

2004 Information Transparency and Disclosure Ranking Results in Taiwan

**Conducted by Securities and Futures Institute
Entrusted by Taiwan Stock Exchange Corporation & Gre Tai
Securities Market**

Despite all reasonable care given in the screening process to ensure objectivity, the SFI bears no responsibility in case of any damage or loss incurred from use of the ranking results.

May 17, 2005

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About “Information Disclosure and Transparency Ranking System”

The recent media focus on corporate governance has prompted calls for greater transparency and disclosure on companies around the globe. As a result, several leading financial-information providers have launched disclosure rankings, evaluations, and research related to how companies disclose information to rely on market force and mechanisms to encourage voluntary disclosures of companies. However, the evaluation criteria selected by those rankings, to some degree, could not provide an overall evaluation of disclosure practices in local market. In additions, there have been calls for standard setters and regulators to expand disclosure requirements according to international standards. Therefore, the Securities and Futures Institute (“SFI”), entrusted by the Taiwan Stock Exchange Corporation (“TSEC”) and the Gre Tai Securities Market (“GTSM”), currently launched “Information Transparency and Disclosure Rankings System”(ITDRS) to evaluate the level of transparency for all listed companies in Taiwan since 2003. For the second time, the 2004 full-year ranking results were released on May 17, 2005. In TSEC category, out of 641 TESC-listed companies, 208 companies were selected as “the More Transparent Companies”. In GTSM category, out of 340 GTSM-listed companies, 109 companies were selected as “the More Transparent Companies”.

Objectives

- ◆ To promote corporate transparency by developing evaluation criteria which can not only well examine local disclosure practices but also comply with international standards.
- ◆ To assist companies in reducing cost of capital as disclosure level increase.
- ◆ To enable investors to better protect their interest through use of ranking results as an additional decision-making tool.
- ◆ To help regulators better monitor the market.

Companies covered

Except some companies with inadequate data (listed after January 1, 2004) or regulatory enquires, all TESC/GTSM-listed companies were covered by IDTRS.

Evaluation Criteria

The IDTRS gauged the level of corporate transparency by searching annual report, regulatory filling via inter net, and company web sites. In order to access the transparency and disclosure practices of listed companies, IDTRS identified 88 disclosure items as evaluation criteria grouped into the following five categories:

- ◆ Compliance with the mandatory disclosures
- ◆ Timeliness of reporting
- ◆ Disclosure of annual report
- ◆ Disclosure of Financial forecast
- ◆ Corporate website disclosure

Each disclosure item is in the form of a “yes” or “no” question to ensure objectivity (each “yes” question is equal to one point and each “no” to zero). Since IDTRS focuses only on the existence of each disclosure item, IDTRS does not endeavor to access the accuracy of the information. In 2004, only 85 disclosure items were actually taken into consideration.

Screening Process

A two-stage of screening process was conducted. All information provided was preliminarily screened by the SFI in-house ranking team based on the existence of each disclosure item. All companies were entitled to check the preliminary result via inter net, then directly respond to the SFI regarding ambiguous issues in two weeks. Upon receiving the different opinions (in papers) expressed by companies, the Ranking Committee, composed of experts from accounting profession, industry and academia, subsequently accessed the presentation of information and decided the final list of the more transparent companies.

List of “The More Transparent Companies”

TSEC-listed Companies Category

In total, 208 companies were selected as "the More Transparent Companies" in year 2004. A detailed list (in company code order) was described as follows:

Company Code	Company Name	Company Code	Company Name	Company Code	Company Name
1101	TCC	1102	ACC	1108	LUCKY CEMENT
1201	Wei-Chuan	1215	CPE	1216	UNI-PRESIDENT
1219	FWUSOW	1227	S.F.C.	1233	Ten Ren
1234	HEYSONG	1301	FPC	1303	NPC
1304	USI	1308	APC	1313	UPC
1314	CPDC	1319	TYG	1323	YONYU
1326	FCFC	1402	FETL	1434	F.T.C.
1436	FUI	1437	GTM	1451	NIEN HSING
1471	SL	1477	Makalot	1503	SEEC
1504	TECO	1513	CHEM	1519	FE
1528	ANDERSON	1529	LUXE	1539	GT
1601	TFC	1605	WALSIN	1608	HE
1612	HONG TAI	1710	OUCC	1711	EVERLIGHT
1715	ACHEM	1716	Y.S.P.	1720	S.C.P.C.
1722	TFC	1723	CSCC	1724	T.N.C.
1734	SINPHAR	1735	EMC	1802	TGI
1904	Cheng Loong	2002	China Steel	2006	Tung Ho Steel
2007	YH	2008	KHC	2009	FCC
2010	CHUN YUAN STEEL	2015	FH	2029	SYSCO
2034	YC	2101	NK	2103	TSRC
2104	CSRC	2204	CMC	2207	HOTAI MOTOR
2301	LTC	2308	DELTA	2311	ASE
2315	MIC	2316	WUS	2317	HON HAI
2324	Compal	2327	YAGEO	2330	TSMC
2336	Primax	2337	MXIC	2340	OPTO TECH
2343	SYSTEX	2344	WEC	2345	ACCTON
2352	BENQ	2353	ACER	2356	INVENTEC
2360	SYSTEX	2361	MUSTEK	2365	KYE
2366	ASKEY	2369	LPI	2371	TATUNG
2376	GIGABYTE	2379	RT	2382	QCI
2392	FOXLINK	2397	DFI Inc.	2409	AUO

Company Code	Company Name	Company Code	Company Name	Company Code	Company Name
2412	CHT	2418	YA HSIN	2420	ZIPPY
2421	SUNON	2432	E-TEN	2439	MERRY
2446	PPt	2447	DSC	2450	SENAO
2454	MTK	2456	CHILISIN	2458	ELAN
2460	GEM	2465	LEADTEK	2468	FIS
2469	LSE	2473	SPRINGSOFT	2475	CPT
2476	GS	2482	UIC	2487	ULEAD
2492	WTC	2493	AMPOC	2495	Infotrend
2526	CEC	2603	EMC	2606	U-MING
2607	EITC	2609	YMTC	2610	CAL
2618	EVAAIR	2801	C.H.B.	2807	HIB
2808	IBTAIPEI	2820	CBF	2834	TBB
2836	B.O.K.	2837	CSMB	2845	FEIB
2851	CRC	2855	PSC	2880	HNFHC
2881	Fubon Financial	2884	E.S.F.H	2885	Fuhwa Group
2886	MEGA FHC	2888	SKFHC	2889	Waterland Financial Holdings
2890	SINOPACHOLDINGS	2891	CFHC	2892	FFHC
2908	Test Rite	2912	PCSC	2915	RUENTEX IND.LTD
3002	AHOKU	3005	MTC	3010	WAH LEE
3011	JH	3014	ITE	3015	SPI
3016	PRECISION	3017	AVC	3018	TUNG KAI
3019	ASIA	3024	ACN	3029	ZERO ONE
3030	TRI	3031	BRIGHT	3034	NOVATEK
3037	UNIMICRON	3041	ALi	3042	TXC
3045	TCC	3046	AOpen	3051	Optimax
3056	KB	3059	Altek	3062	CyberTAN
3063	IST	4414	ROO HSING	5305	LSC
5471	SONIX	5515	CHIEN KUO	5534	CHONG HONG
5607	FGACT	5608	S. W.	6004	YUANTA
6112	SYSAGE	6116	Hannstar	6119	TECO_ENT
6132	XEPEX	6136	FTC	6166	ADLINK
6189	Promate	6196	MIC	6197	JPC
6202	HOLTEK	6206	FLYTECH	6225	AIPTEK
6239	PTI	6277	ATEN	6282	AcBel
6286	Richtek	6289	AOC	6505	FPCC

Company Code	Company Name	Company Code	Company Name	Company Code	Company Name
8016	Sitronix	8078	CCI	9904	PCC
9908	GTG	9919	KNH	9933	CTCI Corp.
9941	TAC	9942	MAO SHUN	9944	Shinih
9945	RUENTEX DEVELOP				

GTSM-listed Companies Category

In total, 109 companies were selected as "the More Transparent Companies" in year 2004. A detailed list (in company code order) was described as follows:

Company Code	Company Name	Company Code	Company Name	Company Code	Company Name
4104	ENFIELD	4105	TTY	4107	BIOTEQUE
4114	SYNMOSA	4120	OEP	4306	YEMCHIO
4417	KING NET	4420	Kwang Ming	4502	YF
4506	GFC	4527	KL	4716	DAILY
4720	TEX YEAR	4722	QPC	4904	Far EasTone
5007	SAN SHING	5009	GMTC	5201	KWAY
5202	NewSoft	5209	ACS	5211	PenPower
5212	HYWEB	5304	DBTEL	5309	SYSGRATION
5314	Myson	5315	U.R.T.	5346	PSC
5388	SERCOMM	5425	TSC	5450	PROLINK
5464	LIN HORN	5480	YANG AN	5489	DYNACOLOR
5493	San Lien	5494	Destiny	5522	METROPOLITAN
5530	DAHAN	5820	JIHSUN FHC	6005	CSC
6101	VIC	6103	AVID	6105	Portwell
6113	ASEC	6123	GrandTech	6125	KENMEC
6127	LEATEC	6135	SILTRONTECH	6137	STC
6138	ANPEC	6143	NETRONIX,INC.	6144	DMT
6147	CHIPBOND	6148	PSI	6150	C.P.
6151	GINAR	6152	PESI	6154	Sunfar
6155	KING	6167	POWERTIP	6169	InterServ
6171	Aries	6173	P.D.C.	6174	AKER
6176	ROEC	6177	I A CO.	6180	GAMANIA
6185	PLASTRON PRECISION	6186	SmartASIC	6187	ALL RING

Company Code	Company Name	Company Code	Company Name	Company Code	Company Name
6188	QUANTA	6191	GBM	6194	YUFO
6195	T.E.C.	6198	AVERLOGIC	6203	Sea Sonic
6204	ALPHA	6208	HTC	6212	M.E.T.
6214	SYSWARE	6215	Aurotek	6217	CCP
6221	Genesis	6224	PTTC	6226	Para Light
6229	V-TAC	6232	Everskill	6233	PROLIFIC
6237	CMEI	6245	Lanner	6248	TMP
6259	BULLWILL	6263	Planet	6274	TUC
6276	MINGJONG	6283	SOE	8032	KORYO
8039	TAIFLEX	8043	3H	8050	IBASE
8070	CHANG WHA	8082	PRO-NETS	8916	KLF
8917	HSIN TAI GAS CO., LTD	8933	IDEAL	8938	ADVANCED GROUP
8940	New Palace	8941	GRAND HALL	9949	TITTOT
9951	MACAUTO				