



TAIWAN
STOCK EXCHANGE

Annual Report 2009

Taiwan Stock Exchange

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Taiwan Stock Exchange Corporation

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Taiwan Stock Exchange

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Message from the Chairman and the President

First of all we would like to thank you, our shareholders, for the support and encouragement you have shown over the years. In this report we will set out the results of our operations over the past year, and the prospects for the future.

In 2009, the gradual recovery of the global economy from the financial tsunami, the increasingly active economic exchange across the Taiwan Strait, the flow of Taiwanese capital back home from overseas, and investment in Taiwan from mainland China and elsewhere contributed to market momentum and led to a rising trend of the island's stock market. The Taiwan Stock Exchange Capitalization Weighted Stock Index (TAIEX) rose steadily, from 4,591.22 on the last day of 2008 ending 2009 at 8,188.11, up by 78.34%. The average daily trading value rose 12.04% during the year to reach NT\$120.0 billion, up from NT\$107.1 billion in 2008. The total value of trading in listed shares for the year increased by NT\$3.57 trillion to reach NT\$29.68 trillion, a growth of 13.65%.

In addition, with the support of shareholders, and the hard work of our entire staff, the number of companies listed on the Taiwan Stock Exchange Corp. (TWSE) in 2009 reached 755 (including 14 Taiwan Depository Receipts, TDRs), exchange traded funds (ETFs) rose to 14, and new warrant issues expanded to 6,120. These were all new highs.

Over the past year, TWSE continued to work with the competent authority to push the stock market in the direction of liberalization and internationalization. In the areas of both issuance and trading, a number of improvement measures were instituted to enhance the operating efficiency and service quality of the market, and to bring TWSE in line with international practice. Some of these measures are described below:

1. Enhancement of the fund-raising performance of Taiwan stock market and expansion of market scale

A total of 36 new companies (including 10 TDRs) were listed in 2009, achieving the goal of 35 new listings in the government's "Package Project for the Promotion of Financial Markets." TWSE also encouraged the listing of more foreign companies by holding promotional forums in Thailand, Silicon Valley in the U.S., Japan, and mainland China. A total of 182 overseas Taiwanese and foreign companies were visited or interviewed, and 46

foreign companies applied for underwriter's assistance to begin listing. By the end of 2009, 18 foreign companies had applied for listing on TWSE, of which 10 applications were for secondary listings.

2. Acceleration of financial innovation and development of diversified products

In order to provide investors with a diverse range of investment choices, TWSE vigorously promoted the listing of overseas ETFs. Two offshore ETFs—the Hang Seng H-Share Index ETF (0080) and Hang Seng Index ETF (0081), both from Hong Kong—along with one feeder fund ETF, the W.I.S.E. Polaris CSI 300 Securities Investment Trust Fund (0061) - were listed on TWSE in 2009. To encourage the warrants market, TWSE also cancelled the requirement for ownership dispersion prior to the listing of warrants, implemented a liquidity provider mechanism, and allowed TDRs to serve as underlying securities for warrants.

3. Promotion of market reform and formation of a fair, efficient, and safe stock market

In the management of issuance, TWSE continued to enforce information disclosure procedures in line with international standards in terms of promptness, completeness, and fairness. These efforts were aimed at lowering operation costs of the listed companies and attracting foreign capital to invest in Taiwan companies. The procedures include encouraging listed companies to submit financial reports via XBRL, and offering assistance to domestic listed companies in using International Financial Reporting Standards (IFRS) to prepare financial statements.

To speed up Taiwan's conformity with international practice in trading and clearing, TWSE has instituted a variety of market reform measures including the launch of the T+2 DVP (delivery versus payment) system, an adjustment to the block trading system, implementation of an overall continuous trading mechanism of warrants during normal trading hours, and relaxation of restrictions on asset transfers.

4. Strengthening of international exchange and cooperation to enhance international awareness of the Taiwan stock market

TWSE participated in the annual meetings, working committee meetings, and seminars of international organizations such as the World Federation of Exchanges (WFE), Asian and Oceanian Stock Exchanges Federation (AOSEF), and International Organization of Securities Commissions (IOSCO). TWSE also

strengthened exchange and cooperation with foreign securities-related organizations. In January 2009, the London Stock Exchange visited TWSE in order to cooperate on business development. In May, TWSE invited the Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange, and HoChiMinh Stock Exchange to participate in a Cross-strait ETF Market Development Forum. TWSE also invited listed companies to join a mission to Singapore, Hong Kong, London, and New York, holding seminars with the aim of enhancing the visibility of Taiwan's capital market and attracting more foreign investment.

In the years to come, TWSE will continue to expand and deepen the scale of the market. In addition to encouraging the primary listings of outstanding domestic companies, overseas Taiwanese enterprises, and prominent foreign firms, and secondary listings of Taiwan Depository Receipts (TDRs), TWSE will also endeavor to establish a trading system and investment environment which conforms to international standards.

In the development of new financial products, TWSE will continue to promote the internationalization of the ETF market and plan for the issuance of new types of warrant products such as callable bull/bear contracts. In addition, the continuous trading of warrants will be implemented from June 28, 2010. A second trading platform will be set up to separate the warrants market from the central stock market, and day trading in warrants and other measures will be instituted.

The stock market is a window on the economy, a microcosm of industrial development. Taiwan should make good use of the benefits arising from the high-tech industry to attract the international funds flowing into Asia, and become a major fund-raising platform for the technology industry in the Asia-Pacific region or even the whole world. TWSE will continue its vigorous promotion of market system reform and the upgrading of service efficiency in an effort to mold Taiwan into an important fund-raising platform and asset management center in the region.



Chairman



President

Statistical Highlights

MAINTAINING A FAIR,
OPEN AND
SECURE MARKET



Unit: NT\$1,000/1,000 shares

	2009 (251 trading days)	2008 (249 trading days)
Stocks		
Total Trading Value	29,680,470,925	26,115,407,562
Average Daily Trading Value	118,248,888	104,881,155
Total Trading Volume	1,088,769,001	778,910,094
Average Daily Trading Volume	4,337,725	3,128,153
Taiwan Depository Receipts		
Total Trading Value	128,488,924	28,610,911
Beneficiary Certificates		
ETF Trading Value	197,837,265	232,039,461
Closed-end Funds Trading Value	511,753	886,242
Beneficiary Securities		
Total Trading Value	5,013,646	13,411,718
Warrants		
Total Trading Value	106,425,468	275,815,536
Corporate Bonds		
Total Trading Value	0	0
TAIEX*		
Total Listed Companies*	741	718
Total Listed Shares*	577,289,895	569,039,913
Aggregate Capital of Issued Shares*	5,869,586,063	5,735,436,180
Aggregate Market Value of Issued Shares*	21,033,640,073	11,706,526,934
Number of Securities Brokers*	91	95
Number of Securities Dealers*	46	46

* Year-end

Business Report

The Economy in 2009

In the first quarter of 2009, both the industrialized and developing economies continued to suffer from the recession of the previous year. Following policies instituted by different governments aimed at stimulating economic recovery, the rate of decline of economic and financial indicators in the major countries of the world began to slow down towards the end of 2008, although they were still negative in the second quarter of 2009. In the third and fourth quarters of 2009, the global economy was driven by the strengthening recovery in China and the other emerging economies of Asia, as well as by the gradual recovery of consumption in Europe and America. Taiwan's economic growth began a slow rising trend. In the fourth quarter, the annualized growth rate of the island's economy surged to 9.06%. According to an estimate put out by the Directorate General of Budget, Accounting and Statistics (DGBAS) on 20 May 2010, Taiwan's economy is estimated to have declined by 1.91% in 2009.

According to DGBAS statistics, consumer spending jumped back causing private consumption to register a real growth rate of 1.37% in 2009, following an increasingly stabilizing economic recovery, a strongly rising stock market, and a reduction in the number of workers on unpaid leave. Although private fixed investment dropped by 18.38%, the trend has already turned to a positive direction as companies have started to invest in machinery again and upgrade production processes in response to the economic recovery and returning factory orders. In the area of public spending, the government announced plans to invigorate the economy through the expansion of infrastructure construction calling for a total fixed investment of NT\$500 billion in 2009, an increase of NT\$50 billion or 18.62% over the previous year.

Taiwan's trade performance in the first half of 2009 showed that export orders dropped to their lowest point in January because of the ravages of the financial crisis. The expansionary policies implemented by various governments to stimulate demand thereafter brought about a slow recovery, starting in the second quarter. Benefiting from the strong demand for notebooks, consumer electronics, flat panels, and other products from emerging markets in the second half of the year, export orders showed positive growth again in October. Taiwan's customs statistics for 2009 show a total export value of US\$203.67 billion, down 20.3% from the previous year, and a total import value of US\$174.37 billion, a reduction of 27.5%. The trade surplus for the year amounted to US\$29.30 billion, a new high and an increase of 93.00% over the US\$15.18 billion surplus in 2008.

The prices of international crude oil, agricultural and industrial raw materials fell drastically in 2008 due to the financial tsunami. In 2009, the consumer price index dropped by 0.87%, the average unemployment rate rose to 5.85%, up 1.71% from 2008, and the industrial product index slid by 8.74%.

Thanks to the overall improvement in the international environment in 2010, the outlook for Taiwan's domestic economy is cautiously optimistic. The return to stability of the island's economic fundamentals will boost consumer confidence and invigorate private investment. The introduction of new ebooks, LED TVs, touch-screens, cloud-computing, 3D, and other technology products will bring considerable business opportunities to domestic industries. These factors will help Taiwan maintain its trade momentum and provide powerful support for economic growth. DGBAS predicts that the island's exports and imports will grow by 17.07% and 20.10% respectively in 2010, resulting in a trade surplus of US\$30.3 billion. Further, the economic growth rate is expected to reach 6.14%.

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DIVERSIFIED GROWTH



The Securities Market in 2009

LISTING

1. Stocks

a) Listed Companies

744 common and preferred stocks issued by 741 companies were listed on TWSE as of Dec. 31, 2009. The shares totaled 577.29 billion and had a total market capitalization of NT\$21.03 trillion.

b) Newly Listed Companies

26 new companies (nine of which were previously listed on the GreTai Securities Market) joined the main board listing in 2009, bringing 2.855 billion new shares to the market.

c) New Shares Issued by Listed Companies

Listed companies issued a total of 22.297 billion new shares in 2009.

d) De-listings and Suspensions

Three companies were de-listed in 2009, and no companies were under suspension of trading at the end of the year.

2. Taiwan Depository Receipts (TDRs)

14 TDRs with an aggregate of 2,591.51 million units were listed on TWSE at the end of the year.

3. Beneficiary Certificates

14 exchange traded funds (ETFs) with an aggregate 1,935.37 million units were listed at the end of 2009. One closed-end fund was listed, with 500 million units of beneficiary certificates at the end of the year.

4. Beneficiary Securities

Seven types of beneficiary securities with a total of 5,369.74 million issued units were listed at the end of the year.

5. Warrants

5,025 newly listed call warrants were issued in 2009 by 23 securities firms, while 3,648 call warrants expired. 950 newly listed put warrants were issued in 2009 by 19 securities firms, while 472 put warrants expired. 3,573 call/put warrants with 47,442 million units were outstanding as of Dec. 31, 2009.

6. Bonds

Ten government bonds were newly listed in 2009 in addition to 8 delistings, representing a net addition of NT\$235.68 billion in issued government bonds. 93 government bonds with an outstanding value of NT\$3,982.7 billion were listed as of Dec. 31, 2009.





TRADING

1. Changes in Trading Volume

TWSE carried out 270.83 million transactions (including entitlement certificates for converting convertible bonds into common stocks) during 251 trading days in 2009. The value of shares traded during the year totaled NT\$29.68 trillion, an increase of 13.70% over the year before, and trading volume amounted to 1,088.77 billion shares, a growth of 39.80% over the previous year. The average daily trading value and volume were NT\$118.25 billion and 4.34 billion, respectively. The average daily trading value reached NT\$194.84 billion in May, the highest of any month during the year; in January the daily average fell to NT\$57.54 billion, the lowest in 2009.

Trading value in TDRs during the year amounted to NT\$128.49 billion, an increase of 349.09% compared with 2009; trading volume totaled 9,526.96 million units, up by 123.32% from 2009.

The trading value of ETFs totaled NT\$197.84 billion during the year, 14.74% less than 2008; trading volume was 5,979.93 million units, up 1.27%. The trading value of beneficiary certificates in closed-end fund amounted to NT\$510 million, down 42.26%, and the trading volume was 79.21 million units, a decline of 31.93%.

The trading value of beneficiary securities totaled NT\$5.01 billion, down 62.62% from the year before; the trading volume was 517.60 million units, a decline of 61.05%.

The trading value of call/put warrants amounted to NT\$106.43 billion, down 61.41% from 2008; trading volume was 93,589.75 million units, a reduction of 68.81%.

There was no trading in convertible corporate bonds and government bonds during the year, representing no change from the previous year.

Overall, the total trading value of shares, TDRs, beneficiary certificates, beneficiary securities, warrants, and bonds during the year was NT\$30.12 trillion, an increase of 12.95% over 2008.

2. Stock Price Movements

In 2009, Taiwan's capital market was driven by the upturn in trade due to the international economic recovery, the effects of favorable government policies, the improvement in cross-strait relations, and the return of capital from overseas. The island's stock market rose sharply in March and continued to rise. TAIEX closed at 8,188.11 at the end of 2009, a gain of 3,596.89 points, or 78.34%, compared with 2008's close at 4,591.22.

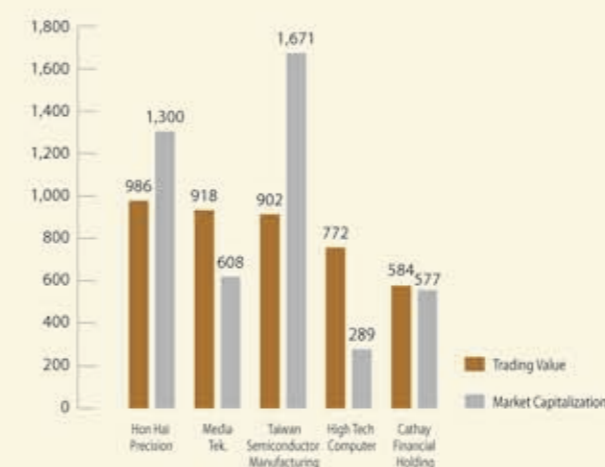
Comparing the prices of individual stocks at the end of 2009 with those of the previous year-end, 705 rose, 10 fell, 0 remained unchanged and 29 were not available for comparison.

3. Securities Firms

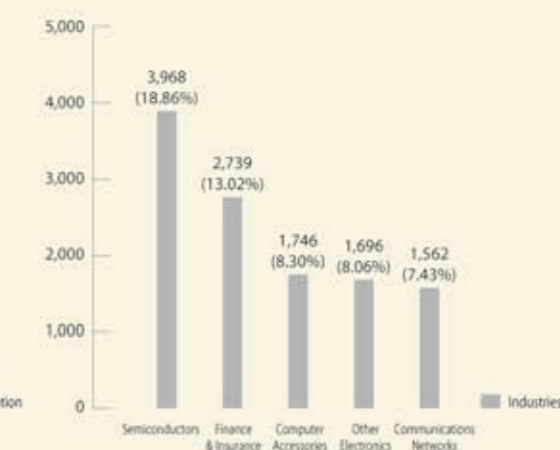
At the end of 2009, 93 securities firms had contracts with TWSE to operate in the market. 39 of them engaged only in brokerage operations, and 41 ran a combination of broker, dealer and underwriter businesses, with 33 of these offering margin-financing services. The number of brokerage branch establishments in Taiwan totaled 965, with the majority located in Taipei City (256), followed by Taipei County (132), Kaohsiung City (95), Taichung City (67), Taoyuan County (66), and Tainan City (48).

The top five securities firms in 2009 in terms of market share were Yuanta (with a share of 11.638%), Fubon (6.137%), SinoPac (4.734%), Polaris (4.371%), and Jih Sun (4.354%).

The Five Most Active Stocks in 2009 (NT\$ billion)



The Five Biggest Industries in Terms of Market Capitalization in 2009 (NT\$ billion)



Business Achievements in 2009

Under the direction of the competent authority, TWSE implemented various measures in accordance with its annual plan to promote the healthy development of the securities market. The major achievements were as follows:

LISTING

1. Expansion of the Securities Market Scale

a) Encouraging domestic public companies to list on TWSE

Twenty-two companies applied for the listing of their stocks on TWSE in 2009, and 26 companies were newly listed during the year.

b) Encouraging foreign companies to list on TWSE

(1) Revision of rules in line with practical operating needs

TWSE relaxed the restrictions on the primary listing application of foreign technology companies. A new provision was added to allow TDRs to extend their listing deadline, subject to approval from the competent authority. Entities having issued stocks or DRs overseas can now be exempted on the guidance of the securities underwriter.

(2) Stock-listing seminars were held in Taiwan and overseas to explain policies and regulations regarding listing on TWSE so as to attract outstanding foreign high-tech companies with good potential to list on TWSE.

(3) Results

By the end of 2009, a total of 18 foreign companies had applied for listing on TWSE, and 10 of them were newly listed during the year.

2. Strengthening Administration of Listed Companies

a) Reinforcement of disclosure and verification of material information

25,545 pieces of material information were disclosed and verified in 2009. 209 of them were made in the form of press conferences. TWSE also carried out 736 random-sampling inspections on material information.

b) Reinforcement of corporate governance

TWSE held a "Corporate Social Responsibility and Sustainable Operation Investment Seminar" and a "Listed Company Shareholder Voting and Participation: Global Development Trends and the Taiwan Experience Round Table Forum." In the third quarter of 2009, a series of "Responsible Persons of Listed Companies – Investor Relations Seminars" and related training sessions were organized.

c) Implementation of the XBRL (eXtensible Business Reporting Language) Plan

TWSE devised classification standards for four major financial statements of the companies operating in various industries, including general purpose, financial holding, finance, insurance, securities and futures companies, as well as classification standards for four major consolidated financial statements of cross-industry companies. TWSE also developed filing tools be used by corporate users free of charge for XBRL financial reporting. Numerous promotion meetings and training courses were held, and a consultation service task force was set up to help participating companies carry out tests on reporting.

d) Strengthening the reviews of financial reports and forecasts published by listed companies

TWSE implemented 2,941 form reviews and 241 substance reviews of the financial reports of listed companies, and 12 form reviews of financial forecasts of listed companies.

e) TWSE conducted 128 audits on the internal control systems of listed companies (including 35 on-site audits), and 236 follow-up audits, in accordance with "Directions for Auditing the Internal Control Systems of Listed Companies".



f) Carrying out Routine and Exceptional Audits on listed companies

In accordance with "Procedures for Routine and Exceptional Audits on Financial and Business Affairs of Listed Companies", TWSE carried out 367 analyses and eight exceptional audits on listed companies having material events.

g) Encouraging the use of International Accounting Standards in Taiwan

TWSE provided listed companies with IFRS conversion cases for their reference, set up an IFRS special area on TWSE web-site, summarized the major differences between IFRS and Taiwan GAAP, collected foreign data regarding the differences in financial reports before and after adopting IFRS, and continued to update and collect case studies of problems encountered by foreign companies introducing IFRS. These were compiled into a practical guide. TWSE also cooperated with the GreTai Securities Market to hold eleven IFRS educational meetings, and continued to implement a promotion plan in accordance with the working schedule of the second subgroup of "The Task Force for Promoting the Adoption of International Accounting Standards in Taiwan".

3. Warrants Issuance and Related Businesses

a) Examination of the issuance of warrants by securities firms

TWSE examined 6,120 applications for the issuance of warrants with a value of NT\$122,300 million in 2009.

b) Measures to invigorate the warrant market

TWSE abolished the rule requiring ownership dispersion prior to the listing of warrants, and launched a liquidity provider mechanism on Jan. 5, 2009. In coordination with the competent authority, TWSE allowed issuers to use listed TDRs as underlying assets for warrants. In addition, TWSE permitted issuers to use indices published by TWSE for underlying warrants effective from May 11, and to use two listed ETFs or two listed overseas ETFs for underlying warrants from July 31.

c) Plans to diversify product lines of warrants

TWSE submitted plans to increase the variety of warrant products to the competent authority for consideration. These plans include allowing warrants based on foreign exchange indices, securities, and ETFs, and the listing of domestic callable bull/bear contracts.



TRADING

1. Market Reforms

- a) Trading-related measures have been improved to upgrade Taiwan's stock market to developed-market status.
 - (1) The competent authority agreed, in principle, to allow the transfer of assets under the "Others" category so long as such transfer does not violate off-exchange trading rules.
 - (2) Block trading by omnibus trading accounts was permitted starting May 25, 2009. The amount allocated to each foreign investor is no longer subject to the restriction on the minimum amount standard for block-trading. Odd lots may be combined into round lots for buying or selling through omnibus accounts, and trades carried out via personal accounts can be redirected to omnibus accounts for average-price distribution.
- b) Promotion of continuous trading

As part of the process of the internationalization of the trading system, TWSE initially submitted approval for continuous trading on warrants, approval was granted by the competent authority on Dec. 21, 2009, and the measure will come into effect from June 28, 2010.
- c) Relaxation of investment in Taiwan from mainland China

TWSE revised related regulations in accordance with the "Guidelines Governing Securities Investment and Futures Trading in Taiwan by investors from mainland China", announced by the competent authority on Apr. 30, 2009. Except where special regulations apply, the management model for mainland Chinese investors is now the same as that for overseas Chinese and foreigners.
- d) TWSE formulated methods for the sale of stocks by foreign and mainland Chinese shareholders and employees of foreign enterprises listed in Taiwan.
- e) Implementation of T+2 DVP settlement of funds and securities in the securities market

To bring the clearing and settlement system of Taiwan's securities market in line with international practice, TWSE implemented T+2 DVP settlement from Feb. 2, 2009.

2. Maintenance of Market Order

- a) Continuous implementation of market surveillance

A total of 1,549 notices to remind investors to watch the trading information of 266 listed companies was issued in 2009, and 110 disposition measures were adopted against 67 companies. News reports and Internet news were also monitored during trading hours, and 68 requests for clarifying announcements were issued when major pieces of news that affected the prices of listed stocks were announced. Twelve advisory circulars on inter-market surveillance were published.
- b) Review of securities firms' financial reports, and investigation of their financial and business affairs as well as internal auditing operations

TWSE reviewed 224 financial reports of securities firms, and a total of 2,131 other financial reports, covering monthly reports, and detailed charts of regulatory capital adequacy of securities firms. TWSE conducted 15 preliminary reviews of the offering and issuance of securities by securities firms. In addition, TWSE audited the financial, business, and internal auditing operations of securities firms, including 39 routine audits, and 521 general-selected/special audits.
- c) Implementation of risk management evaluation system in securities firms

To fully understand the implementation of risk management systems by securities firms, TWSE and GreTai Securities Market carried out evaluation of the risk management of 13 securities firms dealing in financial derivatives in accordance with the "Directions for the Risk Management Evaluation Systems of Securities Firms". TWSE was in charge of six of those evaluations.

COMPUTER APPLICATIONS AND INFORMATION SERVICES

1. Establishment of a New Computer Center

To break the bottleneck faced in the development of TWSE's Computer Center and to meet the need for an independent computer facility, a new securities trading computer center will be set up with help from Chunghwa Telecom. The new computer center, which is scheduled for completion in September of 2013, will meet the needs of the four securities and futures peripheral units.

2. Dealing with the ROC Centennial Bug in Computer Applications

In response to the internationalization of the market, an eight-digit Western dating system will be adopted.

3. Planning for Adoption of the International FIX Agreement in the Securities Market

To bring Taiwan in line with international stock markets by providing the Financial Information eXchange (FIX) protocol, TWSE has made plans to install the FIX platform to allow overseas exchanges and domestic and foreign securities companies, in addition to the existing Transaction Message Protocol (TMP), to use the FIX format directly with TWSE for various securities transaction operations such as placing orders and reporting back.

4. Establishment of a Japanese-language TWSE Website

A Japanese-language website was set up to provide better securities-related information so as to enhance Japanese investors' understanding of Taiwan stock market, and attract Japanese enterprises and capital to participate in Taiwan's capital market.

5. Internationalization of Information Services

A "Real-time Platform for Financial Information of Listed Companies on TWSE and GreTai Securities Market" was completed for the active and rapid transmission of data from TWSE to counterparty servers, thus facilitating value-added processing.

INTERNATIONALIZATION OF THE SECURITIES MARKET

TWSE actively participates in the annual meetings, working committee meetings, and seminars of international organizations such as the World Federation of Exchanges (WFE), Asian and Oceanian Stock Exchanges Federation (AOSEF), and International Organization of Securities Commissions (IOSCO). To attract more foreign investment in Taiwan and to boost the development of the island's capital market, TWSE invited listed companies to hold "Taiwan Overseas Investment Seminars 2009" in Singapore, Hong Kong, London, Edinburgh, Paris, and New York. In addition, TWSE held a "Taiwan Investment Forum 2009 - Taipei" jointly with Merrill Lynch, and an "Asian Technology Forum" together with Credit Suisse.



INVESTORS EDUCATION

1. Carrying Out Education in Securities Investment

- a) TWSE held educational seminars on "Key Points of Revision and Matters for Attention in the Reporting of Derivatives Trading Information", "Operating Practices for Corporate Governance", and "Common Deficiencies in Internal Controls and Auditing" to promulgate new rules for information disclosure.
- b) TWSE held "Knowledge King of Securities Investment" educational quizzes and competitions at university campuses, "Summer Camps for Teachers from Primary and High Schools", and gave "Popularization Plan of Financial Knowledge: Invest in the Future" lectures at community colleges.
- c) TWSE received a total of 1,942 visitors, 37 visits from 34 schools or institutions, including the Prosecutor's Office of the Banqiao District Court, National Taiwan University Securities Camp, and Tunghai University Department of Finance during the year.
- d) Warrants Education Promotion Activities and Seminars
In order to strengthen investors' understanding of warrants, TWSE organized a "Warrants Exhibition", an "Internet Warrants Quiz", a "2009 Seminar for Warrants Business in Taiwan and Hong Kong", and an "Asian Warrant Market Development Forum". In addition, TWSE and warrants issuers jointly held a series of workshops for investors.

2. Business Promotion and Assistance in Employee Training

- a) TWSE held seminars on "Standard Rules for Internal Control Systems of Securities Firms", "Training by Securities Companies of Personnel Handling Securities Borrowing and Lending", and "Four Measures, Including the Opening of Block Trading by Omnibus Accounts". In addition, TWSE provided personnel training courses to assist securities firms in handling margin trading, and securities borrowing and lending businesses.
- b) TWSE used its online audiovisual system to provide "Direct Internet-broadcasting of Feeder Fund and Offshore ETF Trading Systems Seminars", and "Securities Firm Business Seminars for First-Half and Second-Half of 2009".

3. Promotion Activities for the Prevention of Insider Trading and the Management of Insider Ownership

- a) To advance knowledge about and compliance with insider trading regulations, TWSE carried out promotion activities for the prevention of insider trading, including organizing workshops, paying publicity visits to listed companies, holding insider trading-prevention quizzes, and distributing anti-insider trading promotional materials.
- b) TWSE held legal compliance workshops to enable unlisted public companies to gain sufficient knowledge about insider ownership management related provisions specified in the Securities and Exchange Act.



Objectives for 2010

In 2010, TWSE will actively coordinate with the competent authority to bring securities market systems into line with international practice. The major tasks in this effort are as follows:

LISTING

1. Encourage Domestic and Foreign Enterprises (Including Overseas Taiwanese Companies) to List on TWSE.

- a) TWSE will formulate supporting measures and communicate with the competent authority as well as other related institutions, institute listing regulations that are internationally competitive, help expand the scale of the Taiwan stock market, and work towards the goal of building Taiwan into an Asia-Pacific fund-raising center.
- b) TWSE will strive to understand the impact of changes in the international economic environment on Taiwanese enterprises; provide timely resolutions; communicate with CPAs (Certified Public Accountants), attorneys, and underwriters; and hold training sessions for intermediaries. Intermediaries with outstanding performance will be encouraged with awards, and outstanding enterprises will be encouraged to list on the market.

2. Encourage Listed Companies to Set up Sound Corporate Governance System and Perform Corporate Social Responsibility.

- a) Encourage listed companies to put more emphasis on corporate governance, and participate in the evaluation of corporate governance.
- b) Strengthen the information regarding corporate governance for companies on the Market Observation Post System, and encourage the directors and supervisors of listed companies to pursue advanced studies for professional knowledge.

3. Push listed companies to fully disclose information.

4. Establish an environment for listed companies to report financial and business information by XBRL.

5. Assist listed companies in establishing a capability for the promotion of investor relations (IR).

6. Plan new types of warrants and revise related regulations.

7. Continue to promote the adoption of International Financial Reporting Standards (IFRS) in Taiwan.





TRADING

1. Promote continuous trading in call and put warrants.
2. Continue to promote market orders for call and put warrants.
3. Continue to shorten the cycle interval of call auctions.
4. Continue to promote day trading.
5. Promote information disclosure of final matching.
6. Continue to adjust the block trading system.
7. Map out methods and supporting measures to allow off-exchange trading of listed stocks between investors in accordance with Article 150 of the Securities and Exchange Act.
8. Review and adjust the settlement and clearing fund system.
9. Continue to upgrade the function of TWSE securities lending system so as to provide services conforming to international standards.
10. Strengthen promotion of internal controls and evaluation of risk management to securities firms.

COMPUTER APPLICATION AND INFORMATION SERVICES

1. Establish a new computer center and second trading core system.
2. Establish a new IT system and enhance IT services.
3. Map out an information development strategy to enhance technology capabilities.
4. Reinforce the quality of information operations and security control mechanisms.
5. Plan the development of a computer system for continuous trading of warrants.
6. Plan a new commercial policy for information products, based on information classification, and with no purpose indicated.
7. Promote index licensing business.
8. Develop diversified information products.

OTHERS

- 1. Promote the internalization of Taiwan's capital market.**
 - a) Continue to participate actively in international organizations.
 - b) Promote interchange and cooperation with overseas securities institutions.
 - c) Continue to hold overseas investment forums in order to attract international capital.
- 2. Continue to improve the issuance and trading systems of offshore ETFs.**

Exchange Information

Executives



SOLID ORGANIZATION



Senior Vice President, System Development/ Charng-ching Lin
 Senior Vice President, Market Data & Corporate Systems/ Lung Chao
 Senior Executive Vice President/ Michael Lin
 Senior Vice President, Computer Operation/ Charles Hsu
 Senior Vice President, Legal & Secretarial Services/ Pauline Cheng
 Senior Vice President, International Affairs/ Shin-chung Chen

(Left to right)

Senior Vice President, Compliance & Inspection/ Thann-shing Lao
 Senior Vice President, Corporate Planning & Communications/ Gau-nian Shane
 Senior Executive Vice President/ Stanley Chu
 Senior Vice President, Listing Promotion/ Chun-chin Hsieh
 Executive Vice President, Listing Supervision/ Hui-chuan Tu
 Senior Vice President, Finance/ Chen-tsung Chiang

(Left to right)



Executive Vice President, Internal Audit/ Shuh-tzy Hsu
 Senior Executive Vice President/ Chao-zon Yang
 Senior Vice President, Clearing/ Fred Lin
 Senior Vice President, Surveillance/ Wen-kuei Hwah
 Senior Vice President, Trading/ Rebecca Chen
 Executive Vice President, Human Resources / Labor Security/ Shie-jay Yang

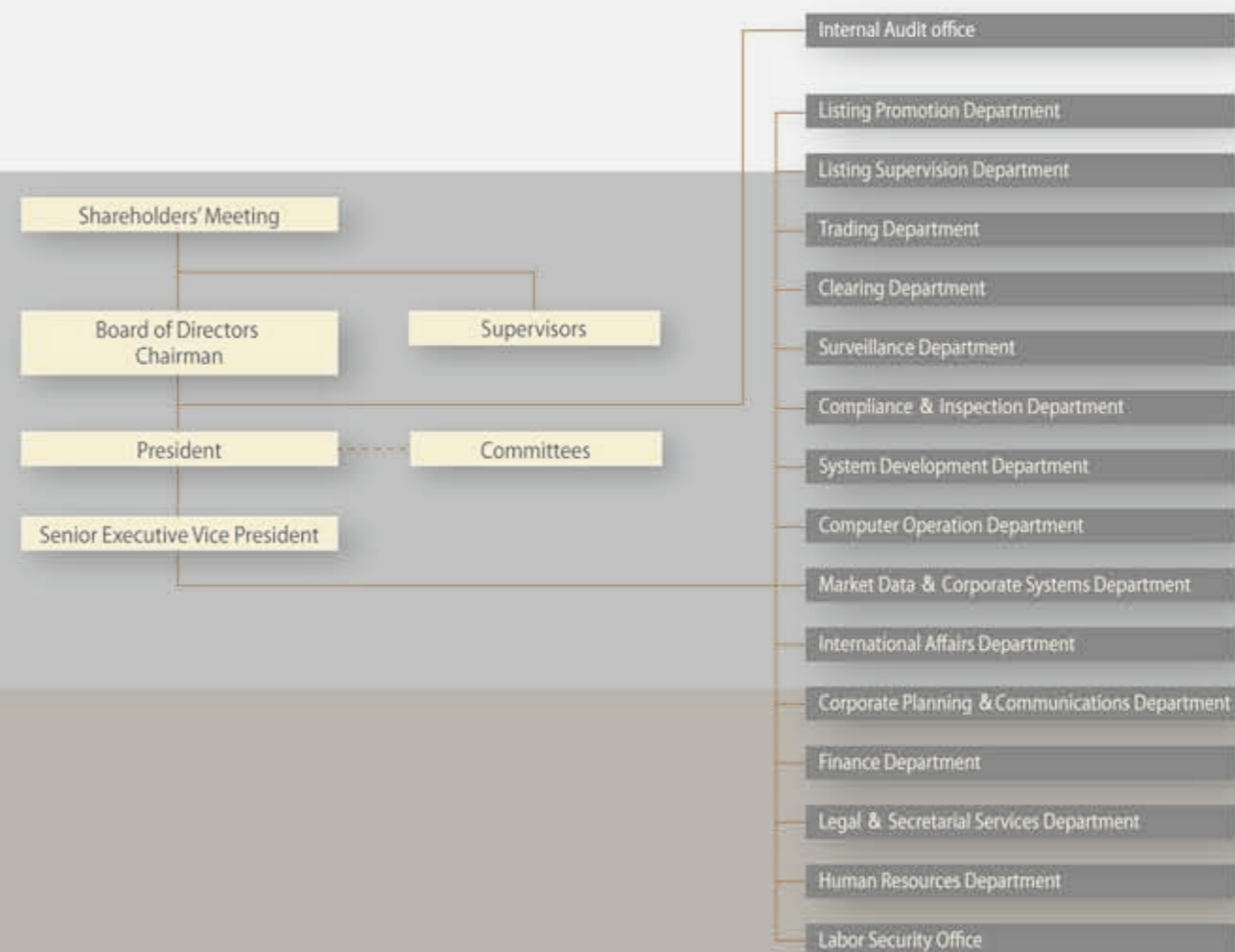
(Left to right)

Board Members

Chairman	Chi Schive	(Government Appointed)
Directors	Mega International Commercial Bank	(Representative: Rong-Jou Wang)
	Taiwan Sugar Corporation	(Representative: Mao-Lin Hu)
	Land Bank of Taiwan	(Representative: Yao-Shing Wang)
	Bank of Taiwan	(Representative: Ming-Daw Chang)
	China Development Industrial Bank	(Representative: Lawrence S. Liu)
	Yuen Foong Yu Investment Company Ltd.	(Representative: Show-Chung Ho)
	TCC Chemical Corp.	(Representative: Nelson Chang)
	Fubon Securities Co., Ltd.	(Representative: David K. Chang)
	Yuanta Securities Co., Ltd.	(Representative: Lee-Chiou Chang)
	Shi-Kuan Chen	(Government Appointed)
	Len-Yu Liu	(Government Appointed)
	Samuel J.S. Hsu	(Government Appointed)
	Tze-Kaing Yang	(Government Appointed)
	Tsing-Yuan Hwang	(Government Appointed)
Resident Supervisor	Thomas Tunghao Lee	(Government Appointed)
Supervisors	First Commercial Bank	(Representative: Yuh-Chang Chen)*
	Jih Sun Securities Co., Ltd.	(Representative: Tang Chen)

* the Representative was discharged on May 17, 2010.

Organization Chart



Market Activities

Major Events in 2009

January

- Jan. 17 TWSE announced partial revisions of the "Rules for Review of Securities Listing", "Operational Procedures for the Review of Foreign Securities for Listing on the Taiwan Stock Exchange Corporation", "Taiwan Stock Exchange Corporation Key Points Governing the Particulars to be Described in the Prospectus for the Initial Offering of Securities", and "Application Form for the Primary Listing of Foreign Stocks" in order to open up the primary listing of foreign technology enterprises in Taiwan.
- Jan. 19 The Financial Supervisory Commission (FSC) announced the business scope for securities firms to concurrently operate futures business, as well as the amount of foreign-currency deposits which can be held, and the business scope of operating futures introducing broker business by securities firms.

February

- Feb. 2 The T+2 DVP settlement came into effect in the stock market.
- Feb. 24 FSC promulgated the "Standards and Regulations Governing the Election of Non-shareholder Directors and Supervisors, and Non-member Directors and Supervisors of the Taiwan Stock Exchange Corporation".

March

- Mar. 5 TWSE announced a revision of Article 49 of the "Operating Rules of the Taiwan Stock Exchange Corporation" to effect an appropriate relaxation of the "observation period of improvements" for a change of the trading method for a listed company after its net worth falls below one-half of its paid-in capital.
- Mar. 11 TWSE announced a revision of the measures for handling violations in the "Directions for Handling Changes in Trading Category by Securities Companies", deleting the unified quantified standards and switching to self-discipline by securities companies.
- Mar. 19 TWSE announced a revision of the coding principles for foreign bonds and foreign strip bonds as contained in the "Principles for Assigning Stock Codes in the ROC Securities Markets".

April

- Apr. 9 FSC announced that it will permit securities companies to buy domestic futures trust funds.
- Apr. 30 FSC promulgated "Guidelines Governing Securities Investment and Futures Trading in Taiwan by mainland China investors", opening up stock and futures investment in Taiwan to investors from mainland China.



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RISING BUSINESS



May

- May 11 TWSE announced that call or put warrants issuers may use the indexes announced by TWSE as the underlying assets for issuing warrants.
- May 22 FSC announced that Hong Kong is recognized by Taiwan as an offshore place of domicile for fund registration and a location for fund supervisory agency for offshore exchange-traded funds.

June

- Jun. 10 Article 43-5 and Article 138 of the Securities and Exchange Act were revised to amend the conditions for exceptions related to forbidding a person from suspending a public tender offer after the offer is made, and to add the date of implementation of the amended provisions.

July

- Jul. 6 FSC announced the opening of the lending of self-owned securities by securities financing enterprises via TWSE's securities lending system.
- Jul. 6 TWSE announced the listing and trading of offshore exchange-traded funds (ETFs) and feeder ETFs, and revised the related rules and regulations.
- Jul. 15 FSC announced the opening of offshore ETF listing and trading on the Taiwan stock and over-the-counter markets in accordance with the "Regulations Governing Offshore Funds", and revised the "Rules Governing Foreign Securities Market Scope and Underlying Securities for Securities Firms Engaged in the Consigned Trading of Foreign Securities" and other related regulations.

August

- Aug. 14 The first overseas ETF (Hang Seng H ETF) and the second overseas ETF (Hang Seng ETF) listed on the Taiwan Stock Exchange.
- Aug. 19 TWSE announced that the listed ETFs and offshore ETFs which may be used as underlying assets for warrants should be based on the official announcement published by TWSE.
- Aug. 21 FSC announced a revision of the "Rules Governing Foreign Securities Market Scope and Underlying Securities for Securities Firms Engaged in the Consigned Trading of Foreign Securities".
- Aug. 26 FSC announced the establishment of "Criteria of Scope and Amount for Using Funds Owned by Securities Investment Consulting Enterprises".



September

- Sep. 14 TWSE announced revisions of the "Taiwan Stock Exchange Corporation Rules for Review of Securities Listings" and "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings" to relax rules for the primary listing on TWSE of depository receipts issued overseas by overseas enterprises. In response to the revision of ownership dispersion standards for Taiwan enterprises, TWSE revised relevant provisions of "Taiwan Stock Exchange Corporation Rules for the Review of Stock Exchange Listing Applications by Investment Holding Companies" and "Taiwan Stock Exchange Corporation Rules for the Review of Stock Exchange Listing Applications by Financial Holding Companies" accordingly.
- Sep. 21 FSC announced a relaxation in the rules to allow investment by offshore overseas Chinese and foreigners in certificates for equity subscriptions.

October

- Oct. 12 FSC announced the loosening of restrictions to allow persons involved in the discretionary investment business to acquire the same stocks as those held in assets by entrusted investments.
- Oct. 21 FSC announced that the "Rules Concerning Cross-Selling by Financial Holding Company Subsidiaries" are henceforth replaced by the "Rules Governing Cross-Selling between Financial Holding Company Subsidiaries".
- Oct. 29 FSC announced and designated government bonds issued by the United States Treasury Department as securities tradable over the counter.



November

- Nov. 9 FSC announced that securities firms concurrently operating futures dealer business may transfer securities held by their securities departments to their futures departments, serving as actual marginable securities for the operation of futures dealer business.
- Nov. 10 FSC announced cancellation of the provision allowing offshore overseas Chinese and foreigners to save their remitted capital in time deposit accounts, and revised the investment scope in Taiwan securities for offshore overseas Chinese and foreigners.
- Nov. 12 TWSE announced a revision of the "Coding Principles for ROC Securities Market", changing the coding principle for newly listed Taiwan depository receipts (TDRs) and exchange traded funds (ETFs) from four-digit codes to six-digit codes, while the codes for already issued and existing securities remain at four digits.

December

- Dec. 2 TWSE announced a revision of Article 12 of the "TWSE Criteria Governing the Review of Call (Put) Warrant Listings" to set uniform rules for foreign institutional issuers and domestic issuers, thereby lowering their fund costs burden.
- Dec. 11 FSC announced a revision of Article 6 of the "Regulations Governing Contents and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies" to require companies to transmit electronic files of Shareholders' Meeting Agenda Handbooks and supplementary meeting information to the Market Observation Post System at least 21 days before shareholders' meetings.
- Dec. 23 FSC announced that investments in Taiwan securities from mainland China investors may, in accordance with the provisions of Paragraph 2, Article 12 of the "Guidelines Governing Securities Investment and Futures Trading in Taiwan by mainland China investors", invest in government bonds, money market instruments, and money market funds. Such investment in money market funds is limited to bills with maturity dates within 90 days, and the total investment amounts by mainland China investors in government bonds, money market instruments, and money market funds should not exceed 30% of the funds they have remitted into Taiwan.



Listing Changes in 2009

Listings: Common Stocks (Total 26 companies)

Code	Name	Date
3576	Neo Solar Power Corp.	2009/01/12
1773	Shiny Chemical Industrial Co., Ltd	2009/02/27
3596	Arcadyan Technology Corporation	2009/03/11
3593	Logah Technology Corp.	2009/03/16
6251	Dynamic Electronics Co., Ltd.	2009/03/18
3622	Young Fast Optoelectronics Co., Ltd	2009/03/25
3605	ACES Electronic Co., Ltd.	2009/03/26
8940	New Palace International Co., Ltd.	2009/05/15
3614	TrendChip Technologies Corp.	2009/06/18
2049	Hiwin Technologies Corp.	2009/06/26
3588	Leadtrend Technology Corporation	2009/08/14
3573	Entire Technology Co., Ltd.	2009/08/26
6224	Polytronics Technology Corp.	2009/09/17
8103	CviLux Corporation	2009/09/29
3607	Coxon Precise Industrial Co., Ltd	2009/10/28
3653	Jentech Precision Industrial Co., Ltd	2009/11/18
6152	Prime Electronics & Satellites Inc.	2009/12/08
8261	Advanced Power Electronics Corp.	2009/12/11
8039	TAIFLEX Scientific Co., Ltd	2009/12/17
6243	ENE Technology Inc.	2009/12/17
1582	Syncmold Enterprise Corp.	2009/12/17
3579	SAN CHIH Semiconductor Company	2009/12/23
3617	CyberPower Systems, Inc.	2009/12/23
8213	Taiwan Pcb Techvest Co., Ltd.	2009/12/25
4133	Abnova (Taiwan) Corporation.	2009/12/28
3229	Cheer Time Enterprise Co., Ltd	2009/12/31

Delistings: Common Stocks (Total 3 companies)

Code	Name	Date
2396	Prodisc Technology Inc.	2009/04/08
2381	Arima Photovoltaic & Optical Corp.	2009/07/12
2446	Phoenix Precision Technology Corporation	2009/12/01

Listing: ETFs (Total 3 funds)

Code	Name	Date
0080	Hang Seng H-Share Index ETF	2009/08/14
0081	Hang Seng Index ETF	2009/08/14
0061	W.I.S.E. Polaris CSI 300 Securities Investment Trust Fund	2009/08/17

Listing: TDRs (Total 10 companies)

Code	Name	Date
9151	Want Want China	2009/04/28
9136	Ju Teng International Holdings Limited	2009/05/25
9188	Yorkey Optical International (Cayman) Ltd.	2009/10/08
9106	New Focus Auto Tech Holdings Limited	2009/10/12
9110	Vietnam Manufacturing and Export Processing	2009/12/03
9157	Solargiga Energy Holdings Limited	2009/12/11
910322	Tingyi (Cayman Islands) Holding Corp.	2009/12/16
910482	Sandmartin International Holdings Limited	2009/12/18
911868	Neo-Neon Holdings Limited	2009/12/22
910579	Oceanus Group Limited	2009/12/31

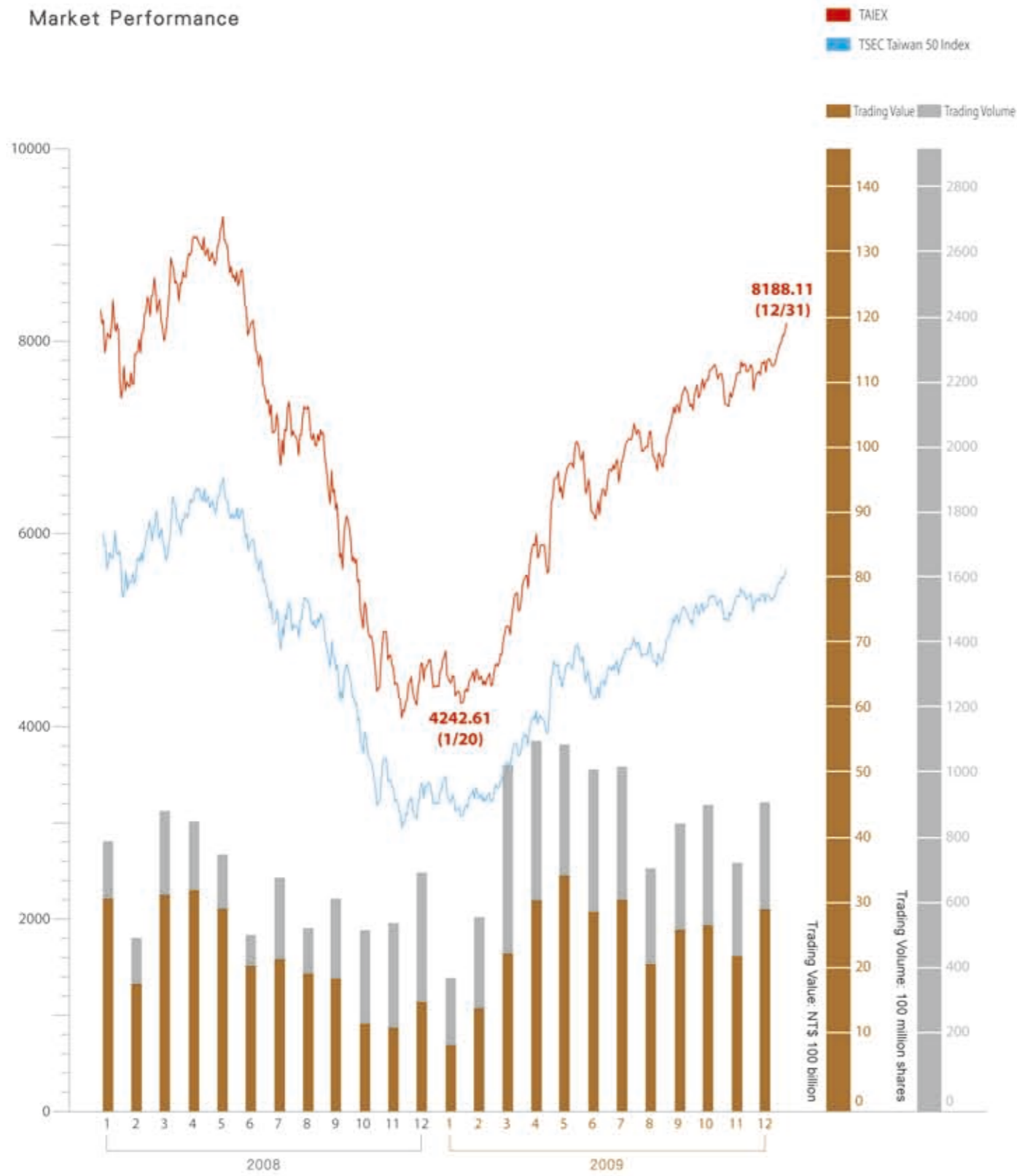
Listing: Government Bonds (Total 10 kinds)

Code	Name	Date
A98101	Central Government Construction Bonds	2009/01/21
A98102	Central Government Construction Bonds	2009/02/16
A98103	Central Government Construction Bonds	2009/03/05
D98101	Kaohsiung Provincial Construction Bonds	2009/05/25
C98101	Taipei Provincial Construction Bonds	2009/06/25
A98104	Central Government Construction Bonds	2009/07/20
A98105	Central Government Construction Bonds	2009/08/13
A98106	Central Government Construction Bonds	2009/09/09
A98107	Central Government Construction Bonds	2009/10/21
D98102	Kaohsiung Provincial Construction Bonds	2009/11/12

Delisting: Government Bonds (Total 8 kinds)

Code	Name	Date
A93102	Central Government Construction Bonds	2009/01/30
D91101	Kaohsiung Provincial Construction Bonds	2009/03/14
A96104	Central Government Construction Bonds	2009/05/18
A93107	Central Government Construction Bonds	2009/07/23
A89102	Central Government Construction Bonds	2009/08/20
A89105	Central Government Construction Bonds	2009/11/23
A89106	Central Government Construction Bonds	2009/12/17
D95101	Kaohsiung Provincial Construction Bonds	2009/12/21

Market Performance



Financial Review

Report of Independent Accountants

To the 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 2009 and 2008, and the related non-consolidated statements of income, of changes in stockholders' equity and of cash flows for the years 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 audits. We did not audit the 2009 and 2008 financial statements of Taiwan Depository and Clearing Corporation, Taiwan-Ca. Inc. and Taiwan Ratings Corporation, investees accounted for under the equity method. These long-term equity investments amounted to NT\$6,034,499 thousand and NT\$5,561,267 thousand as of 31st December 2009 and 2008, respectively, and their related investment income amounted to NT\$708,142 thousand and NT\$532,424 thousand 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 the 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 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with the "Business Entity Accounting Act", "Regulation on Business Entity Accounting Handling", "Criteria Governing Preparation of Financial Reports by Company-Type Stock Exchanges" and generally accepted accounting principles in the Republic of China.

As stated in Note 3 to the financial statements, effective 1st January 2008, the Company adopted EITF 96-052 of the R.O.C. Accounting Research and Development Foundation, "Accounting for Employees' Bonuses and Directors' and Supervisors' Remuneration" dated 16th March 2007. The cost of employees' bonuses is accounted for as an expense and liability, provided that such recognition is required under legal or constructive obligation and the amount can be estimated reasonably.

PricewaterhouseCoopers

1st March 2010
Taipei, Taiwan



Balance Sheets (December 31, 2009 and 2008)

Unit: NT\$1,000

ASSETS	2009		2008	
	Amount	%	Amount	%
Current Assets				
Cash and cash equivalents	\$ 48,791,042	48	\$ 5,306,129	14
Available-for-sale financial assets	22,924,293	22	3,264,200	9
Held-to-maturity financial assets	2,658,907	3	2,793,703	7
Accounts receivable-net	421,650	-	224,790	1
Interest receivable	146,572	-	146,667	-
Income tax refundable	85,268	-	84,662	-
Other current assets	12,743	-	4,988	-
Performance bond	-	-	-	-
Total Current Assets	75,040,475	73	11,825,139	31
Funds and Long-term Investments				
Available-for-sale financial assets-noncurrent	-	-	500,275	1
Held-to-maturity financial assets-noncurrent	11,296,642	11	10,946,071	28
Financial assets carried at cost-noncurrent	821,652	1	821,652	2
Default damages fund	7,839,909	7	7,706,855	20
Long-term equity investments accounted for under the equity method	6,034,499	6	5,561,267	15
Total Funds and Long-Term Investments	25,992,702	25	25,536,120	66
Property, Plant and Equipment				
Original Cost				
Land	129,496	-	116,496	-
Buildings	180,233	-	172,233	1
Computer equipment	1,259,017	1	1,225,648	3
Other equipment	437,086	1	414,450	1
Appreciation - land	37,084	-	37,084	-
	2,042,916	2	1,965,911	5
Less: Accumulated depreciation	(1,395,800)	(1)	(1,177,257)	(3)
Prepayments on equipment	137,293	-	43,658	-
Total Property, Plant and Equipment	784,409	1	832,312	2
Other Assets				
Rental assets	86,111	-	104,910	-
Operations guarantee deposits	290,000	1	280,000	1
Refundable deposits and miscellaneous assets	76,644	-	99,015	-
Total Other Assets	452,755	1	483,925	1
Securities Settlement Debit	-	-	-	-
TOTAL ASSETS	\$ 102,270,341	100	\$ 38,677,496	100

Unit: NT\$1,000

LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%
Current Liabilities				
Payable for securities settlement service	\$ 78,085	-	\$ 36,706	-
Accrued expenses	773,696	1	732,204	2
Income tax payable	298,745	-	84,912	-
Securities lending and borrowing collateral payable	62,022,599	61	842,417	2
Other current liabilities	616,737	-	361,826	1
Performance bond payable	-	-	-	-
Total Current Liabilities	63,789,862	62	2,058,065	5
Other Liabilities				
Default damages reserve	7,865,216	8	7,831,009	21
Deposits received	49,460	-	37,269	-
Reserve for land value increment tax	44,599	-	44,599	-
Total Other Liabilities	7,959,275	8	7,912,877	21
Securities Settlement Credit	-	-	-	-
Total Liabilities	71,749,137	70	9,970,942	26
Stockholders' Equity				
Capital stock				
Common stock	5,694,908	6	5,556,008	14
Capital reserve	37,682	-	37,682	-
Retained earnings				
Legal reserve	3,733,696	4	3,533,588	9
Special reserve	18,911,362	18	17,950,847	47
Unappropriated earnings	2,016,210	2	2,013,954	5
Other adjustments to Stockholders' Equity				
Unrealized gain or loss on financial instruments	127,346	-	(385,525)	(1)
Total Stockholders' Equity	30,521,204	30	28,706,554	74
Commitments and Contingent Liabilities	-	-	-	-
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 102,270,341	100	\$ 38,677,496	100

Income Statements (For the Years Ended December 31, 2009 and 2008)

Unit: NT\$1,000

	2009		2008	
	Amount	%	Amount	%
Operating revenues				
Trading fees	\$ 3,444,763	71	\$ 3,052,238	70
Market data fees	368,322	7	367,573	8
Listing fees	519,189	11	487,788	11
Computer and other equipment fees	82,005	2	99,310	2
Data processing fees	182,354	4	121,144	3
Others	241,555	5	267,964	6
Total Operating Revenues	4,838,188	100	4,396,017	100
Operating expenses				
Personnel	(1,207,845)	(25)	(1,185,070)	(27)
General and administrative	(2,404,609)	(49)	(2,309,454)	(52)
Total Operating Expenses	(3,612,454)	(74)	(3,494,524)	(79)
Operating income	1,225,734	26	901,493	21
Non-operating income				
Interest	560,671	12	812,718	18
Equity in net income of investee companies	708,142	15	532,424	12
Gain on disposal of investments	25,466	-	79,146	2
Other income	27,499	-	26,087	1
Total Non-operating Income	1,321,778	27	1,450,375	33
Non-operating expenses				
Interest	(23,614)	-	(12,140)	-
Impairment loss	(34,623)	(1)	-	-
Other expenses	(85,409)	(2)	(80,812)	(2)
Total Non-operating Expenses	(143,646)	(3)	(92,952)	(2)
Income before income tax	2,403,866	50	2,258,916	52
Income tax expense	(407,586)	(9)	(257,843)	(6)
Net income	\$ 1,996,280	41	\$ 2,001,073	46
	Pre tax	After tax	Pre tax	After tax
Basic earnings per share	\$ 4.22	\$ 3.51	\$ 3.97	\$ 3.51