

2008 International Conference on Corporate Governance and Financial Integration

Taipei, Taiwan, May 16, 2008

Location: Taiwan Academy of Banking and Finance,

No. 62, Sec. 3, Roosevelt Road, Taipei 100, Taiwan, R.O.C.

Program

Hosted by

Center for Corporate Governance and Business Ethics, Graduate Institute of
Finance, Fu-Jen Catholic University, Taiwan
Taiwan Academy of Banking and Finance

Co-hosted by

College of Management, Chang-Gung University, Taiwan
Taiwan Stock Exchange Cooperation

Co-chair

Yin-Hua Yeh, Professor, Graduate Institute of Finance, Fu-Jen Catholic University

Soushan Wu, Dean, College of Management, Chang-Gung University

Tyrone Chen, Executive Vice President, Taiwan Academy of Banking and Finance

Advisory committee

Bernard Chien-Chiu Li, President, Fu-Jen Catholic University

Chia-Chu Pao, President, Chang-Gung University

Gordon S. Chen, Chairman, Taiwan Academy of Banking and Finance

Sheng-Cheng Hu, Chairperson of Financial Supervisory Commission, Executive Yuan,
R.O.C.; Academician, Academia Sinica

Rong-I Wu, Chairman of Taiwan Stock Exchange Corporation; Ex-Vice Premier of
Executive Yuan, R.O.C.

Best paper reviewing committee

Randall Morck, Professor, University of Alberta

William Q. Judge, Professor, Old Dominion University

Joseph P. H. Fan, Professor, The Chinese University of Hong Kong

T. J. Wong, Professor, The Chinese University of Hong Kong

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Yin-Hua Yeh, Professor, Fu-Jen Catholic University

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Yehning Chen, Professor, National Taiwan University

Pei-Gi Shu, Professor, Fu-Jen Catholic University

Wen-Liang Hsieh, Professor, Tamkang University

Shu-Ling Lin, Professor, Fu-Jen Catholic University

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Center for Corporate Governance and Business Ethics, Graduate Institute of Finance, Fu-Jen Catholic University, Taiwan

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Taiwan Stock Exchange Cooperation

Co-sponsored by

Centre of Economics & Finance, the Chinese University of Hong Kong

Center for Economic Institutions, Hitotsubashi University, Japan

Graduate Institute of Finance, National Chiao-Tung University, Taiwan

Gre Tai Securities Market (the GTSM), Taiwan

Taiwan Futures Exchange

Taiwan Depository & Clearing Corporation (TDCC)

Taiwan Corporate Governance Association

Good day, ladies and gentlemen:

On behalf of Fu-Jen Catholic University, Academy of Banking and Finance and Chang-Gung University, we would like to express gratitude of your participation and sincere welcome to our distinguished guests from different countries/regions to partake in the 2008 International Conference on Corporate Governance and Financial Integration.

The Conference features academic sessions and public policy forums. The Conference aims at promoting high-quality research on corporate governance and financial integration mainly. We are honorable to invite distinguished scholars from the U.S., Canada, France, Germany, Australia, Japan, Hong Kong, Ukraine, and Nigeria. Through this conference, we hope that the research of corporate governance and financial integration could be qualitatively enhanced and effectively integrated.

It is our great honor to invite **Dr. Sheng-Cheng Hu** (Chairperson of Financial Supervisory Commission, Executive Yuan, R.O.C., Academician, Academia Sinica) to deliver a keynote speech on corporate governance and financial policies. We are also very honorable to invite **Prof. Randall Morck** (Stephen A. Jarislowsky Distinguished Chair Professor in Finance, University of Alberta), **Prof. William Q. Judge** (*Chief Editor, Corporate Governance: An International Review*, E.V. Williams Chair Professor of Strategic Leadership, Old Dominion University), **Prof. T. J. Wong** (Associate Dean (Research), Faculty of Business Administration, Chinese University of Hong Kong) and **Prof. Joseph P. H. Fan** (The Chinese University of Hong Kong) to deliver speeches on the research trends and new concepts of corporate governance.

In the following sessions, we arrange two panel discussions covering the issues on “*Governance Mechanisms and Integration of Capital Market*” and “*Financial Integration and Innovation*”. Eight academic sessions that comprise of 28 papers are scheduled in the afternoon session. The issues include “*Internal Governance*”, “*Accounting Issues*”, “*M&A and Going Private*”, “*Corporate Governance and Performance*”, “*Governance on Financial Sector*” and “*Special Topics on Governance*”. The focal point of this conference locates on the continuous improvements of corporate governance. I hope that this conference is a good beginning to advance our research quality of Taiwan and make it comparable to international level.

The Center for Corporate Governance and Business Ethics at Fu-Jen Catholic University was established in 2005. We have held several events that are in accordance with the spirit of this center. In 2005, we held the “International Conference on Corporate Governance” in November and the “Forum of Asia Corporate Governance” in December.

In 2006 we held the “Forum of Corporate Governance Practices” and the “Forum of Business Ethics.” In 2007, we held the “International Conference on Corporate Governance and Business Ethics.” With all your participation, we hope that you will have a better understanding on how to enhance research quality both in corporate governance and business ethics.

The Center not only emphasizes on the research issues of corporate governance and business ethics but also has started to try to build the evaluation systems and indicators of business ethics. To enhance the visibility and quality of research, we will try possibilities to make connection to the international societies. Last but not least, we would like to express gratitude for your participation in this conference, and sincerely hope you will have pleasant experience in Taiwan.

Co-chairs

Yin-Hua Yeh

Chair and Professor
Center for Corporate
Governance and Business
Ethics
Graduate Institute of Finance
Fu Jen Catholic University

Soushan Wu

Dean
College of
Management
Chang-Gung
University

Tyrone Chen

Executive Vice
President,
Taiwan Academy
of Banking and
Finance

Program

Time	Program
8 : 30~9 : 00	Registration
9 : 00~9 : 30	<p>Opening Remark Michael G. Kuo, Vice President for Mission, Fu-Jen Catholic University (郭維夏副校長，輔仁大學) Gordon S. Chen, Chairman, Taiwan Academy of Banking and Finance (陳樹董事長，台灣金融研訓院)</p> <p>Keynote Speech: Corporate Governance and Financial Policies Dr. Sheng-Cheng Hu Chairperson of Financial Supervisory Commission, Executive Yuan, R.O.C., Academician, Academia Sinica</p>
9 : 30~10 : 20	<p>Academic Keynote Speech Chair: Ching-Chang Yen, Chairman and CEO of Yuanta Financial Holdings; Ex-Minister, Ministry of Finance, R.O.C. (顏慶章董事長，元大金控；前財政部長)</p> <p>“Behavioral Finance and Corporate Governance: It Might be More Useful than We Thought” Prof. Randall Morck Stephen A. Jarislowsky Distinguished Chair Professor in Finance, University of Alberta</p>
10 : 20~10 : 40	Coffee Break
10 : 40~11 : 30	<p>Academic Keynote Speech Chair: Sean C. Chen, Chairman, KGI Securities Co. LTD. (陳冲董事長，KGI 中信證券)</p> <p>“The Board’s Involvement in Strategic Decision Making” Prof. William Q. Judge <i>Chief Editor, Corporate Governance: An International Review</i>, E.V. Williams Chair Professor of Strategic Leadership, Old Dominion University</p>
11 : 30~12 : 30	<p>Academic Keynote Forum: Family Firms in East Asia Chair: Prof. Randall Morck, University of Alberta</p> <p>“Mixing Family with Business” Prof. Joseph Fan Director and Professor, Centre of Economics and Finance, The Chinese University of Hong Kong</p> <p>“Transparent family firm: is it an oxymoron?” Prof. T.J. Wong Associate Dean (Research), Faculty of Business Administration; Director of Centre for Institutions and Governance, The Chinese University of Hong Kong</p>
12 : 30~12 : 40	Best Paper Awarding Ceremony
12 : 40~13 : 40	Lunch

★ The sessions in the morning are held at Lecture Hall on 2nd floor.

Program

Time	Program				
13 : 40~15 : 20	Panel Discussion (#1) 資本市場整合 四合一與治理機制 <i>Governance Mechanisms and Integration of Capital Market</i>	Academic Session (#1) <i>Internal Governance (I)</i> (Room 401)	Academic Session (#2) <i>Accounting Issues</i> (Room 402)	Academic Session (#3) <i>M&A and Going Private</i> (Room 501)	Academic Session (OF#1) <i>Corporate Governance and Performance</i> (Room 502)
15 : 20~15 : 40	Coffee Break				
15 : 40~17 : 20	Panel Discussion (#2) 金融創新 與整合 <i>Financial Innovation and Integration</i>	Academic Session (#4) <i>Special Topics on Governance</i> (Room 401)	Academic Session (#5) <i>Internal Governance (II)</i> (Room 402)	Academic Session (#6) <i>Governance Issues on Financial Sector (I)</i> (Room 501)	Academic Session (OF#2) <i>Governance Issues on Financial Sector (II)</i> (Room 502)

- ★ Panel Discussion #1 and #2 are proceeding in Chinese at Lecture Hall on 2nd floor.
- ★ Academic sessions are all proceeding in English.

實務座談(#1)：資本市場整合四合一與治理機制

時間：13：40~15：20

語言：中文

地點：菁業堂

主持人：張秀蓮副主任委員，行政院金融管理與監督委員會

專題演講人：吳榮義董事長，台灣證券交易所

子題：資本市場整合的國際趨勢

資本市場整合的必要性與效率

資本市場整合的風險與問題

資本市場整合的模式

新控股公司的治理機制

與談人：

李啟賢副局長 金管會證期局

周行一院長 政治大學商學院

張嘉臨總經理 高盛亞洲證券台北分公司

Panel Discussion (#1): Governance Mechanisms and Integration of Capital Market

Time: 13:40~15:20

Language: Chinese

Location: Lecture Hall (on the 2nd floor.)

Chair: Susan S. Chang, Administrative Vice Chairperson, Financial Supervisory Commission, Executive Yuan, R.O.C.

Keynote speaker: Rong-I Wu, Chairman of Taiwan Stock Exchange Corporation; Ex-Vice Premier of Executive Yuan, R.O.C.

Topics: International Trends toward Capital Markets Integration

Imperative and Efficiency of Capital Markets Integration

Risks on Capital Markets Integration

Models of Capital Markets Integration

Governance Mechanisms of Capital Markets Integration

Panelists:

Chi-Hsien Lee, Deputy Director-General, the Securities and Futures Bureau,
Financial Supervisory Commission of Taiwan, ROC

Edward H. Chow, Dean, College of Commerce, National Chengchi University

Chia-Lin Chang, General Manager, Goldman Sachs (Asia) L.L. C. | Taipei Branch

實務座談(#2)：金融創新與整合

時間：15：40~17：20

語言：中文

地點：菁業堂

主持人：陳樹董事長，台灣金融研訓院

專題演講人：劉紹樑策略長，中華開發金控

子題：台灣金融業整合之趨勢

金融機構合併與控股公司化之綜效

金融創新的模式

金融整合與金融創新對公司治理與金融監理之衝擊

與談人：

杜英宗董事長 花旗環球財務管理顧問公司

沈中華教授 台灣大學財務金融系

劉紹樑策略長 中華開發金控

Panel Discussion (#2): Financial Innovation and Integration

Time: 15:40~17:20

Language: Chinese

Location: Lecture Hall (on the 2nd floor.)

Chair: Gordon S. Chen, Chairman, Taiwan Academy of Banking and Finance

Keynote speaker: Lawrence S. Liu, EVP and Chief Officer, China Development Financial Holding Corporation; President, China Development Industrial Bank

Topics: Trends of Financial Integration in Taiwan

Synergy of Financial Integration

Models of Financial Innovation

Impacts of Financial Integration and Innovation on Corporate Governance and Financial Supervisory

Panelists:

Y. T. Du, Chairman, Citigroup Global Markets Taiwan Ltd.

Chung-Hua Shen, Professor, National Taiwan University

Lawrence S. Liu, EVP and Chief Officer, China Development Financial Holding Corporation; President, China Development Industrial Bank

Academic Session (#1): Internal Governance (I)

Time: 13:40~15:20

Language: English

Location: Room 401

- Session Chair** **Joseph P. H. Fan (The Chinese University of Hong Kong)**
Adoptive Expectations: Rising Son Tournaments in Japanese Family Firms
Vikas Mehrotra (University of Alberta), Randall Morck(University of Alberta), Jungwook Shim (Hitotsubashi University), **Yupana Wiwattanakantang** (Hitotsubashi University)
- Discussant** **Joseph P. H. Fan (The Chinese University of Hong Kong)**
Corporate Governance and Debt Maturity Decision in Taiwan
Chun-I Lee (Loyola Marymount University), Yih-Wen Shyu (Chang Gung University)
- Discussant** **Olga Kolokolova (University of Konstanz)**
Corporate Governance and Investment Efficiency of Diversified Firms: Evidence from Corporate Asset Purchases
Sheng-Syan Chen (National Taiwan University), **I-Ju Chen** (Jinwen University of Science and Technology)
- Discussant** **Rim Zaabar (Ceram Business School)**

Academic Session (#2): Accounting Issues

Time: 13:40~15:20

Language: English

Location: Room 402

- Session Chair** **T. J. Wong (The Chinese University of Hong Kong)**
A Meta-Analysis of the Association between Earnings Management and Audit Quality and Audit Committee Effectiveness
Mark I. Hwang (Central Michigan University), Jerry W. Lin (University of Minnesota Duluth)
- Discussant** **Shu Yeh (National Taiwan University)**
Earnings Management in Chinese Manufacturing Firms: Evidence from the Chinese National Industrial Census
Shaomin Li (Old Dominion University), David Selover (Old Dominion University), Michael Stein (Old Dominion University)
- Discussant** **T. J. Wong (The Chinese University of Hong Kong)**
Corporate Governance and Asset Impairments: Evidence from the Adoption Choice of SFAS No.35 in Taiwan
Wei-Heng Lin (Chung Yuan Christian University), **Joseph C. S. Hsu** (National Yunlin University of Science and Technology)
- Discussant** **Shuching Chou** (National Yunlin University of Science & Technology)

Academic Session (#3): M&A and Going Private

Time: 13:40~15:20

Language: English

Location: Room 501

- Session Chair** **Yehning Chen (National Taiwan University)**
Incentive Realignment or Cost Saving: the Decision to Go Private
Qing He (Chinese University of Hong Kong), Teresa Tai-Leung Chong (Chinese University of Hong Kong)
- Discussant** **Yehning Chen (National Taiwan University)**
Financing Constraints, Ownership Control and Cross-border M&As: the Evidence of Nine East Asian Economies
Yenn-Ru Chen (National Cheng Kung University), Yu-Lin Huang (National Cheng Kung University)
- Discussant** **Yang-Pin Shen (Yuan Ze University)**
Does Cross-border Bank M&As Reduce More Systematic Risk than Domestic One? Evidence from International Financial Integration
Shu-Ling Lin (Fu-Jen Catholic University), Shang-Chi Gong (Fu-Jen Catholic University), Soushan Wu (Chang Gung University)
- Discussant** **Shao-Chi Chang (National Cheng Kung University)**

Academic Session (#4): Special Topics on Governance

Time: 15:40~17:20

Language: English

Location: Room 401

- Session Chair** **Mingshen Chen (National Taiwan University)**
Can Economic Incentives be Created by Environmental Information Release? - Evidence from the Relationship between Firms' Environmental Performance and Financial Performance
Ran Zhang (Rensselaer Polytechnic Institute)
- Discussant** **Yenn-Ru Chen (National Cheng Kung University)**
Political Relations and Overseas Stock Exchange Listing: Evidence from Chinese State-owned Enterprises
Mingyi Hung (University of Southern California), T. J. Wong (Chinese University of Hong Kong), **Tianyu Zhang** (City University of Hong Kong)
- Discussant** **Mingshen Chen (National Taiwan University)**
Chang in Control and Firm Performance
Yeh Yin-Hua (Fu-Jen Catholic University), Pei-Gi Shu (Fu-Jen Catholic University), Shean-Bii Chiu (National Taiwan University), **Yu-Hui Su** (Soochow University)
- Discussant** **Chueh-Yung Tsao** (Chang Gung University)

Academic Session (#5): Internal Governance (II)

Time: 15:40~17:20

Language: English

Location: Room 402

- Session Chair** **Chuang-Chang Chang (National Central University)**
Market Response to Mandatory Disclosure of Ownership Changes: Evidence from France
Rim Zaabar (Ceram Business School)
- Discussant** **Shu-Ling Lin (Fu-Jen Catholic University)**
On the Substitution and Complement Effects of Internal Corporate Governance Mechanisms: Evidence from Taiwan
Huimin Chung (National Chiao Tung University), Ai-Lin Kuo (National Chiao Tung University), Her-Jiun Sheu (National Chiao Tung University), **Juo-Lien Wang (China University of Technology)**
- Discussant** **Heng-Chih Chou (Ming Chuan University)**
Signaling Effect of Corporate Governance Policy: Theory and Empirical Taiwanese Evidence of Independent Director Appointments
Ming-Chang Wang (Cheng Shiu University), Yung-Chuan Lee (The Overseas Chinese Institute of Technology)
- Discussant** **Huimin Chung (National Chiao Tung University)**

Academic Session (#6): Governance Issues on Financial Sector (I)

Time: 15:40~17:20

Language: English

Location: Room 501

- Session Chair** **Wen-Liang Hsieh (Tamkang University)**
Hedge Funds' Interlocks and their Impact on Performance
Olga Kolokolova (University of Konstanz)
- Discussant** **Yi-Lin Wu (National Tsing Hua University)**
Management Structure and New Equity Fund Performance
Hsuan-Chi Chen (University of New Mexico), **Christine W. Lai (Yuan Ze University)**
- Discussant** **Qing He (Chinese University of Hong Kong)**
Contrarian Investment Strategies Work Better for Dually-Traded Stocks: Hong Kong Evidence
Vikash Ramiah (RMIT University), Ka Yeung Cheng (RMIT University), Julien Orriols (RMIT University), **Tony Naughton (RMIT University)**, Terrence Hallahan (RMIT University)
- Discussant** **Wen-Liang Hsieh (Tamkang University)**

Academic Session (OF#1): Corporate Governance and Performance

Time: 13:40~15:20

Language: English

Location: Room 502

- Session Chair** **Tony Naughton (RMIT University)**
Board Governance and IPO Performance in the Short-run and Long-run
- Discussant** **Ching-Yi Lin** (Takming University of Science and Technology),
Ching-Fang Lin (Takming University of Science and Technology)
Chin-Horng Chan (Chang Gung University)
The Effects of Corporate Governance Mechanisms on the Decision Making of Investors
- Discussant** **Jo-Ting Wei** (National Sun Yat-Sen University), Yeun-Wen Chang
(National Taichung Institute of Technology), Ruey-Dang Chang
(National Sun Yat-Sen University)
- Discussant** **Fengyi Lin (National Taipei University of Technology)**
Managerial Ownership and the Performance of Firms: Evidence from Taiwan
- Discussant** **Jen-Ying Shih** (Chang Gung University), Kie-Ann Wong (Chang
Gung University)
- Discussant** **Tony Naughton (RMIT University)**
Board Size and Financial Performance: Evidence from Taiwan's Stock Market
- Discussant** Kie-Ann Wong (Chang Gung University), **Chueh-Yung Tsao**
(Chang Gung University)
- Discussant** **Christine W. Lai** (Yuan Ze University)

Academic Session (OF#2): Governance Issues on Financial Sector (II)

Time: 15:40~17:20

Language: English

Location: Room 502

- Session Chair** **Chun-I Lee (Loyola Marymount University)**
The Stock Price Reactions of Stock Repurchases and Stock Retirements in Taiwan--- A Perspective of Corporate Governance
- Chin-Horng Chan (Chang Gung University)**
- Discussant** **Chun-I Lee (Loyola Marymount University)**
Bank's Ownership Revolution and Risk-taking in Transition Economics- Evidence from Taiwan
- Shuching Chou (National Yunlin University of Science & Technology), Fengyi Lin (National Taipei University of Technology)**
- Discussant** **Jen-Ying Shih (Chang Gung University)**
Determinants of Bank Profitability: Company-level Evidence from Nigeria
- Uhomoibhi Toni Aburime (University of Nigeria)**
- Discussant** **Alexander N. Kostyuk (National Bank of Ukraine)**
Supervisory Board Practices: An Emerging Market Evidence
- Alexander N. Kostyuk (National Bank of Ukraine)**
- Discussant** **Yih-Wen Shyu (Chang Gung University)**