FACT BOOK 2003

TAIWAN STOCK EXCHANGE

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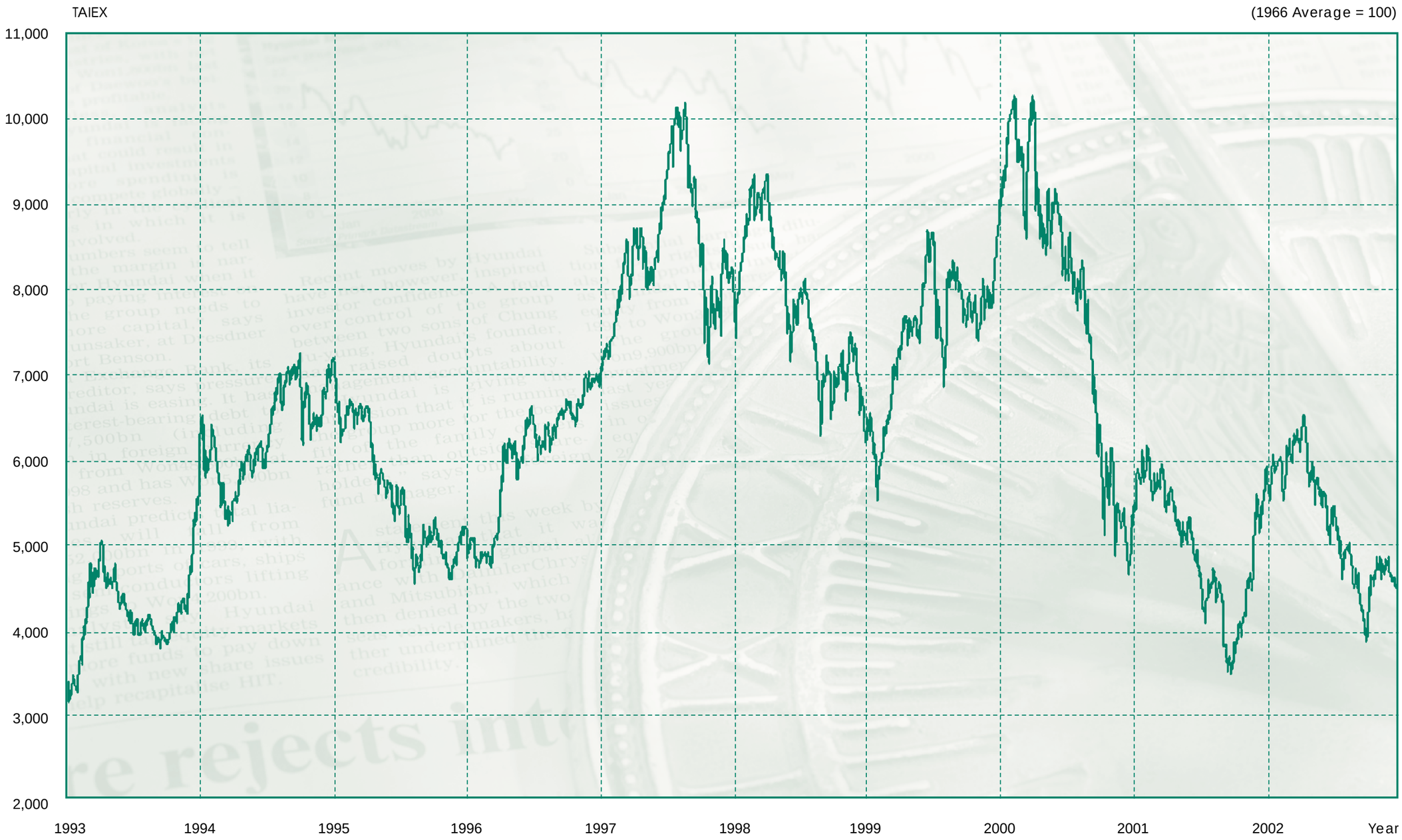

GENERAL REVIEW

THE YEAR 2002 IN REVIEW

2002 TSEC MARKET HIGHLIGHTS

STOCK MARKET

In 2002, Taiwan Stock Exchange Corporation (TSEC) Capitalization Weighted Stock Index (TAIEX) closed at 4,452.45 points on Dec. 31 posting a 19.79% drop, compared with the closing of 5,551.24 points in 2001.

With gradual recovery of the global economy, Taiwan economy has steadily recovered since the beginning of 2002. The stock market reflected the budding economic recovery and demonstrated an upward trend. On April 22, TAIEX rebounded to 6,462.30, a high of the year. In the meantime, the average daily trading value was above NT$130 billion and the total market capitalization of listed shares reached over NT$11 trillion. However, the unceasing bad news of US stock market weakened investors' confidence and led TAIEX to slip after the peak in April. The hardest hit electronics sector dragged the TAIEX down to a low of the year on October 11 to 3,850.04. Afterwards, local

TSEC Capitaliztion Weighted Stock Index (TAIEX) Daily Closing 2002

institutional investors started to fight in traditional sectors. In view of the growth potential of investment in Mainland China, the "China Concept Stocks" grabbed the preference of Taiwan investors and boosted the market to a moderate rebound. The TAIEX finished the year by losing 1,098.79 points, marked by huge losses in the electronics sector.

In order to deal with the challenges of globalization and fierce competition from international capital markets, TSEC took some measures to reform the market: The "Corporate Governance Best Practice" was published as a guide for the listed companies to protect the equities of shareholders and interested parties. A series of measures were adopted for the trading system to enhance price integrity and market transparency. A securities lending system has been planned to facilitate the follow-up operations of promoting new derivative products. A cooperation agreement with FTSE was entered into for compiling a new tradable index, TSEC Taiwan 50 Index, as the underlying target of developing index related derivative products. And the listing and trading of ETFs have been promoted to diversify domestic investment tools.

The number of listed companies increased by 54 to 638, and the total capital amount also increased by NT$0.35 trillion to NT$4.44 trillion at the end of 2002. Total market capitalization of listed shares decreased to NT$9.09 trillion, down 11.32% from NT$10.25 trillion as of the previous year. There were 7.25 million investors, an increase of 0.24 million from the preceding year. Total trading value of securities in 2002 expanded to NT$21.98 trillion, marking an increase of 19.33% from NT$18.42 trillion in 2001. Average daily securities trading value also went up to NT$ 88.64 billion, up by NT$ 13.15 billion from the year before. The number of brokers including branches was 1,113, which were 23 less than that as of the end of last year.

In 2002, TSEC had 85 new listed companies that altogether raised NT$22.63 billion, increased by NT$9.55 billion compared with that of the previous year, through public offering before their listings to meet the requirement of shareholdings dispersion. NT$ 36.85 billion was raised through rights offering, decreased by NT$ 2.19 billion from 2001. NT$1.4 billion of debt offering increased slightly compared with NT$1.0 billion in 2001.

ECONOMY

Following the unprecedented negative annual economic growth rate of - 2.18% in 2001, the declining Taiwan economy was close to bottoming out and resumed positive growth in the first quarter of 2002, thanks to a global recovery of information and communication industries. However, some adverse factors such as US accounting scandals, the lockout of US West Coast ports, the increasing tension between the US and Iraq, shadow of terrorist attacks and lack of clear prospect for high-tech industries led to the resurfacing of uncertainties in the global economy after the first quarter of 2002 and deteriorated both the domestic consumers' and investors' confidence.

The persistent rising unemployment rate has climbed to a record high of 5.17%. The annual consumer price growth rate dropped 0.20% and annual wholesale price growth rate grew 0.1% revealed stagnation in prices. The export and import amounts were US$ 130.64 billion and US$ 112.59 billion, increased 6.3% and 5.0%, respectively. The trade surplus continued to grow and reached US$ 18.05 billion, up 15.3%, compared with the previous year. China (including Hong Kong) has become the largest export market of Taiwan, accounting for 31.2% of the total exports, and played the key role to twist the economy recession. As the corporate demand for capital continued to weaken and the domestic financial institutions kept being extremely cautious when approving loans in order to clear up non-performing loans, the rediscount rate has been adjusted 14 times to a historical low of 1.625% since the end of 2000. As a whole, Taiwan's economic growth rate in 2002 reached 3.54%.

In forecasting the year 2003, the risk of global economy uncertainties is still high and thus restrains Taiwan's economic growth. Taiwan's exports are expected to continue expanding, driven by the persistent buoyant exports to Mainland China. With the anxiety about unemployment and the expectation of limited income increase, private consumption will remain conservative. Private investment will gradually recover vitality under the implementation of high-speed railway project, "Challenge 2008—Six-Year National Development Plan" and promotion of setting up corporate operations or R&D headquarters in Taiwan. The economy is expected to recover slowly and its estimated growth rate is 3.68% in 2003.

2002 TSEC MARKET HIGHLIGHTS

LISTING

Number of Listed Companies*	638
Number of Newly Listed Companies	85
Number of Listed Issues*	
Common Stock	638
Preferred Stock	7
Bond	104
Beneficiary Certificate	3
Warrant	102
Taiwan Depository Receipt	3
Fund Raised (NT$billion)	
Initial Stock Offering	22.63
Rights Offering	36.85
Debt Offering	1.40
Market Capitalization (NT$billion)*	9,094.94
Market Capitalization/GNP (%)*	93.43

TRADING

Number of Trading Days	248
Annual Trading Value (NT$billion)	
Stock	21,873.95
Bond	19.16
Beneficiary Certificate	4.02
Warrant	74.47
Taiwan Depository Receipt	10.03
Daily Trading Value - Stock (NT$billion)	88.20
Annual Trading Volume	
Stock (billion shares)	856.19
Beneficiary Certificate (billion units)	0.62
Warrant (billion units)	19.12
Taiwan Depository Receipt (billion units)	1.06
Daily Trading Volume - Stock (billion shares)	3.45
Market Turnover Rate - Stock (volume) (%)	205.21
Market Price Earning Ratio*	41.77
Dividend Yield (%)*	3.70
Price / Book-value Ratio*	1.41

SECURITIES CREDIT

Margin Ratio (%)	34.35
Margin Purchase (NT$billion)	13,653.5
Short Sale (NT$billion)	1,405.0

SECURITIES FIRMS AND INVESTORS

Number of Securities Brokers*	137
Number of Securities Dealers*	51
Number of Securities Underwriters*	65
Number of Investors with Trading Accounts*	7,250,225

TAIEX

2002 Open	5,600.05
2002 High (Apr. 22)	6,462.30
2002 Low (Oct. 11)	3,850.04
2002 Average	5,225.61
2002 Close	4,452.45
Rate of TAIEX Yearly Increase (%)	-19.79
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 2002.

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MARKET MECHANISM

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SHARE OWNERSHIP

SECURITIES INVESTOR PROTECTION FUND

LISTING

Public-issuing 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. Applicant companies are screened by TSEC staff according to the relevant listing criteria of 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 net 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 net 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 net 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 of 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 net 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 the most recent year represents not less than 6% of the shareholders' equity as indicated in its final accounts;

   (ii) The before-tax net profit for the ratio of shareholders' equity for each of the most two recent years 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 net 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 shall 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 shall 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 net 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 of the most recent year represents not less than 6% of the shareholders' equity as indicated in its final accounts;

(ii) The before-tax net profit for the ratio of shareholders equity for each of the most recent two years 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 net 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 units held by the shareholders holding one thousand to fifty thousand units 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 shall represent at least 25% of the total shares issued.

6. There shall 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 shall 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 net profit 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 two thousand and shareholdings other than insiders of the company shall 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, the "Rules Governing Examination of Warrants" was announced by TSEC. According to this regulation, the warrants to be listed on TSEC are non-collateralized covered warrants. The qualifications of issuers shall be reviewed by TSEC and subsequently by the SFC. Aside from certain requirements for selecting underlying securities, warrants shall 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 shall not be less than one hundred; the number of holders with one thousand to fifty thousand units shall not be less than 80 and their holdings represent more than 20% of the units issued.

(ii) An individual holder shall not hold more than 10% of the units issued; the issuer shall not retain more than 15% of the units issued.

(iii) The total holdings of the issuer, its related parties and employees shall 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 shall 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 total number of shares of the underlying securities that may be subscribed through the call (put) warrants and the shares of the same underlying security represented by other existing call (put) warrants already listed on the TSEC may not exceed 20% of the total number of outstanding shares of the issuing company after deduction of each of the following types of shareholdings:

(1) The total percentage of shares held by directors and supervisors under statutory shareholding ratio requirements.

(2) Already pledged securities.

(3) The number of centrally deposited shares mandatory for newly listed companies.

(4) Treasury shares under "Regulations Governing the Shares Bought by the Listed Companies on TSEC or Gre Tai Securities Market (GTSM ﹔formerly known as R.O.C. Over-the-Counter Securities Exchange)", and not yet cancelled.

INFORMATION DISCLOSURE

Complete and timely disclosure of financial reports shall be required of all listed companies. The annual and semi-annual financial reports shall be audited and certified by CPAs accredited by the SFC, and filed with the SFC and the Exchange. Quarterly financial reports reviewed by an accredited CPA shall be prepared, submitted and made public. If the listed companies do not file financial reports with the Exchanges before the regulated deadline, the trading of shares will be suspended. 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 information disclosure, the SFC, TSEC and GTSM have integrated finance data, operation data with material information of the listed companies on TSEC, GTSM, Emerging Stock Market and public companies, and developed "Market Observation

Post System（MOPS）"an information retrieving system for investors. The companies input the data in the system（website：http//:mops.tse.com.tw）. In English web version of MOPS, only those TSEC/GTSM listed companies that issue securities overseas are required to disclose their material information.

CORPORATE GOVERNANCE

The Asia financial crises provided lessons for Taiwan to esteem the importance of Corporate Governance. It is believed that greater transparency as to Corporate Governance is needed for enterprises to control the risk. Under such circumstances, TSEC revised the listing rule at the beginning of year 2002 to demand that the company which would like to go public should have at least two independent directors and one independent supervisor in its Board. TSEC and GTSM jointly published the Corporate Governance Best Practice for TSEC/GTSM Listed Companies (referred to as "Best Practice" hereinafter) in October 2002, after approved by the SFC and built on the basis of the OECD principles, divided into 7 chapters, 65 articles in total. Although the Best Practice is not legally binding, it will pave the way for the Corporate Governance.

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 in excess of NT$500 million - NT$1 billion	0.02
Portion in excess of NT$1 billion - NT$2 billion	0.01
Portion in excess of NT$2 billion - NT$3 billion	0.005
Portion in excess of NT$3 billion	0.0025
The ceiling amount of total listing fee per year is NT$450,000.	

* If the listing fee calculated is under NT$100,000, the floor amount of NT$100,000 shall be charged per year.

Table 2. New Listings in 2002

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2494	TurboComm Tech.Inc.	126,588	1,265,880	1/2
3001	King's International Multimedia Co., Ltd.	56,700	567,000	1/8
1537	Kung Long Batteries Industrial Co., Ltd	46,300	463,000	1/22
2493	Ampoc Far-East Co.,Ltd.	90,500	905,000	1/23
3002	Ahoku Electronic Company	51,300	513,000	1/23
2455	Visual Photonics Epitaxy Co.,Ltd	77,900	779,000	1/24
2884	E.SUN Financial Holdings Company, Ltd.	2,290,000	22,900,000	1/28
9942	Nak Sealing Technologies Coporation	46,438	464,380	1/28
2497	E-Lead Electronic Co.,Ltd	70,075	700,750	2/4
2885	Fuh-Hwa Financial Holding Co., Ltd	2,091,000	20,910,000	2/4
2886	CTB Financial Holding Company	2,915,608	29,156,078	2/4
2887	Taishin Financial Holding Company,Ltd.	2,300,000	23,000,000	2/18
2499	Unity Opto Technology Co.,Ltd.	76,283	762,832	2/19
2888	Shin Kong Financial Holding Co.,Ltd.	2,427,015	24,270,154	2/19
3003	K. S. Terminals Inc.	58,153	581,530	2/19
3004	National Aerospace Fasteners Corporation	69,900	699,000	2/25
3005	Mitac Technology Corporation	194,332	1,943,321	2/25
3006	Elite Semiconductor Memory Technology Inc.	100,000	1,000,000	3/4
2496	Prime Optical Fiber Corporation	62,000	620,000	3/8
3008	Largan Precision Co.,Ltd.	62,162	621,622	3/11
2495	Infortrend Technology, Inc.	83,050	830,500	3/25
2498	High Tech Computer Corp.	127,600	1,276,000	3/26
2889	Waterland Financial Holdings	2,119,882	21,198,825	3/26
3007	Taiwan Green Point Enterprises Co., Ltd.	100,690	1,006,903	4/26
2890	Sinopac Holdings	3,538,352	35,383,525	5/9
2891	Chinatrust Financial Holding Company Ltd.	4,605,427	46,054,268	5/17
3010	Wahlee Industrial Corp.	116,088	1,160,884	7/22
3011	Ji-Haw Industrial Co.,Ltd	61,963	619,631	7/22
1538	Jenn Feng Industrial CO., LTD.	93,400	934,001	8/26
1540	Johnford Machinery Industries Co.,Ltd.	64,000	640,000	8/26
1734	Sinphar Pharmaceutical CO.,LTD.	64,309	643,088	8/26
1735	Evermore Chemical Industry Co.,Ltd	60,088	600,880	8/26
2548	Huaku Construction Co.,Ltd.	102,000	1,020,000	8/26

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
3009	Chi Mei Optoelectronics Corporation	1,620,000	16,200,000	8/26
3018	Tung Kai Technology Engineering Co.,Ltd.	60,250	602,505	8/26
3019	Asia Optical Co., Inc.	123,163	1,231,630	8/26
3020	Ultra Source Technology Corp.	63,122	631,216	8/26
3021	Cradle Technology Corp.	70,487	704,866	8/26
3022	ICP Electronics Inc.	109,044	1,090,438	8/26
3023	Sinbon Electronics Co.,Ltd.	70,798	707,981	8/26
3024	Action Electronics Co.,Ltd.	146,169	1,461,694	8/26
3025	Loop Telecommunication International,Inc.	52,200	522,000	8/26
3026	Holy Stone Enterprise Co.,Ltd.	112,531	1,125,309	8/26
3027	Billion Electric Co.,Ltd.	72,234	722,340	8/26
3028	Zenitron Corporation	80,000	800,000	8/26
3029	Zero One Technology Co.,Ltd	60,000	600,000	8/26
3031	Bright Led Electronics Corp	63,000	630,000	8/26
3032	Compucase Enterprise Co., Ltd.	62,618	626,180	8/26
3033	Weikeng Industrial Co.,Ltd.	88,000	880,000	8/26
3034	Novatek Microelectronics Corp., Ltd.	235,110	2,351,101	8/26
3035	Faraday Technology Corp.	126,943	1,269,430	8/26
3036	Wintech microelectronics Co., Ltd.	88,074	880,741	8/26
3037	Unimicron Technology Corp.	653,232	6,532,321	8/26
3038	Emerging Display Technologies Corp.	98,200	982,000	8/26
3039	Well Communication Corp	60,000	600,000	8/26
3040	Global View Co.,Ltd	91,400	914,000	8/26
3041	Ali Corporation	141,500	1,415,000	8/26
3042	Txc Corporation	120,349	1,203,485	8/26
3043	Powercom Co .,Ltd.	61,315	613,148	8/26
3044	Tripod Technology Corporation	138,200	1,382,000	8/26
3045	Taiwan Cellular Corporation	3,784,073	37,840,726	8/26
3046	Aopen Inc.	201,500	2,015,000	8/26
3047	Edimax Technology Co.,Ltd	37,884	378,843	8/26
9943	Holiday Entertainment Co., Ltd.	184,147	1,841,470	8/26
9944	Shinih Enterprise Co.,Ltd.	60,075	600,751	8/26
3012	QDI	2,000,000	20,000,000	8/28
2854	Polaris Securitues Co., Ltd.	1,106,000	11,060,000	9/16

Code	Name of Company	No. of Listed Shares (Thousand)	Total Par Value of Listed Shares (Thousand)	Date of Listing
2855	President Securities Corp.	1,127,976	11,279,758	9/16
2856	MasterLink Securities Corporation	1,156,882	11,568,820	9/16
3013	Chenming Mold Ind. Corp.	87,000	870,000	9/16
3017	Asia Vital Components Co., Ltd.	112,000	1,120,000	9/27
3049	Sintek Photronic Corp.	400,000	4,000,000	9/27
3048	Edom Technology Co., Ltd.	88,400	884,000	10/1
3015	SPI Electronic Co., Ltd.	70,000	700,000	10/16
3051	Optimax Technology Corporation	176,160	1,761,605	10/28
1539	Chiu Ting Machinery Co.,Ltd.	64,800	648,000	10/29
3014	Integrated Technology Express, Inc	98,100	981,000	10/29
3030	Test Research, Inc.	61,572	615,724	10/29
3050	U-Tech Media Corporation	133,996	1,339,958	10/29
3054	Carry Computer Eng. Co., Ltd.	30,500	305,000	11/18
3058	Leader Electronics Inc.	80,912	809,125	12/9
3055	Spirox Corporation	102,530	1,025,300	12/12
3057	Promise	84,088	840,875	12/18
3016	Precision Silicon Corp.	60,000	600,000	12/24
3059	Altek Corporation	115,500	1,155,000	12/24

Table 3. Total Market Value of Listed Companies Year-end 1993-2002

Year	No. of Listed Companies	No. of Issues	No. of Listed Shares(Million)	Total Market Value of Listed Shares (NT$Million)
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
2002	638	668	441,040	9,094,936

Table 4. Listed Stocks by Industrial Group 2001-2002

Industry	2002				
	No. of Companies	No. of Issues	Shares (Thousand)	Face Amounts (NT$ Million)	%
Total	638	668	441,039,852	4,410,399	100.00
Cement	8	9	7,966,232	79,662	1.81
Foods	26	26	10,229,178	102,292	2.32
Plastics	20	22	17,494,669	174,947	3.97
Textiles	57	58	27,469,001	274,690	6.23
Electric & Machinery	34	35	7,180,778	71,808	1.63
Electric Appliance & Cable	16	16	11,985,336	119,853	2.72
Chemicals	30	31	7,898,966	78,990	1.79
Glass & Ceramics	7	7	2,460,332	24,603	0.56
Paper & Pulp	7	7	4,354,511	43,545	0.99
Steel & Iron	25	26	17,762,450	177,625	4.03
Rubber	9	9	3,520,025	35,200	0.80
Automobile	4	5	4,484,796	44,848	1.02
Electronics	243	260	162,228,778	1,622,288	36.78
Construction	37	37	18,555,071	185,551	4.21
Transportation	16	17	14,434,753	144,348	3.27
Tourism	6	6	1,272,433	12,724	0.29
Finance	44	48	104,781,074	1,047,811	23.76
Wholesale & Retail	11	11	4,907,550	49,076	1.11
Conglomerate	1	1	1,434,889	14,349	0.33
Others	37	37	10,619,030	106,190	2.41

Industry	2001				
	No. of Companies	No. of Issues	Shares (Thousand)	Face Amounts (NT$ Million)	%
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	4.13
Textiles	58	59	30,117,053	301,171	7.41
Electric & Machinery	30	30	6,721,782	67,218	1.65
Electric Appliance & Cable	16	16	12,099,415	120,994	2.98
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	4.39
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	23.37
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

Table 5. Listed Stocks by Classification and Ownership Type 2001-2002

	Total	Class of stocks			Type of Ownership	
		Common	Preferred	Others*	Government Enterprises	Private Enterprises
2002						
Number of Companies	638	-	-	-	1	637
Number of Issues	668	638	7	23	1	667
Shares (Million)	441,040	439,620	1,332	88	9,648	431,392
Amount (NT$Million)	4,410,399	4,396,198	13,318	883	96,477	4,313,921
% of Total Amount	100.00	99.68	0.30	0.02	2.19	97.81
2001						
Number of Companies	584	-	-	-	2	582
Number of Issues	614	584	8	22	2	612
Shares (Million)	406,400	404,622	1,641	137	9,948	396,452
Amount (NT$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
Change from 2001						
Number of Companies	54	-	-	-	-1	55
Number of Issues	54	54	-1	1	-1	55
Shares (Million)	34,640	34,998	-309	-49	-300	34,940
Amount (NT$Million)	346,401	349,978	-3,094	-483	-3,000	349,400

* Certificate of entitlement to new shares form convertible bonds.

Table 6. Fund-Raising Activities of TSEC Listed Companies

Unit : NT$ 1,000

Year & Month	Total	Sources of Cash Raised		
		Rights Offering	Initial Stock Offering	Debt Offering
1998	420,487,637	305,963,481	43,024,156	71,500,000
1999	176,938,712	141,671,139	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
2002	60,872,623	36,847,574	22,625,049	1,400,000
Jan.	2,737,165	0	2,037,165	700,000
Feb.	3,268,044	749,990	2,518,054	0
Mar.	8,152,377	99,932	8,052,445	0
Apr.	3,327,280	1,220,000	1,407,280	700,000
May	875,000	875,000	0	0
Jun.	300,000	300,000	0	0
Jul.	3,734,552	3,734,552	0	0
Aug.	3,061,100	1,313,600	1,747,500	0
Sep.	15,991,400	14,450,000	1,541,400	0
Oct.	3,307,119	525,000	2,782,119	0
Nov.	11,333,520	11,131,500	202,020	0
Dec.	4,785,066	2,448,000	2,337,066	0

Table 7. Changes in Sources of Capital of Listed Companies 2001-2002

Unit : NT$ Million

Year	2002		2001		Changes from 2001	
Item	Amount Approved	%	Amount Approved	%	Amount Approved	%
Sources of Capital						
Total	259,173	100.00	387,396	100.00	-128,223	-33.10
Cash Offering (in Face Value)	31,157	12.02	38,781	10.01	-7,624	-19.66
Capitalization of Retained Earnings	141,124	54.45	254,838	65.78	-113,714	-44.62
Capitalization of Capital Reserves & Others	86,892	33.53	93,777	24.21	-6,885	-7.34

Table 8. Financial Status of Listed Companies 2000-2001

Unit : NT$ Million

Item	2001	2000	2001/2000 growth (%)
Total Assets	21,190,938	23,006,088	-7.89
Total Net Worth	6,127,293	6,132,480	-0.08
Total Capital	4,026,918	3,758,107	7.15
Revenues	5,429,642	6,489,583	-16.33
Net Profit before Taxes	108,162	564,480	-80.84

Table 9. Financial Data of Listed Companies by Industrial Group 2001-2002

Unit : NT$ Million

Industry	Number of Companies	Annual Sales Revenue		Average Sales Revenue*		2001/2002 growth
	2002	2002	2001	2002	2001	(%)
Total	638	7,120,554	6,128,069	11,161	10,493	6.37
Cement	8	48,198	41,705	6,025	5,213	15.58
Foods	26	141,619	132,124	5,447	4,719	15.43
Plastics	20	252,986	229,112	12,649	11,456	10.41
Textiles	57	325,817	298,423	5,716	5,145	11.10
Electric & Machinery	34	110,997	97,402	3,265	3,247	0.55
Electric Appliance & Cable	16	89,782	84,342	5,611	5,271	6.45
Chemicals	30	105,865	97,865	3,529	3,495	0.97
Glass & Ceramics	7	18,096	17,686	2,585	2,527	2.30
Paper & Pulp	7	54,210	51,219	7,744	7,317	5.84
Steel & Iron	25	261,612	224,120	10,464	8,620	21.39
Rubber	9	34,155	29,969	3,795	3,330	13.96
Automobile	4	165,585	147,220	41,396	36,805	12.47
Electronics	243	3,135,636	2,352,348	12,904	12,785	0.93
Construction	37	120,234	122,623	3,250	3,314	-1.93
Transportation	16	276,674	259,841	17,292	15,285	13.13
Tourism	6	7,291	7,462	1,215	1,244	-2.33
Finance	44	1,695,662	1,683,255	38,538	33,005	16.76
Wholesale & Retail	11	130,759	121,255	11,887	11,023	7.84
Conglomerate	1	9,421	8,344	9,421	8,344	12.91
Others	37	135,955	121,754	3,674	3,382	8.63

* 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 2001-2002

	No. of Issues	Principal Value (NT$ Million)
End of 2001	65	1,856,920
During the Year 2002		
Newly Listed	12	436,200
Delist	3	75,000
End of 2002	74	2,212,720
Redemption Payment	0	5,400

Table 11. Changes in Volume and Value of Convertible Bonds 2001-2002

	No. of Issues	Principal Value (NT$ Million)
End of 2001	43	22,425
During the Year 2002		
Newly Listed	2	1,400
Delist	15	3,024
converted	-	8,729
End of 2002	30	12,072

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 that 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.

   Starting July 1st, 2002, TSEC adopted a series of measures for its trading system to better reflect the interaction of the supply and demand of listed securities. The

ultimate goal is to enhance price integrity and market transparency. The measures include :

*** Eliminating the two up/down tick rule**

To ensure price continuity, intra-day continuous auction was subject to the two up/down tick rule where the execution price was limited to two up/down ticks of the last executed price. To better reflect the interaction of buying and selling force, every matched price is, under the new rules, allowed to fall anywhere in the price limit of the trading day, with the intra-day volatility interruption in force (see below).

*** Adopting intra-day volatility interruption**

With the two up/down tick rule having been eliminated, chances are that the traded price of securities will become too volatile. To remedy this foreseeable situation, intra-day volatility interruption is applied. Whenever the trading system detects that the potential execution price of a specific stock will fall out of a specified range (+/-3.5%) of the last traded price, matching for that stock will be postponed for two to three minutes. Market participants will be informed of that situation and can modify their existing orders or enter new orders to cope with the order imbalancing of that stock. However, volatility interruption is not applicable during the opening session and the last 10 minutes of regular trading hours (i.e. 1:20 p.m. to 1:30 p.m.). Those stocks whose reference price for the opening call auction is below 1 NT$ or whose matching is restricted to every 5 or 10 minutes are not subject to intra-day volatility interruption.

*** Adopting 5-minute closing call auction**

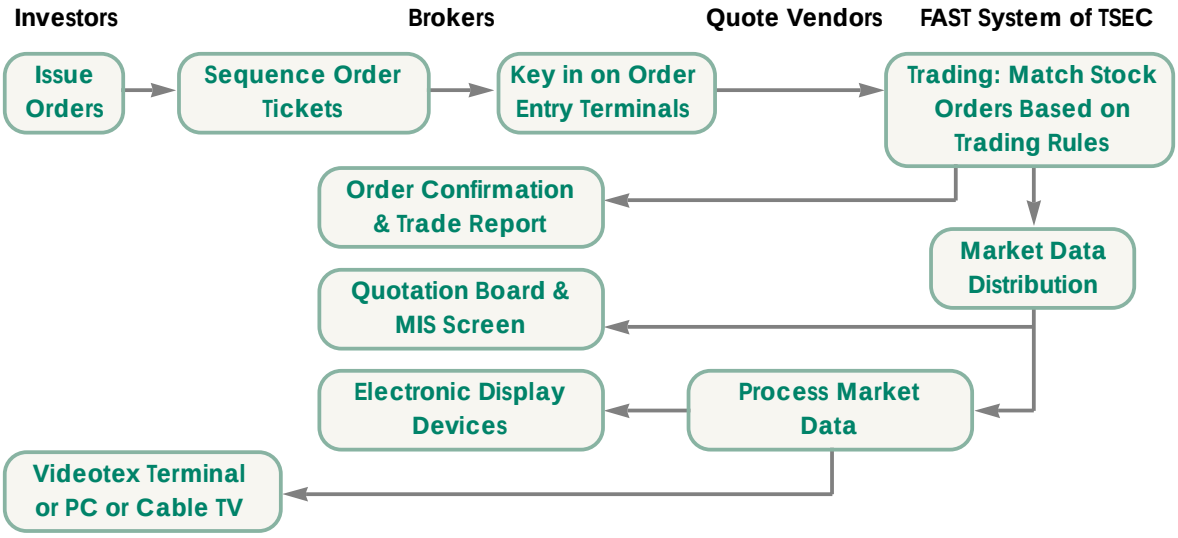
Under current trading rules, the closing price of a stock is simply the last traded price of the intra-day continuous auction of the trading day. Given that the closing price of securities is widely used by market participants as a benchmark for portfolio valuation as well as index calculation, the new system will accumulate orders for 5 minutes (from 1:25 p.m. to 1:30 p.m.) before the closing call auction.

*** Disclosing the price and volume of the best unexecuted bid/ ask**

With the exception that the unexecuted buying orders at daily price ceiling and selling orders at daily price floor are disclosed to the market, current order book is a black box

where no unexecuted orders is disclosed. Starting July 1st of this year, the price volume of unexecuted orders at the best bid and ask will be disclosed so that market participants can make an informed judgment when placing orders. Beginning 2003, prices and volumes of unexecuted orders at the 5 best bids/asks are disclosed as well.

Trading Mechanism under FAST System



When the Market opens each day, a call market mechanism is adopted. The opening price is chosen to result in a maximum trading volume possible. After the opening price is determined, an intra-day phase starts. To better reflect the interaction of buying and selling force, every matched price is allowed to fall anywhere in the price limit of the trading day, with the intra-day volatility interruption in force. Whenever the trading system detects that the potential execution price of a specific stock will fall out of a specified range (+/-3.5%) of the last traded price, a volatility interruption is initiated for

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

two or three minutes, then investors can be informed and have a chance to add, cancel or modify their existing orders. Five minutes before market ends, orders start to be gathered and at the end of market the closing price is executed in an auction mechanism.

For stocks or beneficiary certificates, the up/down tick varies with the price of the issue. 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, and volumes, etc.. Information of listed companies, such as financial data and corporate action, 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 the 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. Fixed Fee

Receiving Party	Location	Type or Units	Rate
Quote Vendors	Domestic	leased line	(note 1)
		non leased line	NT$60,000 / month
	Overseas		NT$720,000 / year

b. Securities Firms Usage Fee

Device Type	Units Installed	Rate
Display Unit	(note 2)	(note 2)
Ticker Tape	each	NT$1,000 / month
Wall Units	(note 3)	(note 3)
Quotation Board		Free of Charge

c. Variable Fee

Device Type	Fee	Rate
Internet	flat	NT$100,000 / month
Pager	flat	NT$100,000 / month
Mobil Data	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$0.10 / minute
Cable TV (Broadcast Only by Indirect Connection)	flat	NT$30,000 / month

Note 1 : 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.
Note 2 : A fixed amount per month ranging from NT$600 to NT$2,000,000 is levied for display unit ranging from less than 5 units to more than 5,001 units amount to head office plus branch offices.
Note 3 : For Wall Units device, 12 units qualify as the equivalent of a display unit but less than 12 is free.

Table 13. Stock Trading Volume and Value 1997-2002

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	654,201	2,287	368.50	37,241,150	130,214	407.10
1998	271	612,010	2,258	261.70	29,618,970	109,295	314.10
1999	266	678,064	2,549	237.57	29,291,529	110,119	291.10
2000	271	630,868	2,328	195.28	30,526,566	112,644	259.13
2001	244	606,420	2,485	159.58	18,354,936	75,225	206.57
2002	248	856,190	3,452	205.22	21,873,951	88,201	217.39
Jan.	22	101,996	4,636	25.12	3,337,920	151,724	30.71
Feb.	12	37,594	3,133	9.24	1,222,272	101,856	11.55
Mar.	21	97,395	4,638	24.03	2,772,202	132,010	23.91
Apr.	21	104,825	4,992	25.93	2,461,936	117,235	21.56
May	22	68,216	3,101	16.81	1,666,380	75,745	15.57
Jun.	20	58,527	2,926	14.41	1,327,307	66,365	13.94
Jul.	23	64,098	2,787	15.67	1,581,684	68,769	17.47
Aug.	22	52,532	2,388	12.31	1,357,766	61,717	14.75
Sep.	20	41,351	2,068	9.53	1,026,598	51,330	12.47
Oct.	22	69,848	3,175	15.88	1,670,499	75,932	18.18
Nov.	21	82,702	3,938	18.80	1,878,515	89,453	20.00
Dec.	22	77,106	3,505	17.49	1,570,873	71,403	17.28

* Based on total number of listed shares
** Based on total market value of listed shares.

Table 14. Ten Most Active Stocks 2002 (in Volume and in Value)

a. in Volume

Rank	Name of Stock	Volume (Thousand Shares)	% of Market Total
1	AUO	22,143,430	2.59
2	Winbond Electronics	20,119,270	2.35
3	UMC	17,456,746	2.04
4	Nanya Technology	16,572,272	1.94
5	Chunghwa Picture Tubes	15,941,161	1.87
6	Macronix International	13,765,012	1.61
7	TSMC	12,069,378	1.41
8	Mosel Vitelic Inc.	10,501,657	1.23
9	Yageo	9,060,681	1.06
10	China Steel	8,338,904	0.98

b. in Value

Rank	Name of Stock	Value (NT$ Thousand)	% of Market Total
1	TSMC	770,055,945	3.53
2	AUO	746,408,900	3.42
3	UMC	652,923,495	2.99
4	Nanya Technology	589,218,901	2.70
5	MediaTek	560,753,295	2.57
6	Winbond Electronics	459,585,527	2.11
7	Benq Corporation	421,547,165	1.93
8	Chunghwa Picture Tubes	407,810,344	1.87
9	Via Technologies	362,730,302	1.66
10	Macronix International	292,520,535	1.34

Table 15. Stocks with Largest Price Changes Year-end 2002

Rank	Up	
	Name of Stock	Rise from End of 2001(%)
1	Yieh Phui Enterprise	619.24
2	Chih Lien Industrial	612.12
3	Hsin Kuang Steel	374.97
4	Chien Shing Stainless Steel	353.13
5	Kenda Rubber Ind.	286.95
6	Sheng Yu Steel	285.89
7	Shin Yih Fiber	280.00
8	Chia I Industrial	278.79
9	Yieh Hsing Enterprise	270.11
10	Wi Chih Steel Industrial	253.47

Rank	Down	
	Name of Stock	Fall from End of 2001(%)
1	First Hotel	-78.81
2	ABIT	-75.65
3	Pacific Const.	-75.07
4	Mosel Vitelic Inc.	-70.65
5	Ding Ing	-69.12
6	Procomp	-67.80
7	Jean	-67.78
8	Via Technologies	-67.32
9	SIS	-66.67
10	Chunghwa Picture Tubes	-64.60

Table 16. Price Earnings Ratio (PE Ratio) Year-end 2002

Industry	PE Ratio
All Listed Stocks	41.77
Cement	122.29
Foods	62.37
Plastics	27.22
Textiles	31.29
Electric & Machinery	23.29
Electric Appliance & Cable	-
Chemicals	16.94
Glass & Ceramics	38.99
Paper & Pulp	-
Steel & Iron	19.32
Rubber	15.43
Automobile	17.08
Electronics	25.94
Construction	-
Transportation	51.92
Tourism	79.43
Finance	-
Wholesale & Retail	50.79
Others	18.39
Cement & Ceramics	74.07
Plastics & Chemicals	22.73
Electrical	27.60

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 netting 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 broker.

18:00 Deadline for broker/dealer to deposit securities with TSCD. TSEC allows delay of delivery of securities with legitimate reason and 120 % paid-in collateral 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 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 registration procedures, securities firms are required to deposit Business Guarantee Fund in SFC-designated banks by category, respectively. The required amount for each of securities firm is as follows:

1. Securities underwriter: NT$40 million
2. Securities dealer: NT$10 million
3. Securities broker: NT$50 million

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,whereas:

1. Securities dealer, a fixed amount of NT$10 million is required.
2. Securities broker 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 the net value of its capital 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 value of capital. Securities firms are also prohibited from acting as a guarantor of any nature and purchasing real estate 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.

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 2002

Classification of Securities and Securities Firms	Trading Value (NT$ Million)	%	Notes
Classification by Securities			
Total	43,874,318	100.000	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: YuanTa Core Pacific Securities 2nd: Fubon Securities 3rd: Polaris Securities 4th: Jih Sun Securities 5th: Sinopac Securities
Stocks	43,658,952	99.509	
Government Bonds	7	0.000	
Corporate Bonds (Convertible Bonds are not included)	0	0.000	
Convertible Bonds	38,317	0.087	
Beneficiary Certificates	8,035	0.018	
Warrants	148,938	0.339	
Taiwan Depository Receipts	20,070	0.046	
Classification by Securities Firms			
Securities Brokerage Firms	41,636,703	94.900	
Main Offices	11,276,869	25.703	
Branch Offices	30,359,834	69.197	
Banking Brokers	1,409,171	3.212	
Main Offices	660,266	1.505	
Branch Offices	748,904	1.707	
Dealers	828,441	1.888	
Central Government Bond Issues Auction Group	3	0.000	

Table 18. Trading Value by Brokers & Dealers 1998-2002 (Percentage of Turnover)

	2002	2001	2000	1999	1998
Brokers:					
Securities Brokerage Firms	94.9	95.00	94.32	94.57	95.38
Banking Brokers	3.21	3.31	3.80	3.49	3.06
Dealers	1.89	1.69	1.88	1.94	1.56
Total	100.00	100.00	100.00	100.00	100.00

Table 19. Number of Customer Accounts with Brokers 1998-2002

Year & Month	No. of Brokers (Main Offices)	No. of New Accounts	Accumulated Investor Accounts
1998	198	2,436,964	9,587,855
1999	193	1,714,349	10,916,426
2000	169	5,111,016	12,359,893
2001	157	1,317,812	12,910,531
2002	137	2,602,285	12,869,344
Jan.	156	188,748	12,509,386
Feb.	156	53,576	12,474,959
Mar.	154	140,830	12,549,341
Apr.	149	313,112	12,615,401
May	149	66,349	12,625,823
Jun.	148	98,393	12,655,268
Jul.	146	240,172	12,705,030
Aug.	147	85,383	12,747,410
Sep.	147	50,347	12,763,499
Oct.	141	314,185	12,778,824
Nov.	137	900,265	12,786,587
Dec.	137	150,925	12,869,344

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 INDICES

The Exchange maintains a total of 28 stock price indices, to allow investors to grab both overall market movement and different industrial sectors' performances conveniently. The indices may be grouped into market value indices and price average indices. 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 indices. 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 2002, 593 issues were selected as component stocks from the 638 companies listed on the Exchange.

TSEC Taiwan 50 Index was launched on October 29, 2002. The first tradable index for the Taiwan market was created under the collaboration of TSEC and FTSE International Limited (FTSE). TSEC Taiwan 50 Index covers the top 50 companies by total market capitalization. FTSE's free float methodology applied throughout the index to ensure the weights within the index reflect the market capitalization available for investment. The Taiwan 50 Index Committee, an independent committee, manages the index. The base date value as of April 30, 2002 was set at 5,000 and the index is reviewed quarterly in January, April, July and October every year, and constituent changes are implemented on the next trading day following the third Friday of the same month.

The other market value indices 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.

Index	Type of Index	Base (or Date Compilation Started)	Date Published	Stocks Included (End of 2002)
TAIEX	Market value	1966 average =100	1967	593 listed common stocks
TSEC Taiwan 50 Index	Free Float Adjusted Market value	2002.4.30 =5,000	2002.10.29	50 listed common stocks
Non-Finance Sub-Index	Market value	1966 average =100	1987.11	Excluding stocks of finance industry
Non-Electronics Sub-Index	Market value	1999.12.28 =8,448.84	2000.11.16	Excluding stocks of electronics industry
Industrial Sub-Indices	Market value	1986.12.29 =100	1986.12.29	group stocks of 8 industries
Industrial Sub-Indices	Market value	1994.12.31 =100	1995.8.1	group stocks of 14 industries
Composite Stock Price Average	Price value	1987.1.6	1989.1	30 listed common stocks
Industrial Stock Price Average	Price value	1987.1.6	1989.1	20 listed common stocks

The Industrial Sub-Indices are calculated for different industrial sectors. Starting December 1986, eight Industrial Sub-Indices 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-Indices, i.e. 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 profitability, operation efficiency and trading liquidity of the shares so that the indices can mirror the trend of the market.

All of the TSEC indices 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 indices data is also available in TSEC website.

Table 20. Changes in Stock Index by Industrial Group 2001-2002

Industry	Stock Index		Point Change from End of 2001	Percent Change from End of 2001(%)
	End of 2002	End of 2001		
Cement	36.92	28.37	8.55	30.14
Foods*	214.34	212.81	1.53	0.72
Plastics	86.96	61.58	25.38	41.21
Textiles*	182.89	133.21	49.68	37.29
Electric & Machinery	63.5	50.98	12.52	24.56
Ele. Appliance & Cable	34.76	35.89	-1.13	-3.15
Chemicals	49.7	41.73	7.97	19.10
Glass & Ceramics	30.88	28.8	2.08	7.22
Paper & Pulp*	106.44	75.16	31.28	41.62
Steel & Iron	56.36	32.41	23.95	73.90
Rubber	72.37	40.04	32.33	80.74
Automobile	137.99	54.4	83.59	153.66
Electronic	184.3	297.82	-113.52	-38.12
Construction*	69.04	67.39	1.65	2.45
Transportation	55.74	36.62	19.12	52.21
Tourism	34.67	45.3	-10.63	-23.47
Finance*	690.72	719.13	-28.41	-3.95
Wholesale & Retail	60.39	72.03	-11.64	-16.16
Others	79.57	63.68	15.89	24.95
Cement & Ceramics*	172.83	141.54	31.29	22.11
Plastics & Chemicals*	295.02	211.29	83.73	39.63
Electrical*	1,037.19	1,641.65	-604.46	-36.82

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

Table 21. TSEC Capitalization Weighted Stock Index (TAIEX) Daily Closing 2002

DATE	MONTH					
	JAN.	FEB.	MAR.	APR.	MAY	JUN.
1	-	5,857.93	# 5,680.78	6,186.44	-	-
2	5,600.05	-	-	6,243.46	5,867.83	-
3	5,526.32	-	-	6,294.66	5,910.32	5,571.08
4	5,638.53	5,849.85	5,874.48	6,207.09	-	5,527.80
5	-	5,844.25	5,957.75	-	-	△ 5,599.42
6	-	5,926.08	6,097.57	-	5,642.48	5,591.02
7	5,834.89	-	6,048.15	-	5,663.98	5,433.02
8	5,810.08	-	6,011.65	6,190.83	5,711.53	-
9	5,865.54	-	-	6,069.85	5,739.28	-
10	5,871.28	-	-	# 6,059.21	5,807.30	5,499.33
11	5,687.59	-	6,196.26	6,073.76	-	5,405.42
12	-	-	6,122.54	6,182.59	-	5,399.96
13	-	-	6,088.34	-	5,742.66	5,562.23
14	5,611.86	-	6,070.50	-	5,755.92	5,562.12
15	5,592.74	-	5,951.45	6,196.00	△ 5,910.69	-
16	# 5,488.33	-	-	6,257.73	5,801.47	-
17	5,501.13	-	-	6,390.68	5,789.84	5,537.81
18	5,522.80	△ 5,968.61	5,972.11	6,387.21	-	5,536.42
19	-	5,861.66	5,906.73	6,448.12	-	5,399.50
20	-	5,692.18	6,059.06	-	5,574.71	5,445.77
21	5,798.05	5,656.10	6,046.52	-	# 5,443.18	5,460.53
22	5,804.10	5,609.83	6,140.42	△ 6,462.30	5,541.64	-
23	5,769.78	-	-	6,390.62	5,549.96	-
24	5,801.92	-	-	6,455.39	5,706.40	5,384.89
25	5,950.64	5,510.71	6,219.17	6,355.59	-	5,316.04
26	-	# 5,499.79	△ 6,242.64	6,306.93	-	5,123.04
27	-	5,696.11	6,147.75	-	5,729.90	# 5,071.76
28	△ 6,007.33		6,209.92	-	5,669.53	5,153.71
29	5,846.19		6,167.47	6,205.09	5,623.23	
30	5,812.67			6,065.73	5,736.19	
31	5,872.14				5,675.65	
Monthly Average	5,737.00	5,747.76	6,057.68	6,258.54	5,708.80	5,429.04

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

MONTH					
JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
4,969.32	4,916.59	-	4,162.77	# 4,500.55	-
4,995.08	4,920.89	4,644.58	4,171.76	-	4,683.18
5,047.82	-	4,588.06	4,075.98	-	4,793.93
5,130.80	-	4,534.15	4,067.79	4,583.68	4,727.49
5,255.23	4,636.67	4,459.37	-	4,566.10	4,755.40
-	# 4,572.35	-	-	4,725.34	4,738.98
-	4,720.73	-	3,924.04	4,757.98	-
5,377.86	4,700.23	-	3,964.28	4,811.01	-
5,388.52	4,851.44	4,533.27	3,947.61	-	△ 4,823.67
5,262.01	-	△ 4,668.01	-	-	4,755.01
5,202.59	-	4,660.53	# 3,850.04	4,664.65	4,699.41
△ 5,416.50	4,852.07	4,647.37	-	4,676.47	4,669.70
-	4,817.93	4,580.17	-	4,671.77	4,588.14
-	4,887.43	-	3,910.98	4,665.56	-
5,393.01	4,931.47	-	4,131.47	△ 4,813.53	-
5,318.01	4,919.02	4,457.16	4,223.32	-	4,582.05
5,250.82	-	4,633.86	4,280.81	-	4,545.62
5,242.11	-	4,482.65	4,458.17	4,790.61	4,535.93
5,161.92	4,888.00	4,491.31	-	4,726.50	4,549.23
-	4,919.26	4,429.25	-	4,653.50	4,595.67
-	4,887.79	-	4,463.52	4,579.45	-
5,043.50	4,956.49	-	4,386.46	4,707.61	-
5,159.23	△ 4,968.85	4,328.40	4,589.88	-	4,572.77
5,039.48	-	4,286.94	4,574.80	-	4,544.50
5,045.07	-	# 4,185.95	4,564.06	4,723.16	4,484.43
# 4,855.34	4,935.92	4,222.22	-	4,677.89	4,567.37
-	4,878.85	4,208.80	-	4,633.03	4,547.32
-	4,789.63	-	△ 4,601.37	4,612.60	-
4,858.44	4,800.63	-	4,554.13	4,646.69	-
5,005.04	4,764.94	4,191.81	4,498.73		4,457.75
4,940.38			4,579.14		# 4,452.45
5,146.00	4,841.69	4,461.69	4,271.87	4,675.60	4,621.36

SHARE OWNERSHIP

Listed companies are required to submit shareholders' registration data after the annual shareholders' meeting. At the end of 2002, the number of domestic individual shareholders reached 23,817,260, increased by 192,206 from the previous year. The domestic individual investors accounting for 50.7% of the breakdown of share ownership still dominate the investment market. Domestic corporations were second with 22.37%. Foreign ownership accounted for 11.33%.

Table 22. Domestic Individual Share Ownership by Size of Holding 1998-2002

Shares Registered	2002		2001	
	No. of Persons	%	No. of Persons	%
Below 1000	8,972,288	37.67	8,472,669	35.86
1,001-5,000	9,955,987	41.80	10,301,220	43.60
5,001-10,000	2,347,009	9.85	2,329,445	9.86
10,001-15,000	916,704	3.85	957,137	4.05
15,001-20,000	466,664	1.96	442,785	1.88
Above 20,001	1,158,608	4.87	1,121,798	4.75
Total	23,817,260	100.00	23,625,054	100.00

2000		1999		1998	
No. of Persons	%	No. of Persons	%	No. of Persons	%
7,382,079	33.62	6,208,153	34.76	4,998,590	31.41
10,118,814	46.08	7,760,201	43.44	7,675,276	48.23
2,161,913	9.85	1,952,636	10.93	1,729,123	10.87
824,913	3.76	748,766	4.19	501,041	3.15
434,788	1.98	343,267	1.92	328,119	2.06
1,035,584	4.71	849,581	4.76	681,874	4.28
21,958,091	100.00	17,862,604	100.00	15,914,023	100.00

SECURITIES INVESTOR PROTECTION FUND

Securities Investors and Futures Traders Protection Law was enacted on July 17, 2002. In accordance with the Act, a protection institution shall be put in place, with its Board of Directors and supervisors appointed.

The former Securities Investor Protection Fund (SIPF), established by the major securities institutions, was replaced by a protection fund set up by the protection institution. The related institutions of the securities and futures markets led by TSEC have made contributions to help set up the new protection fund. Thereafter, all securities and futures brokers, TSEC, Taiwan Futures Exchange (TAIFEX) and GTSM shall respectively make monthly appropriations to the protection fund subject to the regulations of Competent Authority.

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.

When a securities or futures broker/dealer becomes insolvent due to financial difficulty, which results in default settlements for trades consigned by securities investors and futures dealers, the investors may make claims on such defaults.

Table 23. Share Ownership by Type of Investors 1998-2002

(In Percentage)

	2002	2001	2000	1999	1998
Domestic Investors:					
Government	6.73	7.62	6.12	3.68	4.33
Financial Institutions	3.76	4.42	3.75	2.93	4.19
Trust Fund	0.98	0.75	0.77	1.28	1.02
Corporations	22.37	22.59	21.68	22.98	20.4
Other Juridical Persons	3.4	3.37	3.53	3.85	4.34
Individuals	50.7	51.96	55.37	58.08	58.36
Foreigners:					
Trust Fund	4.57	3.05	3.14	2.18	1.74
Financial Institutions	0.28	0.25	0.55	0.46	0.47
Juridical Persons	5.96	4.85	4.33	3.61	3.87
Individuals	0.52	0.67	0.76	0.95	1.28
Share Buy-backs	0.73	0.47	0	0	0
Total	100.00	100.00	100.00	100.00	100.00

TAIWAN | STOCK | EXCHANGE |

TSEC PROFILE

INTRODUCTION
TSEC ORGANIZATION
BOARD MEMBERS
SENIOR MANAGEMENT
PUBLICATIONS

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 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 638 in 2002. 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 140 in 2002. 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 to securities derivatives, and continuing to promote the listing of eligible companies and transferring a group of Gre Tai Securities Market (GTSM) 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 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 re-elected. The directors choose among themselves a Chairman who represents TSEC, and the supervisors choose among themselves one Resident Supervisor.

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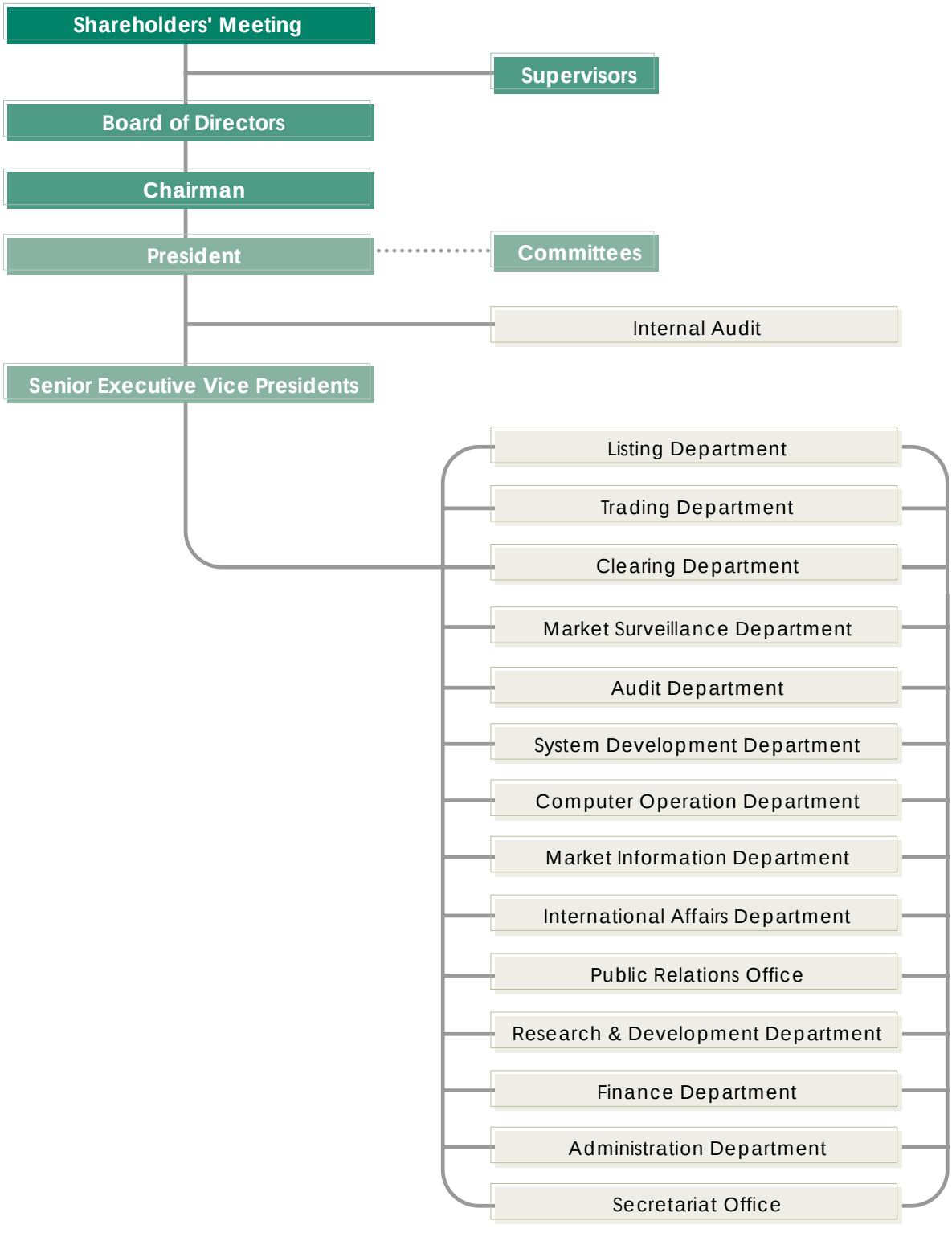
TSEC ORGANIZATION CHART



BOARD MEMBERS

Board Members

Chairman		(Representative of juridical person)
Sean C. Chen		International Commercial Bank of China
Directors		**(Representative of juridical person)**
Richard, Ming-Hsing Tsai	Vice Chairman of Fubon Group	Fubon Securities Co.,Ltd.
Mark, Min-Tse Chen	Marketing Advisor to Chairman of Taiwan Sugar Corp.	Taiwan Sugar Corporation
Jack H. Huang	Chairman of the Board of Central Trust of China	Central Trust of China
Chi-Lin Wea	Chairman of Land Bank of Taiwan	Land Bank of Taiwan
Paul C. H. Chiu	Chairman of the Board of Grand Cathay Securities Corp.	China Development Industrial Bank
Leslie Koo	President of Taiwan Cement Co.	TCC Chemical Corp.
Feng-Shih Cheng	Legislator	Taifeng Investment Co.,Ltd.
Show-Chung Ho	Chairman of Yuen Foong Yu Paper Manufacturing Co.,Ltd.	Yuen Foong Yu Investment Company Ltd.
Jeff Chiu	Member of Examination Yuan	
Shyan-Yuan Lee	Professor of National Taiwan University	
Jaw-Sheng Kong	Board of Directors of Taiwan Tobacco and Liquor Corp.	Government Appointed Director Representing the Public Interest
David M. Chen	Professor of Fu Jen Catholic University	
Walter Lin	Chairman of Waterland Finantial Holdings	
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
Supervisor		
Teh-Nan Hsu	President of Hua Nan Commercial Bank Ltd.	Hua Nan Commercial Bank Ltd.
Jack T. Sun	Chairman of Pacific Electric Wire & Cable Co.,Ltd.	You-Chi investment Co.,Ltd.

SENIOR MANAGEMENT

Name	
Fortune Ju	President
Song-Chin Su	Senior Executive Vice President
Tsai-hung Chan	Senior Executive Vice President
Chin-ting Chiu	Senior Vice President, Listing
Shie-jay Yang	Senior Vice President, Trading
May Yu	Senior Vice President, Clearing
Basil Wang	Senior Vice President, Market Surveillance
Nai-kuan Huang	Senior Vice President, Audit
Tiann-tong Chang	Senior Vice President, System Development
Charng-ching Lin	Senior Vice President, Computer Operation
Alex Lu	Senior Vice President, Market Information
Chung-fu Chang	Senior Vice President, Public Relations
Shuh-tzy Hsu	Senior Vice President, Research & Development/International Affairs
Rebecca Chen	Senior Vice President, Finance
Fu-hsing Wu	Senior Vice President, Administration
Chih-yen Ho	Senior Vice President, Secretariat
Amingo Lin	Senior Vice President, Internal Audit
Cheng-chi Lin	Senior Vice President

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)
   Monthly summary statistics for each company listed 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 operations 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", 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).

STATISTICS AND HISTORICAL DATA

SECURITIES MARKET STATUS IN 2002
BLOCK TRANSACTIONS
TOTAL TRADING VOLUME AND VALUE (BY YEAR)
MARGIN TRANSACTIONS
AUTHORIZED ISSUES OF CAPITAL INCREASE BY LISTED COMPANIES (BY YEAR)
TAIEX (MONTHLY AVERAGE)
STATISTICS OF OUTSTANDING LISTED BONDS

1. Securities Market Status in 2002

Unit:NT$ Million

a. Stock Market

Million Shares

Item	Total
No. of Listed Companies	638
No. of Listed Stocks	668
No. of Listed Shares	441,040
Total Issued Capital Amount	4,444,019
Market Capitalization	9,094,936
Total Trading Volume	856,190
Total Trading Value	21,873,951
TAIEX (Yearly Average)	5,225.61

Unit:NT$ Million

b. Bond Market

Number of Issues

Item	Government Bonds	Corporate Bonds	Total
Number Issued (2002)	12	2	14
Number Outstanding (Accumulated)	74	30	104
Total Issued Amount (2002)	436,200	1,400	437,600
Total Outstanding (Accumulated)	2,212,720	12,072	2,224,792

* Excluding Bonds Issued by Asian Development Bank.

2. Block Transactions

Year	Trading Volume (1,000 Shares)	Trading Value ((NT$ Million)
1998	21,813	6,886.20
1999	627,455	10,328.34
2000	564,923	7,217.84
2001	344,397	6,422.74
2002	957,650	9,742.69

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b. Bond Market

Number of Issues

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Number Outstanding (Accumulated)	74	30	104
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2002	957,650	9,742.69

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		
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
2002	21,981,634	856,190	21,873,951	3,452	88,201	618	4,017	19,162	173,002,812

4. Margin Transactions

Unit : NT$ Million

1,000 Shares

Year	Purchase on Margin					
	New		Redemption		Outstanding	
	Shares	Value	Shares	Value	Shares	Value
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	6,394,608	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
2002	272,986,730	4,467,453	269,793,608	4,450,621	16,873,019	220,262

Year	Short Sale					
	New		Redemption		Outstanding	
	Shares	Value	Shares	Value	Shares	Value
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
2002	45,282,930	1,226,319	44,592,553	1,220,918	1,484,525	33,534

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	%
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	254,837,816	65.78	93,776,782	24.21
2002	259,173,037	100.00	31,156,811	12.02	141,124,338	54.45	86,891,888	33.53

6. TAIEX (Monthly Average)

Year	Month							
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.
1983	448.27	465.35	559.46	675.14	677.66	695.35	743.54	709.07
1984	793.31	864.46	882.35	899.80	932.00	900.45	889.94	908.23
1985	823.26	786.04	793.33	756.83	734.23	709.82	669.79	656.62
1986	856.16	923.35	961.12	910.39	915.33	972.41	976.58	892.29
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
2002	5,737.00	5,747.76	6,057.68	6,258.54	5,708.80	5,429.04	5,146.00	4,841.69

Base Year : 1966 Average = 100

Month				Yearly				
Sep.	Oct.	Nov.	Dec.	High	Low	Open	Close	Average
728.65	709.98	712.13	726.81	765.71	434.94	443.24	761.92	654.28
877.71	858.23	816.57	847.06	969.25	764.50	764.50	838.07	872.51
699.75	738.97	771.13	807.70	840.57	636.02	829.90	835.12	754.62
922.18	984.91	1,009.96	1,012.21	1,039.11	839.73	839.73	1,039.11	944.74
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
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
10,402.75	10,066.97	10,121.37	8,658.43	10,773.11	4,873.18	4,873.18	9,624.18	8,616.14
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
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
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
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
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
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
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
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
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
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
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
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
4,461.69	4,271.87	4,675.60	4,621.36	6,462.30	3,850.04	5,600.05	4,452.45	5,225.61

7. Statistics of Outstanding Listed Bonds

Unit : NT$ Million

Year & Month	Total*		Government Bonds		Corporate Bonds				Bonds Issued by Foreign Banks**			
					Non-Convertible Bonds		Convertible Bonds		Dragon Bonds			NTD Bonds
										U.S.		
	No.	Out-standing	No.	Out-standing	No.	Out-standing	No.	Out-standing	No.	Dollars Million	Yen Billion	
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	80,500
2002	104	2,224,792	74	2,212,720	0	0	30	12,072	12	0	0	59,100
Jan.	111	1,949,183	67	1,926,920	0	0	44	22,263	16	0	0	80,500
Feb.	112	1,988,689	68	1,966,920	0	0	44	21,769	16	0	0	80,500
Mar.	112	2,022,868	69	2,001,920	0	0	43	20,948	15	0	0	78,500
Apr.	111	2,020,622	69	1,999,920	0	0	42	20,702	15	0	0	78,500
May	110	2,080,208	70	2,059,920	0	0	40	20,288	14	0	0	71,700
Jun.	110	2,079,839	70	2,059,920	0	0	40	19,919	14	0	0	71,700
Jul.	108	2,107,537	71	2,089,920	0	0	37	17,617	14	0	0	71,700
Aug.	106	2,145,810	72	2,129,920	0	0	34	15,890	12	0	0	59,100
Sep.	107	2,173,953	73	2,158,920	0	0	34	15,033	12	0	0	59,100
Oct.	106	2,205,150	74	2,190,120	0	0	32	15,030	12	0	0	59,100
Nov.	105	2,217,658	74	2,202,720	0	0	31	14,938	12	0	0	59,100
Dec.	104	2,224,792	74	2,212,720	0	0	30	12,072	12	0	0	59,100

* 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.