

Since its establishment in 1994, TPEX has successively built multi-tiered market segments to provide enterprises at all stages of development with a high-quality environment for financing, nurturing and growing. As of the end of 2022, it has helped 1,849 companies enter the Emerging Stock Market and 1,362 companies enter the TPEX Main Board Market. It has successfully assisted more than 2,400 public companies to enter the capital market. By the end of December 2022, there were 808 Main Board companies and 299 Emerging Stock Market companies, respectively, and such companies were growing steadily. TPEX was recognized by the World Bank in the latter's January 2015 Policy Research Working Paper as one of the most successful SME exchanges in the world.

In 2022, the world continued to be affected by the COVID-19 pandemic, supply chain restructuring and the Russia-Ukraine War. Major developed countries were under a severe inflation crisis. Central banks around the world, led by the U.S. Fed, have adopted a policy of sharp interest rate hikes, resulting in significant fluctuations in the global capital markets. With well-controlled pandemic in Taiwan and solid infrastructure, the dual-core businesses of stocks and bonds of TPEX continued to demonstrate the vitality. In terms of the stock market, the average daily trading value of TPEX Main Board stocks was the second highest ever, and the proportion of foreign-invested transactions exceeded the historical record. There were 22 and 67 (including 12 applications for registration on Pioneer Stock Board) new applications for listing on TPEX Main Board and registration on the Emerging Stock Market in 2022, respectively, and the work targets set at the beginning of the year were achieved. In the midst of the volatility of global stock markets and exchange markets, the performance of the TPEX market was solid, indicating that TPEX has not stopped its pace in assisting enterprises to access the capital market to raise funds and improve the market mechanism. It continued to provide innovative enterprises with convenient financing and trading services to strengthen multi-tiered market development.

In terms of the bond market, TPEX focused on the domestic sustainable finance. After the consolidation of Green Bond, Sustainability Bond and Social Bond into Sustainable Bond Market in 2021, Sustainability-Linked Bond (SLB) was launched in 2022 to help enterprises obtain long-term stable working capital through the issuance of SLB and convey the determination of sustainable development to the market at the same time. SLB

does not restrict the use of funds, thus, the use of funds is more flexible. Also, the bonds' principal and interest terms are linked to the sustainability performance targets enterprises, which can more effectively assist enterprises to implement ESG commitments on the premise of achieving their overall sustainable development strategies. In 2022, the issuance volume and issuance balance of the Sustainable Bond Market exceeded NT\$110 billion and NT\$360 billion, respectively, creating a new milestone in the domestic bond market. The issuers are rather diversified, covering domestic banks, branches of foreign banks in Taiwan, state-owned enterprises, domestic private production enterprises and foreign financial institutions, etc., which shows that the Sustainable Bond Market can effectively attract various issuers to participate in the domestic bond market.

TPEX has a multi-faceted impact on sustainable development. In addition to the commitment to assisting Main Board companies to invest in sustainable development, TPEX also actively created sustainable commodities and mechanisms, guided enterprises and investors to attach importance to sustainable topics through market mechanisms, and guided funds to pay attention to ESG development and transformation, so as to improve the operation of the sustainable finance ecosystem. In terms of promoting and developing ESG-related products, in 2022, TPEX launched the "TIP Customized TPEX ESG High Dividend Total Return Index" and the "TIP Customized TPEX ESG 30 Index" with higher yield. The former is the first domestic dividend-bearing tracking index of ETN, while the latter selects Main Board companies with good performance in investment and sustainable development, with a view to becoming a high-quality option for investors to exert sustainable influence and lead enterprises to invest in sustainable development.

In terms of deepening corporate governance, in 2022, TPEX continued to align the Corporate Governance Roadmap and relevant policies, framed by Financial Supervisory Commission, and continued to encourage companies to make sustainability reporting. In view of the increasingly severe impact of climate change on the global environment, reference has been made to international standards and regulations such as the Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB), which require Main Board companies to strengthen the disclosure of risks and opportunities caused by climate change and the relevant corresponding measures taken in the sustainability reports. Meanwhile, in order to help Main Board companies to establish carbon management capabilities as early as possible, on May 12, 2022, a

“Sustainability Roadmap Section” was set up on TPEX business promotion website, and a sustainable development roadmap consultation group was set up to provide Main Board companies with consultation channels on relevant issues to strengthen the disclosure of sustainable information. In the future, TPEX will continue to promote Main Board companies to refer to the disclosure quality of the TCFD sustainability reports, and link climate risks to corporate governance, so as to improve information transparency, guide companies to attach importance to climate change issues, and enhance their ability to respond to climate change. At the same time, it will continue to provide relevant resources to help Main Board companies to reduce carbon emissions and achieve the national carbon reduction development goal.

In recent years, TPEX has integrated the sustainable development concept of co-existence with the environment and social prosperity into its daily business operations, integrated environmental protection into operational policies at all levels, adopted electronic administrative processes, promoted energy conservation, and reduced paper consumption. The first transformed supply of green electricity was completed in January 2022. In order to meet the 2050 Taiwan net zero transformation target and deepen its own ESG sustainable development, the sustainability committee was established in May 2022, and the greenhouse gas inventory project was launched in August; In addition, in order to promote environmental protection and ecological conservation, over 6,700 trees were planted in the coastal and mountainous areas of Keelung, Yilan, Taichung, Hualien, and Kaohsiung in 2022 to continuously promote the sustainable development of our ESG through diversified means.

In addition, while pursuing market growth and business performance, TPEX upholds its corporate citizenship responsibility and extends its care and love to the society to a broader

level, including promoting financial knowledge on campus, actively cultivating securities talents, and sponsoring students from disadvantaged families. It also implements the concept of caring for the society through activities such as helping the disadvantaged groups, sponsoring sports development and cultural root, supporting environmentally friendly agriculture and donating to local communities. Internally, TPEX is also committed to providing a high-quality working environment, creating a harmonious and happy healthy workplace, continuously improving welfare measures and talent training system, taking sustainable management as a root in daily business execution, and promoting employees' centripetal force by raising their awareness of sustainable development, so as to create a happy and enterprising environmental culture.

Looking forward, with the overall relaxation of the epidemic prevention policies of various countries and interest rate hikes may slow down, TPEX will continue to create a friendly financing environment, attract enterprises into multi-tiered capital market, diversify the development of commodities, promote financial supervision technology, boost market trading momentum and information security, continue to strengthen investor education, and promote international exchange and cooperation. Besides, in addition to continuing to develop the capital market in Taiwan, it is expected that in the coming year, TPEX will continue to follow ESG principles, sustainable development goals, corporate governance and other relevant policies to assist enterprises to achieve sustainable transformation and the goal of net zero emissions, and jointly promote the sustainable development of the capital market.

Chairman
Philip Chen



Managing Director & CEO
Edith Lee




證券櫃檯買賣中心
Taipei Exchange