



證券櫃檯買賣中心  
Taipei Exchange

# 2024 ANNUAL REPORT



# 2024 Taipei Exchange Annual Report



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Looking back at 2024, geopolitical risk has intensified as the Russo-Ukrainian War continues and the Middle East remains in turmoil. However, the demand for electronic products bounced back while the demand for emerging technology applications such as high-performance computing and artificial intelligence (AI) grew, and has driven existing investment advantages. Taiwan's overall economy improved in 2024 with an annual economic growth rate of 4.30%, showing the resilience of domestic enterprises. TPEX also achieved excellent performance in the past year.

In the stock market, 39 companies applied for listing on the TPEX Mainboard and 92 companies applied for registering on the Emerging Stock Board (ESB) in 2024, setting a new record in recent years. At the end of the year, there were 838 companies listed on the TPEX Mainboard with a total market capitalization reaching NT\$6.54 trillion and a cash dividend yield of 2.59%, showing the strong resilience of Mainboard companies. There were also 347 companies registered on the ESB. These numbers show that the active efforts of TPEX are helping more excellent companies with accessing the capital market. In terms of trading, the TPEX Index closed at 255.84 points at the end of 2024, up 9.33% compared with the end of 2023. The average daily trading value of securities in 2024 was NT\$112.275 billion, of which the average daily trading value of TPEX Mainboard stocks was NT\$96.084 billion and trading by foreign investors accounted for 22.74% of all trading in the market, both of which were record highs.

In terms of the bond market, the issuance of sustainable bonds in 2024 reached record highs, with 53 new bonds issued and the amount totaling NT\$149.185 billion. By the end of the year, there were 204 sustainable bonds in circulation, with a balance outstanding of NT\$600.587 billion. In addition, 90 bond ETFs were listed on the TPEX as of the end of 2024, with assets under management (AUM) of nearly NT\$3 trillion. A total of 20 bond ETFs listed on the TPEX applied for 63 follow-on offerings throughout the year, with the amount reaching a record high of NT\$1.3713 trillion. The number and AUM of bond ETFs ranked first among the main securities exchanges in the Asia-Pacific region and sixth in the world.

Looking ahead to 2025, there are still many uncertainties in the global economy, but the overall capital market remains resilient. TPEX formulated the following five strategies



to enhance the TPEX market's competitiveness under the competent authority's policy to develop Taiwan into Asian Asset Management Center.

In terms of "supporting medium, small, and micro enterprises to increase the value of the TPEX market's multi-tiered capital market," TPEX announced the implementation of the new Go Incubation Board for Startup and Acceleration Firms (GISA) Plus on January 9, 2025, providing more friendly measures to help innovative and start-up teams become listed on the GISA. At the same time, TPEX and Taiwan Stock Exchange (TWSE) jointly established the "Capital Market Service Group" to serve companies of all sizes and help them utilize resources of the capital market.

In terms of "expanding the sustainable bond market and assisting issuers with transitioning towards sustainability," TPEX will continue to assist central and local governments with issuing sustainable bonds, promote the concept of sustainable





investment and financing, and encourage financial institutions to issue and invest in sustainable bonds. At the same time, TPEX will continue to promote the issuance of sustainable convertible or exchangeable bonds, and assist issuers in sorting out qualified investment projects.

In terms of "leading companies to net zero and increasing corporate value," TPEX will continue to assist Mainboard companies with focusing on and realizing sustainable development issues, completing their GHG inventory in stages, and disclosing their assurance information and carbon reduction strategies in coordination with policies of the competent authority. In addition, TPEX will continue to encourage Mainboard companies to formulate plans to increase their corporate value, and disclose the plans in a dedicated section to increase information transparency and long-term corporate value.





In terms of "introducing international innovative products to enrich the depth and breadth of the TPEX market," TPEX announced on December 31, 2024 the implementation of the TPEX trading mechanisms for active ETFs and passive multi-asset ETFs, and continued to assist securities investment trust enterprises in issuing new products. At the same time, TPEX will continue to promote the "Gold Trading Platform" to provide investors with a convenient channel for buying and selling gold. In addition, TPEX continues to look into establishing a trading mechanism for securities firms to issue structured products and fund-structured REITs, in order to facilitate the diversification of products in Taiwan's capital market and become aligned with international standards.

In terms of "promoting digital transformation and improving market resilience and information security," TPEX will expand the use of robotic process automation (RPA) and big data, and continue to promote paperless information reporting by TPEX Mainboard companies and automation of the supervision process. In addition, TPEX enhanced the trading market network security protection mechanism in 2023 to 2025, and also offered an information security course for chief information security officers in 2024. TPEX will continue to offer information security courses for IT personnel in 2025.

TPEX will continue to utilize the multi-tiered stock market to support start-ups and medium, small, and micro enterprises to enter the capital market, while improving the sustainable bond market and guiding capital into public construction, social welfare, and sustainable transformation. TPEX hopes to drive innovation and internationalization of the TPEX market in coordination with the vision to develop Taiwan into "Asian Asset Management Center" through five major strategies, so that TPEX will become a comprehensive exchange.

Chairman

*Lih Chung Chien*

Managing Director & CEO

*Chen Li-Chang*



# I. Board of Directors and Supervisors

Taipei Exchange is a non-profit institution. The board of directors is the highest executive body of TPEX and is composed of 15 directors. In addition to the directors designated by donors, the nomination and selection of directors are mainly made by the competent authorities through the appointment of impartial personnel from experts and scholars. To form a diverse board of directors, the directors selected include not only experts and scholars with expertise in accounting, but also with expertise in various areas such as law, finance, information security, and economics. Among them, there are 4 female directors. TPEX has 5 supervisors who are also experts and scholars with expertise in finance and financial management.

The current (11th) term of directors and supervisors were appointed in August 2024 to a term of 3 years. Joint meetings of the boards of directors and supervisors are held once a month. Interim meetings may be called when necessary.



## Directors

Lih-Chung Chien

Rebecca Chen

Hsu-Chi Wang

Hsiu-Ming Lin

Bing-Huei Lin

Tien-Fu Lin

Shu-Ling Lin

Yea-Li Sun

Chien-Yi Chang

Chun-Hong Chen

Leo Cheng

Jerry Guo

Bing-Jing Huang

Hua-Wei Huang

Min-Jeng Shiue



## Supervisors

Kuei-Tseng Wang

Shao-Huang Chen

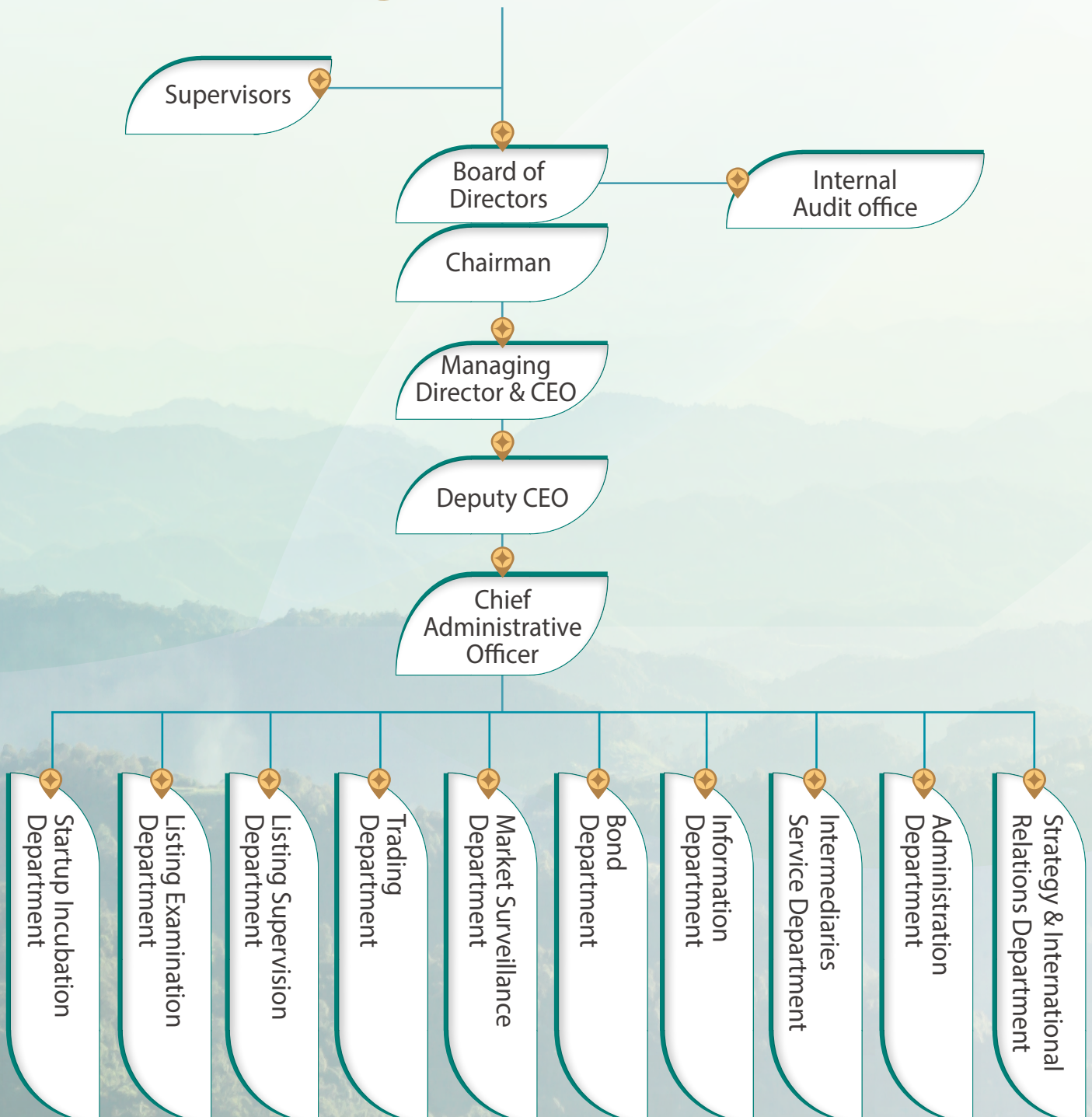
Chen-Shan Chang

Shih-Kuo Yeh

Ching-Chih Lu



## II. Organization Structure





## Executive Management Team

Under the TPEX, there is one Managing Director & CEO who manages TPEX's business based on the decisions of the board of directors, along with one to two deputy CEOs and one Chief Administrative Officer who assist the Managing Director & CEO. TPEX has ten departments, namely Startup Incubation, Listing Examination, Listing Supervision, Trading, Market Surveillance, Bond, Information, Intermediaries Service, Administration, and Strategy & International Relations. Besides, an Internal Audit Office is subordinate to the board of directors.



## I. Market Performance in 2024

	2024	2023	Change (%)
Overview of Daily Average Value of Securities(NT\$100 Million)			
TPEX-listed Securities	1,122.75	778.47	44.23%
Mainboard Stock	960.84	704.91	36.31%
ETF	135.50	51.76	161.80%
ETN	0.03	0.04	-31.25%
Warrant	7.83	7.19	8.90%
Convertible/Exchangeable Bonds(Note 1)	18.55	14.57	27.32%
Emerging Stock	33.49	28.10	19.18%
Bond Market (Note 2)	1,296.94	1,228.65	5.56%

(Note 1) Excluding OTC negotiation (Note 2) Includes repo trades and OTC negotiated convertible/exchangeable bonds

	2024	2023	Change (%)
<b>Equity Market</b>			
<b>Number of listed /registered</b>			
Mainboard	838	816	2.70%
Emerging Stock Board	347	329	5.47%
Go Incubation Board	107	111	-3.60%
<b>Number of newly listed /newly registered</b>			
Mainboard	30	17	76.47%
Emerging Stock Board	83	73	13.70%
Go Incubation Board	9	21	-57.14%
<b>Market Capitalization (NT\$ 100 Million)</b>			
Mainboard	65,365.63	57,922.81	12.85%
Emerging Stock Board	13,832.14	10,376.03	33.31%
<b>Average daily trading value (NT\$ 100 Million)</b>			
Mainboard	960.84	704.91	36.31%
Emerging Stock Board	33.49	28.10	19.18%
<b>Capital Raised (NT\$ 100 Million)</b>			
Average IPO raised (Amount/Number)	4.96	2.47	100.81%
Average SPO raised (Amount/Number)	10.13	5.19	95.18%



	2024	2023	Change (%)
<b>Benchmark Indices</b>			
<b>TPEX Index</b>			
Highest (date)	281.34 (7/11)	234.83 (12/14)	19.81%
Lowest (Date)	228.16 (1/18)	182.53 (1/3)	25.00%
<b>TPEX 200 Index</b>			
Highest (date)	11,115.64 (7/11)	9,329.93 (12/14)	19.14%
Lowest (Date)	9,012.81 (1/18)	7,195.91 (1/3)	25.25%
<b>TPEX 50 Index</b>			
Highest (date)	320.33 (7/11)	260.88 (12/27)	22.79%
Lowest (Date)	250.58 (1/4)	197.31 (1/3)	27.00%
<b>Equity Warrant</b>			
Number of listed	10,777	10,067	7.05%
Number of newly listed	16,918	16,190	4.50%
Market Capital (NT\$ 100 Million)	299.71	323.20	-7.27%
Average daily trading value (NT\$ 100 Million)	7.83	7.19	8.90%
<b>ETF/ETN and Open Ended Fund</b>			
<b>Number of listed</b>			
ETF	98	88	11.36%
ETN	9	10	-10.00%
Open Ended Fund	3	3	0.00%
<b>Average Daily Trading Value (NT\$ 0.01 Million)</b>			
ETF	1,355,031.95	517,590.41	161.80%
ETN	289.89	421.65	-31.25%
Open Ended Fund	12.68	4.33	192.84%



	2024	2023	Change (%)
<b>Bond Market</b>			
<b>Number of listed</b>			
Government Bonds	177	163	8.59%
Bank Debentures	369	392	-5.87%
Regular Corporate Bonds	967	922	4.88%
Beneficiary Securities	2	2	0.00%
Convertible and Exchangeable Corporate Bonds	302	268	12.69%
Foreign Bonds	35	34	2.94%
International Bonds	973	939	3.62%
<b>Outstanding Value (NT\$ 100 Million)</b>			
Government Bonds	61,743.12	60,601.14	1.88%
Bank Debentures	9,770.56	10,429.08	-6.31%
Regular Corporate Bonds	34,654.41	32,398.04	6.96%
Beneficiary Securities	47.42	47.42	0.00%
Convertible and Exchangeable Corporate Bonds	2,499.87	2,088.10	19.72%
Foreign Bonds	461.56	500.27	-7.74%
International Bonds (US\$ 100 Million)	2,138.36	2,117.63	0.98%
<b>Average daily Trading Value (NT\$ 100 Million) (Note1)</b>			
Government Bonds	41.49	64.61	-35.78%
Bank Debentures	3.97	3.69	7.59%
Corporate Bonds(Note2)	47.59	50.53	-5.82%
Beneficiary Securities	0.00	0.00	-
International Bonds (USD 0.1 Billion)	4.20	2.59	62.16%

Note1: Excluding repo trades

Note2: Corporate bond includes regular corporate bond and convertible / exchangeable bond



	2024	2023	Change (%)
<b>Derivatives</b>			
<b>Convertible Bond Asset Swap</b>			
<b>Fixed income trading</b>			
No. of contract securities firm	17	18	-5.56%
Outstanding value of contracts (NT\$ 100 Million)	976.93	777.83	25.60%
Trading value (NT\$ 100 Million)	1,025.20	663.19	54.59%
<b>Option trading</b>			
No. of contract securities firm	17	18	-5.56%
Outstanding value of contracts (NT\$ 100 Million)	1,914.64	1,592.89	20.20%
Trading value (NT\$ 100 Million)	2,344.49	1,852.24	26.58%
<b>Interest Rate Derivatives</b>			
No. of contract securities firm	14	15	-6.67%
Outstanding value of contracts (NT\$ 100 Million)	9,776.08	9,008.62	8.52%
Trading value (NT\$ 100 Million)	3,550.50	4,078.01	-12.94%
<b>Structured Products</b>			
No. of contract securities firm	15	15	0.00%
No. of leverage transaction merchant	2	2	0.00%
Outstanding value of contracts (NT\$ 100 Million)	1,021.93	680.78	50.11%
Trading value (NT\$ 100 Million)	4,585.47	3,224.38	42.21%
<b>Credit Derivatives</b>			
No. of contract securities firm	6	6	0.00%
Outstanding value of contracts (NT\$ 100 Million)	-	-	-
Trading value (NT\$ 100 Million)	14.06	84.13	-83.28%



	2024	2023	Change (%)
<b>Equity Derivatives</b>			
No. of contract securities firm	11	11	0.00%
No. of leverage transaction merchant	1	1	0.00%
Outstanding value of contracts (NT\$ 100 Million)	101.87	54.20	87.96%
Trading value (NT\$ 100 Million)	1,046.51	843.14	24.12%
<b>Foreign Exchange Derivatives</b>			
No. of contract securities firm	1	1	0.00%
Outstanding value of contracts (NT\$ 100 Million)	130.73	68.18	91.75%
Trading value (NT\$ 100 Million)	759.39	642.28	18.23%
<b>Foreign exchange margin trading</b>			
No. of leverage transaction merchant	5	5	0.00%
Outstanding value of contracts (NT\$ 100 Million)	91.61	85.86	6.70%
Trading value (NT\$ 100 Million)	6,014.79	5,910.45	1.77%
<b>Commodity CFD</b>			
No. of leverage transaction merchant	4	4	0.00%
Outstanding value of contracts (NT\$ 100 Million)	88.50	84.34	4.93%
Trading value (NT\$ 100 Million)	9,916.25	10,408.95	-4.73%
<b>Equity CFD</b>			
No. of leverage transaction merchant	4	4	0.00%
Outstanding value of contracts (NT\$ 100 Million)	17.82	9.18	94.12%
Trading value (NT\$ 100 Million)	2,841.80	2,262.18	25.62%



# Highlights of 2024

## Introduction of New Mechanisms/Products

### Active ETFs and Passive Multi-Asset ETFs

Established the frameworks for active ETFs and passive multi-asset ETFs, and revised a **total of 16 regulations and appendices**, which were announced and implemented on December 31, 2024.

### Convertible/Exchangeable Sustainable Bonds

- Far Eastern New Century **issued the first two green exchangeable bonds (EB)** totaling NT\$2.5 billion on August 8, 2024.
- Century Iron & Steel Industrial Co., Ltd. **issued the first green convertible bond (CB)** totaling NT\$2 billion on November 8, 2024.
- TCC Group Holdings **issued the first sustainability-linked convertible bond (SLCB)** totaling NT\$8 billion on December 10, 2024.

## Further Optimization of Market Information

### ECO-Fin Platform

The "ECO-Fin Platform" was launched on February 29, 2024, and summarizes information on important green labels in Taiwan and overseas, labels obtained by TWSE/TPEX-listed companies, performance of TWSE/TPEX-listed companies in green activities, and green securities in Taiwan and overseas, providing issuers and investors with an overview of important developments in green finance and trends.

### TPEX Portal

The new "TPEX Portal" was launched on July 31, 2024 and integrates ESG information reported by TPEX Mainboard companies and information related to stock market regulations, making the ESG information of TPEX Mainboard companies more transparent and comparable, while providing a one-stop service to access the ESG information of all TPEX Mainboard companies.

# (I) Stock Market

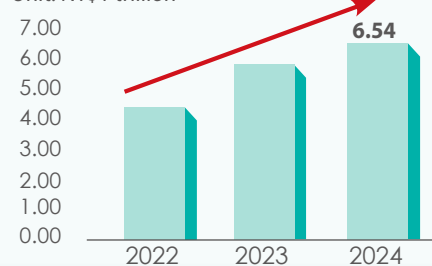
## TPEX Mainboard Stocks

In 2024, 39 companies applied for listing on the TPEX Mainboard. "Semiconductor" companies accounted for the highest percentage among the Mainboard applicant companies (15%). At the end of the year, there were 838 companies listed on the TPEX Mainboard with a total market capitalization reaching NT\$6.54 trillion, up 13% compared with 2023. The total revenue of all TPEX Mainboard companies in 2024 was NT\$2.7674 trillion, up NT\$185.8 billion or 7.20% compared with the same period in 2023. In addition, 602 TPEX Mainboard companies were profitable, accounting for 72% of all TPEX Mainboard companies. The 2023 cash dividends paid out in 2024 reached NT\$160.5 billion, showing the outstanding performance of TPEX Mainboard companies in 2024.

The TPEX Index closed at 255.84 points at the end of 2024, up 9.33% compared with the 234.01 points at the end of 2023. The total market capitalization of TPEX Mainboard stocks grew from NT\$5.792281 trillion at the end of 2023 to NT\$6.536563 trillion at the end of 2024, an increase of NT\$744.282 billion or 12.85%. In addition, the average daily trading value of TPEX Mainboard stocks in 2024 was NT\$96.084 billion and foreign investors accounted for 22.74% of all trading in the market, both reaching record highs.

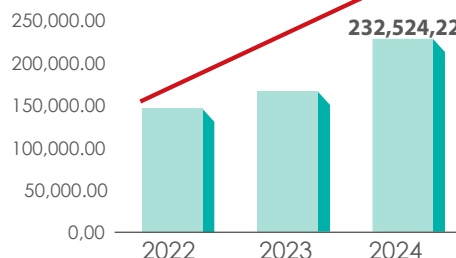
**Total market capitalization of TPEX Mainboard stocks**

Unit: NT\$1 trillion



**Total trading value of TPEX Mainboard stocks**

Unit: NT\$100 million



**TPEX Index and TPEX 200 Index Chart (2023/12/29-2024/12/31)**





## Emerging Stocks

In 2024, 92 companies applied for registration on the Emerging Stock Board (ESB), and there were 347 emerging stock companies registered at the end of the year. Of the ESB registration applicants in the year, "Biotechnology and Medical Care" companies accounted for the highest percentage (20%), and 54 applicants also file to conduct public issuance at the same time to accelerate their entry into the ESB. The average daily trading value of emerging stocks in 2024 was NT\$3.349 billion, up 19.18% from the NT\$2.81 billion in 2023.

## Go Incubation Board for Startup and Acceleration Firms (GISA) Stocks

A total of 54 companies applied for pre-GISA counseling and registration on the GISA in 2024. At the end of 2024, there were 107 companies registered on the GISA and 65 companies in counseling. This shows that the business and investment matching opportunities, exhibition activities, and consulting services provided by the TPEX GISA to startups through a joint counseling mechanism have produced concrete benefits.



TPEX hosted a GISA Pitch



## Strengthening Market Systems and Expanding Products

### 1 **Assisting emerging stock companies with adopting the candidate nomination system for the election of directors and supervisors to strengthen corporate governance**

The competent authority issued Order Jin-Guan-Zheng-Jiao-Zi No. 1120386116 on December 29, 2023, stipulating that all emerging stock companies must adopt the candidate nomination system for the election of directors and supervisors starting on January 1, 2025, and expressly state it in their articles of incorporation, in order to strengthen corporate governance in Taiwan. To ensure that emerging stock companies meet the regulatory requirements starting in 2025, TPEX conducted a comprehensive review of emerging stock companies that have not yet adopted the system with respect to the progress of amending their articles of incorporation, and assisted the companies with completing the amendment to their articles of incorporation before the end of 2024.

### 2 **Shortening the review period for listing on the TPEX Mainboard to create a friendly fundraising environment**

TPEX announced an amendment to the "Taipei Exchange Assessment and Auditing Procedures for Recommending Securities Firms Handling Applications for TPEX Listing of Stocks" on December 25, 2024 to improve the TPEX market mechanism. The period to be evaluated and reviewed by recommending securities firms (RSF) for applications for TPEX Mainboard listing was revised from the most recent three years to two years, applicable to applications starting from 2025. However, when matters that involve



Standards for Determining Unsuitability for TPEX Listing, it still requires the evaluation of a period exceeding the most recent two years (e.g., whether the company, directors, president, or de facto responsible person violated the principle of good faith in the most recent three years), the RSF must conduct the evaluation of the required period.

### 3

#### **Allowing sustainable venture capital to apply for TPEX Mainboard listing to assist the development of emerging industries**

Taiwan's venture capital have successfully supported more than 650 companies listing on the TWSE or TPEX Mainboard over the past nearly four decades, and contributed to Taiwan's economic development. Considering that if venture capital can obtain funds from the capital market and then inject funds into domestic industries, it will help the development of domestic emerging industries. TPEX thus announced an amendment to the "Taipei Exchange Rules Governing the Review of Securities for Trading on the TPEX" on December 6, 2024, allowing sustainable venture capital to apply for TPEX Mainboard listing.

### 4

#### **Including the employee remuneration system in TPEX Mainboard listing assessments to firmly root corporate sustainability**

TPEX on October 4, 2024 revised the sustainable development checklist, RSFs are required to fill out when domestic issuers and foreign issuers apply for TPEX Mainboard listing, and included the employee remuneration system



(including but not limited to the minimum starting salary, average salary and salary raise policy, as well as a comparison with peers) in the evaluation items, so that applicants will strengthen emphasis on employee remuneration system, appropriately increase employee salaries, and share business results with employees.

## 5

## Exerting every effort to promote the TPEX listing of indexed products to diversify products

In response to the plan of strengthening asset management of the competent authority's policy to develop Asian Asset Management Center, TPEX partnered with ICE Data Indices, LLC, an internationally renowned index company, in 2024 and both parties exchanged their expertise in index compilation to increase market visibility, providing securities investment trust enterprises with indices of different themes, including stocks, bonds, or multi-assets, so that investors will have more high-quality indices to invest in.



Chen-Shan Chang, Director of the Securities and Futures Bureau of the Financial Supervisory Commission, and Magnus Cattan, Head of ICE Fixed Income & Data Services, Asia Pacific visited TPEX to attend the "TPEX & ICE Co-Branding Product and License Agreement Signing Ceremony"



## 6

**Looking into the T+1 settlement system to optimize the settlement system**

In response to the trend of markets worldwide shortening settlement from T+2 day to T+1 day, the competent authority instructed the establishment of the "T+1 Settlement System Task Force" in 2023. Among the four task forces, TPEX serves as the convener of the "Task Force on Increasing the Flexibility of Delivery and Payments by Securities Firms." The task force completed two stages of delivery automation on March 25 and December 30, 2024, respectively, and completed the assessment report on payment automation in 2025. The system is expected to go online in the third quarter of 2025, continuing to optimize the infrastructure of the domestic settlement system.

## 7

**Establishing an online trade errors correction system for emerging stocks (including gold and open-end funds) to improve operational efficiency**

To improve the efficiency of emerging stock account change operation, account changes (including out-trades, account number corrections, and trade cancellations) for emerging stocks (including gold and open-end funds) are reported to TPEX on the "Correction of ESB Trade Errors Platform" starting on December 2, 2024. TPEX held online briefings via video conferencing on October 1 and November 15, 2024 to help personnel of securities firms become familiar with the operations. Market testing was carried out on December 1, and the platform was successfully launched on December 2.

## (II) Bond Market

### Sustainable Bonds

## Issue amount reaches record high as market scale continues to expand

In 2024, the number and issue amount of sustainable bonds both reached record highs, with 53 new bonds issued and the issue amount totaling NT\$149.185 billion. Furthermore, the market scale continued to expand and the number of issues at the end of the year amounted to 204 bonds, with an outstanding balance reaching NT\$600.587 billion.

In terms of issuers, six new domestic issuers participated in the sustainable bond market in 2024. Currently, domestic issuers include local governments, banking, electronics, semiconductors, transportation, leasing, and telecommunications industries, showing that Taiwan's sustainable bond platform has effectively attracted a variety of domestic issuers.

Year	2024		2023	
Type of sustainable bond (Time launched)	Number of issues	Issue amount (NT\$100 m)	Number of issues	Issue amount (NT\$100 m)
<b>Green bond</b> (April, 2017)	32	1,160.94	18	769.39
<b>Sustainability bond</b> (October, 2020)	9	90.91	14	312.44
<b>Social bond</b> (April, 2021)	11	160.00	12	347.06
<b>Sustainability-linked bond</b> (July, 2022)	1	80.00	3	44.00
<b>Total</b>	<b>53</b>	<b>1,491.85</b>	<b>47</b>	<b>1,472.89</b>



## International Bonds

At the end of 2024, there were 973 international bonds with an outstanding balance of US\$213.836 billion. Compared to the end of 2023, in which the outstanding balance was US\$211.763 billion and there were 939 international bonds, this represents an increase of US\$2.073 billion and 34 bonds, growing 3.62% in the number of issues and 0.98% in the outstanding balance. There are 183 issuers in the international bond market, located in 35 different countries.

## Bond ETF

As of the end of 2024, there were 90 bond ETFs listed on the TPEX with assets under management (AUM) of NT\$2.981121 trillion, accounting for 46.48% of the ETF market in Taiwan. In 2024, a total of 20 listed bond ETFs applied for 63 follow-on offerings, with the amount reaching a record high of NT\$1.3713 trillion.

## Improving services and expanding the scope of products

**1**

### **Successfully listing sustainable convertible/exchangeable bonds on the TPEX market, ushering in a new era of sustainable development**

TPEX expanded the scope of eligible securities by including convertible and exchangeable bonds at the end of 2023 to help SMEs raise capital for sustainable transformation through the capital market, and established the Sustainable Convertible (Exchangeable) Bond Listing



Mechanism. In 2024, TPEX actively promoted the mechanism and visited 31 companies and 5 underwriters. Far Eastern New Century issued the first two green exchangeable bonds (EB) totaling NT\$2.5 billion on August 8, 2024. Subsequently, Century Iron & Steel Industrial Co., Ltd. issued the first green convertible bond (CB) totaling NT\$2 billion on November 8. TCC Group Holdings issued the first sustainability-linked convertible bond (SLCB) totaling NT\$8 billion on December 10. TPEX has successfully promoted the listing of sustainable convertible and exchangeable bonds, opening a new chapter in the development of Taiwan's sustainable bond market.



Financial Supervisory Commission Deputy Minister Yen-Liang Chen and Securities and Futures Bureau Deputy Director-General Ching-Ping Kao attended the "The Sustainable Convertible/Exchangeable Bonds Listing and Accreditation Ceremony" at TPEX.

## 2

## Introducing Sustainable Bond Grant Scheme to fully support enterprises in their journey towards sustainability

TPEX introduced Sustainable Bond Grant Scheme to encourage government agencies and enterprises to participate in the issuance of sustainable bonds, taking action to support issuers in their sustainable development efforts and



strengthening the overall sustainable bond ecosystem. Issuers that complete the TPEX listing of sustainable government bonds or sustainable convertible or exchangeable bonds between August 1, 2024 and December 31, 2026 will be eligible to apply for subsidies of external review costs within two months after listing. The maximum subsidy amount for each issuer is NT\$350,000. By subsidizing external review costs, TPEX aims to narrow the cost gap between sustainable bonds and straight bonds, thereby increasing SME participation and helping them raise the capital needed for their sustainable transformation through the sustainable bond market.

## 3

**Promoting the listing of active ETFs and passive multi-asset ETFs to enrich ETF market**

TPEX established the frameworks for active ETFs and passive multi-asset ETFs, in order to drive the development of Taiwan's asset management market, provide investors with diverse products to choose from, and develop Taiwan into Asian Asset Management Center. TPEX revised a total of 16 regulations and annexes, which were announced and implemented on December 31, 2024. At the same time, TPEX formed an ETF implementation task force to formulate relevant implementation plans, provide consulting services to securities investment trust enterprises for index preparation, product planning, and market systems, and actively plan educational events for investors.



## (III) Sustainable Transformation

### Organizing the "Greenhouse Gas Inventory Workshop" to help enterprises achieve sustainable transformation

TPEX invited professional lecturers from the Foundation of Taiwan Industry Service, Business Council for Sustainable Development of Taiwan, and National Taipei University of Technology to offer 5 training courses in Taipei, Hsinchu, Taichung, and Kaohsiung, in order to align with the competent authority's policy promoting the "Sustainable Development Action Plan for Listed Companies" and also assist issuers with compiling their GHG inventory, so that they can successfully become aligned with the IFRS Sustainability Disclosure Standards. Course contents included domestic and overseas GHG development trends and the latest policies, GHG inventory standards, and explanation of the "Scope 3 Greenhouse Gas Accounting Guidelines and FAQ." The courses used examples of Scope 3 GHG inventory for practice, and videos of the courses were uploaded for TWSE/TPEX-listed companies to view online, achieving more effective promotion.



## Helping companies improve the quality of sustainability information disclosures and improve their sustainable governance culture

In response to the competent authority's policy to deepen the corporate culture of sustainable governance announced in the "Sustainable Development Action Plan for Listed Companies", and to assist TWSE/TPEX-listed companies with establishing an internal control system for sustainability information in conjunction with the competent authority, TPEX announced revisions to the sample template for "○○ Co., Ltd. Sustainable Development Committee Charter" and "Reference Items for Assessing the Effectiveness of Internal Control Systems" on April 1 and May 24, 2024, respectively. TPEX and securities-related units organized 4 sessions of the "Internal Control System of the Management of Sustainability Information Conference" in July 2024, and compiled a Q&A after the workshop to help TPEX-listed companies understand and establish their internal control system for sustainability information management, thereby improving the quality of sustainability information disclosure.

## Actively strengthening ESG information disclosures of TPEX Mainboard companies to improve the transparency of sustainable information

To help companies implement sustainability and net zero policies, TPEX established the ESG Digital Platform and added the "Sustainability Report Preparation and Production Function," prepared the "Manual on How to Prepare Sustainability Reports," announced the Guidelines for Preparing Material Topics



of Sustainability Reports and Disclosure Examples, and organized various training workshops to help companies prepare sustainability reports. As of the end of December 2024, 347 TPEX Mainboard companies prepared 2023 sustainability reports.

Year of report	2020	2021	2022	2023
Number of companies with sustainability report	160	196	256	347
% of all TPEX Mainboard companies	20%	24%	31%	41%
Notes	Mandatory - 48 Voluntary - 112	Mandatory - 51 Voluntary - 145	Mandatory - 96 Voluntary - 160	Mandatory - 96 Voluntary - 251

## Continuing to optimize the "IFRS Sustainability Disclosure Standards Alignment Area" to help companies align with IFRS

TPEX introduced the "IFRS Sustainability Disclosure Standards Alignment Area" in 2023 in coordination with the competent authority's task force on "Promoting Taiwan's Alignment to the IFRS Sustainability Disclosure Standards," in order to assist TWSE/TPEX-listed companies to smoothly align with the IFRS Sustainability Disclosure Standards. TPEX continued to optimize functions and information in the area in 2024,



and added a "simulated roadmap" service to assist companies preparing for IPOs to simulate the timeline of various sustainability policies they will face after listing, and help companies make proper plans accordingly. TPEX also added important outputs each year and the completion schedule, as well as the deadline for reporting to the board of directors and TWSE or TPEX in the "exclusive roadmap" and "simulated roadmap," reminding companies to make plans in response as early as possible, so as to help TWSE/TPEX-listed companies with a paid-in capital of NT\$10 billion and above (Phase 1) successfully adopt the IFRS Sustainability Disclosure Standards.

## **Continue to promote the requirement to appoint directors of different genders, the number of independent directors, and term limits in phases starting from 2024 to strengthen the functions of the board of directors**

To improve the gender diversity of directors, strengthen the functions of independent directors, and enhance the operations of functional committees, TPEX continues to promote that, starting from 2024 and to be implemented in stages, TPEX Mainboard companies must have at least one director of a different gender from the rest of the board, the number of independent directors must not be less than one third of all board members, and independent directors may not serve more than three consecutive terms. Starting from 2025, TPEX Mainboard companies shall report the reason and measures taken in the annual report for the shareholders' meeting if either gender does not account for at least one third of all directors, and shall report the results of audit committees' and remuneration committees' performance evaluations before the end of March every year.



## Launching the "ECO-Fin Platform" to integrate market information

To reduce concerns about corporate greenwashing, domestic and foreign organizations have launched relevant labels to measure the green investment of companies. Many TWSE/TPEX-listed companies in Taiwan are actively participating in green activities and obtained many green labels. Considering that there is no platform in Taiwan that gathers green-related achievements or information of listed companies as a reference for investment and financing in the capital market or financial market, TPEX launched the "ECO-Fin Platform" on February 29, 2024. This is the first platform in Taiwan to summarize important domestic and foreign green-related labels, and also discloses green activity performance of TWSE/TPEX-listed companies, including the status of obtaining domestic and foreign green labels, corporate governance evaluation performance, and sustainability report information, providing issuers and investors with an overview and international trends of important developments in green finance, which serves as reference for financial institutions and investors for investment and financing.



TPEX launched the "ECO-Fin Platform"



## Winning the Selection Award in the 2024 National Sustainable Development Award and continuing to implement sustainable development

The National Council for Sustainable Development, Executive Yuan organized the National Sustainable Development Award to encourage the participation of all citizens in promoting sustainable development and realize the national sustainable development vision, using the award to recognize units with outstanding performance in promoting sustainable development. TPEX won the Selection Award in the "National Sustainable Development Award" on its first attempt, and became the first securities and futures-related unit to win the award. TPEX not only actively performs its core functions to guide market participants, such as enterprises, securities firms and investors, to raise their sustainability awareness and take sustainable actions, but also continues to support green industries and improve the sustainable development bond market, guiding funds to invest in sustainable development and transformation. At the same time, TPEX is working hard to implement digitalization to improve supervision and service efficiency, and has incorporated sustainability actions into daily operations to reduce resource consumption. In addition, TPEX is working towards the United Nations Sustainable Development Goals (SDGs) through public welfare actions, providing support for sustainable development in all aspects.

## (IV) Digital Transformation

### Paperless filing ushering in a new digital era

TPEX continues to promote paperless filing programs, and looked into filing reporting and review for "independent director qualifications review," "corporate governance officer qualifications," and "deletion of subsidiaries" for TPEX Mainboard companies in 2024, in order to save companies' postage costs and transportation time for sending documents, and improve the efficiency of TPEX when reviewing applications. Providing a standard format allows the information to be subsequently utilized. The electronical filing programs are expected to be completed in the first quarter of 2025.

### Automating supervision work to improve supervision efficiency

TPEX automates the supervision process through RPA software, and use supervision technology to achieve the goal of automating manual processes, such as data processing, sending email notifications, data collection and auditing. At the same time, TPEX uses software for automatic calculation and verification to avoid human error and improve supervision efficiency.

### Visualized analysis to optimize the user experience

The design of real-time data dashboards and graphs allow TPEX to immediately understand and analyze the operations and corporate governance of TPEX Mainboard companies, such as: monthly revenue, overseas equity investments, profits on the financial statements, and ESG information reporting status. The dashboards are also able to provide market participants with an interface that makes it easier for them to browse information, such as the ESG dashboard on the TPEX Portal for market participants to use for analysis.



## (V) Strengthening Resilience

### Reducing market risks and enhance the information security of TPEX Mainboard companies

In response to the cyberattacks on TPEX Mainboard companies in recent years, TPEX is promoting information security governance in two major aspects: "enhanced supervision" and "assistance and guidance," in order to enhance the information security of TPEX Mainboard companies. Enhanced supervision includes strengthening the internal control system for information and communication security, managing important information of information and communication security, increasing the proportion of internal control audits on information and communication security, and sharing practical cases. Assistance and guidance includes the appointment of information security personnel, sharing information security intelligence, organizing information security training and promotion, strengthening audit personnel training, and promoting information security certifications.

### Organizing the Securities and Futures Computer Emergency Response Team (SF-CERT) to enhance the resilience of information security

TPEX, TWSE, Taiwan Futures Exchange, Taiwan Depository & Clearing Corporation, Taiwan Securities Association, Futures Industry Associations, and Securities Investment Trust & Consulting Association of the R.O.C. jointly established the SF-CERT in November 2021 to maintain information security of the securities and futures markets and achieve the strategic goal of joint information security defense. TPEX handles overall operations and maintenance of the SF-CERT as of 2024.

## (VI) Business Promotion

### Holding training workshops, investor conferences, and overseas roadshows to improve services for TPEX Mainboard (emerging stock) companies

To help TPEX Mainboard companies and emerging stock companies better understand the relevant laws and amendments related to things that need to be registered or handled in the TPEX market as well as the latest ESG issues, TPEX has organized several training workshops on the tasks that TPEX Mainboard companies and emerging stock companies must handle. Furthermore, to ensure that TPEX Mainboard companies can explain their operating performance and industry outlook to the general public in a timely manner, TPEX holds a series of "TPEX Investor Conferences" after financial reports are filed every quarter. A total of 26 such conferences were held in 2024. Additionally, three overseas roadshows were organized to benefit the information transparency and overseas visibility of TPEX Mainboard companies.



TPEX organized the overseas roadshow "2024 TPEX/KGI Corporate Day"

### Assisting enterprises with preparing in advance for new IFRSs

In conjunction with the competent authority promoting the adoption of the new IFRSs in Taiwan, TPEX continues to organize "training workshops for promoting the adoption



of IFRSs in Taiwan," and held 4 training workshops between November and December 2024. Topics included key points of new IFRSs, including IFRS 18 "Presentation and Disclosure in Financial Statements" and IFRS 19 "Subsidiaries without Public Accountability: Disclosures," and amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures." The training workshops also analyzed the accounting treatment of "carbon credits and carbon fees" in hopes of helping companies prepare in advance and answering their questions on accounting treatment and application issues in actual transactions.

## Organizing AI-related courses to help TPEX family companies understand new AI trends

With the rapid development of AI and the ever expanding fields of application, TPEX organized the "AI Strategy and Governance Seminar" on July 9, 2024 to meet the management needs of senior managers of the TPEX family companies listed on the Mainboard and the Emerging Stock Board and provide them with insights into how AI increases the value of their business and influences future industrial development. The course provided in-depth analysis of how companies should adjust their strategies in response to the trend of AI to maintain their competitiveness, and explored contents of the AI governance framework, as well as legal issues of generative AI. The course helped the TPEX family companies listed on the Mainboard and the Emerging Stock Board understand information on AI technology applications through professional and practical perspectives.

## Organizing economic and investment-related sharing sessions to help TPEX family companies seize opportunities of the New Southbound Policy

TPEX organized a sharing session on the Malaysian economy and investment environment on June 17, 2024 to help the TPEX family companies listed on the Mainboard and the Emerging Stock Board accelerate the planning of their overseas strategy. The session provided an overview of Malaysia's investment environment, the experience of Taiwanese businesses with in setting up factories, and relevant regulations and notices on land development.

## Establishing the "TPEX Portal" to optimize the one-stop information service

TPEX integrated ESG information reported by TPEX Mainboard companies and regulations of the securities market to construct the TPEX Portal on July 31, 2024, in order to continue promoting the sustainable development of TPEX Mainboard companies to create an ESG ecosystem in the capital market. The TPEX Portal makes ESG information of TPEX Mainboard companies more transparent and comparable, which makes companies attach greater importance to reporting ESG information, and provides one-stop access to all ESG information of TPEX Mainboard companies.



The "TPEX Portal" established by TPEX

## Actively participating in international affairs to increase international visibility

TPEX has continued to conduct exchanges with international securities organizations. In 2024, TPEX attended the World Federation of Exchanges (WEF) Annual Meeting, Working Committee Meetings, Clearing & Derivatives Conference, and three conferences via video conferencing; CCP Global's Annual General Meeting; the International Organization of Securities Commissions' (IOSCO) 49th Annual Meeting, and Affiliate Members Consultative Committee (AMCC) Meeting over video conferencing, training seminar, online conferences, seminar of the Asia Pacific Center Financial Action Task Force, and Program on International Financial System jointly organized with Harvard Law School; the Asian and Oceanian Stock Exchanges Federation (AOSEF) 38th Annual Meeting, two Working Committee Meetings, two special meetings, and two online conferences; the International Capital Market Association (ICMA) Annual General Meeting and Conference; and the Institute of Internal Auditors (IIA) 2024 Annual International Conference.

## Using multiple promotion channels to prevent financial investment fraud and protect investor rights

TPEX has continuously improved the contents of the "TPEX Anti-Financial Investment Fraud Zone" on the official TPEX website, adding press releases and media reports as well as producing graphics, text, and videos on financial investment fraud prevention, in order to disseminate information on avoiding financial investment fraud. Furthermore, TPEX also publicizes information through various platforms and media, and also holds in-person and online Q&A games with prizes to more effectively prevent financial investment fraud.

## Holding a 30th anniversary appreciation reception and award ceremony and setting up a 30th anniversary section to celebrate the 30th anniversary of TPEX

To celebrate its 30th anniversary, TPEX held the "30th Anniversary Appreciation Reception and Award Ceremony" at Shangri-La Far Eastern, Taipei on November 1, 2024, inviting the competent authority, securities and futures related units, Taiwan Securities Association, Chinese National Futures Association, Securities Investment Trust & Consulting Association of the R.O.C., TPEX securities firms, accounting firms, and securities investment trust enterprises to jointly witness the development history and outstanding achievements of TPEX. TPEX also set up a "30th Anniversary Section" for others to better understand the growth of TPEX over the past 30 years.



FSC Deputy Minister Yen-Liang Chen and Securities and Futures Bureau Director-General Chen-Shan Chang attended the "30th Anniversary Appreciation Reception and Award Ceremony" to witness the development history and outstanding achievements of TPEX.



## III. Business Plans

### Supporting medium, small, and micro enterprises to increase the value of the multi-tiered capital market of TPEX

1

#### **New GISA Plus assists medium, small, and micro enterprises**

The GISA is committed to assisting innovative medium, small, and micro enterprises by providing them with the resources they need to grow. In response to the policy goals of the government's "Diversified Revitalization and Development Plan for Medium, Small, and Micro Enterprises," TPEX announced the GISA Plus on January 9, 2025 to strengthen support for innovation, start-ups, and youth entrepreneurship to become listed on the GISA. TPEX adjusted mechanisms in each stage from application for guidance to formal registration on the GISA, and plans to adjust GISA mechanisms in four directions, including "increasing incentives," "simplifying procedures," "strengthening promotion," and "tiered guidance," providing more friendly measures. TPEX plans to organize a "GISA Elite Selection" and increase corporate venture capital (CVC) investment or business opportunities for GISA, the TPEX family companies listed on the Mainboard and the Emerging Stock Board, and TWSE-listed companies through interactions and business understanding at the event.

2

#### **Continue to create a friendly fundraising environment to grow the TPEX market**

In addition to further improving the review mechanism for Mainboard applicant companies and creating a friendly fundraising environment, TPEX will continue to work with intermediaries (securities firms and accountants) to step up the promotion of TPEX market's features and advantages, and discover potential high-



quality cases through one-on-one presentations and on-site visits to companies. This will be further extended to more innovative medium, small, and micro enterprises, helping more companies access the multi-tiered capital market of TPEX.

### 3

#### **Establishing the "Capital Market Service Group" with TWSE to integrate resources and provide one-stop service**

To create the synergistic effect of "1 + 1 is greater than 2" and expand the scale of the TPEX market, TPEX and TWSE integrated their resources to establish the "Capital Market Service Group," which provides consultation or services required by enterprises of different sizes and at different stages, allowing enterprises to understand the overall picture of Taiwan's capital market in one stop and helping them access the capital market.

## **Expanding the sustainable bond market and assisting issuers in their sustainable transformation**

### 1

#### **Guiding funds toward major infrastructure projects and advancing housing justice**

In 2024, the Kaohsiung City Government and the Taipei City Government successfully issued their first green government bonds and first social government bonds, respectively. Additionally, the Taoyuan City Government also obtained Sustainability Bond Accreditation in 2024 and issued the first sustainability government bond on March 18, 2025. TPEX will continue to assist central and local governments with issuing sustainable bonds, while also continue to organize promotional events to encourage public and private institutions to participate in issuing and investing in sustainable bonds, guiding funds into major infrastructure projects such as social housing.



## 2

**Encouraging SMEs to issue sustainable convertible/exchangeable bonds to drive their sustainable transformation**

TPEX continues to encourage enterprises to issue sustainable bonds in the form of convertible or exchangeable bonds, and actively supports issuers by helping identify eligible investment projects through outreach to potential issuers and underwriters. Recognizing that issuing sustainable bonds involves additional external review costs compared to straight bonds, TPEX offers subsidies to help reduce these expenses, taking concrete steps to lower the entry barrier and encourage greater participation by SMEs in the sustainable bond market

## Leading enterprises towards net zero to increase their value

## 1

**Assisting TPEX Mainboard companies to achieve sustainable development and move towards net zero**

TPEX continues to assist TPEX Mainboard companies in monitoring and achieving sustainable development issues in conjunction with the competent authority's "Sustainable Development Action Plan for Listed Companies" and policy to "develop Taiwan into Asian Asset Management Center." The six major implementation items in 2025 include leading enterprises towards net zero, improving the disclosure of sustainability information, transforming the Corporate Governance Evaluation into an ESG evaluation, continue increasing information transparency, deepening the sustainable governance corporate culture, and establishing Taiwan's green securities certification system. TPEX assists TPEX Mainboard companies with completing their GHG inventory, assurance information, and disclosing carbon reduction targets, strategies, and specific action plans in stages. TPEX connects supply chains through TPEX Mainboard companies in coordination with the government's carbon reduction plan, in order to achieve the government's goal of net zero emissions by 2050.



## 2

**Strengthening information disclosure and communication to increase the value of enterprises**

Under the competent authority's policy of developing Taiwan into Asian Asset Management Center, TPEX continues to assist TPEX Mainboard companies in valuing shareholder value and actively communicating with shareholders. TPEX set up an "Enhancing Corporate Value Plan" section on the Market Observation Post System, encouraging TPEX Mainboard companies to formulate plans to increase their value starting in 2025. After the plans are approved by their board of directors, the plans are disclosed on the section to actively communicate with shareholders and stakeholders, and increase information transparency and the long-term value of companies.

**Introducing international innovative products to enrich the depth and breadth of the TPEX market**

## 1

**Encouraging the issuance of new products and promoting the gold trading platform to provide diverse investment tools**

To continue improving the market trading system, TPEX announced on December 31, 2024 the frameworks for active ETFs and passive multi-asset ETFs, and will continue to assist securities investment trust enterprises in issuing new products. TPEX aims to thus attract more international securities investment trust enterprises and different investors to participate in the ETF market, thereby increasing the breadth and depth of the domestic ETF market. In addition, the TPEX "Gold Trading Platform" allows investors to use their current securities



accounts to place orders to buy and sell spot gold, providing investors with a simple and convenient channel to buy and sell spot gold. TPEX will continue to promote the advantages of the trading platform, and look into using smaller trading units to attract young investors, encouraging investors to include gold in their asset allocation.

2

### **Continue to look into a trading system for securities firms to issue structured products and fund-structured REITs to align with international practices**

TPEX is actively building a multi-functional, multi-tiered exchange and continues to promote innovative products in the TPEX market to meet the diverse needs of enterprises and investors. TPEX will continue to look into establishing a trading system for securities firms to issue structured products and fund-structured REITs, in order to facilitate the diversification of products in Taiwan's capital market and become aligned with international standards.

3

### **Assisting the competent authority with reviewing the VASP registration system to expand the TPEX market**

In accordance with the amendment to the "Regulations Governing Anti-Money Laundering and Countering the Financing of Terrorism for Enterprises or Persons Providing Virtual Asset Services" announced by the competent authority, TPEX established standard operating procedures and related checklists for reviewing anti-money laundering (AML) registrations by virtual asset service providers, in order to assist the competent authority with reviewing AML registration applications from virtual asset service providers by providing preliminary review results for reference.



## Promoting digital transformation and improving market resilience and information security

1

### **Promoting digital transformation to improve supervision efficiency**

TPEX expanded the utilization of digital technologies, such as RPA and big data, to improve its market management efficiency. As TPEX continues to promote paperless information reporting by TPEX Mainboard companies, it is also expanding the application of RPA software to automate the supervision process and improve the accuracy and depth of audits. In addition, TPEX has established early warning indicators to assist in audits through technologies such as natural language processing or semantic analysis, so as to ensure the safety of investors' transactions.

2

### **Enhancing information security to reduce market risks**

TPEX organized efforts to strengthen information security mechanisms of the trading market from 2023 to 2025, in order to strengthen network system security for the securities and futures trading market and ensure the normal operation of the trading market. Based on the threat scenarios established for trading-related systems, TPEX used Distributed Denial of Service (DDoS) detection and penetration testing technologies to verify whether there are security loopholes in the systems of surrounding units and market participants that need to be patched, so as to strengthen the overall security and protection of the securities and futures trading market system.

TPEX organized information security courses for chief information security officers in 2024 to strengthen the information security management mechanisms



of TWSE/TPEX-listed companies, and also to improve the information security knowledge and skills of chief information security officers and IT personnel at TWSE/TPEX-listed companies. TPEX will continue to offer information security courses for IT personnel in 2025.

### 3

#### **Organizing competitions and incentives and further popularizing financial knowledge**

Under the competent authority's financial knowledge popularization policy, TPEX organizes different educational and promotional activities for various market participants every year to help investors understand the economic situation and key investment issues, and promote the new trading market mechanism. TPEX organizes a variety of competitions and incentives based on market needs each year to increase participation in the TPEX market, including a number of incentive measures for Mainboard stock market makers, warrants, and ETFs, in hopes of increasing trading volume in the TPEX market.

### 4

#### **Combating fraud through multiple channels and raising investors' awareness for fraud prevention**

In response to the endless stream of fraud cases, TPEX actively uses multiple channels (such as: social media platforms, print media, physical and online activities, online media, and anti-financial investment fraud zone) for promotion to prevent financial investment fraud and raise public awareness for fraud prevention. At the same time, TPEX uses technology to patrol, collect, and report fraudulent advertisements on the Internet, prevent people from being exposed to fraudulent advertisements, and reduce the risk of being defrauded.



# Internal Control Statement

March 21, 2025

The Taipei Exchange states the following with regard to its internal control system during the year of 2024 based on the results of self-evaluation:

1. TPEX is fully aware that the establishment, implementation, and maintenance of the internal control system are the responsibility of the board of directors and management. TPEX has established such a system with the objective to reasonably ensure the achievement of goals with respect to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability, timeliness, and transparency of financial reporting, and compliance with relevant regulatory requirements.

2. An internal control system has its inherent limitations. No matter how perfect the system is in design, an effective internal control system can only provide reasonable assurance for the attainment of the 3 goals described above. However TPEX internal control system is equipped with the function of self-monitoring, that TPEX will take immediate action once a deficiency is identified.

3. TPEX determines if the design and implementation of its internal control system are effective based on the criteria provided in the Regulations Governing the Establishment of Internal Control System by Service Enterprises in Securities and Future Markets (referred to as the Guidelines hereunder). Said criteria divides internal control into 5 elements based on the process of management control: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each element contains several items. Please refer to the Guidelines.



4. TPEX has evaluated the validity of the design and implementation of its internal control system based on the aforesaid criteria.

5. Based on the results of aforementioned evaluation, it is found that the internal control system (including the implementation of cyber security) of TPEX in December 31, 2024 was effective in design and implementation, that it reasonably assures the attainment of aforesaid goals, including the effectiveness and efficiency of business operations, reliability, timeliness, and transparency of financial reporting, and compliance with relevant regulatory requirements, however the items in the appendix are exempted.

6. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 174 of the Securities & Exchange Law.

7. This statement has been passed by the board of directors in the meeting held on March 21, 2025, where 15 attending directors voiced assent view to the content of this statement.

#### Taipei Exchange

Chairman

*Lih Chung Chien*

Managing Director & CEO

*Chen Li-chung*

General Auditor

*Pinkie Hsu*

Chief of Cyber Security

*Charles Tzou*



Appendix

**Taipei Exchange****Enforcement Items and Improvement Measures for Internal Control**

( Reference date : December 31, 2024 )

Enforcement Item	Improvement Measure	Estimated Completion Date
None	None	None



## Taipei Exchange BALANCE SHEETS

(In New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalent	\$ 722,904,121	2	\$ 732,529,641	3
Amortised cost of Financial assets at cost	299,788,401	1	-	-
Notes and accounts receivable	336,871,849	1	238,498,170	1
Other financial assets	8,771,726,666	28	6,660,926,666	28
Other current assets	99,409,402	-	83,202,334	-
Securities settlement debit	16,644,759,310	53	10,902,619,051	47
Total current assets	26,875,459,749	85	18,617,775,862	79
<b>NON-CURRENT ASSETS</b>				
financial asset at fair value through profit or loss	832,546,230	3	957,087,126	4
financial asset at fair value through other comprehensive income	343,837,264	1	335,942,268	2
Amortised cost of Financial assets at cost	2,448,550,244	8	2,598,511,565	11
Special securities settlement fund	400,000,000	1	400,000,000	2
Default damage fund	122,289,797	-	122,289,797	1
Property and equipment	171,225,390	1	93,014,555	-
Right-of-use asset	170,899,655	1	233,550,076	1
Prepayment for equipment	3,713,000	-	7,581,000	-
Refundable deposits	17,215,297	-	17,323,989	-
Other assets	84,812,740	-	39,308,962	-
Total non-current assets	4,595,089,617	15	4,804,609,338	21
<b>TOTAL ASSETS</b>	<b>\$31,470,549,366</b>	<b>100</b>	<b>\$23,422,385,200</b>	<b>100</b>


**LIABILITIES AND FUNDS AND NET ASSETS**
**CURRENT LIABILITIES**

Accounts payable	\$	105,397,498	-	\$	80,845,120	-
Lease liabilities		79,896,698	-		80,552,102	-
Other payable		422,033,016	1		375,607,447	2
Current income tax liabilities		463,519,050	2		308,121,550	1
Other current liabilities		289,436,208	1		272,376,977	1
Securities settlement credit		<u>16,644,759,310</u>	<u>53</u>		<u>10,902,619,051</u>	<u>47</u>
Total current liabilities		<u>18,005,041,780</u>	<u>57</u>		<u>12,020,122,247</u>	<u>51</u>

**NON-CURRENT LIABILITIES**

Lease liabilities		95,156,630	1		156,439,082	1
Net defined benefit liabilities		5,677,458	-		60,727,698	-
Provisions		7,889,575	-		6,904,112	-
Guarantee deposit received		<u>37,801,574</u>	<u>-</u>		<u>26,573,616</u>	<u>-</u>
Total non-current liabilities		<u>146,525,237</u>	<u>1</u>		<u>250,644,508</u>	<u>1</u>

Total liabilities		<u>18,151,567,017</u>	<u>58</u>		<u>12,270,766,755</u>	<u>52</u>
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**NET ASSETS**
**Funds**

Initial fund		345,450,000	1		345,450,000	2
Donated fund		5,000,000	-		5,000,000	-
Surplus transferred to fund		<u>10,254,471,045</u>	<u>33</u>		<u>8,771,572,500</u>	<u>37</u>
Total funds		10,604,921,045	34		9,122,022,500	39
Accumulated surplus		2,651,507,750	8		1,974,936,965	9
Unrealized gain or loss on financial asset at fair value through other comprehensive income		<u>62,553,554</u>	<u>-</u>		<u>54,658,980</u>	<u>-</u>
Total net assets		<u>13,318,982,349</u>	<u>42</u>		<u>11,151,618,445</u>	<u>48</u>

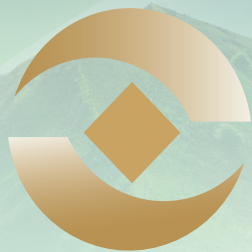
<b>TOTAL LIABILITY AND NET ASSETS</b>		<u>\$31,470,549,366</u>	<u>100</u>		<u>\$23,422,385,200</u>	<u>100</u>
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## STATEMENTS OF COMPREHENSIVE INCOME

(In New Taiwan Dollars)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES	5,208,528,896	100	3,856,062,525	100
OPERATING EXPENSES	2,937,804,623	56	2,328,091,221	61
NET OPERATING INCOME	2,270,724,273	44	1,527,971,304	39
NON-OPERATING INCOME AND EXPENSE	316,440,422	6	262,122,445	7
SURPLUS BEFORE INCOME TAX	2,587,164,695	50	1,790,093,749	46
INCOME TAX EXPENSE	463,260,250	9	307,195,204	8
SURPLUS AFTER INCOME TAX	2,123,904,445	41	1,482,898,545	38
OTHER COMPREHENSIVE INCOME ( NET, AFTER TAX )	43,459,459	1	(2,948,181)	-
TOTAL COMPREHENSIVE SURPLUS	\$2,167,363,904	42	\$1,479,950,364	38



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