center rising

• Officially sanctioned by the State Council in March 2009 to become China’s “International Financial Center” by 2020
• A center “commensurate with the country’s economic strength and the international status of the RMB”
• Key objectives:
  – A multi-functional and highly-internationalized financial market
  – A pool of internationally competitive financial institutions
  – A pool of financial professionals
  – A regulatory system compatible with international practices on taxation, credit and governance

Source: PRC State Council
Shanghai — New international board

- Under discussion since late 2009 and vigorously promoted by the Shanghai Municipal Government and the China Securities Regulatory Commission (CSRC)
- Adopted as part of the financial system reform measures in China’s new 12th Five Year Plan (2011-2015)
- Will provide domestic investors a direct channel to invest in MNCs
- Will help globalize China’s currency by allowing MNCs to issue yuan-denominated shares and raise capital in China
- Among types of companies expressing initial interest:
  - MNCs with business operations in China
  - Large Hong Kong-based corporations
  - Mainland companies currently listed outside China
Hong Kong Exchanges — Recent developments
### Active capital markets

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<td>53.3</td>
<td>306.7</td>
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Source: World Federation of Exchanges, TWSE and OTC websites, as of December 31, 2010

*Market size adjusted turnover rate = domestic share turnover divided by domestic share market cap
# The Hong Kong Stock Market in 2010 and 2011

**Hong Kong Exchanges and Clearing Limited (HKEx)**  
- Main Board (MB)  
- Growth Enterprise Market (GEM)

<table>
<thead>
<tr>
<th></th>
<th>30.4.2011</th>
<th>30.4.2010</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of listed companies</td>
<td>1,430</td>
<td>1,334</td>
<td>↑ 96</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>US$ 2.83 trillion</td>
<td>US$ 2.32 trillion</td>
<td>↑ 21.6%</td>
</tr>
<tr>
<td>Average P.E. Ratio</td>
<td>12.2 x</td>
<td>15.8 x</td>
<td>↓ 3.6 x</td>
</tr>
<tr>
<td>Average Daily Turnover</td>
<td>US$ 9.8 billion</td>
<td>US$ 8.5 billion</td>
<td>↑ 16%</td>
</tr>
</tbody>
</table>

Source: Hong Kong Exchange and Clearing Limited (HKEx)
Hong Kong IPOs — 2010/2011

2010 by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Industrial</th>
<th>Health care and pharmacy</th>
<th>Light industries</th>
<th>Natural resources</th>
<th>Finance</th>
<th>Departmental and wholesales</th>
<th>Technology</th>
<th>Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.E.</td>
<td>8-37.6</td>
<td>9.9-62.4</td>
<td>6.2-15.6</td>
<td>9.4-39.2</td>
<td>10.6-23.5</td>
<td>15.3-44.5</td>
<td>12.2-28.9</td>
<td>7-14.53</td>
</tr>
</tbody>
</table>
The value of a Hong Kong Listing – an overview

Global investor base:
42% from investors all over the world
62% from institutional investors

Mainland investors
About 100 million investor accounts in Mainland China
QDII allows Mainland investors to invest overseas via investment schemes

Hong Kong securities market

International investors
Among the overseas investors:
• 29% comes from UK
• 24% comes from U.S.
• 16% comes from Asia
• 16% comes from other European countries
• 15% from other countries

Plus a growing pool of high net Asian worth investors

Source: HKEx
To be listed …

Main Board requirements

<table>
<thead>
<tr>
<th>Profit test</th>
<th>Market capitalization/Revenue test/cash flow test</th>
<th>Market capitalization / Revenue test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market capitalization &gt; HK$ 200 million at listing (US$ 25.6 million)</td>
<td>Market capitalization &gt; HK$ 2 billion (US $256.4 million) at listing</td>
<td>Market capitalization &gt; HK$ 4 billion (US$ 512.8 million) at listing</td>
</tr>
<tr>
<td>Recent past year’s net profit &gt; HK$20 million (US$ 2.56 million)</td>
<td>Recent past year’s revenue &gt; HK$500 million (US $64.1 million)</td>
<td>Recent past year’s revenue &gt; HK$500 million (US$ 64.1 million)</td>
</tr>
<tr>
<td>Preceding 2 years combined net profit &gt; HK$ 30 million (US$ 3.85 million)</td>
<td>Aggregate positive cash flow from operating activities for past 3 years &gt; HK$100 million (US$ 12.8 million)</td>
<td>&gt; 1,000 shareholders at listing</td>
</tr>
</tbody>
</table>
Appendix
## Snapshots of TW FPI Market

<table>
<thead>
<tr>
<th>CPA Firm</th>
<th>FPI Clients</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte</td>
<td>TSMC, CHT, O2 Micro, ASE Inc., SMTC, BCD Semiconductor</td>
<td>6/11</td>
</tr>
<tr>
<td>KPMG</td>
<td>AUO, HIMAX</td>
<td>2/11</td>
</tr>
<tr>
<td>E &amp; Y</td>
<td>UMC</td>
<td>1/11</td>
</tr>
<tr>
<td>PWC</td>
<td>SPIL</td>
<td>1/11</td>
</tr>
<tr>
<td>GHP Horwath, P.C.</td>
<td>Gigamedia</td>
<td>1/11</td>
</tr>
</tbody>
</table>
## Comparison of listing and post-listing requirements of domestic with overseas stock markets

<table>
<thead>
<tr>
<th>Market/Criteria</th>
<th>China A-Share</th>
<th>US</th>
<th>HK</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main Market</strong></td>
<td>Main Board</td>
<td>NYSE</td>
<td>Main Board</td>
<td>Company Limited by Shares and is not against the “Act Governing Relations Between The People Of The Taiwan Area And The Mainland Area”</td>
</tr>
<tr>
<td><strong>Listing Applicant</strong></td>
<td>GEM Board</td>
<td>NASDAQ</td>
<td>GEM Board</td>
<td>Limited Company</td>
</tr>
<tr>
<td><strong>Operating History</strong></td>
<td>At least 3 years of operation</td>
<td>At least 12 months of operation history</td>
<td>At least 3 years of operation</td>
<td>At least 3 years of operation</td>
</tr>
<tr>
<td><strong>Company Size</strong></td>
<td>Minimum share capital of RMB30 million before issuance, and minimum share capital of RMB50 million after issuance.</td>
<td>Minimum share capital of RMB30 million after issuance and no deficit.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Asset Quality</strong></td>
<td>Intangible assets (excluding land use rights, marine cultivation rights and mining rights) not exceeding 20% of the net assets at the end of the latest year.</td>
<td>Minimum net assets of RMB20 million at the end of the latest year and no deficit.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Internal Control</strong></td>
<td>An unqualified auditor’s report on internal control issued by a PRC qualified accountant should be included IPO applications.</td>
<td>None</td>
<td>Practice Note 21 (PN21) requires the Sponsor to conduct due diligence of the listing applicant to enable the Sponsor to declare to the SEHK that the Listing Applicant has established procedures, systems and controls which are adequate in regard to the obligations of the listing applicant.</td>
<td>None</td>
</tr>
</tbody>
</table>
Comparison of listing and post-listing requirements of domestic with overseas stock markets (cont’)

<table>
<thead>
<tr>
<th>Market/ Criteria</th>
<th>China A-Share</th>
<th>US</th>
<th>HK</th>
<th>Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Main Board</td>
<td>1. Profits for the last three years with an aggregate amount of not less than RMB30 million</td>
<td>1. US$100 million aggregate pre-tax income for the last 3 fiscal years and with no less than US$25 million (world-wide) in each of the 2 preceding fiscal years.</td>
<td>1. Profits of HK$20 million for most recent year and of aggregate of HK$30 million for the first two years;</td>
<td>Positive cash flow generated from operating activities of at least HK$20 million in aggregate for the two preceding financial years and market capitalization of at least HK$100 million at the time of listing.</td>
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<tr>
<td>GEM Board</td>
<td>2. Cumulative cash flows from operating activities for the last three years exceeding RMB50 million, or cumulative operating income for the last three years exceeding RMB300 million.</td>
<td>2. Or market capitalization* of (*world-wide) not less than US$500 million and revenues (during the most recent 12 months) of US$100 million, aggregate of operating cash flows of US$100 million for last 3 years together with minimum of US$25 million in each of the 2 preceding years.</td>
<td>2. Or Market capitalization of at least HK$200 million at the time of listing, revenue of at least HK$500 million for the most recent audited financial year, and positive cash flow from operating activities of at least HK$100 million in aggregate for the three preceding financial years.</td>
<td>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.</td>
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<td>Profits for the last two years on a rising trend, with an aggregate amount of not less than RMB10 million.</td>
<td>2. profit for the latest year of not less than RMB5 million; operating income for the latest year of not less than RMB50 million; and operating income growth for the last two years of not lower than 30%.</td>
<td>3. Or market capitalization of US$750 million* (*world-wide) and revenue of US$75 million for the most recent fiscal year</td>
<td>3. Or Market capitalization of at least HK$4 billion at the time of listing, revenue of at least HK$500 million for the most recent audited financial year, and minimum 1,000 shareholders at the time of listing</td>
<td>1. 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).</td>
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<td>Operating Income</td>
<td>2. profit for the latest year of not less than RMB5 million; operating income for the latest year of not less than RMB50 million; and operating income growth for the last two years of not lower than 30%.</td>
<td>3. Or market capitalization of US$750 million* (*world-wide) and revenue of US$75 million for the most recent fiscal year</td>
<td>Positive cash flow generated from operating activities of at least HK$20 million in aggregate for the two preceding financial years and market capitalization of at least HK$100 million at the time of listing.</td>
<td>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.</td>
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<td>Positive cash flow generated from operating activities of at least HK$20 million in aggregate for the two preceding financial years and market capitalization of at least HK$100 million at the time of listing.</td>
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<td>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.</td>
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<td>Note: The Exchange may accept a shorter trading record period under substantially the same management if the new applicant can demonstrate that: (i) its directors and management have sufficient and satisfactory experience of at least three years in the line of business and industry of the new applicant; and (ii) management continuity for the most recent audited financial year.</td>
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# Comparison of listing and post-listing requirements of domestic with overseas stock markets (cont’)

<table>
<thead>
<tr>
<th>Market/Criteria</th>
<th>China A-Share</th>
<th>US</th>
<th>HK</th>
<th>Taiwan</th>
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</table>
| Shareholding Liquidity| Shares held by the promoter shall not be transferred within three years.     | Shares held by the original shareholders shall not be transferred within six months after listing. | Shares held by major shareholders (holding 30 percent or more of its total issued shares) shall not be transferred within six months after listing. | 1. The total number of shares held by directors and supervisors shall be placed in central custody by the issuing company.  
2. One half of the shares placed in central custody by directors, supervisors and shareholders may be withdrawn only after the lapse of a six-month period starting from the listing date thereof; the remaining shares may be withdrawn in full only after the lapse of a one-year period starting from the listing date thereof. |
| Time period of listing review | CSRC’s approval is required and time period for listing might be uncertain. | Disclosed information shall be reviewed by the US and time period for listing might be uncertain. | Listing process takes around 6 to 9 months | 1. Preview filing in advance of formal listing application submission  
2. Review is proceeded with a written review of the application and supporting documents and usually takes around 4 to 5 months |
| Refinancing           | 1. Refinancing is allowed 1 year later after listing but subject to CSRC’s review and approval  
2. Process is complex with high uncertainty | No time and frequency limit | 1. Refinancing is allowed 6 months later after listing  
2. No frequency limit | Refinancing is allowed after listing and without time limit; however, capital requirement plan is required. |
| Other requirements for listing application | The following reports shall be issued by independent auditors: main category tax-payments illustration, Illustration on difference between original and declared financial reports and descriptions on extraordinary gain and loss. | None | The following comfort letters shall be issued by independent auditors: earnings forecast, working capital forecast, liability status; and pro forma financial information . | 30%Shares held by PRC investors shall be less than 30 percent or more of its total issued shares |
## Comparison of listing and post-listing requirements of domestic with overseas stock markets (cont’)

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<td><strong>Financial reporting</strong></td>
<td>1. An annual financial report shall be published and filed within four months following the end of each business year; 2. a semi-annual financial report shall be published and filed within two months following the end of each business half-year. 3. a first or third quarter financial report, as the case may be, shall be published and filed within 30 days following the end of each first or third quarter of the business year.</td>
<td>Independent auditor is required to issue opinion on the company’s internal control over financial reporting in accordance with Sarbanes-Oxley Act of 2002</td>
<td>1. An annual financial report shall be published and filed within three months following the end of each business year; 2. a semi-annual financial report shall be published and filed within two months following the end of each business half-year.</td>
<td>1. An annual financial report shall be published and filed within four months following the end of each business year, accompanied by an audit report issued by two domestic CPAs; 2. a semi-annual financial report shall be published and filed within 75 days following the end of each business half-year, accompanied also by an audit report issued by two domestic CPAs; 3. a first or third quarter financial report, as the case may be, shall be published and filed within 45 days following the end of each first or third quarter of the business year, for which no CPA audit or review is required.</td>
</tr>
<tr>
<td><strong>Internal control</strong></td>
<td>Management is gradually required to issue self-assessment of the effectiveness of its internal control. i.e. C-SOX, after June 2011.</td>
<td>Management is required to issue corporate governance report in accordance with related regulations.</td>
<td>A public company shall submit its next year’s audit plan by the end of each fiscal year and conduct annual self-inspection of the design and operating effectiveness of its internal control systems, and publicly announce and report the Internal Control System Statement within four months from the end of each fiscal year.</td>
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</table>
本次演講所傳達的內容，是建立在對有限資訊了解的基礎上所提出之初步規劃和建議概述。

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We understand the issues