

## TSEC Market in 2007

### LISTING

#### 1. Stocks

##### a) Listed Companies

701 common and preferred stocks, issued by 698 companies, were listed on TWSE as of the end of 2007. The total year-end market capitalization was NT\$21.53 trillion (US\$655.60billion), represented by 556 billion outstanding shares.

##### b) Newly Listed Companies

30 new companies (including 13 of which were previously listed on the GreTai Securities Market, GTSM) joined the main board listing in 2007. These newly listed companies accounted for an increase of 5.60 billion shares on the market.

##### c) New Shares Issued by Listed Companies

New offerings issued by listed companies in 2007 accounted for an increase of 22.50 billion shares.

##### d) Delistings and Suspensions

20 companies were delisted in 2007. Only one company was under suspension as of the end of 2007.

#### 2. Taiwan Depository Receipts (TDRs)

In 2007, a total of five TDRs were listed on TWSE with 1,777 million units.

#### 3. Beneficiary Certificates

A total of seven Exchange Traded Funds (ETFs) were listed, with 1,057 million outstanding units at the end of 2007. One closed-end beneficiary certificate was listed, with 500 million units, at the end of the year.

#### 4. Beneficiary Securities

Seven beneficiary securities (REITs) were listed, with 5,370 million units, at the end of the year.

#### 5. Warrants

2,624 new call warrants were issued in 2007 by 28 securities firms, while 1,248 call warrants expired. 42 put warrants were issued in 2007 by eight securities firms, while 31 put warrants expired. A total of 2,085 put/call warrants with 43,521 million units were issued as of 31 December 2007.

#### 6. Bonds

##### a) Government Bonds

9 government bonds were listed in 2007 in addition to eleven delistings. This represented a net addition of NT\$147.80 billion (US\$ 4.50 billion) in government issued public debts. A total of 88 government bonds were listed at the end of 2007, with an aggregate outstanding value of NT\$ 3,530.30 billion (US\$ 107.50 billion).

##### b) Corporate Bonds

No new convertible bonds were listed in 2007; delisted issues totaled two. At the end of the year, one listed convertible corporate bond was outstanding. This represents a \$2 million net reduction of outstanding corporate bonds of NT\$7 million (US\$ 0.21 million) compared with 2006.







## TRADING

### 1. Stocks

The Fully Automated Securities Trading (FAST) system completed 213.20 million transactions in 247 trading days in 2007. The total value of shares traded during the year was NT\$33,043.85 billion (US\$ 1,006.21 billion), up by 38.25% from 2006. The total trading volume amounted to 887.19 billion shares, 21.11% higher than that of the previous year. The average daily trading value and volume was NT\$133.78 billion (US\$ 4.07 billion) and 3.59 billion shares respectively. The month with the highest average daily trading value in 2007 was July, amounting to around NT\$225.02 billion (US\$ 6.85 billion), while the lowest was February amounting to around NT\$91.26 billion (US\$ 2.78 billion).

### 2. Taiwan Depository Receipts (TDRs)

The total trading value of TDRs traded in 2007 was NT\$91.93 billion (US\$ 2.80 billion), up by 216.40%. The trading volume was 11,052.51 million units, which represents an increase of 106.28% compared with 2006.

### 3. Beneficiary Certificates

The trading value of ETFs totaled NT\$125.37 billion (US\$ 3.82 billion) in 2007, increased by 66.69% from last year. The trading volume totaled 2,440.38 million units in 2007, an increase of 59.14% from 2006.

The trading value of closed-end beneficiary certificates totaled NT\$0.83 billion (US\$ 0.025 billion) in 2007, 47.85% more than that of the year before. The trading volume of 77.71 million units was 23.97% more than that of the previous year.

### 4. Beneficiary Securities

The trading value of beneficiary securities totaled NT\$12.32 billion (US\$ 0.38 billion), down by 50.70% from last year. The trading volume totaled 1,201.72 million units in 2007. This represents a decrease of 48.77% compared with the previous year.

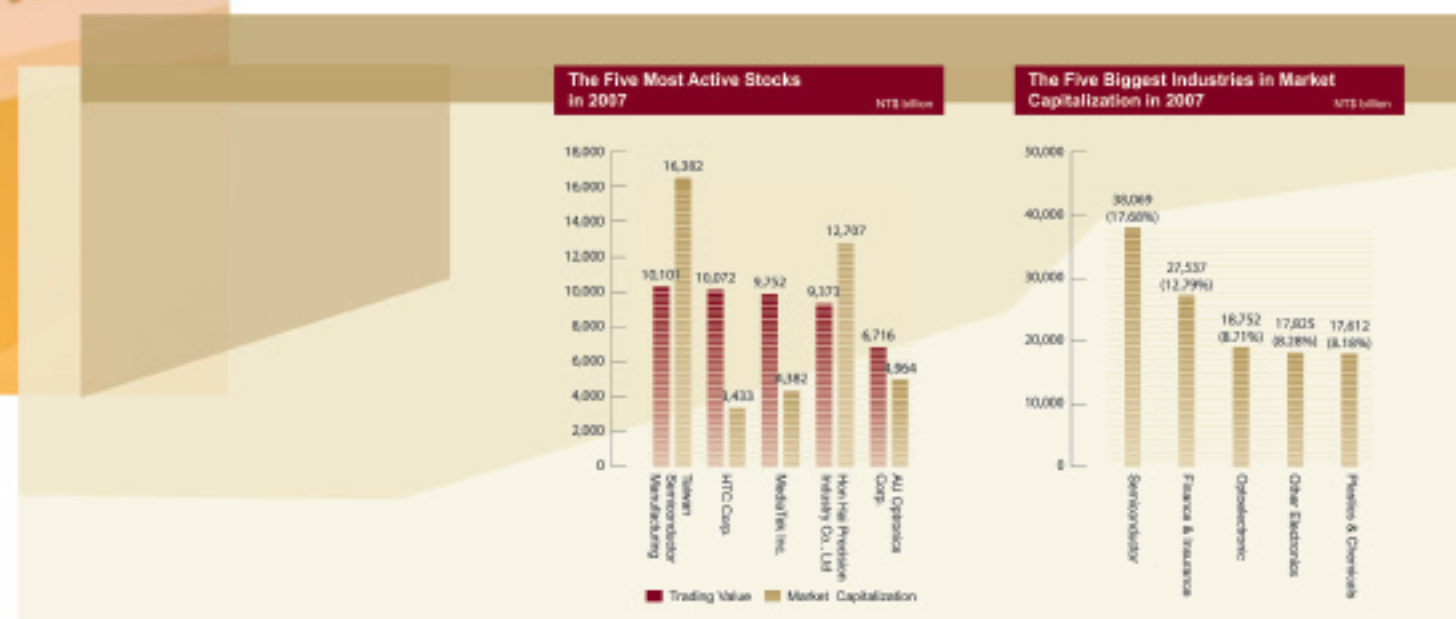
### 5. Warrants

The trading value of call/put warrant transactions totaled NT\$253.18 billion (US\$ 7.71 billion) in 2007, up by 44.61% from the previous year. The trading volume totaled 259,796.28 million units in 2007, 74.21% more than that of the year before.

### 6. Bonds

There were no transactions in convertible bonds and government bonds in 2007, a 100% decrease from the previous year.

Overall, the total trading value of stocks, TDRs, beneficiary certificates, beneficiary securities, warrants and bonds amounted to NT\$33.53 trillion (US\$ 102.10 billion) in 2007, an increase of 38.51% compared with 2006.



The total settlement valued at NT\$3.66 trillion (US\$11.14 billion), accounted for 89.07% of settlement clearance. 2,799 transactions were recorded by the TWSE securities borrowing and lending system in 2007, with 5,738.52 million shares transacted, valued at NT\$295 billion (US\$ 8.98 billion) on each day's closing price. As for settlement demand from investors, 4,964 transactions were recorded in 2007, with 76 million shares transacted.

## PRICE MOVEMENTS

Following active trading in global markets at the end of 2006 and positive expectations on future corporate earnings, TAIEX began the year with a rising trend in early 2007. Nevertheless, negatively affected by the start of the sub-prime mortgage default, TAIEX fell to a trough of 7,344.56 points on March 15. After that the market saw a steady recovery, which was mostly stimulated by the growing economy and increasing foreign investment. However, hammered by the sub-prime crisis and plunging international markets in the second half of the year, TAIEX dropped again during July and August. After the US FED began to lower interest rates releasing pressure on global markets, the Taiwan stock market slowed its fall and began to rise again, reaching its highest point of 9809.88 on Oct. 29th. However, uncertainties from the sub-prime crisis and an election in Taiwan caused highly volatility in the market, with the TAIEX closing at 8506.28 at the end of 2007, a gain of 682.56 points or 8.72% on 2006.

Comparing the prices of individual stocks at the end of 2007 with those of the previous year-end, 299 rose, 353 fell, 1 was unchanged and 48 were not available for comparison.

## SECURITIES FIRMS

As of the end of 2007, 99 securities firms had contracts with TWSE to operate in the market. 44 of them restricted themselves to brokerage operations, and 55 ran a combination of brokerage, dealer or underwriter businesses, with 35 of these offering margin-financing services. The number of brokerage branch establishments in Taiwan totaled 990, with the majority located in Taipei City (262), followed by Taipei County (132), Kaohsiung City (95), Taichung City (70), Taoyuan County (65) and Tainan City (54). 13 foreign securities firms also ran operations in Taiwan in 2007.

The top five securities companies in 2007 in terms of market share were Yuanta (9.04%), Fubon (5.76%), Polaris (4.54%), Sinopac (4.39%), and Taiwan Securities (4.35%).