

TRADING

1. Trading Mechanism Planning and Operations

- a) Plan a market maker system for the ETF market.
- b) Resurrect market orders in the Taiwan market.
- c) Streamline the block-trading system to meet market demands.
- d) Modify the omnibus trading account system.
- e) Lift the not-below-previous-close-price restriction on short sale prices for more qualified stocks.
- f) Assist securities firms in applying for money lending business.
- g) Promote the securities borrowing and lending business.
- h) Assist securities firms to engage in the securities borrowing and lending business.
- i) Continue to administer the International Securities Identification Number (ISIN) code system.

2. Management and Services of Securities Firms

- a) Promote the new capital adequacy requirement for securities firms.
- b) Revise "Standards Governing Securities Firm Sites and Facilities."
- c) Audit and monitor the operations and services of securities firms.
- d) Review financial statements of securities firms periodically.
- e) Enhance the risk management of securities firms.
- f) Assist securities firms in implementing internal control systems.
- g) Improve the provision of computer operation services to securities firms.

3. Clearing and Settlement

- a) Continue to promote "Simplified tripartite settlements on a net basis for TSEC, securities finance companies and securities firms."
- b) Plan for funds settlement in the securities market via "Central Bank Interbank Funds Transfers and Settlements System."
- c) Promote delivery versus payment (DVP) on T+2.

4. Market Surveillance

- a) Continue to inform market participants of the prohibition on inside trading.
- b) Improve the effectiveness and efficiency of illicit trading investigations.



COMPUTER APPLICATIONS AND INFORMATION SERVICES

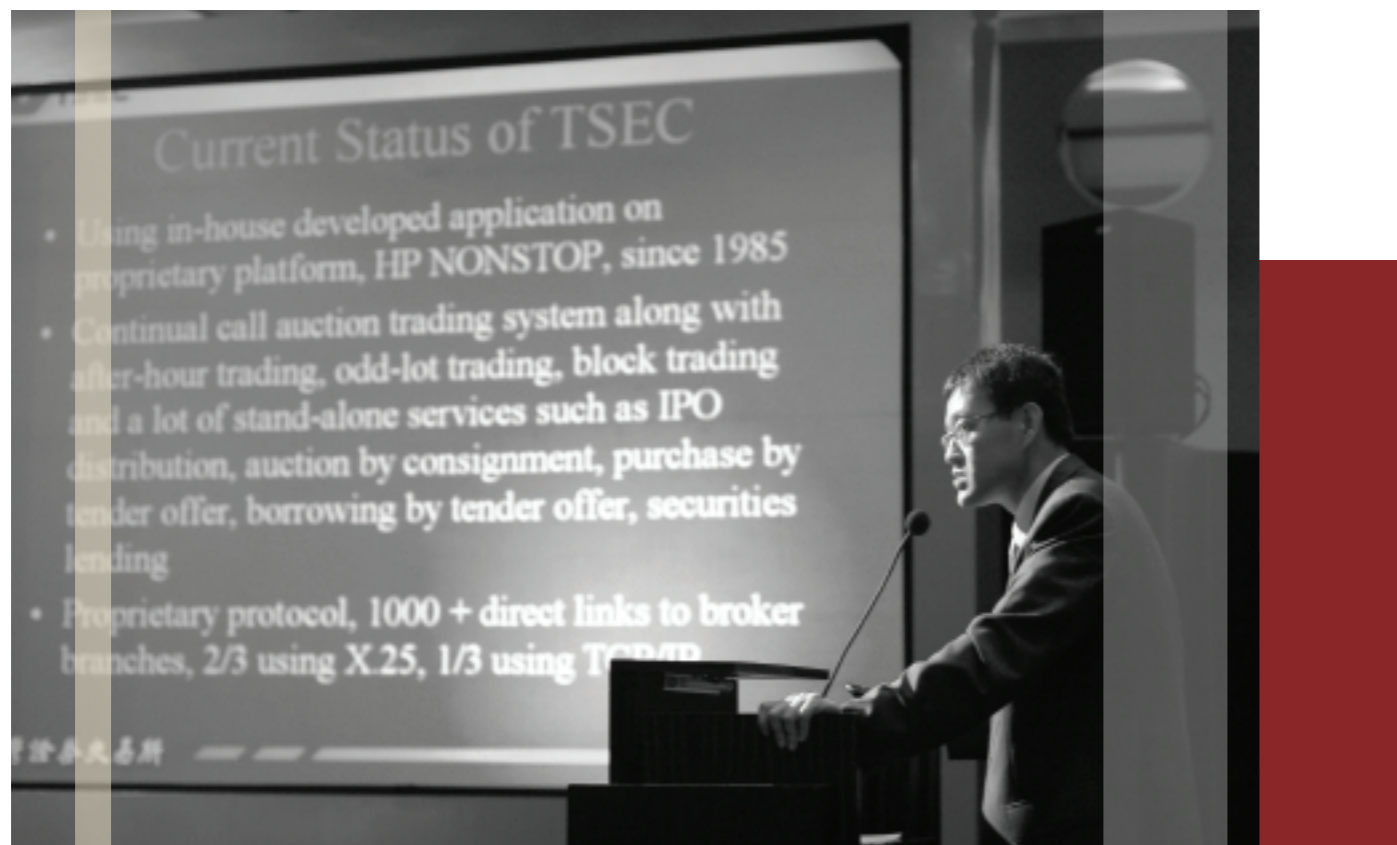
1. Continue to upgrade trading operation systems by transferring the "Statistical Operation System" to an off-line platform.
2. Develop the SBL system for securities firms and the designated counterparties block-trading system.
3. Develop the computer operations of control mechanism for the margin purchase and short sale data of the clients of credit institutions.
4. Strengthen the safety and security of internet access, as well as provide systems for regular inspections of internet safety and improve the early detection of problems.
5. Maintain the ISO9000 quality management system and the ISO27001 information security management system.
6. Test off-site application support systems
7. Enhance the operational stability and security of the Fully Automated Securities Trading (FAST) system and enhance the security controls of the TSEC intranet.
8. Plan for the establishment of an Information Security Operation Center (SOC).
9. Promote the existing information platform businesses and information products, endeavor to sign cooperation agreements with international information vendors, and urge them to use TSEC's trading information.
10. Provide a diversified variety of Data e Shop products.

INVESTORS SERVICES

1. Improve the facility of Direct Market Access (DMA).
2. Enhance the function of "Individual Information Query System".
3. Establish an "On-line Investors Reading Room".
4. Improve the capability and quality of TSEC's website.
5. Continue to protect investors' rights and interests.

OTHERS

1. Promote the Taiwan securities market to the status of "Developed Market" classified by the FTSE Group.
2. Compile new indices.
3. Continue to participate in and host meetings of international organizations, and actively sign cooperation memoranda with leading international exchanges.
4. Promote securities investment knowledge to investors.



Objectives for 2007

LISTING

1. Listing Promotion

- Revise outdated listing regulations.
- Promote the listing of companies who meet the current listing criteria.
- Conduct analysis of the privatization and listing plans of state-owned businesses and major public infrastructure projects.
- Review and revise regulations related to warrants in line with the development of the domestic warrants market and foreign experience.
- Promote the listing of new types of warrants and ETFs.

2. Listed Companies Supervision

- Request listed companies to report their financial situation monthly on the Market Observation Post System (MOPS) if their business or financial situation is not good as a reminder to investors.
- Provide investors with additional alerts by a new "Financial Information Publication Area" on TSEC's website.
- Revise the current criteria of altered-trading-method.
- Establish monitoring rules especially for business groups.
- Adjust the industry categories of listed companies.

3. Information Disclosure

- Review and revise regulations related to information disclosure.
- Continue to promote the reporting procedures and related rules with listed companies and investors in order to improve the effectiveness of MOPS.
- Conduct survey on how to streamline the information disclosure process.

4. Primary Market Business

- Plan a new listing ceremony.
- Develop a platform for listed companies to report their financial statements using XBRL.

5. Corporate Governance

- Cooperate with professional corporate governance institutions to encourage listed companies to establish independent board directors.
- Assist listed companies to become compliant with corporate governance regulations.
- Revise internal controls and regular/exceptional governance related regulations to implement rules of order for board of director meetings.
- Enhance the international visibility of corporate governance in Taiwan.