

Financial Review

Report of Independent Accountants

To: Board of Directors and Stockholders of
Taiwan Stock Exchange Corporation

We have audited the accompanying non-consolidated balance sheets of Taiwan Stock Exchange Corporation as of 31st December 2005 and 2004, and the related non-consolidated statements of income, of changes in stockholders' equity and of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We did not audit the 2005 and 2004 financial statements of Taiwan Securities Central Depository Co., Ltd., Taiwan-Ca.Com, Inc. and Taiwan Ratings Co., Ltd., investees accounted for under the equity method. These statements reflect total long-term investments of NT\$4,241,476,939 and NT\$4,108,990,489 as of 31st December 2005 and 2004, respectively, and the related investment income of NT\$275,231,083 and NT\$313,458,559 for the years then ended. These financial statements were audited by other auditors, whose reports thereon were furnished to us and our opinion, insofar as it relates to the amounts included in the financial statements relative to these long-term investments, is based solely on the reports of other auditors.

We conducted our audits in accordance with the "Rules Governing Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, the non-consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Taiwan Stock Exchange Corporation as of 31st December 2005 and 2004, and the results of its operations and its cash flows for the years then ended, in conformity with the "Criteria Governing Preparation of Financial Reports by Company-Type Stock Exchanges" and generally accepted accounting principles in the Republic of China.

Pricewaterhouse Coopers

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24th January 2006
Taipei, Taiwan
Republic of China