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I. Characteristics of Taipei Exchange (GreTai Securities Market)

1. The Promoter of Economic Vitality and the Cradle for Innovative Enterprises

The Taipei Exchange (TPEX) has always been “the promoter of economic vitality and the cradle for innovative enterprises,” and has been actively encouraging innovative enterprises and emerging industries to list on TPEX. Some of Taiwan’s promising industries fostered by the TPEX, such as IC design, LCD backlight, cultural and creative industries, biotechnology / medical care and NB battery, have enjoyed tremendous growth and brilliant performance.

(1) Providing a full-fledged market structure

The TPEX, founded in 1994, is an exchange in Taiwan and a member of the World Federation of Exchanges. In order to strengthen the market function, expand the market scale, and develop a multi-function securities market of diverse products, TPEX has not only provided the Mainboard, but in 2002 launched the Emerging Stock Board (ESB) which is a safe, convenient and legal market for trading unlisted stocks. With the choice of the two boards, companies of all types and sizes are able to access the capital they need to develop their business, and Taiwan’s capital market also becomes more complete.

TPEX currently have two stock markets, the Mainboard and the ESB. The criteria for registering on the ESB are less strict than those for IPO application. The aim of the ESB is to nurture innovative enterprises and companies with good potential. Registering on the ESB helps companies become familiar with laws and related regulations of the security markets, raise their profile, and acquire funds from the capital market to accelerate their growth before applying for IPO. TPEX also started Go Incubation Board for startup and Acceleration Firms (GISA) in January, 2014 to help small-sized non-public companies develop. As of December 31, 2017, there were 80 companies registered on the GISA.

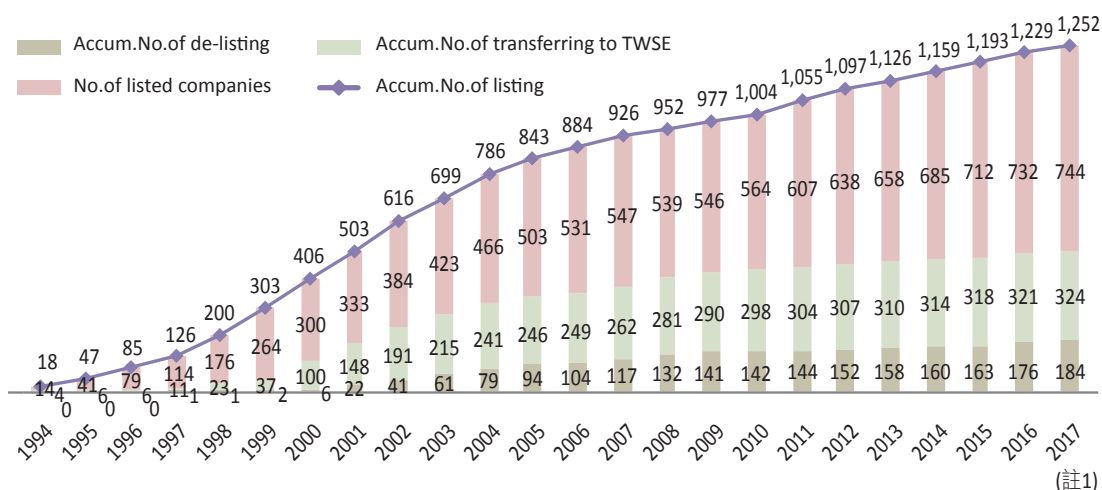
Since its establishment, TPEX has successfully assisted 2,131 companies with access to capital markets. Among them, 1,252 companies listed IPO on the Mainboard and 1,566 companies have (had) been registered on the ESB. As of December 31, 2017, excluding the former Mainboard-listed companies which had transferred to the TWSE, there were 744 companies listed on the Mainboard; excluding the former ESB-registered companies which list on the Mainboard of TPEX or TWSE now, there were 274 companies registered on the ESB. TPEX will keep providing dedicated services to welcome and support enterprises with good potential all over the world.

(2) Providing a diversified platform for fundraising

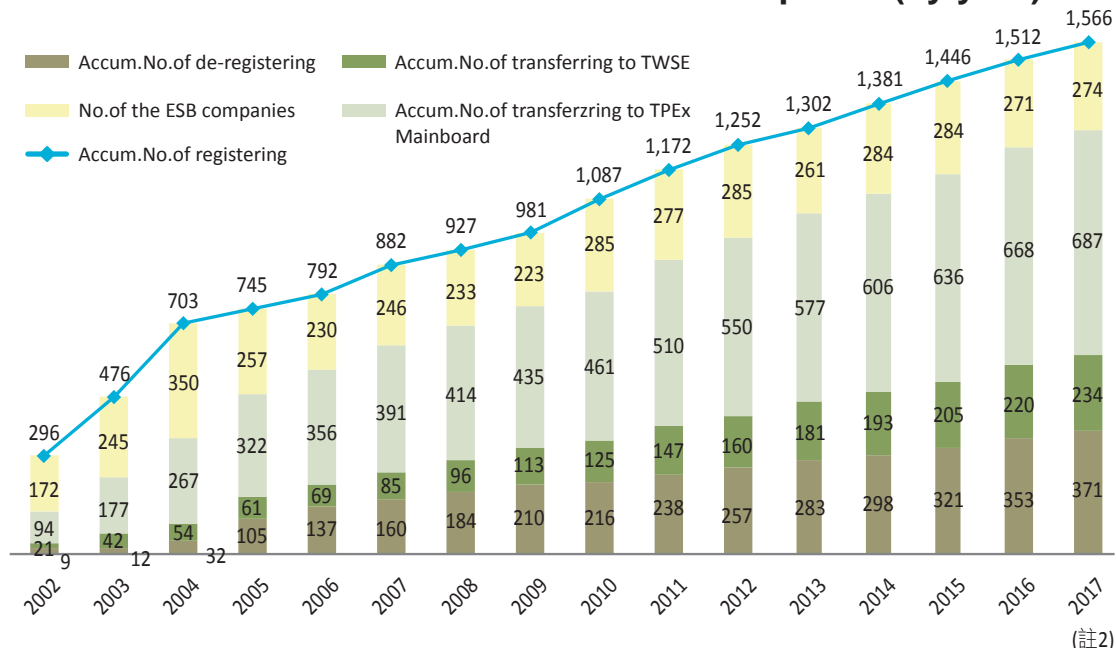
The Taipei Exchange (TPEX) was voted full member of the World Federation of Exchanges (WFE) in 2011. It suggests that TPEX’s efforts in market development are gaining recognition from international organizations, and as a result, In the future, there will be more excellent companies willing to list on the TPEX. The TPEX will also participate in more WFE activities and actively promote Taiwan’s capital market in order to boost the overall visibility and internationalization of Taiwan’s market. Moreover, TPEX provides not only the Mainboard and the ESB for stock trading, but also bond markets for various kinds of bond.

I. Characteristics of Taipei Exchange (GreTai Securities Market)

Accumulative Numbers of Mainboard-Listed Companies(by year)



Accumulative Numbers of the ESB Companies(by year)



Note 1: 33 foreign issuers inclusive

Note 2: 9 foreign issuers inclusive

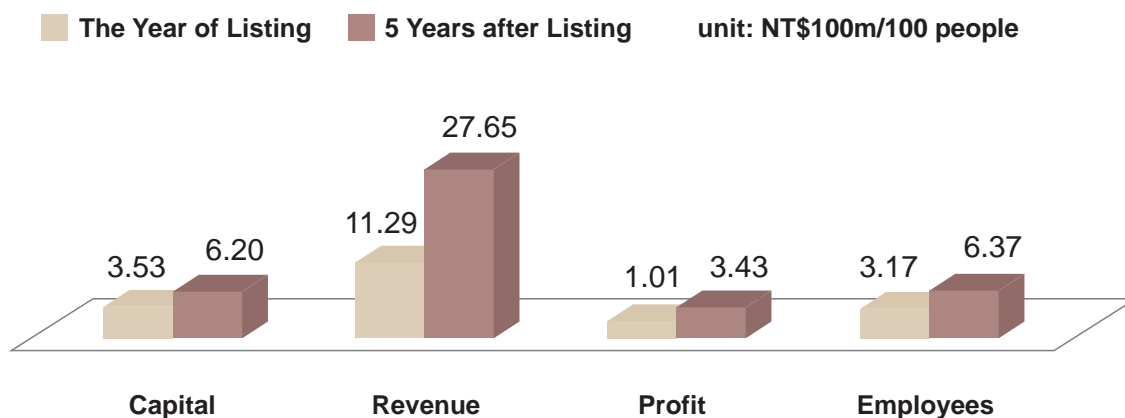
Source: TPEx

I. Characteristics of Taipei Exchange (GreTai Securities Market)

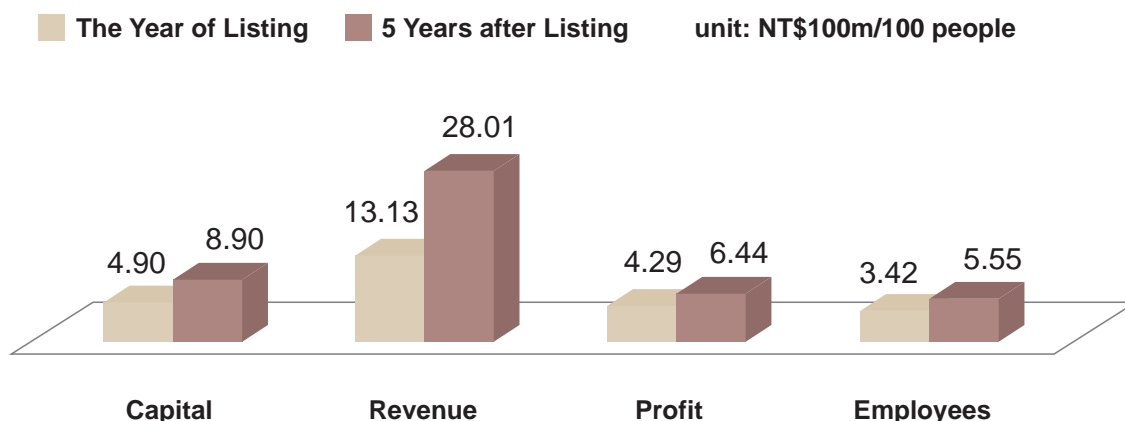
(3) The Growth of Innovative Enterprises

To achieve a variety of industry sectors in security market, TPEx continues to foster and encourage innovative enterprises to list on TPEx and has had remarkable records. Some companies specializing in the biotechnology / medical care, cultural and creative industry have made impressive progress since listing.

Biotechnology / Medical Care Industries (Note)



Cultural and Creative Industries (Note)



Source: TPEx

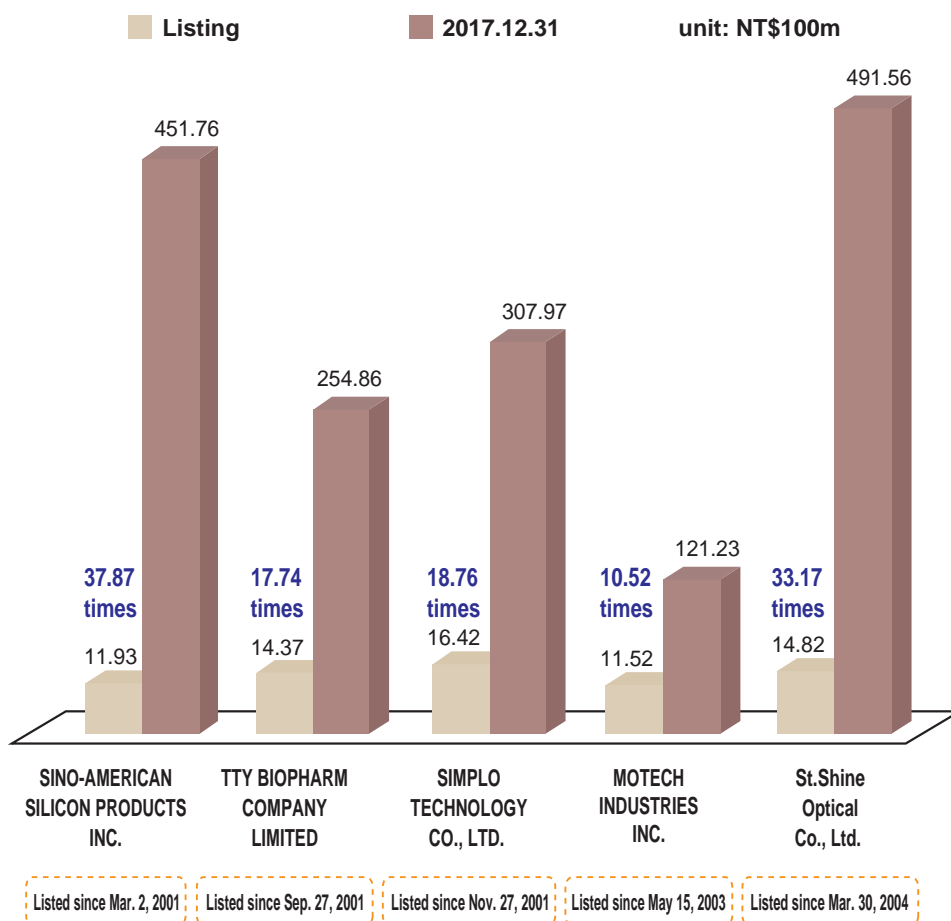
Note: The calculation is based on the average of three companies in its industries.

I. Characteristics of Taipei Exchange (GreTai Securities Market)

(4) Cases of Enterprises Growth

To assist enterprises in sound and rapid development, TPEx helps them raise funds for growth and promotes corporate governance to strengthen their quality. For example, companies such as SINO-AMERICAN SILICON PRODUCTS INC. (5483), TTY BIOPHARM COMPANY LIMITED (4105), SIMPLO TECHNOLOGY CO., LTD. (6121), MOTECH INDUSTRIES INC. (6244), and St.Shine Optical Co., Ltd. (1565) have had excellent performance of market value growth, which are 10.52-37.87 times growth from listing to now.

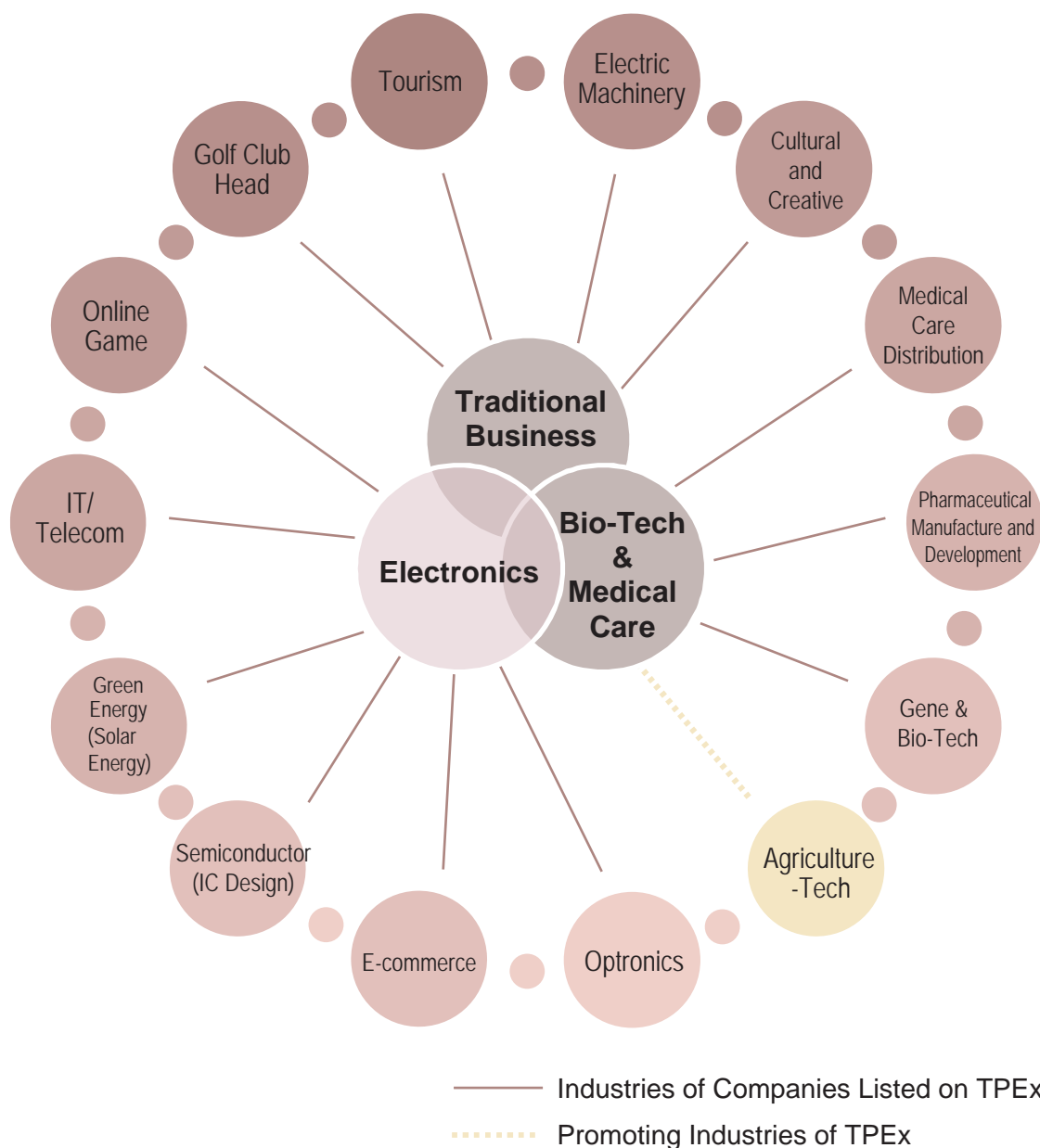
Trend of Market Value Growing



Source: TPEx

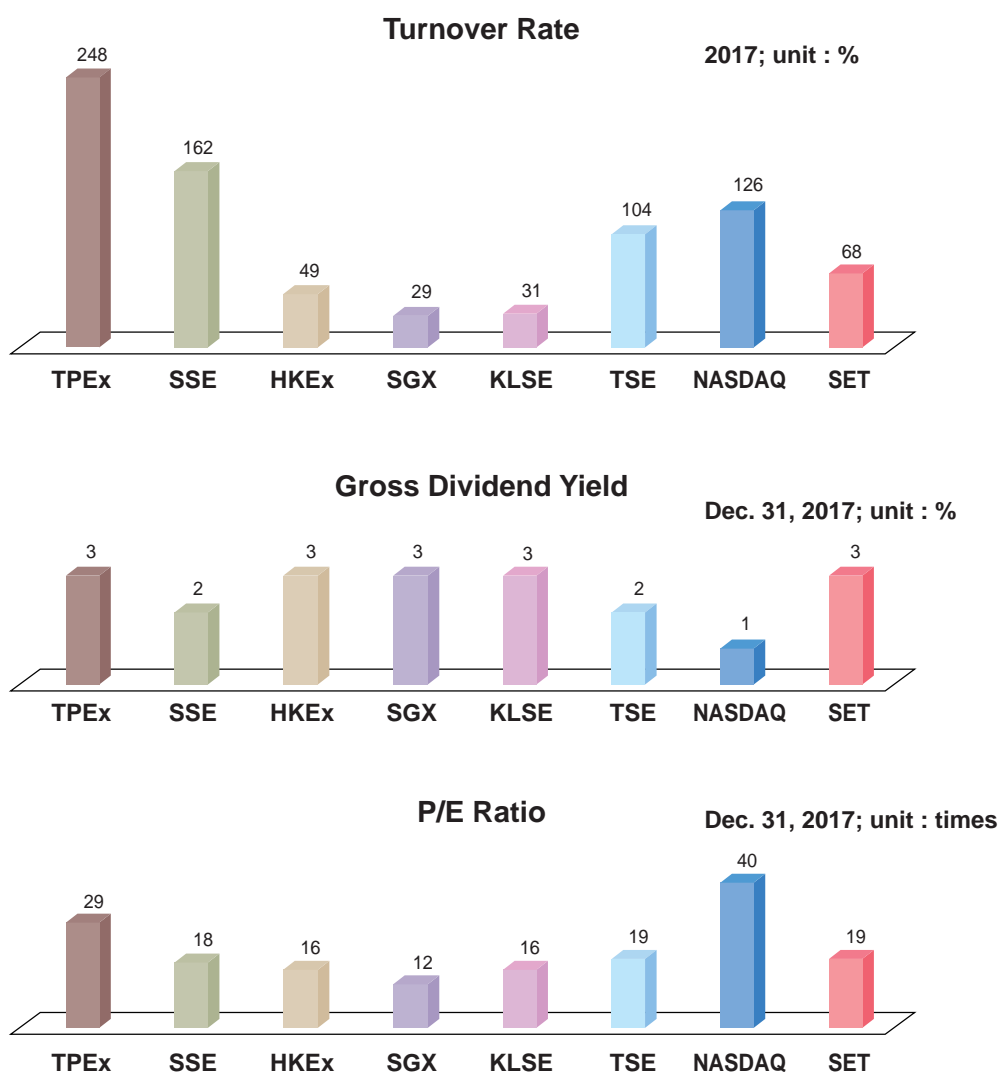
I. Characteristics of Taipei Exchange (GreTai Securities Market)

2. Diverse industries with complete industry chain



I. Characteristics of Taipei Exchange (GreTai Securities Market)

3. Taiwan TPEX – The Best Choice for Enterprises to Develop



Source: Bloomberg/TPEX

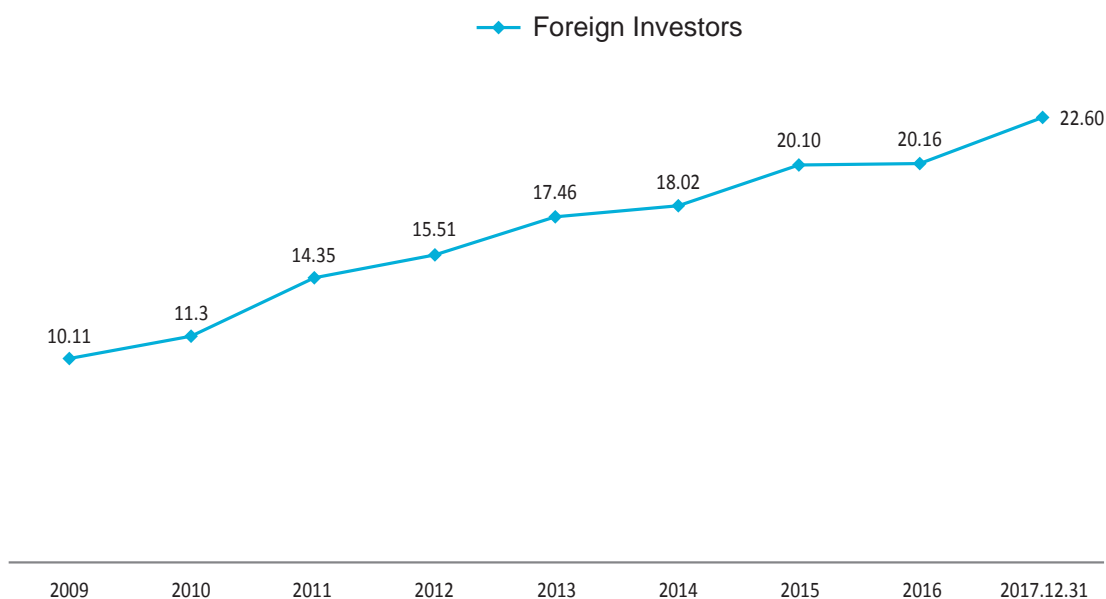
Compared with other markets shown above, TPEX had great performance in terms of turnover rate, gross dividend yield, and P/E ratio, indicating a high degree of investor participation. Moreover, TPEX, as a robust secondary market with abundant capital, provides enterprises an ideal platform for fundraising after IPO.

I. Characteristics of Taipei Exchange (GreTai Securities Market)

4. Increasing Foreign Investment in TPEX

With great performance in terms of turnover rate, gross dividend yield, and P/E ratio, and the characteristics of good corporate governance and transparent disclosure of information, TPEX attracts foreign investment continuously. As of December 31, 2017, foreign investors held about 22.60% of market value.

Market Value held by Foreign Investors (%)



Source: FSC

I. *Characteristics of Taipei Exchange (GreTai Securities Market)*

5. Main Functions of the ESB

To assist issuers to be familiar with related laws and regulations of the security market.

To provide opportunities to raise issuer's profile.

To improve the transparency of issuer's financial and operational information.

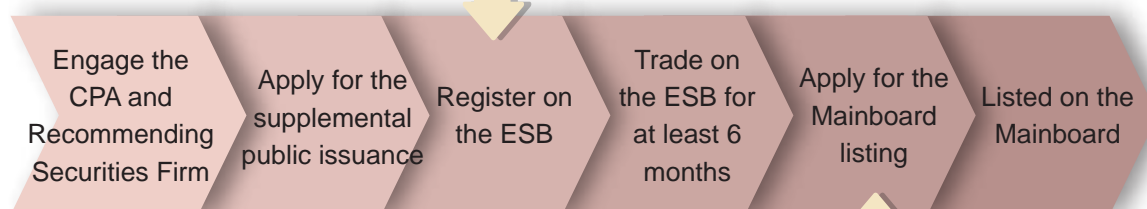
To provide liquidity and price discovery mechanism of stocks before listing on the Mainboard.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

Foreign company may choose either one of the following step to apply for Mainboard Listing: (1) to have its stocks being traded on the ESB for at least 6 months; or (2) to have the Lead Recommending Securities Firm having conducted listing advisory for at least 6 months.

1. To have its stocks being traded on the ESB for at least 6 months

Please refer to chapter 2, section 1 for the criteria.



2. To have the Lead Recommending Securities Firm having conducted listing advisory for at least 6 months

Please refer to chapter 2, section 3 for the criteria.



Note: The “supplemental public issuance” is stipulated by the Securities and Exchange Act and the Regulations Governing the Offering and Issuance of Securities by Foreign Issuers. Application should be sent to TPEx from November 1, 2014.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

1. The Emerging Stock Board Registration

(1) Application Requirements

Required advisory period	<ul style="list-style-type: none"> The lead Recommending Securities Firm (RSF) shall have submitted the “Financial or Operational Material Event Checklist” of the registrant for the most recent 1 month.
Entity	<ul style="list-style-type: none"> (i) The registrant shall be a company limited by shares and registered under foreign laws, and does and has not violated provisions of the Act Governing Relations Between the Peoples of the Taiwan Area and the Mainland Area (note). However, if 30% or more of the registrant’s shares are directly or indirectly held by or the registrant is controlled by citizens, juridical persons, groups or other organizations of Mainland Area, approval from the governing authority is required. Moreover, the company shall also apply for the supplemental public issuance in accordance with the Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers. (note) The provisions include that: <ul style="list-style-type: none"> (a) The company shall not be incorporated and registered in accordance to the laws or regulations of the Mainland Area. (b) As the company, directors, supervisors, executives and greater-than-10-percent shareholders of the company who hold ROC nationality and the main operating entity controlled by the foreign issuer and incorporated according to laws of the ROC invest in the Mainland Area, they shall follow the “Act Governing Relations Between the Peoples of the Taiwan Area and the Mainland Area” and “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”. (c) If the shareholders of the registrant meet the definition of “investor” in the Regulations Governing Permission for People from the Mainland Area, their direct or indirect shareholding of the registrant shall not exceed 30% of its shares and they shall not have control over the registrant. (ii) Its registered stocks are not listed or traded on any foreign security market.

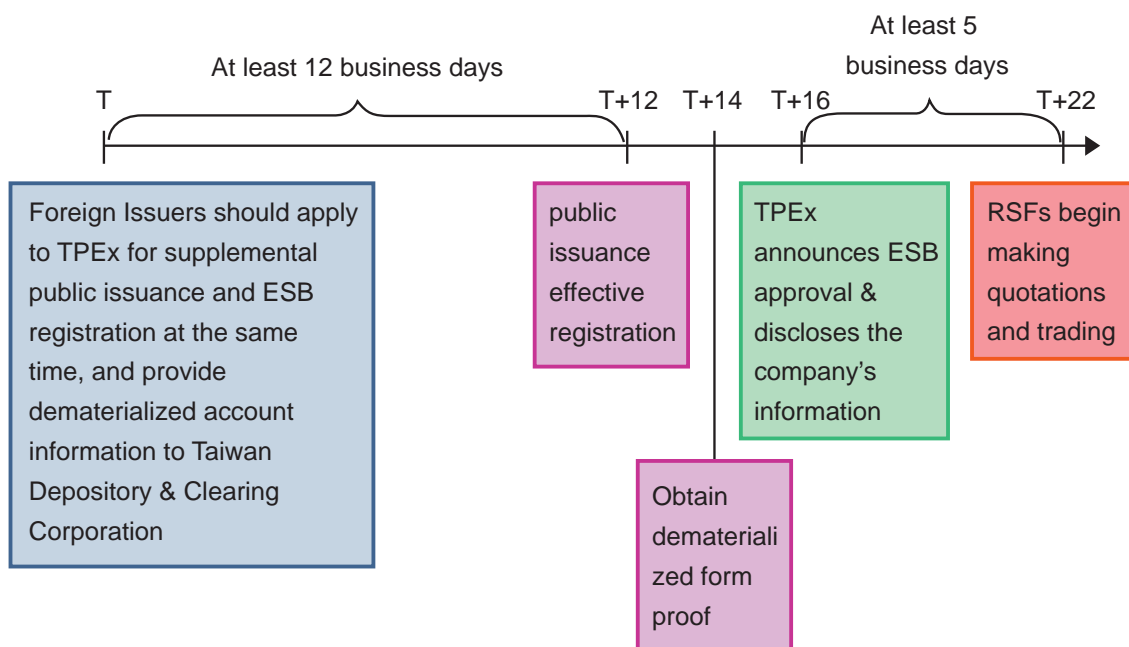
II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

Recommending Securities Firms	<ul style="list-style-type: none"> The registrant shall have received written recommendations by 2 or more RSFs, one of which is designated as the lead RSF, and the other(s) as co-RSF(s)
Underwriting Rules	<ul style="list-style-type: none"> At least 3% of the total number of shares issued, and at least 500,000 shares in any case, shall be subscribed in aggregate by the RSFs for their own accounts.
Shareholder services provider	<ul style="list-style-type: none"> The registrant shall appoint a professional shareholder services agent to handle shareholder services
Agent for litigious and non-litigious matters	<ul style="list-style-type: none"> The registrant shall appoint at least one litigious and non-litigious agent with domicile or residence within the territory of the ROC. The agent shall serve as the registrant's responsible person under the Securities and Exchange Act in the ROC.
Stocks in dematerialized form	<ul style="list-style-type: none"> The stocks and bonds offered and issued (including private placements) shall be in dematerialized form; provided, this restriction shall not apply if the laws or regulations of the country of its registration stipulate otherwise.
Commitments	<ul style="list-style-type: none"> Important matters regarding the protection of shareholder which prescribed by the TPEx's "Checklist for Protecting Shareholders of Foreign Issuers" shall be specified in the company's articles of incorporation or organizational documents.
Compensation committee	<ul style="list-style-type: none"> The registrant shall have a compensation committee in place.

Note: Please see the "Taipei Exchange Rules Governing the Review of Emerging Stocks for Trading on the TPEx" for more details.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

(2) Registration Procedures



2. The Lead RSF Files the Advisory Progress

If foreign issuer adopts this way other than registration on the ESB to apply for the Mainboard listing, the lead RSF shall file the advisory progress and submit the “Advisory Progress Checklist of the Mainboard listing” to TPEX every month via the internet. Besides, three months before applying for the Mainboard listing, the lead RSF shall submit the “Financial or Operational Material Event Checklist” instead of the “Advisory Progress Checklist of the Mainboard listing”. After submitting the “Advisory Progress Checklist of the Mainboard listing” or the “Financial or Operational Material Event Checklist” on a monthly basis for 6 months, the foreign issuer could apply for the Mainboard listing after the 6 months.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

3. The Mainboard Listing

(1) Listing Requirements for the Mainboard

Required advisory / trading period	<ul style="list-style-type: none"> The issuer's lead RSF shall have filed the advisory progress for more than 6 months or the issuer's stock shall have been traded on the ESB for more than 6 months, and the RSF has submitted the "Financial or Operational Material Event Checklist" every month to TPEx since 3 months before applying for listing.
Entity	<p>(i) The registrant shall be a company limited by shares and registered under foreign laws, and does and has not violated provisions of the Act Governing Relations Between the Peoples of the Taiwan Area and the Mainland Area (note). However, if 30% or more of the registrant's shares are directly or indirectly held by or the registrant is controlled by citizens, juridical persons, groups or other organizations of Mainland Area, approval from the governing authority is required. Moreover, the company shall also apply for the supplemental public issuance in accordance with the Regulations Governing the Offering and Issuance of Securities by Foreign Securities Issuers.</p> <p>(note) The provisions include that:</p> <p>(a) The company shall not be incorporated and registered in accordance to the laws or regulations of the Mainland Area.</p> <p>(b) As the company, directors, supervisors, executives and greater-than-10-percent shareholders of the company who hold ROC nationality and the main operating entity controlled by the foreign issuer and incorporated according to laws of the ROC invest in the Mainland Area, they shall follow the "Act Governing Relations Between the Peoples of the Taiwan Area and the Mainland Area" and "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China".</p> <p>(c) If the shareholders of the registrant meet the definition of "investor" in the Regulations Governing Permission for People from the Mainland Area, their direct or indirect shareholding of the registrant shall not exceed 30% of its total shares and they shall not have control over the registrant.</p> <p>(ii) Its registered stocks are not listed or traded on any foreign security market.</p>
Duration of Corporate Existence (Note 1)	<ul style="list-style-type: none"> The issuer shall have been incorporated and registered in accordance with foreign laws for at least 2 completed fiscal years.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

Company Size	<ul style="list-style-type: none"> Net worth (Note 2) audited or reviewed by a CPA for the most recent period is equivalent to at least NT\$100 million. 	
Financial requirements (Meets one of the criteria) (Note 1)	Profitability	<p>The ratio of income before tax (note 2) to shareholders' equity (note 2) shall meet one of the following requirements, and the income before tax of the most recent year shall not be less than NT\$4 million:</p> <ul style="list-style-type: none"> (i) Most recent fiscal year: the ratio shall be more than 4%, and there shall be no accumulated deficit. (ii) The last 2 fiscal years: the ratio shall be more than 3% in each year; or an average of 3% in the 2 years and the ratio of the most recent year is better.
	Net worth, operating revenue and cash flows from operating activities	<p>Shall meet each of the following requirements:</p> <ul style="list-style-type: none"> (i) Net worth (Note 2) for the most recent period shall be not less than NT\$600 million and two-third of the share capital. (ii) Operating revenue from main business for the most recent fiscal year shall be not less than NT\$ 2 billion and greater than that for the immediately preceding fiscal year. (iii) Cash flows in the most recent fiscal year shows a positive net cash flow from operating activities.
Recommending Securities Firms	<ul style="list-style-type: none"> The registrant shall have received written recommendations by 2 or more Recommending Securities Firms (RSFs), one of which is designated as the lead RSF, and the other(s) as co-RSF(s). 	
Lockup of the shares	<ul style="list-style-type: none"> The directors, supervisors, and the shareholders holding 10% or more of the issued shares of the registrant shall deposit all their shareholdings in central custody. One half of those shares deposited in central custody may be withdrawn after the lapse of six-month period starting the listing date thereof; the remaining shares may be withdrawn after the lapse of a one-year period starting the listing date thereof (otherwise stipulated for the Technology-Based Enterprises, Cultural and Creative Enterprises, and enterprises adopting financial requirements of "Net worth, operating revenue and cash flows from operating activities"). 	

Note 1: The Technology-Based Enterprises or Cultural and Creative Enterprises may be exempted from these requirements. If it is a Technology-Based Enterprise, its net worth shall not be less than two-thirds of the share capital shown in the latest CPA-audited and attested or reviewed financial report.

Note 2: amount attributable to owner of parent company

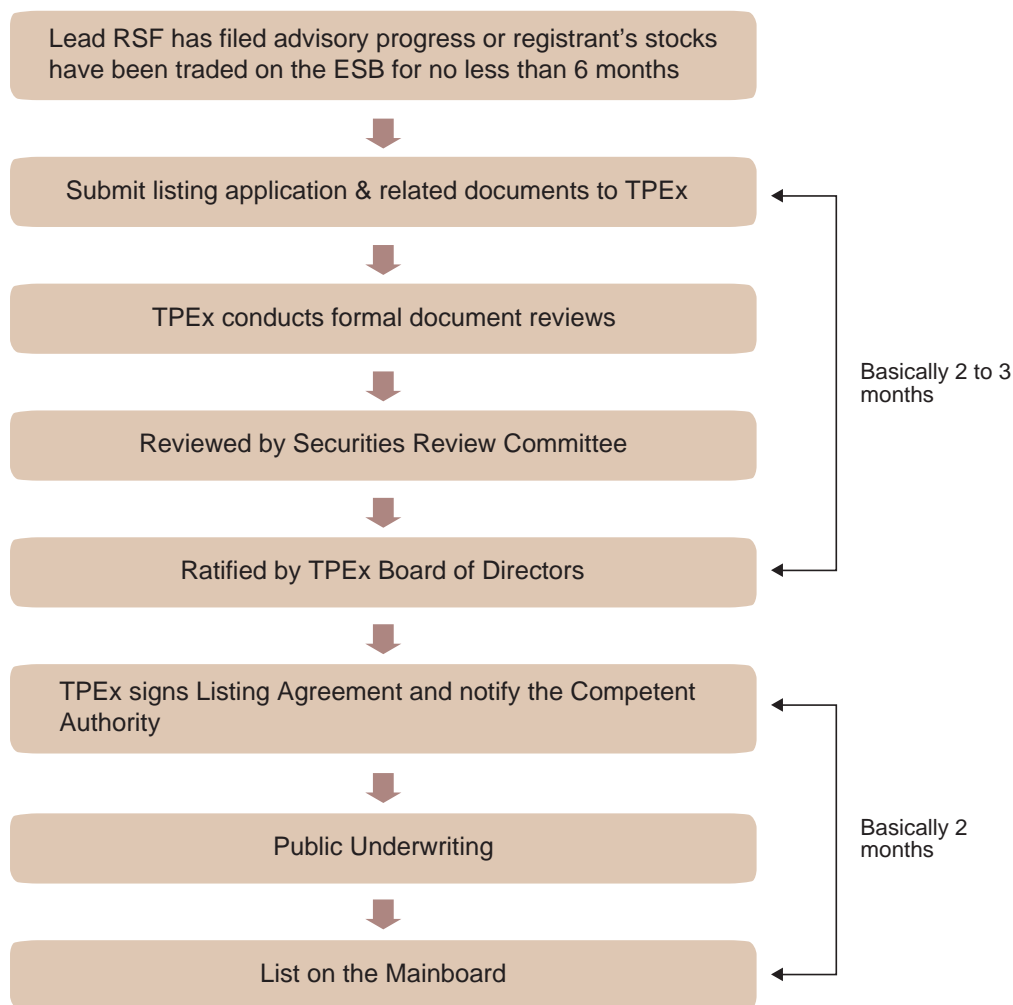
II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

Dispersion of shareholdings	<ul style="list-style-type: none"> Excluding company insiders and any juristic persons in which such insiders hold more than 50% of the shares, the number of registered shareholders shall be at least 300, and the total number of shares they hold shall be 20% or greater of the total issued shares, or at least 10 million. (This requirement could be met after the pre-listing capital infusion.)
Shareholder services provider	<ul style="list-style-type: none"> The registrant shall engage a professional shareholder services agent in the ROC to handle shareholder services matters.
Agent for litigious and non-litigious matters	<ul style="list-style-type: none"> The registrant shall have designated at least a litigious and non-litigious agent with domicile or residence within the territory of the ROC. The agent shall serve as the registrant's responsible person under the Securities and Exchange Act in the ROC.
Stocks in dematerialized form	<ul style="list-style-type: none"> The stocks and bonds offered and issued (including private placements) shall be in dematerialized form. However, this requirement does not apply if the laws or regulations of its country of registration stipulate otherwise.
Commitments	<ul style="list-style-type: none"> Important matters regarding protection of shareholders which prescribed by the TPEX's "Checklist for Protecting Shareholders of Foreign Issuers" shall be specified in the company's articles of incorporation or organizational documents. The issuer shall continuously engage a lead RSF from the date of listing to the end of the 2 subsequent fiscal years (for the Technology-based Enterprises, Cultural and Creative Enterprises, and enterprises adopting financial requirements of Net worth, operating revenue and cash flows from operating activities: 3 subsequent fiscal years) to assist it in compliance with ROC securities laws and related regulations.
Functional committee	<ul style="list-style-type: none"> The registrant shall have a compensation committee in place. An audit committee shall be established in place of supervisors if the total equity attributable to owners of the parent company for the most recent period as audited and attested by CPAs is not less than NT\$600 million at the time of application.
Director	<ul style="list-style-type: none"> The registrant shall have at least one independent director who is domiciled in the ROC. The issuer shall take out directors liability insurance.
Articles of Incorporation	<ul style="list-style-type: none"> The registrant shall include electronic means to exercise shareholder's voting rights in its articles of incorporation.

Note: Please see the "Taipei Exchange Rules Governing the Review of Foreign Securities for Trading on the TPEX" for more details.

II. Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing – for Foreign Issuers

(2) Listing Procedures for the Mainboard



For more details, please refer to TPEx's website:

http://www.tpex.org.tw/web/link/foreign_ipo.php?l=en-us

Contact: Yuanyao Lin +886-2-2366-6128 yuanyao@tpex.org.tw

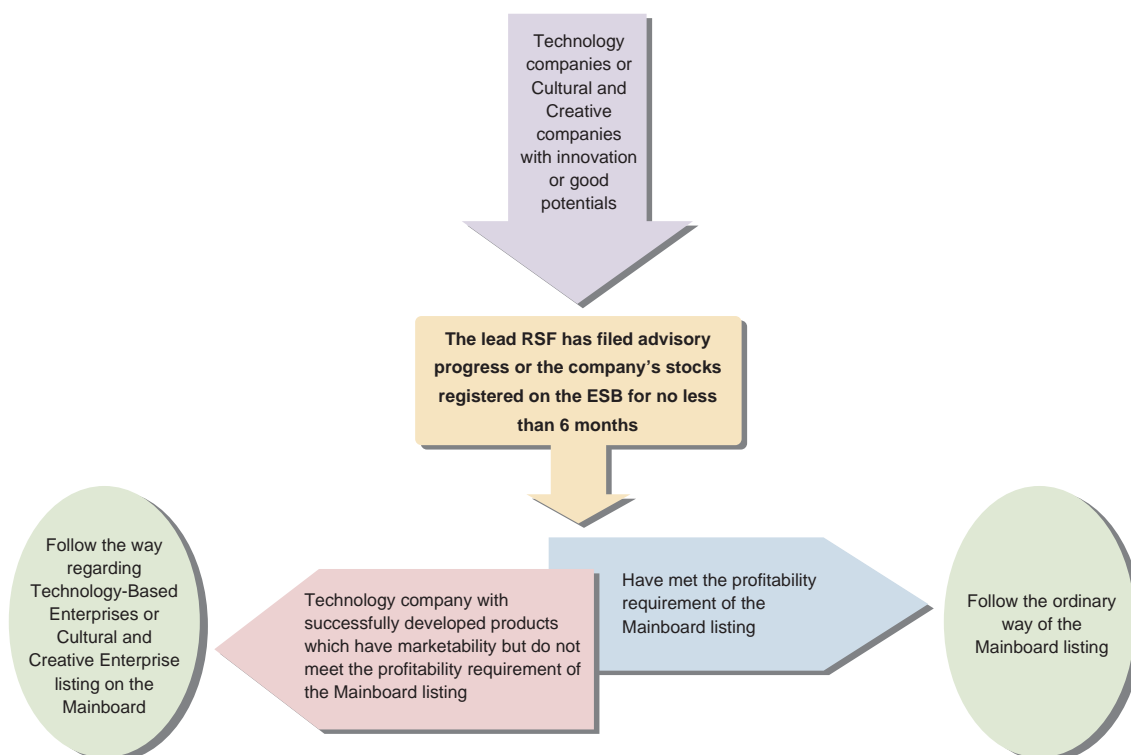
Alice Chen +886-2-2366-6136 alicepchen@tpex.org.tw

III. *TPEX: A Fund-raising Platform for Technology and Innovative Firms*

1. How Can the Technology-Based Enterprise or Cultural and Creative Enterprise Enter Taiwan's Capital Market?

If the foreign issuer obtains a clear written assessment and opinion issued by Ministry of Economic Affairs, the Council of Agriculture, Executive Yuan, or the TPEX-designated professional institution for the target industry to the effect that such issuer is a technology-based enterprise or cultural and creative enterprise and that its products or technology have marketability, shall not be subject to the restriction of duration of corporate existence and financial requirements.

For companies meeting the requirements of Profitability and Duration of Corporate Existence, they may apply for listing in accordance with the ordinary listing rules and procedures.



III. *TPEx: A Fund-raising Platform for Technology and Innovative Firms*

2. Requirements and Procedures of the ESB Registration and the Mainboard Listing

For requirements and procedures of the ESB registration and the Mainboard listing, please refer to the section “II Requirements and Procedures for the Emerging Stock Board Registration and the Mainboard Listing- for Foreign Issuers”. Moreover, for foreign issuer qualified as a “Technology-Based Enterprise” or a “Cultural and Creative Enterprise”, applying for Mainboard-listing is not subject to the limitation of duration of corporate existence and financial requirements. Besides, following requirements are different from the ordinary application requirements:

1. The foreign Technology-Based Enterprise shall, in the year of listing and the three subsequent fiscal years, continuously engage the lead recommending security firm to assist it in compliance with ROC securities acts and regulations.
2. The foreign Technology-Based Enterprise’s directors, supervisors, general managers, R&D managers, shareholders holding 5 percent or more of the total number of shares, and shareholders who have provided patent rights or technical know-how as capital contribution and hold a position in the company and moreover hold 0.5 percent or more of the total issued shares or 100,000 or more shares of the company at the time of application for TPEx listing, shall carry out the placement of their shares in centralized custody.
3. The foreign Cultural and Creative Enterprise’s directors, supervisors, shareholders holding 5 percent or more of the total number of shares, and shareholders who have provided patent rights or technical know-how as capital contribution and hold a position in the company and moreover hold 0.5 percent or more of the total issued shares or 100,000 or more shares of the company at the time of application for TPEx listing, shall carry out the placement of their shares in centralized custody.

III. *TPEx: A Fund-raising Platform for Technology and Innovative Firms*

3. Requirements and Procedures for Technology-Based Enterprise or Cultural and Creative Enterprise Listing on the Mainboard

1. The foreign issuer shall apply to the TPEx for an assessment opinion about the recognition of being a “Technology-Based Enterprise” or a “Cultural and Creative Enterprise”, which will certify the company is technology-based and its products or technologies are successfully developed and marketable.
2. The issuer shall submit the application with documents required by the Ministry of Economic Affairs (MOEA) or the Council of Agriculture, Executive Yuan (COA), and forward the copies to the MOEA or COA.

Upon TPEx receiving the documents, TPEx requests an opinion from the MOEA or COA.

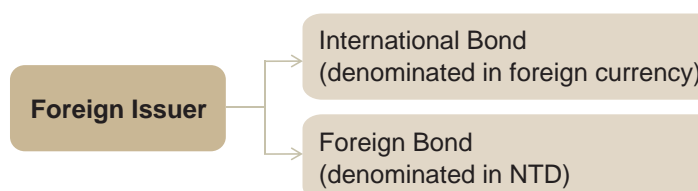
After reviewing by the MOEA or COA, the assessment opinion will be replied by letter to TPEx.

TPEx issues the opinion to the applicant company.

The foreign issuer who has been certified as a “Technology-Based Enterprise” or a “Cultural and Creative Enterprise” shall apply for the Mainboard-listing within 1 year from the issuance date of the MOEA or COA letter of assessment opinion. Where this time limit is exceeded, reapplication to the TPEx will be required.

IV. Bond Listing Procedures – for Foreign Issuers

1. Introduction to Bond Issuance for Foreign Issuer



2. Listing Requirements for TPEX Listed Bond

Types of Bonds	Listing Requirements
International Bond (denominated in foreign currency)	<ol style="list-style-type: none">1. Straight bond<ol style="list-style-type: none">(1) Bonds exempt from the listing requirements of the competent authority, must be an international organization, or have a credit rating of AAA or a rating better than the sovereign rating of the Taiwanese government.(2) TPEX (or TWSE) primary listed companies.(3) TPEX (or TWSE) secondary listed companies whose stocks must be already listed for trading on an approved overseas securities market.(4) Branches of the foreign financial institutions, or affiliated to other companies.(5) The Foreign Government, Supranational entity, Foreign company or its subsidiary, the Foreign Financial Institution or a branch or subsidiary who meets the qualifying requirements of the TPEX.(6) For Mainland Chinese issuers who meet the conditions made by TPEX. (only for Formosa bonds sold to professional investors)2. Convertible bond or Warrant bond<ol style="list-style-type: none">(1) The issuer's stock or TDR is listed on TPEX or TWSE.(2) Issuer's bond registration with the competent authority takes effect.
Foreign Bond (denominated in NTD)	<ol style="list-style-type: none">1. Straight corporate bond<ol style="list-style-type: none">(1) Obtain letter of permission issued by TPEX in advance.(2) Issuer's bond registration with the competent authority takes effect.2. Convertible bond or Warrant bond<ol style="list-style-type: none">(1) The issuer's stock or TDR is listed on TPEX or TWSE.(2) Obtain letter of permission issued by TPEX in advance.(3) Issuer's bond registration with the competent authority takes effect.

IV. Bond Listing Procedures – for Foreign Issuers

3. TPEX Provides the Most Professional and Friendly Bond Listing Service

Easy and fast listing	<ul style="list-style-type: none">• One stop window service• Listing within 3-5 workdays• 2 ways of submitting applications for listing: hard copy and online
User-friendly information disclosure	<ul style="list-style-type: none">• A specialized and consolidated bond market information website• Issuers disclose related information through the MOPS system in accordance with the equity market• TPEX provides a succinct to-do list for issuers to follow up before and after listing
A wide range of advisory services for issuers	<ul style="list-style-type: none">• Holding conferences around Taiwan to promote bond market operating guidelines in the second quarter of every year• Training courses on fund raising through corporate bond market conducted periodically• Advisory service for potential customers across a full array of diverse debt products
Contact information	<ul style="list-style-type: none">• Dent Tseng: +886-2-2366-8087• Tinna Chen: +886-2-2366-6040• Ivana Chen: +886-2-2366-8042• Mandy Lee: +886-2-2366-8032

V. Reminders for Foreign Issuers to Make Early Preparations and Plans

Foreign issuers need a comparatively longer time to prepare for the following. Plan accordingly and make necessary adjustments as soon as possible:

1. Source a suitable candidate to assume the responsibilities of litigious and non-litigious representative

According to regulations, foreign issuers must designate at least one litigious and nonlitigious representative with residence or domicile in Taiwan. Since the legal status of the litigious and non-litigious representative is considered to be the responsible person under the Securities Exchange Act within the R.O.C., they should not violate the negative qualification conditions as listed in Article 30 of the Company Act. Additionally, the foreign issuer must find a suitable candidate that understands the financial affairs and operations of the company, and has at least 5 years of business, legal, financial, or corporate work experience, in order to facilitate effective delivery of related documents and notification of coordinated transaction matters between the securities exchange and foreign issuers, adherence to the Securities Exchange Act of the R.O.C., matters pertaining to the TPEX's regulations and announcement, foreign issuer's primary TPEX listing contract, and other matters. Additionally, In order to ensure the litigious and non-litigious representatives are not over-burdened by these responsibilities, the number of concurrent posts as litigious and non-litigious representative at other publicly listed or emerging companies should not exceed three.

2. Source suitable candidates to assume the responsibilities of spokesperson and deputy spokesperson

In order to increase the validity and timeliness of issuer's disclosures, and to establish clear communication channels between foreign issuers and investors, care should be taken to find and designate an appropriate candidate who has a comprehensive understanding of the company's finances and operations to serve as spokesperson. It is also recommended that the spokesperson and deputy spokesperson be well-versed in Chinese.

3. Make appropriate manpower adjustments in the finance and accounting departments as needed for the issuance of quarterly financial reports each year.

Primary-listed companies must regularly file quarterly financial reports and make necessary disclosures (e.g. related party transactions, fund lending, endorsements and guarantees, acquisition or disposal of assets, etc.). Besides, for Mainboard listed companies, the deadline for filing annual financial reports is within three months after the conclusion of the fiscal year; for the ESB registered companies, it is within four months after the conclusion of the fiscal year. Quarterly reports should be filed within 45 days after the end of each quarter. Foreign issuers should make appropriate adjustments in the finance and accounting departments so as to deal with the relevant reports.

V. Reminders for Foreign Issuers to Make Early Preparations and Plans

4. Apply for using the electronic document exchange system (recommended)

In order to establish smooth communication channels with foreign issuers, and for the effective and timely transmission of official documents, it is recommended that foreign issuers use the financial market electronic document exchange system. It should be considered at an early date, for foreign issuers are required to have an office in Taiwan in order to apply for electronic credentials. Therefore, proper planning should be implemented as soon as possible.

For information regarding the application of electronic credentials and using of the financial market electronic document exchange system, please refer to the following websites:

MOEACA website: <http://moeaca.nat.gov.tw/opencardlist.html>

Organization and Group Authentication IC Card (XCA) website: <http://xca.nat.gov.tw/>

Financial market electronic document exchange system website: <http://eweb.tse.com.tw/>

5. Ensure the following conditions are met to be eligible for margin trading

According to TPEX's regulation, listed companies may attain approval to engage in margin trading only when they fulfill the following conditions:

- Having been listed for trading on the TPEX for at least six months.
- Having been incorporated and registered for at least 3 years. If the issuer is an investment holding company or financial holding company, the time of incorporation may be calculated from the time of incorporation of its operating entity.
- Having maintained net worth per share of at least par value; or have no accumulated losses in the latest financial year if it is a primary TPEX listed company whose shares have no par value or a par value other than NT\$10 per share.
- Having accumulated paid-up capital of NT\$300 million or more; or having net worth of NT\$600 million or more if it is a primary TPEX listed company whose shares have no par value or a par value other than NT\$10 per share.
- Having had no accumulated losses, and had operating profit and net income before tax totaling 3% or more of paid-up capital on a standalone or consolidated basis, in the latest financial year; or, if it is a primary TPEX listed company whose shares have no par value or a par value other than NT\$10 per share, had operating profit and net income before tax totaling 3% or more of shareholders' equity on a standalone or consolidated basis.
- do not have excessive ownership concentration, high stock price volatility and abnormal excessive trading volume

Foreign issuers are encouraged to implement plans early, so as to successfully meet requirements for margin trading.

VI. *TPEX's Dedicated Service*

Help companies with potential to enter TPEX capital market, and help them to stay competitive

Invite superior listed companies to participate in domestic and overseas forum or roadshow.

Promote corporate governance to strengthen the structure of listed companies.

Build Industrial Value Chain Information Platform to help investors get familiar with listed companies.

(note) Website of Industrial Value Chain Information Platform:

<http://ic.tpex.org.tw/>

Best Choice for Promising Companies- Taipei Exchange

Our strategies

Cultivation in Taiwan
Connection to Asia
Expansion to the world

Our Two Visions

Expanded Capital Access
Solid Investment Venue

We provide trading platforms and services for-

- ▶ Mainboard Stock ▶ ESB Stock
- ▶ Bonds ▶ Derivatives
- ▶ Gold Trading Platform
- ▶ Listed Open-Ended Fund Platform



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