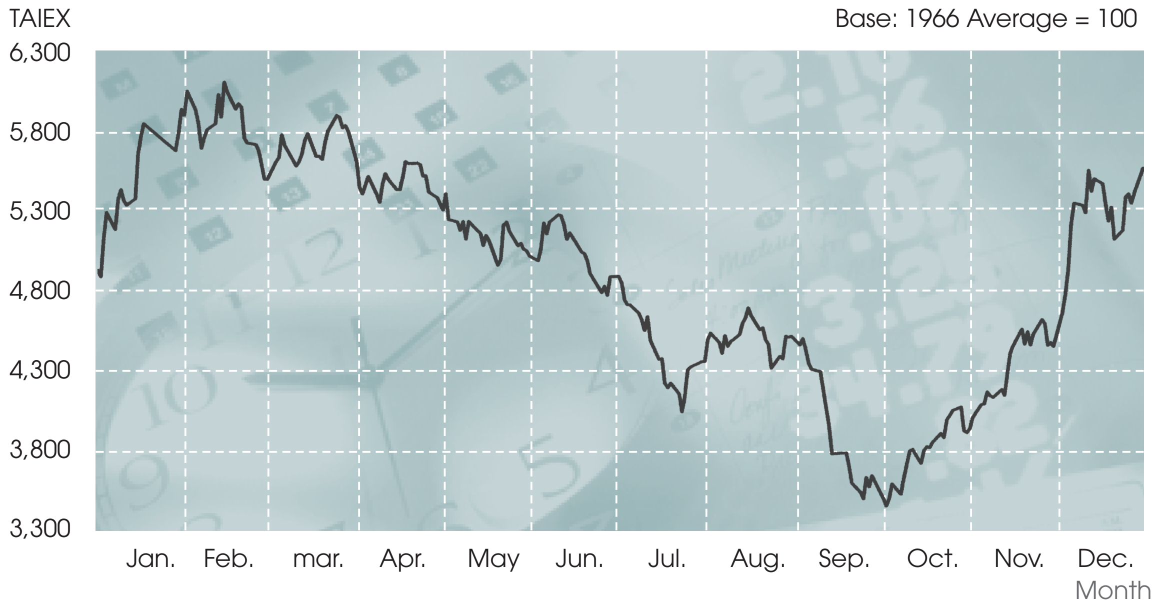
THE YEAR 2001 IN REVIEW

STOCK MARKET

In 2001, Taiwan Stock Exchange Corporation (TSEC) Capitalization Weighted Stock Index (TAIEX) closed at 5551.24 points on Dec. 31 posting a 17.14% gain, compared with the closing of 4739.09 points in 2000. TAIEX ranked one of the best performers in the world's stock markets in 2001.

With the extended trading hours beginning January 2 and disputes about construction of the fourth nuclear power plant finally coming to an end, the market greeted 2001 with a bull run. On February 15, TAIEX rebounded to 6,104.24, which set the highest index of the year. In the meantime, the average daily trading value was above NT$100 billion and the total market capitalization of listed shares reached over NT$10 trillion. However, the global economic recession and political uncertainty led TAIEX to slip after mid-February. The September 11 attack on the U.S. and disasters from typhoon intensified the market pessimism, forcing the index down to a low of 3,446.26 on October 3. In the fourth quarter, increasing liquidity resulting from the continuous interest rate cuts and prospect for a stable political situation after the legislative election boosted the market to a significant rebound.

TSEC Capitaliztion Weighted Stock Index (TAIEX) Daily Closing 2001



A rally in the fourth quarter of 1,914.30 points pulled the battered TAIEX up to positive territory, chalking up a gain of 812.15 points for the year.

To stimulate the securities market and the economy as a whole, the government took several major measures: The Ministry of Finance encouraged financial institutions to conduct mergers and establish financial holding companies to upgrade their competitiveness, and promoted the establishment of AMC and RTC asset management firms so as to settle non-performing loans. The Central Bank of China continued lowering domestic interest rates to keep a loose money policy. The Executive Yuan implemented the "NT$810 billion Plan to Boost Domestic Demand" to expand public investments, and provided a fund of more than NT$320 billion for low-interest home-purchase loans and guarantees to inject fresh vitality into the housing market. The Economic Development Advisory Council meeting was held in August and reached 322 consensuses on improving employment, cross-strait relation, financial situation, industry, and investment.

The number of listed companies increased by 53 to 584, and the total capital amount also increased by NT$0.44 trillion to NT$4.10 trillion at the end of 2001. Total market capitalization of listed shares expanded to NT$10.25 trillion, up 25.15% from NT$8.19 trillion as of the previous year. There were 7.01 million investors, an increase of 0.18 million from the preceding year. Nevertheless, inflicted by the worsening economic situation, market transactions dropped. Total trading value of securities in 2001 shrank to NT$18.42 trillion, marking a sharp decrease of 40.22% from NT$30.81 trillion in 2000. Average daily securities trading value also went down to NT$ 75.49 billion, a decrease of NT$ 38.2 billion from the year before. The number of brokers including branches, was 1,136, which was 47 less than that as of the end of last year.

In 2001, TSEC had 69 new listed companies that altogether raised NT$13.08 billion through initial public offering, a dramatic decrease of 71.35% compared with that of the previous year. NT$282.66 billion was raised through rights offering, increased by NT$176.56 billion from 2000. NT$1.0 billion of debt offering decreased slightly compared with NT$1.5 billion in 2000.

ECONOMY

Affected by the global economic recession and a series of unexpected events, Taiwan's economy in 2001 was in a most difficult position in the past 50 years. The U.S., Europe and Japan, the three major economic entities in the world, all declined sharply. The September 11 attack on the U.S. and the war in Afghanistan further impacted the slumped global economy and delayed the recovery, which originally is expected to rapidly bottom out in the second half of 2001. Several devastating typhoons also worsened Taiwan's weak economy. Besides, domestic political instability still deteriorated both consumer and investor confidence, and industrial relocation overseas and globalization has put aside domestic investments. Because of these domestic and international factors, Taiwan's economic growth rate in 2001 experienced an unprecedented negative number of -1.91%.

The weak economy, shrinking commodities' demand and continuous decline in real estate prices resulted in a decrease of 0.01% in consumer price index, which is for the first time to go down in the past 16 years. The export and import amounts were US$ 122.9 billion and US$ 107.24 billion, decreased 17.1% and 23.4%, respectively. The trade surplus continued to grow and reached US$ 15.66 billion, up 88.4% compared with the previous year. Unemployment rate climbed to a record high of 5.22% at the end of 2001 due to domestic businesses' downsizing, shutdown, and relocation overseas. To stimulate the economy, the rediscount rate has been adjusted 11 times to a historical low of 2.125%.

The official estimation of the economic growth rate for 2002 is 2.29%. As a gradual recovery of the global economy is expected in 2002, domestic economic growth rate could bounce back. The pace of financial and investment environmental reforms, the new challenge for the export competitiveness of Taiwan after its joining the WTO, the progress in the development of cross-strait relations, and Taiwan's political parties which could get back on the right track, all play crucial roles in the local economic recovery.

2001 TSEC MARKET HIGHLIGHTS

LISTING	
Number of Listed Companies*	584
Number of Newly Listed Companies	69
Number of Listed Issues*	
Common Stock	584
Preferred Stock	8
Bond	108
Beneficiary Certificate	5
Warrant	56
Taiwan Depository Receipt	2
Fund Raised (NT$billion)	
Initial Stock Offering	13.08
Rights Offering	39.04
Debt Offering	1.00
Market Capitalization (NT$billion)*	10,247.60
Market Capitalization/GNP (%)*	105.25

TRADING	
Number of Trading Days	244
Annual Trading Value (NT$billion)	
Stock	18,354.94
Bond	24.03
Beneficiary Certificate	5.20
Warrant	28.44
Taiwan Depository Receipt	8.71
Daily Trading Value - Stock (NT$billion)	75.23
Annual Trading Volume	
Stock (billion shares)	606.42
Beneficiary Certificate (billion units)	0.76
Warrant (billion units)	7.78
Taiwan Depository Receipt (billion units)	1.00
Daily Trading Volume - Stock (billion shares)	2.49
Market Turnover Rate - Stock (volume) (%)	159.59
Market Price Earning Ratio*	41.57
Dividend Yield (%)*	4.61
Price / Book-value Ratio*	1.75

SECURITIES CREDIT	
Margin Ratio (%)	38.07
Margin Purchase (NT$billion)	13,881.1
Short Sale (NT$billion)	1,718.6

SECURITIES FIRMS AND INVESTORS	
Number of Securities Brokers*	157
Number of Securities Dealers*	60
Number of Securities Underwriters*	76
Number of Investors with Trading Accounts*	7,012,378

TAIEX	
2001 Open	4,935.28
2001 High (Feb. 15)	6,104.24
2001 Low (Oct. 3)	3,446.26
2001 Average	4,907.43
2001 Close	5,551.24
Rate of TAIEX Yearly Increase (%)	17.14
Historic High (Feb. 10, 1990)	12,495.34
Historic Maximum Rate of TAIEX Increase (close-to -close) (%) (Dec. 1, 1990)	6.798
Historic Maximum Rate of TAIEX Decrease (close-to -close) (%) (Aug. 17, 1990)	6.802

* These figures are for the end of 2001.

LISTING

Public-issued companies which desire to be listed on the Exchange and to raise capital from the public through TSEC must meet certain criteria in regard to their financial and operational conditions to qualify as listed companies. The applicant companies are screened by TSEC staff according to the relevant listing criteria based on the Securities and Exchange Law.

LISTING PROCEDURE

The applicant company should submit preliminary application to TSEC through its underwriter. It must go through an "adjustment period" for twelve months before formal application is submitted. During the adjustment period, TSEC will review monthly to see if the listing requirement has been met. Once TSEC receives the formal application, public opinions will be solicited and the "Screening Committee for Listing " of TSEC will meet to decide the case. Approved listing application by the Committee will be sent to the Board of Directors of TSEC to be forwarded to the Securities and Futures Commission (SFC) for final approval.

LISTING CRITERIA

The applicant company should, as a prerequisite, meet the following criteria:

1. Duration of Corporate Existence:
   There shall have been over five years since its incorporation.
2. Amount of Capital:
   The amount of its paid-in capital shall be NT$600 million or more at the time when it applies for listing.
3. Profitability:
   The operating profit and before-tax profit shall meet one of the following criteria, and shall not have incurred accumulative loss in the most recent fiscal year.
   (i) Each of the operating profit and before-tax profit for the most recent two years represents 6%, or greater of the amount, of paid-in capital in its final accounts; or the average operating profit and before-tax net profit for the most recent two years represent 6%, or greater of the amount, of paid- in capital in its final accounts, and the profitability for the most recent year is greater than that for the immediately preceding year.
   (ii) Each of the operating profit and before-tax profit for the most recent five years represents 3%, or greater of the amount, of paid-in capital in its final accounts.
4. Dispersion of Shareholdings:
   The number of name-bearing shareholders shall be one thousand or more. Among them, the shareholders holding one thousand to fifty thousand shares shall not be less than five hundred, and the total number of shares they hold shall be 20%, or greater, of the total issued shares (or at least 10 million).

LISTING CRITERIA: TECHNOLOGY-BASED COMPANIES

The applicant company who has received an unequivocal opinion from the central authority in charge certifying it as a technology-based company can apply under the following criteria:

1. Its paid-in capital is at least NT$300 million.
2. It has successfully developed a product with market potential as evidence by an unequivocal opinion issued by the central authority in charge of the enterprise concerned.
3. It has obtained a recommendation letter from a securities underwriter.
4. Its projected net worth in the financial forecast of the fiscal year in which it applies for listing, its net worth in its most recent financial report and the financial report of the most recent fiscal year all represent two-thirds, or greater of the amount, of its paid-in capital.
5. The number of name-bearing shareholders shall be one thousand or more. Among them, the number of shareholders holding one thousand to fifty thousand shares shall not be less than five hundred.

LISTING CRITERIA: FOREIGN COMPANIES

A foreign company applying for listing of its stocks on TSEC should meet the following criteria:

1. Number of shares to be listed should be 20 million or more (or market value not less than NT$300 million).
2. The name-bearing share certificates issued by the foreign issuer in accordance with the laws of its home country have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.
3. Shareholders' Equity:
   The shareholders' equity in the financial report of the most recent fiscal year shall be the equivalent of NT$1 billion or more.
4. Profitability:
   The before-tax profit for each of the most recent two years is in positive figure, and it does not have accumulative loss and meets one of the following criteria:
   (i) The before-tax net profit for each of the most recent two years represents not less than 6% of the shareholders' equity as indicated in its final accounts;
   (ii) The before-tax profit for the ratio of shareholders' equity for the most recent year represents 3% or greater, or the average of it represents 3% or greater, and the profitability for the most recent year is greater than that for the immediately preceding year.
   (iii) The before-tax profit for each of the most recent two years shall be NT$400 million or more.
5. Dispersion of Shareholdings:
   The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of shares held by the shareholders holding one thousand to fifty thousand shares shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than one thousand and shareholdings other than insiders of the company should represent at least 25% of the total shares issued.
6. The stocks to be listed shall be the same class of stocks listed on other stock exchanges or securities markets. The rights and obligations of these stockholders shall be identical with those of the same class of stocks listed on other stock exchanges or securities markets. Local holders of the stocks shall not be restricted to selling the stocks on foreign stock exchanges or securities markets.

LISTING CRITERIA: TAIWAN DEPOSITORY RECEIPTS (TDR)

1. Number of units of TDR to be listed should be 20 million or more (or market value not less than NT$300 million).
2. The name-bearing share certificates issued by the foreign issuer in accordance with the laws of its home country have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.
3. Shareholders' Equity:
   The shareholders' equity in the financial report of the most recent fiscal year shall be the equivalent of NT$1 billion or more.
4. Profitability:
   The before-tax profit for each of the most recent two years is in positive figure, and it does not have accumulative loss and meets one of the following criteria:
   (i) The before-tax net profit for each of the most recent two years represents not less than 6% of the shareholders' equity as indicated in its final accounts;
   (ii) The before-tax profit for the ratio of shareholders equity for the most recent year represents 3% or greater, or the average of it represents 3% or greater, and the profitability for the most recent year is greater than that for the immediately preceding year.
   (iii) The before-tax profit for each of the most recent two years shall be NT$400 million or more.
5. Dispersion of Shareholdings:
   The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of shares held by the shareholders holding one thousand to fifty thousand shares shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than two thousand and shareholdings other than insiders of the company should represent at least 25% of the total shares issued.

6. There should be no restriction on transfer of stocks represented by TDR.
7. The rights and obligations of the stockholders represented by TDR shall be identical with those of other stocks of the same class issued at the same time.

LISTING CRITERIA：FOREIGN COMPANY AND TDR (TECHNOLOGY-BASED)

When a professional institution engaged by this Corporation has submitted a clear opinion that a foreign issuer has successfully developed marketable goods or technology, and meets each of the following criteria:

1. Number of shares to be listed should be 20 million or more (or market value not less than NT$300 million).
2. It has obtained a recommendation letter from a securities underwriter.
3. The name-bearing share certificates issued by the foreign issuer in accordance with the laws of its home country have been listed for over one year on one of the stock exchanges or securities markets approved by the SFC.
4. Shareholders' Equity:
   The shareholders' equity in the financial report of the most recent fiscal year shall be the equivalent of NT$500 million or more.
5. Profitability
   The before-tax profit for each of the most recent year is in positive figure, and it does not have accumulative loss.
6. Dispersion of Shareholdings:
   The number of name-bearing shareholders within the territory of the ROC shall not be less than one thousand; among them, the number of shares held by the shareholders holding one thousand to fifty thousand shares shall not be less than 20% in issue or 10 million. At the time of listing, the number of name-bearing shareholders shall be more than one thousand and shareholdings other than insiders of the company should represent at least 25% of the total shares issued.
7. The stocks to be listed shall be the same class of stocks listed on other stock exchanges or securities markets. The rights and obligations of these stockholders shall be identical with those of the same class of stocks listed on other stock exchanges or securities markets. Local stockholders shall not be restricted to selling the stocks on foreign stock exchanges or securities markets.

LISTING CRITERIA: WARRANTS

In June 1997, TSEC announced "Rules Governing Examination of Warrants" which was amended in September 2001. According to this regulation, the warrants to be listed on TSEC are non-collateralized covered warrants. The qualifications of issues should be reviewed by TSEC and subsequently by the SFC. Aside from certain requirements for selecting underlying securities, warrants should meet the following criteria:

1. Number of units to be issued shall be 20 million or more. However, if the expected market value is NT$200 million or more, the number of units to be issued can be reduced to no less than 10 million.
2. Dispersion of Holdings:
   (i) The number of holders should not be less than one hundred; the number of holders with one thousand to fifty thousand units should not be less than 80 and their holdings represent more than 20% of the units issued.
   (ii) An individual holder should not hold more than 10% of the units issued; the issuer should not retain more than 15% of the units issued.
   (iii) The total holdings of the issuer, its related parties and employees should not represent more than 20% of the units issued.
   (iv) The holdings of warrants by directors, managers, major shareholders of the underlying securities issuing company should not represent exercise right more than their holdings of the underlying securities.
3. The expiration date must be less than two years and more than one year from the date of listing.
4. The number of shares of underlying securities subscribed to by the issuer and the total of other securities subscribed to (sold) shall not exceed 20% of the total value of the issued shares after deducting legal shares possessed by the entire directors and supervisors, pledged shares and shares of the newly listed firm in compulsory custody.

FINANCIAL DISCLOSURE

Complete and timely disclosure of financial statements shall be required of all listed companies. The annual and semi-annual financial statements shall be audited and certified by CPAs accredited by the SFC, and filed with the SFC and the Exchange. Quarterly financial statements reviewed by an accredited CPA shall be prepared, submitted and made public. Not submitting this financial report to the Exchange within the regulated time limit, shares will be suspended from trading. Any event which may significantly affect the shareholders' interests or securities prices shall be reported to the Exchange and made public immediately. To facilitate timely dissemination of financial data, operation data and material information of listed companies, TSEC has developed an investors' information system "Stock Market Observatory". The data in the system are input by listed companies. Through the website of TSEC, potential investors can have easy access to the current financial and operation status of listed companies and information of issued warrants.

LISTING FEES

The listing fees are paid upon initial listing of stocks and further listing of new shares. In addition, an annual fee for the listing of stocks shall be paid in January of each succeeding year.

Table 1. Rates of Stock Listing Fee

Face Value of Listed Shares	Rate (%)
NT$500 million and below	0.03
Portion within NT$500 million - NT$1 billion	0.02
Portion within NT$1 billion - NT$2 billion	0.01
Portion within NT$2 billion - NT$3 billion	0.005
Portion in excess of NT$3 billion	0.0025

Table 2. New Listings in 2001

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2443	Lead Data Inc.	280,238	2,802,380	1/3
9938	Taiwan Paiho Limited	78,039	780,391	1/12
9939	Taiwan Hon Chuan Enterprise Co., Ltd.	78,875	788,750	3/2
1729	Pihsiang Machinery Mfg. Co., Ltd.	94,833	948,332	3/21
2445	Southern Information Systems,Inc.	68,857	688,566	4/2
1533	Mobiletron Electronics Co.,Ltd.	64,200	642,000	4/6
2447	Data System Consulting Co., Ltd.	44,169	441,688	4/9
1476	Eclat Textile Co., Ltd.	91,211	912,108	4/18
2451	Transcend Information,Inc.	132,500	1,325,000	5/3
2449	King Yuan Electronics Co.,Ltd.	263,225	2,632,254	5/9
2453	Syscom Computer Engineering Co., Ltd.	75,600	756,000	5/22
2450	Senao International Co.,Ltd.	133,425	1,334,252	5/24
2448	Epistar Corporation	76,500	765,000	5/25
2452	Cyntec Co., Ltd.	96,700	967,000	5/31
2446	Phoenix Precision Technology Corporation	350,000	3,500,000	6/13
2454	MediaTek Inc.	216,867	2,168,666	7/23
1236	Hunya Foods Co.,Ltd.	61,284	612,839	9/17
1534	Phoenixtec Engineering Co.,Ltd.	88,898	888,977	9/17
1535	China Ecotek Corporation	81,172	811,719	9/17
1536	Hota Industrial Mfg. Co., Ltd.	46,518	465,179	9/17
1730	Farcent Enterprise Co., Ltd.	40,782	407,824	9/17
1731	Maywufa Co., Ltd.	70,574	705,737	9/17
1732	Mao Bao Chemical Products Inc.	39,630	396,302	9/17
1733	Apex Biotechnology Corp.	30,000	300,000	9/17
2034	Yeun Chyang Industrial Co., Ltd.	98,744	987,440	9/17
2457	Phihong Enterprise Co., Ltd.	196,050	1,960,500	9/17
2458	Elan Microelectronics Corp.	220,810	2,208,102	9/17
2459	Audix Corporation	76,800	768,000	9/17
2460	Gem Terminal Ind. Co., Ltd.	43,819	438,190	9/17

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2461	K Laser Technology Inc.	82,000	820,000	9/17
2462	Taiwan Line Tek Electronic Co., Ltd.	52,681	526,814	9/17
2463	Aaeon Technology Inc.	55,655	556,550	9/17
2464	Mirle Automation Corporation	62,073	620,726	9/17
2465	Leadtek Research Inc.	69,930	699,296	9/17
2466	Cosmo Electronics Corp.	44,442	444,423	9/17
2467	C Sun Mfg. Ltd.	60,280	602,800	9/17
2468	Fortune Information Systems Corp.	58,750	587,500	9/17
2469	Li Shin International Enterprise Co., Ltd.	66,648	666,482	9/17
2470	Silicon Application Corp.	99,600	996,000	9/17
2471	Ares International Corp.	43,305	433,050	9/17
2472	Lelon Electronics Co., Ltd.	67,000	670,000	9/17
2473	Springsoft Inc.	65,000	650,000	9/17
2474	Catcher Technology Co., Ltd.	84,441	844,413	9/17
2475	Chunghwa Picture Tubes Ltd.	3,772,000	37,720,000	9/17
2476	G-Shank Enterprise Co., Ltd.	114,000	1,140,000	9/17
2477	Meiloon Industrial Co., Ltd.	101,900	1,019,000	9/17
2478	Ta-I Technology Co., Ltd.	93,666	936,660	9/17
2479	Helix Technology Inc.	123,100	1,231,000	9/17
2480	Stark Technology Inc.	83,632	836,319	9/17
2481	Pan Jit International Inc.	74,822	748,218	9/17
2482	Uniform Industrial Corp.	42,000	420,000	9/17
2483	Excel Cell Electronic Co., Ltd.	78,954	789,539	9/17
2484	Siward Crystal Technology Co., Ltd.	69,400	694,000	9/17
2485	Zinwell corporation	112,755	1,127,548	9/17
2486	I-Chiun Precision Industrial Co., Ltd.	61,244	612,440	9/17
2487	Ulead Systems, Inc.	64,082	640,820	9/17
2488	Hanpin Electron Co., Ltd.	70,000	700,000	9/17
2489	Amtran Technology Co., Ltd.	199,030	1,990,300	9/17
2490	Summit Computer Technology Co., Ltd.	85,773	857,732	9/17
2491	Infodisc Technolgy Co., Ltd.	162,785	1,627,846	9/17

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2492	Walsin Technology Corporation	185,000	1,850,000	9/17
2618	Eva Airways Corporation	2,205,000	22,050,000	9/17
9940	Sinyi Realty Ltd.	78,554	785,540	9/17
9941	Taiwan Acceptance Corporation	209,500	2,095,000	9/17
2456	Chilisin Electronics Corporation	90,300	903,000	9/26
2880	Hua Nan Financial Holdings Co., Ltd.	4,146,799	41,467,994	12/19
2881	Fubon Financial Holding Co.,Ltd.	5,464,985	54,649,852	12/19
2883	China Development Financial Holdings Corporation	7,838,422	78,384,220	12/28
2882	Cathay Financial Holding Co., Ltd.	5,838,616	58,386,158	12/31

Table 3. Total Market Value of Listed Companies Year-end 1992-2001

Year	No. of Listed Companies	No. of Issues	No. of Listed Shares(Million)	Total Market Value of Listed Shares (NT$Million)
1992	256	286	73,564	2,545,508
1993	285	325	89,102	5,145,410
1994	313	354	107,171	6,504,368
1995	347	383	132,462	5,108,437
1996	382	425	162,680	7,528,851
1997	404	470	206,632	9,696,113
1998	437	498	269,666	8,392,607
1999	462	510	305,654	11,803,524
2000	531	560	363,018	8,191,474
2001	584	614	406,400	10,247,599

Table 4. Listed Stocks by Industrial Group 2000-2001

Industry	2001 No. of Companies	2001 No. of Issues	2001 Shares (Thousand)	2001 Face Amounts (NT$ Million)	2001 %
Total	584	614	406,399,796	4,063,998	100.00
Cement	8	9	8,014,060	80,141	1.97
Foods	28	28	10,400,555	104,006	2.56
Plastics	20	21	16,776,998	167,770	4.12
Textiles	58	59	30,117,053	301,171	7.40
Electric & Machinery	30	30	6,721,782	67,218	1.65
Electric Appliance & Cable	16	16	12,099,415	120,994	2.97
Chemicals	28	28	7,598,019	75,980	1.87
Glass & Ceramics	7	7	2,554,832	25,548	0.63
Paper & Pulp	7	7	4,335,626	43,356	1.07
Steel & Iron	26	27	17,831,943	178,319	4.38
Rubber	9	9	3,526,822	35,268	0.87
Automobile	4	4	4,303,157	43,032	1.06
Electronics	184	204	135,896,746	1,358,967	33.44
Construction	37	37	19,155,311	191,553	4.71
Transportation	17	18	14,177,447	141,774	3.49
Tourism	6	6	1,461,977	14,620	0.36
Finance	51	55	94,958,553	949,586	23.35
Wholesale & Retail	11	12	4,774,984	47,750	1.17
Conglomerate	1	1	1,434,889	14,349	0.35
Others	36	36	10,259,627	102,596	2.52

Industry	2000 No. of Companies	2000 No. of Issues	2000 Shares (Thousand)	2000 Face Amounts (NT$ Million)	2000 %
Total	531	560	363,018,267	3,630,183	100.00
Cement	8	8	7,759,240	77,592	2.14
Foods	29	29	10,319,404	103,194	2.84
Plastics	22	23	15,812,175	158,122	4.36
Textiles	57	58	29,670,253	296,703	8.17
Electric & Machinery	29	32	6,821,753	68,218	1.88
Electric Appliance & Cable	16	17	11,399,814	113,998	3.14
Chemicals	22	22	6,848,044	68,480	1.89
Glass & Ceramics	7	8	2,674,018	26,740	0.74
Paper & Pulp	7	7	4,197,257	41,973	1.16
Steel & Iron	27	29	18,429,898	184,299	5.08
Rubber	9	9	3,435,495	34,355	0.95
Automobile	5	5	4,142,141	41,421	1.14
Electronics	136	149	104,059,409	1,040,594	28.67
Construction	40	41	20,906,717	209,067	5.76
Transportation	16	19	11,779,806	117,798	3.24
Tourism	6	6	1,415,284	14,153	0.39
Finance	52	55	88,509,226	885,092	24.38
Wholesale & Retail	12	12	4,725,553	47,256	1.30
Conglomerate	1	1	1,434,889	14,349	0.40
Others	30	30	8,677,890	86,779	2.39

Table 5. Listed Stocks by Classification and Ownership Type 2000-2001

	Total	Class of stocks			Type of Ownership	
		Common	Preferred	Others*	Government Enterprises	Private Enterprises
2001						
Number of Companies	584	-	-	-	2	582
Number of Issues	614	584	8	22	2	612
Shares (Million)	406,400	404,622	1,641	137	9,948	396,452
Amount (NT$Million)	4,063,998	4,046,220	16,412	1,366	99,477	3,964,521
% of Total Amount	100.00	99.57	0.40	0.03	2.45	97.55
2000						
Number of Companies	531	-	-	-	2	529
Number of Issues	560	531	8	21	2	558
Shares (Million)	363,018	361,992	928	98	9,948	353,071
Amount (NT$Million)	3,630,183	3,619,916	9,282	984	99,477	3,530,706
% of Total Amount	100.00	99.72	0.26	0.03	2.74	97.26
Change from 2000						
Number of Companies	53	-	-	-	0	53
Number of Issues	54	53	0	1	0	54
Shares (Million)	43,382	42,630	713	38	0	43,382
Amount (NT$Million)	433,815	426,303	7,130	382	0	433,815

*Certificate of entitlement to new shares form convertible bonds.

Table 6. Fund-Raising Activities of TSEC Listed Companies 1997-2001

Unit : NT$ 1,000

Year & Month	Total	Sources of Cash Raised		
		Rights Offering	Initial Stock Offering	Debt Offering
1997	435,069,585	352,861,512	41,308,073	40,900,000
1998	420,487,637	305,963,481	43,024,156	71,500,000
1999	171,938,712	136,671,139	26,567,573	8,700,000
2000	153,242,637	106,095,374	45,647,263	1,500,000
2001	53,120,434	39,040,696	13,079,738	1,000,000
Jan.	3,790,944	3,300,000	490,944	0
Feb.	0	0	0	0
Mar.	1,267,700	0	1,267,700	0
Apr.	1,172,935	0	1,172,935	0
May	3,917,259	0	3,917,259	0
Jun.	12,025,000	11,625,000	400,000	0
Jul.	7,351,696	791,696	5,560,000	1,000,000
Aug.	288,000	288,000	0	0
Sept.	670,900	400,000	270,900	0
Oct.	9,600,000	9,600,000	0	0
Nov.	1,700,000	1,700,000	0	0
Dec.	11,336,000	11,336,000	0	0

Table 7. Changes in Sources of Capital of Listed Companies 2000-2001

Unit : NT$ Million

Year	2001		2000		Changes from 2000	
Item	Amount Approved	%	Amount Approved	%	Amount Approved	%
Sources of Capital						
Total	387,396	100.00	388,770	100.00	-1,374	-0.35
Cash Offering (in Face Value)	38,781	10.01	43,949	11.30	-5.167	-11.76
Capitalization of Retained Earnings	254,838	65.78	225,862	58.10	28,975	12.83
Capitalization of Capital Reserves & Others	93,777	24.21	118,959	30.60	-25,182	-21.17

Table 8. Financial Status of Listed Companies 1999-2000

Unit : NT$ Million

Item	2000	1999	1999/2000 growth (%)
Total Assets	23,006,088	20,251,334	13.60
Total Net Worth	6,132,480	4,794,563	27.90
Total Capital	3,758,107	3,032,569	23.92
Revenues	6,489,583	4,986,006	30.16
Net Profit before Taxes	564,480	332,217	69.91

Table 9. Financial Data of Listed Companies by Industrial Group 2000-2001

Unit : NT$ Million

Industry	Number of Companies	Annual Sales Revenue 2001	Annual Sales Revenue 2000	Average Sales Revenue* 2001	Average Sales Revenue* 2000	2000/2001 growth (%)
Total	584	6,323,801	6,619,334	10,828	11,334	-4.46
Cement	8	41,705	45,145	5,213	5,643	-7.62
Foods	28	132,124	131,066	4,719	4,681	0.81
Plastics	20	229,112	246,546	11,456	12,327	-7.07
Textiles	58	298,423	324,544	5,145	5,596	-8.05
Electric & Machinery	30	97,402	105,395	3,247	3,513	-7.58
Electric Appliance & Cable	16	280,073	280,216	17,505	17,514	-0.05
Chemicals	28	97,865	93,766	3,495	3,349	4.37
Glass & Ceramics	7	17,686	22,459	2,527	3,208	-21.25
Paper & Pulp	7	51,219	56,548	7,317	8,078	-9.42
Steel & Iron	26	224,120	257,290	8,620	9,896	-12.89
Rubber	9	29,969	30,600	3,330	3,400	-2.06
Automobile	4	147,220	187,094	36,805	46,773	-21.31
Electronics	184	2,352,348	2,548,034	12,784	13,848	-7.68
Construction	37	122,623	132,402	3,314	3,578	-7.39
Transportation	17	259,841	273,105	15,285	16,065	-4.86
Tourism	6	7,462	7,495	1,244	1,249	-0.43
Finance	51	1,683,255	1,628,327	33,005	31,928	3.37
Wholesale & Retail	11	121,255	117,319	11,023	10,665	3.35
Conglomerate	1	8,344	10,895	8,344	10,895	-23.41
Others	36	121,754	121,088	3,382	3,364	0.55

* Average Sales Revenue is the Annual Sales Revenue divided by the number of listed companies under the line of business.

Table 10. Changes in Volume and Value of Government Bonds 2000-2001

	No. of Issues	Principal Value (NT$ Million)
End Of 2000	57	1,475,320
During the Year 2001		
Newly Listed	11	457,000
Delist	3	73,000
End Of 2001	65	1,856,920
Redemption Payment	0	2,400

Table 11. Changes in Volume and Value of Convertible Bonds 2000-2001

	No. of Issues	Principal Value (NT$ Million)
End Of 2000	56	35,669
During the Year 2001		
Newly Listed	1	1,000
Delist	14	7,853
converted	-	6,392
End Of 2001	43	22,425

TRADING

TRADING PROCESS

An investor wishing to conduct securities transactions shall first open an account with a broker, sign a contract granting the broker permission to act as his/her agent. After the account is approved, the investor may place an order in person, by phone, fax or internet. Currently only limit order is allowed. All outstanding orders are automatically canceled at the conclusion of the trading day.

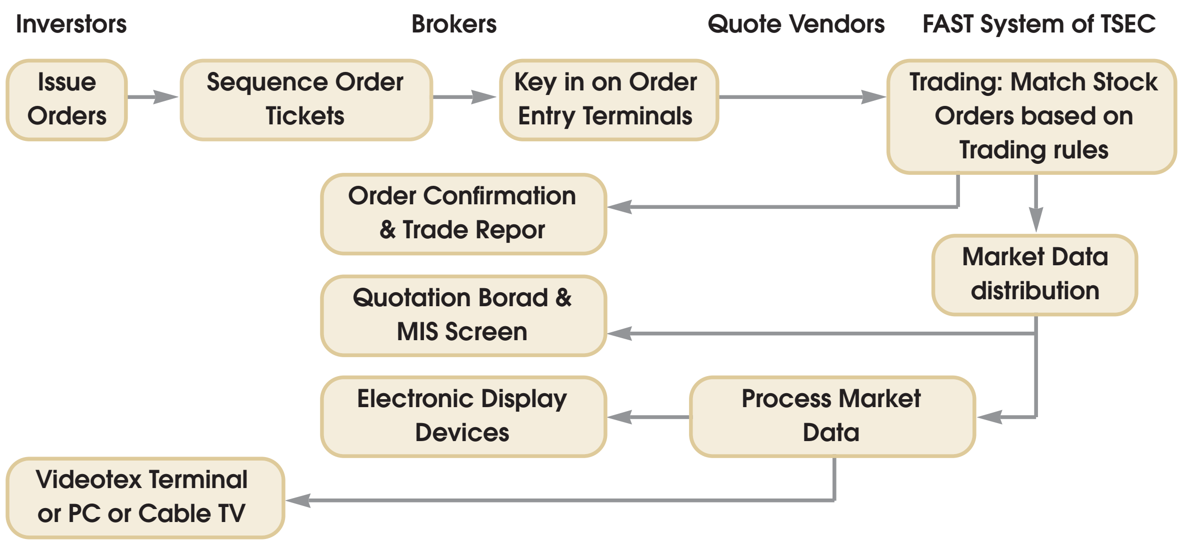
Trading on the Exchange starts at 9:00 a.m. and closes at 1:30 p.m. The orders can be entered half an hour before the trading session starts. Buy/sell orders are in standard unit or multiples of standard units. One standard trading unit is 1,000 shares, which is applicable to all listed stocks. Orders below 1,000 shares are considered odd-lot and orders over 500,000 shares are block trading.

The Exchange first installed TRW Datapoint computers in 1976 for the clearing process of the executed transactions. In August 1985, the Exchange launched Computer-Assisted Trading System (CATS) for most of Category B stocks. In the following years, securities traded through CATS expanded gradually. Up to September 1988, all equity shares were traded through CATS. Bond trading was computerized in November 1991.

CATS was upgraded to the Fully Automated Securities Trading (FAST) system on May 3, 1993. Currently all stocks, bonds, beneficiary certificates and warrants are traded through this FAST system. When an order is placed by a customer or a dealer, the account number along with the volume, bid or offer price, and other required information, are entered via a terminal into the main computer of the Exchange. The order is processed and executed by the trading system in a price and time priority principle which can be summarized as follows:

1. Higher limit price buy order takes precedence over lower limit price buy order, and lower limit price sell order takes precedence over higher limit price sell order.
2. Priority of same-price orders is determined by their entering time stamps, or sequenced randomly by computer if the order is entered before the market opens.

Trading Mechanism under FAST System



When the Market opens each day, a call market mechanism is adopted where the limit of two up/down ticks will not apply. The opening price is chosen to result in a maximum trading volume possible. After the opening price is determined, a continuous auction is in place, which is actually a series of call market executed within the range of the disclosing bid-ask price. The disclosing bid-ask price, on the other hand, is determined as the highest bidding (lowest offering) price within the range of two up/down tick over and under the reference price. For stocks or beneficiary certificates, the up/down tick varies with the price of the issue.

market price (P in NT$)	up / down tick (NT$)
p < 5	0.01
5 < = P < 15	0.05
15 < = P < 50	0.1
50 < = P < 150	0.5
150 < = P < 1000	1.0
P > = 1000	5.0

Brokers/dealers will receive the trade report via printers installed in their offices immediately after a transaction is consummated. The report contains the trading details. Brokers will then notify their clients after receiving the trade report.

After-hour fixed-price trading orders are submitted to the Exchange between 2:00 p.m. and 2:30 p.m., Monday through Friday. The bid and offer prices of such orders are restricted to the closing prices of the regular trading session.

Buying and selling of odd-lot orders are submitted to the Exchange between 3:00 p.m. and 4:00 p.m., Monday through Friday. The bid and offer prices are restricted to the prices deducted 0.5% of the closing prices of the regular trading session.

Block trading orders are submitted to the Exchange between 2:30 p.m. and 3:30 p.m., Monday through Friday. The bid and offer prices of such orders are restricted to the closing prices of the morning trading session.

In order to maintain a stable stock market, the daily price fluctuation limits of stocks, beneficiary certificates and convertible bonds are set at 7% of the closing prices of the preceding business day. For bonds, the limits are set at 5%. Day trade is allowed only for investors with margin accounts.

MARGIN TRADING

Individual investors who meet certain qualifications of age, actual trading records and financial integrity can apply for margin accounts, which can be opened with eligible brokers or securities finance companies. The securities eligible for margin trading are common stocks and beneficiary certificates listed for more than six months, without being overly volatile or having too concentrated ownership.

Margin account customers buy or sell securities based on the margin requirements, of which maintenance ratios are regulated by the Central Bank of China and the SFC. The securities bought on margin and the sale value received for short sale are held as collaterals. The collaterals are marked to market every day to see if they are above the maintenance ratio. For accounts failing to meet the maintenance ratio, margin calls are issued.

MARKET INFORMATION

Market data are packaged and generated by FAST system to disclose TAIEX and all listed securities information which include quotations, trade prices, volumes, etc. Information of listed companies, such as financial data and corporate actions is also available. These data are disseminated to contracted vendors and securities firms directly. TSEC introduced the Market Information System (MIS) in 1987 to display real-time trading data in a predefined format during trading session. Most vendors develop their own software packages for their subscribers. TSEC has no objection to vendors' subsequent charges to their subscribers.

Securities firms and information vendors are required to sign contracts with TSEC and pay exchange fees to obtain such data. End-users can obtain TSEC data from market information vendors only. The respective rates are listed below. In order to disseminate TSEC market information overseas, an annual fixed charge of NT$720,000 shall be paid in advance.

Table 12. Fee of Market Data

a. Digital Fee

Receiving Party	Location	Type or Units	Rate
Quote Vendors	Domestic	(note)	(note)
			NT$60,000 / month
	Overseas		NT$720,000 / year
Securities Firms	Domestic Only	Host to Host	NT$4,000 / month

b. Securities Firms Usage Fee

Device Type	Units Installed	Rate
Display Unit with 26" Screen or Smaller	1-20th	NT$600/ ea. / month
	21-100th	NT$400 / ea. / month
	Over 100th	NT$200 / ea. / month
Display Unit with Screen Larger than 26"	each	NT$1,000/ month
Ticker Tape	each	NT$1,000 / month
Wall Units	1-500th	NT$80 / ea. / month
	Over 500th	NT$40/ ea. / month
Quotation Board		Free of Charge

c. Other Quote Vendors Usage Fee

Device Type	Fee	Rate
Internet	flat	NT$100,000 / month
Pager	flat	NT$100,000 / month
Mobil Date	flat	NT$100,000 / month
Mobil Phone	flat	NT$100,000 / month
Teletext / TV Mall	flat	NT$100,000 / month
FM Sub-Carrier	flat	NT$100,000 / month
Audio and / or Database Inquiry	by time	NT$0.1 / minute
Cable TV (Broadcast Only by Indirect Connection)	flat	NT$30,000 / month

Note: A fixed amount per month ranging from NT$60,000 to NT$2,558,000 is levied for connection units ranging from less than 100 units to more than 5,000 units.

Table 13. Stock Trading Volume and Value 1997-2001

Year & Month	No. of Trading Days	Volume (Unit:Million Shares)			Value (Unit:NT$ Million)		
		Total	Daily Average	Turnover Rate (%)*	Total	Daily Average	Turnover Rate (%)**
1997	286	654,200	2,287	368.50	37,241,149	130,214	407.10
1998	271	612,009	2,258	261.70	29,618,969	109,295	314.10
1999	266	678,063	2,549	237.60	29,291,523	110,119	292.10
2000	271	630,868	2,328	195.28	30,526,568	112,644	259.13
2001	244	606,420	2,485	159.60	18,354,936	75,225	179.27
Jan.	16	56,123	3,508	15.51	1,812,336	113,271	17.67
Feb.	19	64,149	3,376	17.73	2,293,139	120,692	23.36
Mar.	22	60,441	2,747	16.70	2,200,637	100,029	21.90
Apr.	20	38,588	1,929	10.66	1,426,869	71,343	15.03
May	22	33,954	1,543	9.36	1,120,189	50,918	12.91
Jun.	20	28,737	1,437	7.90	946,597	47,330	11.89
Jul.	21	32,271	1,537	8.70	885,424	42,163	12.32
Aug.	23	47,699	2,074	12.55	1,160,036	50,436	15.11
Sept.	17	30,301	1,782	7.59	654,575	38,504	10.07
Oct.	21	43,140	2,054	10.70	986,744	46,988	13.99
Nov.	22	70,553	3,207	17.47	1,857,508	84,432	22.91
Dec.	21	100,464	4,784	24.73	3,010,881	143,375	29.41

* Based on total number of listed shares

** Based on total market value of listed shares.

Table 14. Ten Most Active Stocks 2001 (in Volume and Value)

a. in Volume

Rank	Name of Stock	Volume (Thousand Shares)	% of Market Total
1	Winbond Electronics	18,032,448	2.97
2	Mosel Vitelic Inc.	15,301,320	2.52
3	UMC	14,648,131	2.42
4	Macronix International	13,006,812	2.15
5	Yageo	11,574,681	1.91
6	Acer	11,146,546	1.84
7	Silicon Integrated Systems	10,163,247	1.68
8	CMC	10,090,062	1.66
9	CDB	9,023,645	1.49
10	TSMC	8,960,692	1.48

b. in Value

Rank	Name of Stock	Value (NT$ Thousand)	% of Market Total
1	Via Technologies	918,833,897	5.01
2	TSMC	684,460,549	3.73
3	UMC	651,799,010	3.55
4	Macronix International	461,903,289	2.52
5	Silicon Integrated Systems	449,479,470	2.45
6	RITEK	438,018,683	2.39
7	Winbond Electronics	436,834,788	2.38
8	Yageo	376,976,966	2.05
9	Asustek Computer	360,582,521	1.97
10	Realtek Semiconductor	345,693,806	1.88

Table 15. Stocks with Largest Price Changes Year-end 2001

Rank	Up	
	Name of Stock	Rise from End of 2000(%)
1	Elitegroup Computer Systems	659.35
2	Shuttle	511.48
3	Biostar	426.23
4	Micro-Star International	387.72
5	Chicony Electronics	325.00
6	CLEVO	314.12
7	Chou-Chin Industrial	264.36
8	Teapo Electronic	251.41
9	Accton	250.65
10	ABIT	229.47

Rank	Down	
	Name of Stock	Fall from End of 2000(%)
1	Kaohsiung Business Bank	-94.71
2	CSB	-93.38
3	Maxim Intl.	-84.85
4	Sun Splendor	-82.99
5	Ezplace	-82.31
6	U-Lead Ind.	-81.33
7	Yu Foung	-78.16
8	Chih Lien Industrial	-74.81
9	CIS	-71.90
10	UB Office systems	-70.59

Table 16. Price Earnings Ratio (PE Ratio) Year-end 2001

Industry	PE Ratio
All Listed Stocks	41.57
Cement	-
Foods	72.39
Plastics	28.72
Textiles	-
Electric & Machinery	17.81
Electric Appliance & Cable	-
Chemicals	30.80
Glass & Ceramics	39.52
Paper & Pulp	-
Steel & Iron	75.00
Rubber	47.78
Automobile	10.18
Electronics	33.80
Construction	-
Transportation	22.47
Tourism	30.38
Finance	41.28
Wholesale & Retail	26.81
Others	15.94
Cement & Ceramics	-
Plastics & Chemicals	30.18
Electrical	33.83

CLEARING AND SETTLEMENT

Clearing and settlement for the trades executed in the Exchange are carried out by the Clearing Department. Trade comparison is done at the time when the trade is executed, and confirmation is sent simultaneously. Clearing report is sent through computer-link devices to the back offices of the brokers/dealers on the trade (T) day. The Exchange adopts multilateral clearing and T+2 rolling settlement convention.

The settlement mechanism underwent a historical change in 1990 when Taiwan Securities Central Depository Co., Ltd. (TSCD) was established and the new book-entry settlement mechanism became feasible. Since Feb. 4, 1995, it has become mandatory that investors have book-entry securities depository account as well as a bank account before the trade starts. On Sept. 2, 1996, the securities lending program was launched so as to solve some out-trades more efficiently.

The steps of clearing and settlement can be summarized as follows:

T day (Clearing day)

15:00 TSEC sends trade affirmation summary through computer-link devices to the back offices of the brokers/dealers.

21:00 Broker adjusts customer accounts for out trades and reports to TSEC and TSCD. TSCD generates "Settlement Summary Report" for TSEC, and adopts multilateral netting computation for net balances for each broker/dealer.

T+1 day (Position day)

12:00 Deadline for the customer to settle with participating broker.

18:00 Deadline for broker/dealer to deposit securities with TSCD. TSEC allows delay of delivery of securities with legitimate reason and paid-in collateral in full to TSEC.

T+2 day (Settlement day)

10:00 TSEC instructs its bank to disburse the same-day fund for net receiving broker/dealer and instructs TSCD to credit the securities account for receiving broker/dealer. However, if the said broker/dealer has to deliver same-day fund to TSEC, TSEC will instruct TSCD only after confirming receipt of due payment.

SECURITIES FIRMS

REGISTRATION OF SECURITIES FIRMS

Securities companies, pursuant to the Securities and Exchange Law, can be categorized as:

1. Securities underwriters who facilitate the distribution of issuers' securities.
2. Securities dealers who buy and sell securities for their own accounts.
3. Securities brokers who trade as agents for their customer accounts.

No securities firm shall commence operations until after receipt of approval and license from the SFC. Minimum capital requirements for securities firms are as follows:

1. Securities underwriter: NT$400 million
2. Securities dealer: NT$400 million
3. Securities broker: NT$200 million

Securities firms conducting all three categories of business must meet the minimum capital requirement of NT$1 billion. Another NT$30 million will be required for any additional branch office.

Securities brokers and dealers must receive consent to computer linkages from TSCD and the Exchange before they can apply for registration with the SFC.

FUNDS AND RESERVES

After the registration procedures, securities firms are required to deposit Business Guarantee Fund in SFC-designated banks. The amount for each underwriter, dealer, and broker is NT$40 million, NT$10 million and NT$50 million, respectively. For setting up a branch office, an additional amount of NT$10 million is required.

Each securities firm is also required to deposit Settlement and Clearing Fund at TSEC who sets up a fund management committee to manage this fund. For each dealer, a fixed amount of NT$10 million is required. A new brokerage firm has to deposit initially NT$15 million in the fund before operations and deposit quarterly a variable amount calculated based on the rule specified by the SFC during the first calendar year of its operations. Starting the second calendar year of its operations, the fixed part of the fund is reduced to NT$7 million, while the variable part is adjusted at the beginning of every year based on its trading value of the previous year.

To further maintain the financial integrity of the intermediaries, securities brokers are required to set up Default Loss Reserve and dealers should set up Trading Loss Reserve as stipulated by the SFC.

FINANCIAL INTEGRITY OF SECURITIES FIRMS

The total amount of liabilities of a securities firm shall not exceed four times of its net worth and the total amount of its current liabilities shall not exceed the total amount of its current assets. For a securities firm with only a brokerage or dealer license, its total amount of liabilities shall not exceed its net worth. Securities firms are also prohibited from providing guarantee to others and purchasing fixed assets for non-business use.

SECURITIES FINANCING

Securities financing service was first provided by only one securities finance company, Fuh-Hwa Securities Finance Company. As the securities market liberalization policy advanced, the SFC has permitted other finance companies and qualified securities firms to offer securities financing services as well. The volume of margin trading has increased ever since.

Securities firms must meet certain requirements with respect to their capital, financial and operational conditions to be approved as eligible for securities financing business. To undertake securities financing business, the securities firms should deposit additional Business Guarantee Fund in the amount of NT$50 million.

For the purpose of controlling the risk run by the brokerage firms, the total margin position of each brokerage firm is limited. To each securities firm eligible for securities financing business, the credit balances in margin accounts and the value of short-selling positions for its whole customers are limited to within 250% of its net worth.

FOREIGN SECURITIES FIRMS

Foreign securities firms can apply for branch establishments in Taiwan provided that, besides being in line with the principle of reciprocity, it meet the following qualifications:

1. The applicant possesses sufficient experience in international securities business.
2. The applicant has not been sanctioned administratively by its home country's securities regulatory authorities within the recent two years.

They must also deposit funds and reserves as required by local securities firms.

Table 17. Status of Trading Amounts of Securities Firms 2001

Classification of Securities and Securities Firms	Trading Value (NT$ Million)	%
Classification by Securities		
Total	36,822,738	100.000
Stocks	36,689,972	99.639
Government Bonds	20	0.000
Corporate Bonds (Convertible Bonds are not included)	0	0.000
Convertible Bonds	48,054	0.130
Beneficiary Certificates	10,400	0.028
Warrants	56,880	0.154
Taiwan Depository Receipts	17,413	0.047
Classification by Securities Firms		
Securities Brokerage Firms	34,983,332	95.005
Main Offices	9,598,930	26.068
Branch Offices	25,384,402	68.937
Banking Brokers	1,217,192	3.306
Main Offices	578,948	1.572
Branch Offices	638,244	1.733
Dealers	622,204	1.690
Central Government Bond Issues Auction Group	10	0.000

Notes

1. The trading value covers both buy and sale value.
2. The trading value is exclusive of central government bond block trading value.
3. The trading value is exclusive of auction and tender offer.
4. Securities firms with the largest trading value:
   1st: Yuan Ta Core Pacific Securities
   2nd: Fubon Securities
   3rd: Polaris Securities
   4th: Jih Sun Securities
   5th: Masterlink Securities

Table 18. Trading Value by Brokers & Dealers 1997-2001 (Percentage of Turnover)

	2001	2000	1999	1998	1997
Brokers:					
Securities Brokerage Firms	95.01	94.32	94.57	95.38	95.36
Banking Brokers	3.31	3.49	3.49	3.06	3.27
Dealers	1.69	1.94	1.94	1.56	1.37
Total	100.00	100.00	100.00	100.00	100.00

Table 19. Number of Customer Accounts with Brokers 1997-2001

Year & Month	No. of Brokers (Main Offices)	No. of New Accounts	Accumulated Investor Accounts
1997	209	2,071,922	7,746,543
1998	198	2,436,964	9,587,855
1999	193	1,714,349	10,916,426
2000	168	5,111,016	12,359,893
2001	157	1,317,812	12,910,531
Jan.	171	59,692	12,403,989
Feb.	169	109,752	12,452,515
Mar.	168	130,254	12,522,993
Apr.	167	77,090	12,595,860
May	167	120,119	12,647,558
Jun.	164	109,213	12,685,983
Jul.	166	98,287	12,745,791
Aug.	165	102,515	12,769,308
Sept.	164	79,935	12,810,645
Oct.	163	48,835	12,819,006
Nov.	160	191,662	12,842,626
Dec.	157	190,458	12,910,531

BROKERAGE COMMISSION AND SECURITIES TAXATION

COMMISSION RATE

Each securities firm can freely set its own commission rate under the current ceiling 0.1425% of trading value designated by the SFC.

SECURITIES TAXATION

1. Securities Transaction Tax
   This tax is levied on the sale side of each transaction. The rate is 0.3% for stock trading and 0.1% for beneficiary certificates, warrants and TDRs. Corporate bonds and government bonds are exempted from this tax.

2. Taxation on Dividends
   Dividends payable to resident beneficiaries are included in the consolidated income. A 30% withholding tax is levied on non-resident individual beneficiaries and 25% on non-resident corporate beneficiaries; however, it may be reduced to 20% if the investments are approved under the Statute for Investment by Foreign Nationals.

Stock dividends representing distribution of capital surplus or an asset revaluation surplus are not subject to income tax, but stock dividends representing distribution of earnings are subject to income tax which is payable on receipt.

3. Taxation on Interest Income
   Interest income is subject to either a 10% withholding tax for a resident beneficiary or 20% for a non-resident beneficiary. Interest income from short-term bills and bonds are subject to a 20% withholding tax for both resident and non-resident beneficiaries. Interest income is allowed to be included in the taxpayer's consolidated income with tax-exempt savings for a deduction up to NT$270,000, excluding interest income from postal savings account and short-term commercial paper.

4. Capital Gains Tax
   Capital gains have been exempted from tax since January 1, 1990.

STOCK PRICE INDEXES

The Exchange maintains a total of 27 stock price indexes, to allow investors to grab both overall market movement and different industrial sectors' performances conveniently. The indexes may be grouped into market value indexes and price average indexes. The former are similar to the Standard & Poor's Index, weighted by the number of outstanding shares, and the latter are similar to the Dow Jones Industrial Average and the Nikkei Stock Average. The TSEC Capitalization Weighted Stock Index (TAIEX) is the most widely quoted of all TSEC indexes. The base year value as of 1966 was set at 100. TAIEX is adjusted in the event of new listing, delisting and new shares offering to offset the influence on TAIEX owing to non-trading activities.

TAIEX covers all of the listed stocks excluding preferred stocks, full-delivery stocks and newly listed stocks, which are listed for less than one calendar month. Up to December 2001, 557 issues were selected as component stocks from the 584 listed companies on the Exchange.

The other market value indexes are calculated and adjusted similarly to that of TAIEX only with different groupings of stocks included for calculation. Non-Finance Sub-Index and Non-Electronics Sub-Index include stocks in non-financial sector and non-electronics sector, out of the TAIEX Component Stocks.

The Industrial Sub-Indexes are calculated for different industrial sectors. Starting December 1986, eight Industrial Sub-Indexes were introduced, i.e. Cement/Glass/Ceramics, Textiles, Foods, Plastics/Chemicals/Rubber, Electric Machinery/Electric Appliance/Cable/Electronics, Paper/Pulp, Construction, Finance. In August 1995, TSEC introduced additional 14 Industrial Sub-Indexes, i.e.

Index	Type of Index	Base (or Date Compilation Started)	Date Published	Stocks Included (End of 2001)
TAIEX	Market value	1966 average =100	1967	557 listing common shares
Non-Finance Sub-Index	Market value	1966 average =100	1987.11	Excluding shares of finance industry
Non-Electronics Sub-Index	Market value	1999.12.28 =8,448.84	2000.11.16	Excluding shares of electronics industry
Industrial Sub-Indexes	Market value	1986.12.29 =100	1986.12.29	8 industry groups shares
Industrial Sub-Indexes	Market value	1994.12.31 =100	1995.8.1	14 industry groups' shares
Composite Stock Price Average	Price average	1987.1.6	1989.1	30 issues
Industrial Stock Price Average	Price average	1987.1.6	1989.1	20 issues

Cement, Plastics, Electric Machinery, Electric Appliance/Cable, Automobile, Chemicals, Glass/Ceramics, Iron/Steel, Rubbers, Electronics, Transportation, Tourism, Retail and Others. This expansion is to give a broader perspective of industrial performances and a more comprehensive comparison with the overall market trend.

The Industrial Price Average Index and the Composite Price Average Index contain 20 and 30 issues, respectively. The samples are chosen based on their representation in the market as a whole and will be adjusted every year by taking into account the profitability, operation efficiency and the trading liquidity of the shares so that the indexes can mirror the trend of the market.

All of the TSEC indexes are constantly computed and broadcasted every minute during the trading hours through the TSEC MIS system and information vendors' networks. The information can be easily accessed on the systems of local and international information vendors, such as Reuters, Bridge, Quick, Bloomberg or Primark, etc. Monthly summary of all the TSEC indexes data is also available in TSEC website.

Table 20. Changes in Stock Index by Industrial Group 2000-2001

Industry	Stock Index		Point Change	Percent Change
	End of 2001	End of 2000	from End of 2000	from End of 2000 (%)
Cement	28.37	43.09	-14.72	-34.16
Foods*	212.81	274.40	-61.59	-22.45
Plastics	61.58	76.98	-15.40	-20.01
Textiles*	133.21	159.00	-25.79	-16.22
Electric & Machinery	50.98	54.09	-3.11	-5.75
Ele. Appliance & Cable	35.89	48.06	-12.17	-25.32
Chemicals	41.73	34.65	7.08	20.43
Glass & Ceramics	28.80	35.84	-7.04	-19.64
Paper & Pulp*	75.16	95.94	-20.78	-21.66
Steel & Iron	32.41	45.10	-12.69	-28.14
Rubber	40.04	34.98	5.06	14.47
Automobile	54.40	74.79	-20.39	-27.26
Electronic	297.82	220.64	77.18	34.98
Construction*	67.39	73.87	-6.48	-8.77
Transportation	36.62	52.52	-15.90	-30.27
Tourism	45.30	51.56	-6.26	-12.14
Finance*	719.13	673.90	45.23	6.71
Wholesale & Retail	72.03	70.21	1.82	2.59
Others	63.68	54.91	8.77	15.97
Cement & Ceramics*	141.54	201.44	-59.90	-29.74
Plastics & Chemicals*	211.29	239.52	-28.23	-11.79
Electrical*	1,641.65	1,236.81	404.84	32.73

Base Day = End of 1986 (Noted by *) or 1994 (others)

Table 21. TSEC Capitalization Weighted Stock Index (TAIEX) Daily Closing 2001

DATE	MONTH					
	JAN.	FEB.	MARCH	APRIL	MAY	JUN.
1	-	5,897.93	5,499.86	-	-	5,013.96
2	4,935.28	6,049.26	# 5,499.54	5,607.73	5,304.24	-
3	# 4,894.79	-	-	5,446.82	△ 5,405.54	-
4	5,136.13	-	-	5,405.85	5,244.05	4,985.11
5	5,295.53	5,932.42	5,609.74	-	-	5,065.06
6	-	5,849.06	5,635.06	5,515.13	-	5,220.44
7	-	5,693.58	5,777.13	-	5,229.93	5,153.35
8	5,188.51	5,758.60	5,711.02	-	5,176.71	5,226.28
9	5,376.12	5,809.84	5,680.43	5,401.83	5,232.64	-
10	5,436.78	-	-	# 5,353.50	5,122.17	-
11	5,369.24	-	-	5,467.75	5,232.72	△ 5,271.30
12	5,339.40	5,847.07	5,582.67	5,533.22	-	5,266.24
13	-	6,027.49	5,610.40	5,495.47	-	5,209.71
14	-	5,887.68	5,658.21	-	5,176.45	5,119.19
15	5,379.66	△ 6,104.24	5,742.74	-	5,158.79	5,158.63
16	5,662.94	6,045.67	5,783.93	5,432.28	5,082.02	-
17	5,769.95	-	-	5,431.95	5,143.44	-
18	5,847.91	-	-	5,508.61	5,111.67	5,070.52
19	-	5,937.30	5,641.89	△ 5,608.50	-	5,039.98
20	-	5,971.29	5,642.70	5,596.63	-	5,029.64
21	-	5,949.96	5,623.42	-	# 4,958.61	4,984.88
22	-	5,759.04	5,730.95	-	4,991.48	4,904.34
23	-	5,726.93	5,800.55	5,597.70	5,209.97	-
24	-	-	-	5,589.34	5,226.79	-
25	-	-	-	5,516.20	5,170.08	-
26	-	5,716.02	△ 5,896.32	5,518.73	-	4,785.12
27	-	# 5,674.69	5,884.33	5,416.67	-	4,825.28
28	-	-	5,819.39	-	5,079.72	# 4,768.55
29	5,680.06	-	5,833.88	-	5,095.26	4,883.43
30	5,792.50	-	5,797.92	5,381.67	5,057.07	-
31	△ 5,936.20	-	-	-	5,048.86	-
Monthly Average	5,440.06	5,875.69	5,702.82	5,491.28	5,157.19	5,049.05

Remark: 「△」Highest Index of the Month
「#」Lowest Index of the Month

DATE	MONTH					
	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1	-	4,354.52	-	-	# 3,929.69	-
2	△ 4,886.86	4,490.19	-	3,492.12	3,998.48	-
3	4,843.82	4,530.68	4,454.77	# 3,446.26	-	# 4,646.61
4	4,739.16	-	△ 4,493.53	3,493.66	-	4,766.43
5	4,709.20	-	4,424.91	3,585.46	4,080.51	4,924.56
6	4,707.01	4,470.73	4,338.26	-	4,082.92	5,208.86
7	-	4,404.00	4,302.16	-	4,158.15	5,333.93
8	-	4,514.10	-	3,520.35	4,135.03	-
9	4,657.30	4,448.52	-	3,618.93	4,123.78	-
10	4,616.71	4,476.91	4,289.10	-	-	5,321.28
11	4,548.29	-	4,176.93	3,789.93	-	5,273.97
12	4,633.54	-	-	3,801.50	4,172.63	5,539.31
13	4,485.68	4,520.76	3,952.49	-	4,136.54	5,407.54
14	-	4,589.60	3,774.62	-	4,277.70	5,486.73
15	-	4,623.11	-	3,712.82	4,403.59	-
16	4,368.69	△ 4,687.33	-	3,794.86	4,446.62	-
17	4,371.99	4,638.36	-	3,817.13	-	5,456.15
18	4,219.89	-	-	3,811.20	-	5,329.19
19	4,190.78	-	3,781.17	3,845.62	4,548.63	5,221.96
20	4,220.33	4,550.36	3,698.84	-	4,455.80	5,309.10
21	-	4,562.73	3,591.85	-	4,533.37	5,109.24
22	-	4,487.52	-	3,900.62	4,450.02	-
23	4,151.93	4,459.76	-	3,874.42	4,519.08	-
24	# 4,040.77	# 4,310.32	3,533.51	3,986.67	-	5,164.73
25	4,136.39	-	# 3,493.78	4,012.20	-	5,372.81
26	4,300.41	-	3,625.53	4,043.57	△ 4,608.32	5,392.43
27	4,320.59	4,384.55	3,567.63	-	4,580.33	5,332.98
28	-	4,368.38	3,636.94	-	4,447.58	5,398.28
29	-	4,508.69	-	△ 4,065.10	4,465.83	-
30	-	4,503.86	-	3,915.61	4,441.12	-
31	4,352.98	4,509.44	-	3,903.49	-	△ 5,551.24
Monthly Average	4,452.49	4,495.41	3,949.18	3,782.45	4,317.99	5,264.16

SHARE-OWNERSHIP AND SECURITIES INVESTOR PROTECTION FUND

SHAREHOLDERS

Listed companies are required to submit shareholders' registration data after the annual shareholders' meeting. At the end of 2001, the number of domestic shareholders reached 23,892,731, increased by 1,934,640 from the previous year. The breakdown of share ownership shows that the individual investors who accounted for 50.98% in domestic investment still dominate the domestic investment market. Corporations were second with 22.04%. Foreign ownership accounted for 10.65%.

SECURITIES INVESTOR PROTECTION FUND

The Taiwan securities industry has set up a Securities Investor Protection Fund (SIPF), with a total amount of NT$1.03 billion, to protect investors in case of broker's default.

The SIPF was established by the major securities institutions of the market and administered by an appropriations committee. The committee was organized by the institutions, each of which contributes to the fund. In case of a broker's default, the board will meet to discuss the issues of legal matters, including investors' claiming procedures.

Only investors who have completed their settlement obligations properly but are unable to receive their entitled rights due to the broker's default can file their claims with the board. The limitation on each account for investors is NT$1 million, and that for brokers is NT$100 million.

Table 22. Domestic Individual Share-ownership by Size of Holding 1997-2001

Shares Registered	2001		2000		1999		1998		1997	
	No. of Persons	%	No. of Persons	%	No. of Persons	%	No. of Persons	%	No. of Persons	%
Below 1000	8,472,669	35.86	7,382,079	33.62	6,208,153	34.76	4,998,590	31.41	4,303,555	35.05
1,001-5,000	10,301,220	43.60	10,118,814	46.08	7,760,201	43.44	7,675,276	48.23	5,691,511	46.35
5,001-10,000	2,329,445	9.86	2,161,913	9.85	1,952,636	10.93	1,729,123	10.87	1,177,095	9.59
10,001-15,000	957,137	4.05	824,913	3.76	748,766	4.19	501,041	3.15	366,743	2.99
15,000-20,000	442,785	1.87	434,788	1.98	343,267	1.92	328,119	2.06	235,692	1.92
Above 20,001	1,121,798	4.75	1,035,584	4.72	849,581	4.76	681,874	4.28	503,863	4.10
Total	23,625,054	100.00	21,958,091	100.00	17,862,604	100.00	15,914,023	100.00	12,278,459	100.00

Table 23. Share-ownership by Type of Investors 1997-2001

(In Percentage)

	2001	2000	1999	1998	1997
Domestic Investors:					
Government	7.62	6.12	3.68	4.33	6.57
Financial Institutions	4.42	3.75	2.93	4.19	4.16
Trust Fund	0.75	0.77	1.28	1.02	1.44
Corporations	22.59	21.68	22.98	20.40	19.21
Other Juridical Persons	3.37	3.53	3.85	4.34	3.62
Individuals	51.96	55.37	58.08	58.36	56.27
Foreigners:					
Trust Fund	3.05	3.14	2.18	1.74	2.55
Financial Institutions	0.25	0.55	0.46	0.47	0.24
Juridical Persons	4.85	4.33	3.61	3.87	4.45
Individuals	0.67	0.76	0.94	1.29	1.49
Share Buy-backs	0.47	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.01	100.00

1. Securities Market Status in 2001

Unit:NT$ Million

Million Shares

a. Stock Market

Item	Total
No. of Listed Companies	584
No. of Listed Stocks	614
No. of Listed Shares	406,400
Total Issued Capital Amount	4,063,998
Market Capitalization	10,247,599
Total Trading Volume	606,420
Total Trading Value	18,354,936
TAIEX (Yearly Average)	4,914.81

Unit:NT$ Million

Number of Issues

b. Bond Market

Item	Government Bonds	Corporate Bonds	Total
Number Issued (2001)	11	1	12
Number Outstanding (Accumulated)	65	43	108
Total Issued Amount (2001)	457,000	1,000	458,000
Total Outstanding (Accumulated)	1,856,920	22,425	1,879,345

* Excluding Bonds Issued by Asian Development Bank.

2. Block Transactions

Year	Trading Volume (1,000 Shares)	Trading Value ((NT$ Million)
1997	91,595	3,941.88
1998	21,813	6,886.20
1999	627,455	10,328.34
2000	564,923	7,217.84
2001	344,397	6,422.74

3. Total Trading Volume and Value (By Year)

Unit:NT$ Million
Million Shares

Year	Total Trading Value	Stocks				Beneficiary Certificates		Bonds Value	Total No. of Transactions
		Volume	Value	Daily Avg. Volume	Daily Avg. Value	Volume	Value		
1982	134,466	10,244	133,875	35	463	-	-	590	1,790,237
1983	367,038	23,869	363,845	82	1,246	-	-	3,193	3,321,074
1984	325,412	18,164	324,475	62	1,107	-	-	937	2,588,529
1985	196,306	14,534	195,228	50	678	-	-	1,078	2,019,509
1986	676,379	39,041	675,656	137	2,371	-	-	723	4,440,179
1987	2,669,296	76,857	2,668,633	267	9,266	-	-	663	10,050,561
1988	7,920,751	101,350	7,868,024	351	27,225	4,060	51,725	1,001	22,452,792
1989	25,673,676	220,558	25,407,963	768	88,529	18,016	264,802	912	80,457,008
1990	21,364,607	232,307	19,031,288	827	67,727	83,982	2,327,210	6,109	90,478,200
1991	10,328,388	175,941	9,682,738	615	33,856	41,847	639,283	6,367	63,267,431
1992	6,287,024	107,593	5,917,079	379	20,835	26,030	366,129	3,816	36,746,814
1993	9,301,435	204,678	9,056,717	706	31,230	22,921	241,772	2,945	52,838,285
1994	19,476,619	351,240	18,812,112	1,228	65,777	56,833	656,712	7,795	82,097,485
1995	10,305,197	267,298	10,151,536	935	35,495	15,292	151,794	1,867	60,276,658
1996	13,142,485	350,739	12,907,561	1,218	44,818	24,088	224,890	10,033	74,595,031
1997	37,763,427	654,201	37,241,150	2,287	130,214	37,899	500,521	19,796	155,784,696
1998	29,799,321	612,010	29,618,970	2,258	109,295	7,188	89,965	40,921	145,935,038
1999	29,521,113	678,064	29,291,529	2,549	110,119	4,176	39,858	54,237	160,960,226
2000	30,816,713	630,868	30,526,566	2,328	112,644	2,614	28,076	51,277	164,829,580
2001	18,421,319	606,420	18,354,936	2,485	75,225	764	5,200	24,037	142,654,195

4. Margin Transactions

Unit : NT$ Million

1,000 Shares

Year	Purchase on Margin					
	New		Redemption		Outstanding	
	Shares	Value	Shares	Value	Shares	Value
1992	36,869,169	1,068,624	36,517,510	1,074,805	2,522,421	51,785
1993	94,205,846	2,224,131	90,892,408	2,142,356	5,835,859	133,560
1994	151,357,477	4,129,938	148,576,844	4,031,412	8,616,492	232,084
1995	118,828,947	2,530,583	119,824,841	2,623,959	7,620,598	138,710
1996	162,027,599	3,466,120	156,472,442	3,312,549	13,165,220	292,312
1997	276,968,744	20,513,966	273,140,810	6,313,829	16,993,154	373,091
1998	275,096,114	6,804,185	270,411,636	6,747,385	21,677,632	429,892
1999	292,443,036	6,971,862	292,479,074	6,946,135	21,641,594	455,608
2000	245,581,010	6,331,420	254,507,996	6,591,467	12,714,719	195,564
2001	212,018,681	3,898,290	211,052,638	3,890,421	13,680,762	203,429

Year	Short Sale					
	New		Redemption		Outstanding	
	Shares	Value	Shares	Value	Shares	Value
1992	2,622,508	147,683	2,637,934	148,939	98,203	4,099
1993	6,773,831	317,914	6,622,899	308,506	249,135	13,413
1994	14,079,324	721,959	14,018,402	720,940	310,057	13,429
1995	16,560,148	650,455	16,491,806	651,007	378,399	12,878
1996	15,700,567	587,282	15,725,889	585,142	353,077	15,017
1997	36,514,020	2,285,282	36,153,587	2,249,109	713,510	51,191
1998	44,867,310	2,412,240	44,831,756	2,430,084	749,064	33,346
1999	36,264,379	1,649,949	36,445,010	1,649,402	568,433	33,893
2000	30,734,883	1,700,482	30,810,799	1,714,121	492,517	20,254
2001	34,593,040	1,186,726	34,292,184	1,178,845	793,373	28,134

5. Authorized Issues of Capital Increase by Listed Companies (By Year)

Unit : NT$ 1,000

Year	Total		Increase of Capital					
			Cash Offerings		Capitalization of Retained Earnings		Capitalization of Capital Reserves & Others	
	Amount	%	Amount	%	Amount	%	Amount	%
1982	16,209,469	100.00	10,152,478	62.63	2,469,484	15.23	3,587,507	22.13
1983	14,553,163	100.00	6,423,170	44.14	4,474,062	30.74	3,655,931	25.12
1984	14,811,135	100.00	4,874,120	32.91	5,073,990	34.26	4,863,025	32.83
1985	21,078,546	100.00	6,934,074	31.94	8,687,011	40.02	6,087,461	28.04
1986	18,388,122	100.00	7,238,549	39.37	6,411,295	34.86	4,738,278	25.77
1987	31,575,044	100.00	13,741,327	43.52	15,782,583	49.98	2,051,134	6.50
1988	41,612,392	100.00	9,780,197	23.50	25,585,396	61.49	6,246,799	15.01
1989	64,597,976	100.00	16,420,886	25.42	37,756,647	58.45	10,420,443	16.13
1990	75,476,597	100.00	12,665,418	16.78	48,353,934	64.06	14,457,246	19.16
1991	71,391,038	100.00	14,699,165	20.59	37,210,736	52.12	19,481,136	27.29
1992	83,000,474	100.00	14,534,935	17.51	46,704,125	56.27	21,761,414	26.22
1993	100,819,126	100.00	19,001,586	18.85	51,310,336	50.89	30,507,204	30.26
1994	146,085,325	100.00	34,324,677	23.50	74,453,957	50.97	37,306,690	25.53
1995	202,070,051	100.00	34,080,425	16.87	121,381,426	60.07	46,608,200	23.06
1996	244,323,863	100.00	58,309,878	23.87	133,940,251	54.82	52,073,733	21.31
1997	378,926,570	100.00	109,033,360	28.78	178,374,030	47.07	91,519,180	24.15
1998	456,554,914	100.00	102,236,408	22.39	244,095,245	53.47	110,223,261	24.14
1999	326,091,962	100.00	56,589,623	17.29	158,888,181	48.87	110,614,158	33.84
2000	388,770,195	100.00	43,948,611	11.30	225,862,498	58.10	118,959,086	30.60
2001	387,395,798	100.00	38,781,200	10.01	236,289,931	60.99	93,776,782	24.21

6. TAIEX (Monthly Average)

Base Year : 1966 Average = 100

Year	Month												Yearly				
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	High	Low	Open	Close	Average
1982	536.75	528.42	497.18	481.75	474.34	458.59	457.95	436.87	465.26	472.23	473.48	443.63	546.21	421.43	546.21	443.57	477.20
1983	448.27	465.35	559.46	675.14	677.66	695.35	743.54	709.07	728.65	709.98	712.13	726.81	765.71	434.94	443.24	761.92	654.28
1984	793.31	864.46	882.35	899.80	932.00	900.45	889.94	908.23	877.71	858.23	816.57	847.06	969.25	764.50	764.50	838.07	872.51
1985	823.26	786.04	793.33	756.83	734.23	709.82	669.79	656.62	699.75	738.97	771.13	807.70	840.57	636.02	829.90	835.12	754.62
1986	856.16	923.35	961.12	910.39	915.33	972.41	976.58	892.29	922.18	984.91	1,009.96	1,012.21	1,039.11	839.73	839.73	1,039.11	944.74
1987	1,113.63	1,216.03	1,312.28	1,599.61	1,814.28	1,735.67	1,858.05	2,451.50	3,567.25	3,590.11	2,713.66	2,648.33	4,673.14	1,063.13	1,063.13	2,339.86	2,135.03
1988	2,610.83	3,206.35	3,345.91	3,767.78	4,441.55	4,951.33	5,422.07	7,352.13	8,039.07	6,580.92	6,851.97	5,856.62	8,789.78	2,341.06	2,341.06	5,119.11	5,202.21
1989	5,716.92	6,679.85	7,318.04	7,785.28	8,795.43	9,497.42	8,619.42	9,731.62	10,402.75	10,066.97	10,121.37	4,399.58	10,773.11	4,873.18	4,873.18	9,624.18	8,616.14
1990	10,677.57	11,983.46	11,223.10	9,741.52	7,848.01	6,157.25	5,037.66	4,119.74	3,237.57	2,912.16	3,966.22	4,399.58	12,495.34	2,560.47	9,853.15	4,530.16	6,775.32
1991	3,938.06	4,643.07	4,781.39	5,605.66	5,993.00	5,869.78	5,259.56	4,779.64	4,669.08	4,541.45	4,448.69	4,438.66	6,305.22	3,316.26	4,258.93	4,600.67	4,928.83
1992	5,023.19	5,031.01	4,908.19	4,529.40	4,476.85	4,588.46	4,234.61	3,918.12	3,632.69	3,666.43	3,615.86	3,633.84	5,391.63	3,327.67	4,612.97	3,377.06	4,271.63
1993	3,274.30	3,845.05	4,597.58	4,655.46	4,450.42	4,196.41	3,990.84	4,032.65	3,862.09	3,970.51	4,251.80	5,089.20	6,070.56	3,135.56	3,342.18	6,070.56	4,214.78
1994	6,057.62	5,911.42	5,375.18	5,638.35	5,921.86	6,001.12	6,406.40	6,804.23	6,973.92	6,701.06	6,372.64	6,843.97	7,183.75	5,194.63	6,416.84	7,124.66	6,252.99
1995	6,586.36	6,546.57	6,485.45	6,188.97	5,709.61	5,510.12	5,343.43	4,794.88	5,019.12	5,014.51	4,701.58	4,988.83	7,051.49	4,503.37	7,051.49	5,173.73	5,543.75
1996	4,942.99	4,790.21	4,897.05	5,846.37	5,986.38	6,264.34	6,205.34	6,234.74	6,429.08	6,525.70	6,690.71	6,881.57	6,982.81	4,690.22	5,146.04	6,933.94	6,003.72
1997	7,135.16	7,642.26	8,166.46	8,505.78	8,146.61	8,604.60	9,553.26	9,890.34	9,111.67	7,983.28	7,731.90	8,147.84	10,116.84	6,802.35	6,820.35	8,187.27	8,410.56
1998	7,849.77	8,807.57	8,976.49	8,785.11	8,226.35	7,540.08	7,874.10	7,218.46	6,832.28	6,886.22	7,108.83	6,832.09	9,277.09	6,251.38	8,159.11	6,418.43	7,737.68
1999	6,255.89	5,920.05	6,677.49	7,389.86	7,504.58	8,055.32	7,915.84	7,655.87	7,977.15	7,696.52	7,669.57	7,918.93	8,608.91	5,474.79	6,152.43	8,448.84	7,426.69
2000	9,228.57	9,891.21	9,337.92	9,368.90	8,672.36	8,752.65	8,213.35	7,942.79	7,069.47	5,837.25	5,525.00	5,071.50	10,202.20	4,614.63	8,756.55	4,739.09	7,847.21
2001	5,440.06	5,875.69	5,702.82	5,491.28	5,157.19	5,049.05	4,452.49	4,495.41	3,949.18	3,782.45	4,317.99	5,264.16	6,104.24	3,446.26	4,935.28	5,551.24	4,907.43

7. Statistics of Outstanding Listed Bonds

Unit : NT$ Million

Year & Month	Total*		Government Bonds		Corporate Bonds: Non-Convertible Bonds		Corporate Bonds: Convertible Bonds		Bonds Issued by Foreign Banks**: Dragon Bonds			Bonds Issued by Foreign Banks**: NTD Bonds
	No.	Out-standing	No.	Out-standing	No.	Out-standing	No.	Out-standing	No.	U.S. Dollars Million	Yen Billion	
1992	62	530,252	30	513,597	12	4,100	20	12,555	2	600	0	0
1993	62	700,009	33	687,486	9	1,875	20	10,648	3	600	30	0
1994	57	794,962	33	786,791	6	750	18	7,421	3	600	30	0
1995	56	868,023	38	860,950	2	125	16	6,948	4	600	30	2,600
1996	59	1,010,636	42	995,050	0	0	17	15,586	5	600	30	9,600
1997	86	1,071,740	44	1,034,400	0	0	42	37,340	7	300	30	29,400
1998	108	1,115,349	45	1,042,000	0	0	63	73,349	11	0	0	63,100
1999	118	1,300,874	50	1,243,820	0	0	68	57,054	16	0	0	85,100
2000	113	1,513,989	57	1,478,320	0	0	56	35,669	17	0	0	91,100
2001	108	1,879,345	65	1,856,920	0	0	43	22,425	16	0	0	74,500
Jan.	113	1,580,725	58	1,545,320	0	0	55	35,405	17	0	0	85,100
Feb.	113	1,640,227	59	1,605,320	0	0	54	34,907	17	0	0	85,100
Mar.	112	1,674,902	59	1,640,320	0	0	53	34,582	17	0	0	85,100
Apr.	111	1,647,870	58	1,613,320	0	0	53	34,550	16	0	0	74,500
May	113	1,686,651	60	1,653,320	0	0	53	33,331	16	0	0	74,500
Jun.	113	1,686,303	60	1,653,320	0	0	53	32,983	16	0	0	74,500
Jul.	116	1,736,553	62	1,703,320	0	0	54	33,233	16	0	0	74,500
Aug.	114	1,782,953	63	1,753,320	0	0	51	29,633	16	0	0	74,500
Sept.	115	1,817,385	64	1,789,320	0	0	51	28,065	16	0	0	74,500
Oct.	114	1,865,309	65	1,839,320	0	0	49	25,989	16	0	0	74,500
Nov.	112	1,912,120	66	1,886,920	0	0	46	25,200	16	0	0	74,500
Dec.	108	1,879,345	65	1,856,920	0	0	43	22,425	16	0	0	74,500

* Excluding Bonds Issued by Foreign Banks.

** Including Asian Development Bank, Central American Bank for Economic Integration, European Bank for Reconstruction and Development, Nordic Investment Bank, Council of Europe Society Development Fund.

INTRODUCTION

TSEC was incorporated in October 1961 under the jurisdiction of the Securities and Exchange Commission. In the early years of its operations, TSEC started with a scant 16 equity securities, 4 corporate bonds and 4 government bonds.

In 1962, only 18 companies were listed with average daily trading value of NT$1,647,760. The number of listed companies increased to 23 in 1963, and did not exceed 40 until 1971. It finally reached about 100 by 1980. During this period, the number of listed companies increased by six or seven each year. From 1980 to 1987, the activities in the marketplace remained relatively static.

Liberalization of securities firms' licenses in May 1988 had helped push the TAIEX to a historical high in 1990. The number of securities firms established and investors' accounts opened also exploded to an all-time high. However, the overheated market slid at such a fast pace in 1990 that we saw a difference of 10,000 points in TAIEX over a short eight-month period.

The number of listed companies keeps increasing rapidly from 199 in 1990 to 584 in 2001. Meanwhile, many securities firms have undertaken mergers in order to cope with the fierce market competition. The number of securities firms decreased from the all time high of 381 in 1990 to 190 in 2001. In 1997, average daily trading value reached a record high of NT$130 billion despite the impact of Asian financial turmoil.

Under the supervision of the SFC, TSEC has made every endeavor to reshape the market discipline and broaden the market depth and breadth. The major measures adopted in recent years include strengthening the surveillance mechanism, implementation of mandatory book-entry settlement, introduction of securities derivatives, and continuing to promote the listing of eligible companies and transferring a group of R.O.C. Over-the-Counter Securities Exchange (ROSE) listed companies to be listed on TSEC. The market which used to be dominated by individual investors has also undergone some structural changes in the three groups of institutional investors, i.e. dealers, QFIIs and investment trust companies, which have grown in their influence on the market relative to their weight in trading value. The structure of individual investors is also moving toward a younger and more educated category.

TSEC, being the sole centralized securities trading market in Taiwan, has proved its ability to adjust to the volatile market and played its role successfully by facilitating capital formation in the process of economic development. In the future, TSEC will continue striving towards maintaining an open, fair and efficient marketplace.

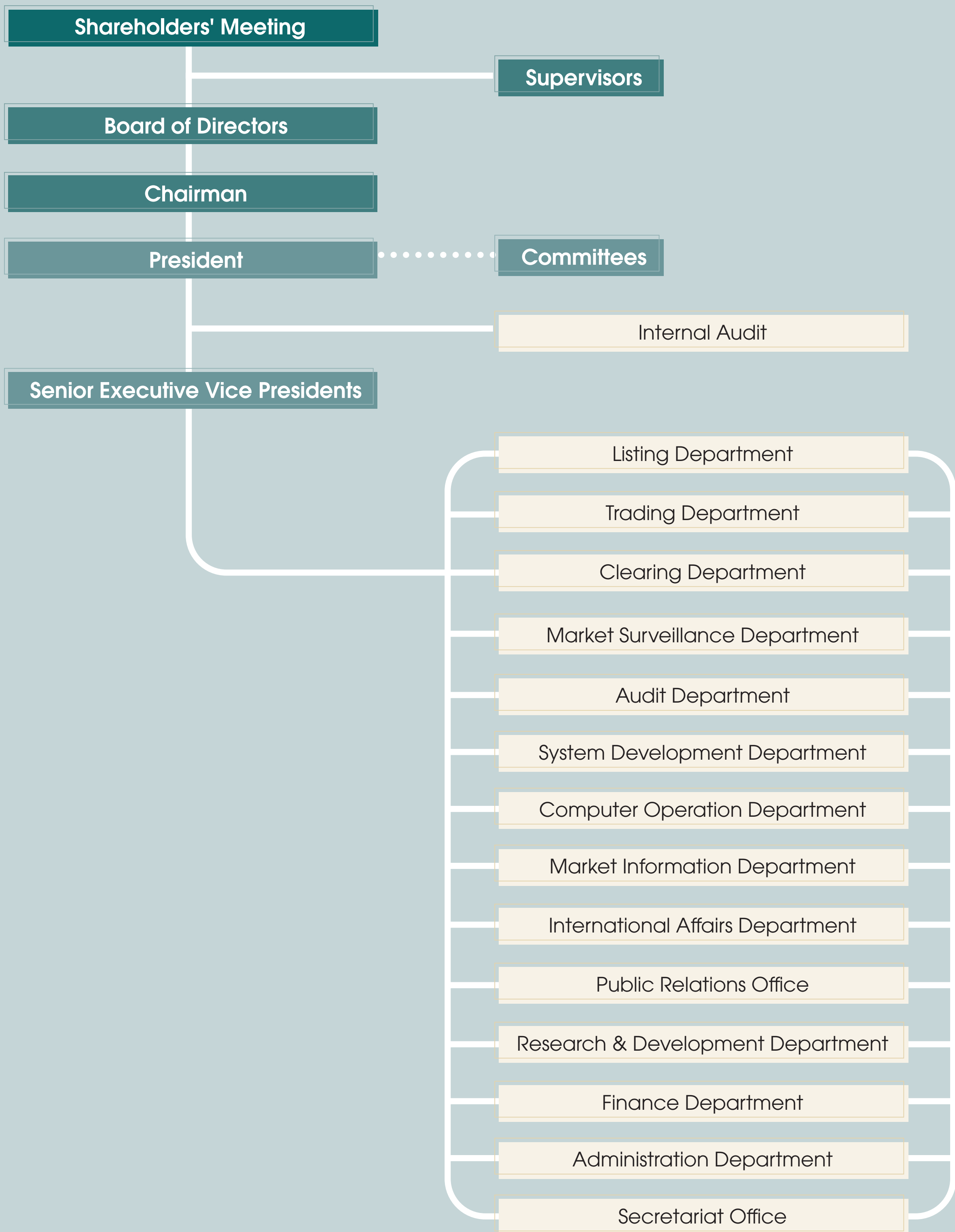
TSEC ORGANIZATION

TSEC was organized pursuant to the provisions of the Securities and Exchange Law and the Company Law. The purpose is to promote investment by enterprises, to enhance economic development, and to assist the industrial and commercial enterprises in raising capital.

As a public-interest corporation, TSEC is governed by its Board of Directors consisting of fifteen directors and three supervisors. As stipulated by the Securities and Exchange Law, at least one third of the directors are securities professionals appointed by the SFC. The remaining positions are elected from among the shareholders at the shareholders' meeting.

The term of office for directors and supervisors is three years, and they may be re-designated or reelected. The directors choose among themselves a Chairman of the Board of Directors who represents TSEC, and the supervisors choose among themselves one Resident Supervisor.

TSEC ORGANIZATION CHART



BOARD MEMBERS

Board Members

Chairman		(Representative of juridical person)
Sean C. Chen		The International Commercial Bank of China
Directors		(Representative of juridical person)
Richard, Ming-Hsing Tsai	Vice Chairman of Fubon Group	Fubon Securities Co., Ltd.
Thomas P. T. Chien	Chairman of Taiwan Sugar Corporation	Taiwan Sugar Corporation
Jack H. Huang	President of Central Trust of China	Central Trust of China
Chi-Lin Wea	Chairman of Land Bank of Taiwan	Land Bank of Taiwan
Tze-Kaing Yang	Vice chairman of China United Trust & Investment Corp.	China Development Industrial Bank
Leslie Koo	Chairman of TCC Chemical Corporation	TCC Chemical Corporation
Cheng, Feng-Shih	Legislator	Taifeng Investment Co., Ltd.
Show Chung Ho	Chairman of Yuen Foong Yu Investment Company Ltd.	Yuen Foong Yu Investment Company Ltd.
Jeff Chiu	Chairman of TAIT Marketing & Distribution Co., Ltd.	Government Appointed Director Representing the Public Interest
Shyan-Yuan Lee	Professor of National Taiwan University	
Jaw Sheng Kong	Managing Director, Taiwan Country Manager, Credit Suisse First Boston Asia International (Cayman) Ltd., Taiwan Branch	
David M. Chen	Professor of Fu Jen Catholic University	
Christina Y. Liu	Professor of National Taiwan University	
Fortune Ju	President of Taiwan Stock Exchange Corp.	

Supervisors

Resident Supervisor		
Chen-En Ko	Dean, College of Management of National Taiwan University	Government Appointed Supervisor Representing the Public Interest
Supervisors		(Representative of juridical person)
Teh-Nan Hsu	President of Hua Nan Commercial Bank Ltd.	Hua Nan Commercial Bank Ltd.
Joseph Lee	Vice Chairman of Taiwan Cellular Corp.	You-Chi Investment Co., Ltd.

SENIOR MANAGEMENT

Name	
Fortune Ju	President
Ching-Po Chiu	Senior Executive Vice President
Song-Chin Su	Senior Executive Vice President
Samuel J. S. Hsu	Senior Executive Vice President
Basil Wang	Senior Vice President, Listing Department
Shie-Jay Yang	Senior Vice President, Trading Department
Chih-Yen Ho	Senior Vice President, Clearing Department
Nai-Kuan Huang	Senior Vice President, Market Surveillance Department
Chin-Ting Chiu	Senior Vice President, Audit Department
Tiann-Tong Chang	Senior Vice President, Computer Operation Department
Alex Lu	Senior Vice President, Market Information Department
K.C. Peng	Senior Vice President, International Affairs Department
Chung-Fu Chang	Senior Vice President, Public Relations Office
Shuh-Tzy Hsu	Senior Vice President, Research & Development Department
Rebecca Chen	Senior Vice President, Finance Department
Cheng-Chi Lin	Senior Vice President, Administration Department
Fu-Hsing Wu	Senior Vice President, Secretariat Office
Amingo Lin	Senior Vice President, Internal Audit

PUBLICATIONS

To promote securities market and to educate investors, TSEC publishes the following booklets and periodicals: (Prices include shipping and handling.)

1. ***Status of Securities Listed on Taiwan Stock Exchange*** (monthly, in Chinese and English, US$60 per year)
   Summary monthly statistics for each listed company on TSEC, including trading price, volume and value, financial performance, etc.

2. ***Taiwan Stock Exchange Monthly Review*** (monthly, in Chinese and English, US$100 per year for subscribers in Asia, US$130 for those in other regions)
   Comprehensive monthly statistics of the market and a few securities market related articles that are published in Chinese.

3. ***Taiwan Stock Exchange Statistical Data*** (annual, in Chinese and English, US$30 per copy)
   Detailed statistics of the market up to the previous year.

4. ***Fact Book*** (annual, in English, US$30 per copy)
   Important events and statistics for TSEC and the market in the previous year.

5. ***Taiwan Stock Exchange Annual Report*** (annual, separate versions in Chinese and English, US$20 per copy)
   Important events, financial and business operation of TSEC in the previous year.

6. ***Stock Chart of Taiwan Stock Exchange Capitalization Weighted Stock Index and Trading Volume & Value*** (annual, in Chinese and English, US$20 per copy)
   Large scroll (60cm x 180cm) of market trend since 1975.

7. ***An Introduction to Taiwan Stock Exchange*** (annual, separate versions in Chinese and English, free)
   Organization of the Exchange, procedures for listing, trading, clearing and settlement.

8. ***Highlights of TSEC Listed Securities*** (annual, in Chinese and English, free)
Brochure on important figures and facts of TSEC.

All the publications except item 6 are available in TSEC website. Subscribers may denote required publications, starting issue and send a check payable to "Taiwan Stock Exchange Corporation" to the Research and Development Dept., or make a fund transfer to the account "Taiwan Stock Exchange Corporation", account number 01030912922 at the United World Chinese Commercial Bank - Domestic Banking Division, address: 65 Kuan-Chien Rd., Taipei, Taiwan 100, R.O.C. airmailing and faxing the deposit receipt to TSEC (fax number 886-2-23485280).