

CHAPTER 2

MARKET ROBUSTNESS



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2.1 MARKET INNOVATION AND GROWTH

2.1.1 Optimization of Market Mechanisms

TPEX continues to optimize the trading mechanisms and is committed to building a fair, efficient and convenient trading environment to enhance market liquidity, strengthen price discovery, and respond to the expectations of investors and market participants. Given that retail investors account for as high as 70% of the trading value in the TPEX market, TPEX has been actively introducing multiple measures to induce institutional innovation that ensures both fairness and efficiency in the market. To improve trading efficiency, TPEX launched an overarching continuous trading mechanism to enhance quotation transparency and real-time matching.

In the meantime, in order to expand investment targets and enable more flexible portfolio allocation, campaigns for Exchange Traded Fund (ETF) and Exchange Traded Note (ETN) listings were launched to provide investors a convenient one-stop shop for diversified assets and enhance market inclusiveness. For stocks with higher investment thresholds, TPEX launched an intraday odd-lot trading mechanism to lower the entry barriers for high-priced stocks and to encourage young, white-collar workers with modest savings to participate in the capital market. Since the launch of the mechanism, the trading value and the number of investors involved in the trading of odd-lot shares have increased significantly. To further improve the liquidity of odd-lot shares, the call auction intervals of intraday odd-lot trading was shortened to five seconds from one minute beginning December 2, 2024, greatly improving the efficiency of small order matching. To revitalize the stock market and enhance the liquidity of stocks with solid fundamentals, TPEX launched the Market Making Scheme on June 30, 2021. The Scheme has securities dealers play the roles of “market makers” and “liquidity providers” for high-quality TPEX stocks with low liquidity. The market makers continuously quote two-way prices, while the liquidity providers actively engage in trading. This gives investors easier access to the bid/ask price information during trading hours, increases their chances of completing transactions, and enhances the price discovery function and the trading

momentum of the TPEX market. These are expected to help achieve a triple win which benefits investors, securities firms, and the overall market.

In the process of optimizing the mechanisms, TPEX extensively collected and incorporated the opinions of stakeholders and communicated with all parties through the following means:

- Formal correspondence, phone calls, meetings and seminars with government agencies;
- Information sessions for securities firms, intended to assist with their understanding of the mechanisms;
- Seminars, customer service hotline and email for investors, intended for collection of their feedback;
- Official websites and social platforms for provision of timely and transparent channels for inquiries and communication.

TPEX will continue to assess the market needs and trends, improve various trading mechanisms on an ongoing basis, enhance trading convenience and market resilience, and strengthen the foundation for sustainable development of the capital market.



TPEX Holds Joint Awards Ceremony for Various Product Issuance and Trading Competitions

2.1.2 Improved Products and Services

Stock Market

As the main driver of Taiwan's securities market operations, TPEX is committed to developing and promoting multiple financial products and policies. This is expected to help expand the capital market, build a vibrant and sound financial environment, enhance the competitiveness of Taiwan's securities market, and meet investors' needs for diversified products. In 2024, TPEX actively launched various indexes and financial products, as follows:

◆ New Types of Co-Branded Indexes with Sustainability- or Climate-Focused Themes

TPEX signed a co-branded product licensing agreement with ICE Data Indices, LLC, an international provider of index solutions, in November 2024. The future indexes can cover stocks, bonds and multi-assets. TPEX will continue to evaluate and compile new types of indexes that include sustainability or climate themes based on market needs, so as to provide investors with diversified investment options.

◆ Launch of RSPs, Improved Intraday Odd-Lot Trading and Optimized Market Making Mechanism

Currently, 21 securities firms are processing regular savings plans (RSPs). In the future, TPEX will study measures for improving intraday odd-lot trading based on market needs, observe the outcomes of the Market Making Scheme implemented for the TPEX listed stocks, and continuously evaluate and adjust the screening criteria for stock candidates under the Scheme.



TPEX & ICE Co-Branding Product and License Agreement Signing Ceremony

Bond Market

Global issues such as climate change, environmental pollution, resource depletion, social imbalance and wealth inequality have ongoing impacts on the sustainable development of the human society. The concept of sustainable development is gradually disseminated into all aspects of business due to the rise of corporate social responsibility and sustainable management and the innovation of related financial products. In the international financial market, evidence ranges from the booming development of green bonds to the budding and rapid growth of social bonds and sustainability bonds. All market players' common goal is to create an environment for sustainable development by bringing in funds from the capital market.

In line with relevant government policies, TPEX is progressively promoting the development of Taiwan's sustainable bond market. In addition to establishing a green bond market in 2017 and a sustainability bond market in 2020, TPEX also established social bonds mechanism in 2021. A dedicated segment for sustainable bonds was also created, integrating green bonds, social bonds and sustainability bonds. Added to the scope of sustainable bonds were also the government bonds, which allows more issuers to participate in the sustainable bond market. In addition, TPEX established sustainability-linked bonds mechanism in 2022 referencing international financial market standards and trends, in order to expand the scope and diversity of sustainable bond products and provide financing tools for more companies to move towards net-zero carbon emissions and sustainable transformation. To support Taiwan government agencies' issuance of sustainable bonds, TPEX launched government sustainable bonds mechanism for on December 16, 2021, providing a financing channel for government agencies to diversify their sources of financial funds. The issuance of sustainable bonds by government agencies can serve as a market benchmark and signifies the nation's or local government's determination to promote sustainable development policies. It will also help increase diversity among the issuers in Taiwan's sustainable bond market, providing investors with a more solid and risk-diversifying investment option. TPEX also announced on December 14, 2023 amendments to the Operational Directions for Sustainable Bonds, which opened the market for convertible corporate bonds, exchangeable corporate bonds and corporate bonds with warrants to be issued as sustainable bonds. The amendments will benefit diversification of sustainable bond issuers. In the future, TPEX will continue to provide more diversified financing and investment products that are in line with the ESG spirit by referring to the international market trends and based on market needs.

◆Recent Highlights of the Sustainable Bond Market

The number and value of sustainable bonds issued in Taiwan have repeatedly hit new highs, and the annual issuance volume has exceeded **NT\$100 billion** for four consecutive years. This shows that companies in Taiwan are becoming more aware of their social responsibilities and the importance of sustainable transformation, and therefore are making good use of sustainable bond products to raise funds through TPEX.

In view of the fact that Taiwan's small and medium-sized enterprises (SMEs) mostly raise funds by issuing convertible (exchangeable) corporate bonds, TPEX opened the sustainable bond market to these two types of bonds at the end of 2023, which allows the SMEs to raise funds needed for sustainable transformation through issuing bonds. In order to help reduce the issuance costs for SMEs, TPEX launched a program to subsidize assessment institution fees for the issuance of sustainable bonds. During the program timeframe, each issuer of sustainable convertible (exchange) corporate bonds will be provided a subsidy of up to **NT\$350,000**. On the front of government bonds, the Taipei City Government and Kaohsiung City Government issued sustainable bonds in 2024. Local governments' issuance of sustainable bonds is expected to set an exemplary benchmark for the market and drive participation from more companies and government agencies. TPEX will continue to encourage other Taiwan government agencies to join the effort, diversifying the sustainable bond issuers in the market.

◆Adherence to Government Policies

In response to the market's various needs for sustainable investment and financing, and in line with the government's policies such as the **Asian Asset Management Center Project** and the Trillion NT Dollar Investment National Development Plan, TPEX has set "assist companies in sustainable transformation and achieve the nation's net-zero goal" as its vision. Support will continue to be provided for the government and companies to improve their sustainable competitiveness, and funds will be directed into major public constructions and social assistance measures such as long-term care. To strengthen market development, TPEX and TWSE jointly established the Capital Market Service Group in October 2024, with a subsidiary Sustainable Development Bond Team. The Service Group is expected to provide a collaboration platform for interdisciplinary experts and further expand the ecosystem of Taiwan's sustainable bond market.

ETF Market

TPEX opened the market to active ETFs and passive multi-asset ETFs in accordance with the competent authority's policies. The measure is intended to promote the development of Taiwan's asset management market and provide investors with diversified products, thereby transitioning Taiwan into an Asian asset management hub with our unique features. TPEX launched a mechanism for active ETFs and passive multi-asset ETFs at the end of 2024, which facilitates the issuance of new types of ETFs, allowing investors to build their own trading strategies through various combinations of ETFs and meet their asset allocation and risk diversification needs. Meanwhile, an ETF Promotion Team was created to formulate promotion plans, provide consulting services to investment trust companies on index construction, product planning and market mechanisms. The team also actively plans product introductions and educational sessions for investors such as on investment risk awareness.

Product/Asset category	Average daily number of transactions in 2024	Average daily trading value in 2024 (Unit: NT\$ million)
Mainboard stocks	742,556.64	96,084.39
ETFs	93,028.43	13,550.32
ETNs	73.73	2.92
Call (Put) Warrants	27,563.65	782.57

2.1.3 Expansion Of Capital Market

The capital market is a showcase for national economic development and an important channel for corporate financing. It is where the investor funds meet corporate financing needs, and transforms liquid funds into a driving force for the companies' sustainable development. TPEX's purpose is to support the development of emerging companies, and provide them with convenient and efficient financing channels in the primary market, which helps their business to thrive and creates job opportunities and economic momentum. TPEX protects investors' rights and interests while meeting the corporate financing needs. By referencing domestic and foreign market developments, TPEX also reviews and revises relevant regulations and supporting measures at appropriate times and optimizes all mechanisms, in order to create a fair, efficient, innovative, open, diverse and internationally aligned capital market.

Support of Corporate Sustainable Development through TPEX's Multi-Tiered Market

Since its establishment, TPEX has been actively supporting SMEs' entry into the capital market following the global trend, and has set the strategic goal of building a "multi-functional,

multi-tiered full-fledged exchange". Throughout the years, a complete multi-tiered capital market structure was established. Through a phased incubation approach, micro or startup, small and medium-sized and even large enterprises receive assistance with choosing the appropriate segment for listing according to their own scale and development needs. In the meantime, counseling mechanisms, financing channels and appropriate supervision mechanisms allow the companies to continue strengthening their business foundations through the capital market. TPEX's outstanding performance earned it the World Bank's recognition as one of the "exchanges most experienced in supporting SMEs", making it an important, characteristic capital market in the world.

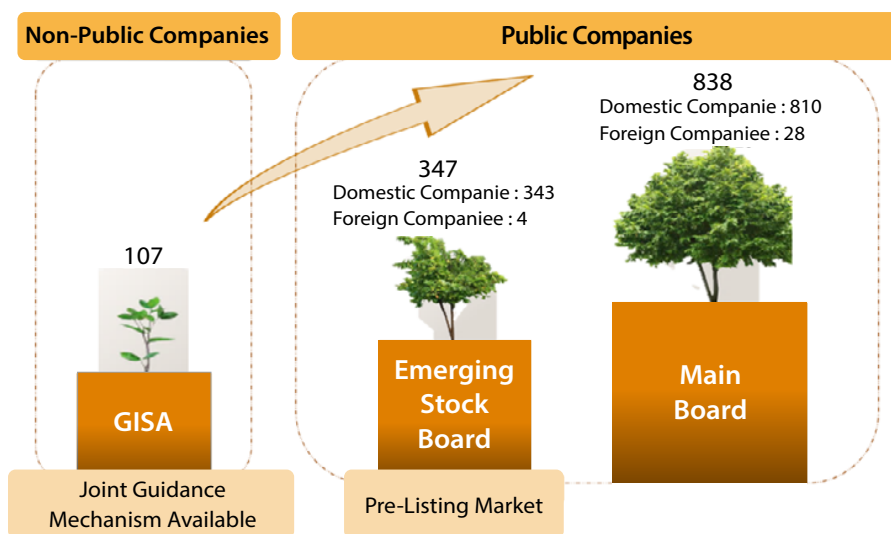
Main Features of Each Segment

TPEX's multi-tiered market structure allows provision of the right financing options to companies of different sizes and development stages. Investors can also select markets and targets that meet their investment needs based on their own financial situation, risk tolerance and investment strategy. The main features of each TPEX segment are as follows:

Segment	Positioning	Attributes	Features of registered (listed) companies
GISA Board	Provision of professional counseling and financing functions	Non-public listing	MSMEs with innovative and creative ideas
ESB	Pre-Mainboard, preparatory market with phased incubation	Public listing	Mainly SMEs with more mature operations, with counseling provided by securities firms
TPEX	Mainboard market	Public listing	SMEs or companies of emerging industries with more mature operations as well as performance and scale of a certain level

Structure and Development of the Multi-Tiered Market

TPEX established a multi-tiered capital market including TPEX (Mainboard), ESB and GISA Board. Issuance-wise, companies of different sizes and development stages can choose the appropriate tier for fundraising. Trading-wise, investors can also select markets and targets that meet their investment needs based on their own financial situation, risk tolerance and investment strategy. According to the statistics, a total of 838 companies were Mainboard-listed, 347 ESB-registered, and 107 domestic companies were GISA-registered by the end of December 2024.



Introduction to GISA Board

To facilitate MSMEs' entry into the capital market, TPEX launched GISA Board in 2014 as an important incubation platform for companies. GISA Board is aimed at increasing visibility and building sound governance mechanisms for MSMEs. Through simplified administrative processes and a counseling mechanism, GISA Board is dedicated to enhancing startup's and MSMEs' participation in the capital market, and in the meantime injecting more diversified innovation momentum into the Taiwan capital market.

As startups grow, they require assistance such as with external funds and marketing channels. TPEX therefore organized business and investment matching events for GISA companies, investors and medium and large-sized enterprises. On the one hand, GISA companies can gain more visibility, expand sales, acquire funds and receive guidance on management and product marketing. On the other hand, the investment institutions and large enterprises are given access to opportunities of innovative investment, collaboration potentials, resource sharing and mutually beneficial win-win.

Considering the bottlenecks most startups encounter in their early stages, including small capital scale, low product visibility, insufficient R&D resources, and incomplete internal control, GISA Board provides the following supporting resources and institutional counseling:

MSMEs' needs	GISA's counseling and financing functions
Business and capital	<ul style="list-style-type: none"> Companies may participate in investment or business match-making meetings with TPEX listed companies, corporate venture capital (CVC) of TWSE/TPEX listed companies or venture capital institutions; Conduct cash capital increase with the general public through GISA's fundraising site; Participate in exhibitions with TPEX sponsorship.
Professional knowledge	<ul style="list-style-type: none"> Both directors and employees can participate in selected basic and advanced courses in management, marketing planning, business law, etc., and have the opportunity to attend advanced elite courses. Companies can receive legal consultation services.
Mechanism establishment	<ul style="list-style-type: none"> During the 2-year counseling period, companies can choose whether to establish a basic accounting internal control mechanism following the accountant's guidance.

GISA Board Performance And Highlights In 2024

Actions	Quantitative Results	Highlights
Encouraged innovative, creative MSMEs to apply for GISA registration	<ul style="list-style-type: none"> Organized and actively participated in 54 GISA-related information sessions. An additional 54 companies registered on GISA and applied for counseling services. Attended the Taiwan Venture Capital Summit and introduced TPEX's multi-tiered market at Meet Taipei Startup Festival. 	<ul style="list-style-type: none"> TPEX continued to build deeper relationships with GISA recommending agencies such as city governments, central government agencies or their subsidiary incorporated foundations or associations, guilds, and business incubation centers of universities, as well as collaborated with counseling entities such as accounting firms. TPEX also hosted GISA information sessions, proactively visited MSMEs with development potentials in Taiwan and urged them to apply for GISA registration.
Participated in important, large-scale themed exhibitions in Taiwan with GISA companies	<ul style="list-style-type: none"> Participated in 2024 InnoVEX, 2024 Meet Greater South and 2024 Meet Taipei Startup Festival with 17 GISA companies Sponsored 22 GISA companies' participation in professional exhibitions in Taiwan 	<ul style="list-style-type: none"> TPEX promoted the GISA Board and supported GISA companies' business development. In order to strengthen counseling resources for GISA companies and increase incentives for others to register, TPEX continued to subsidize GISA companies' booth rental at professional exhibitions in 2024.
Supported quality companies' entry into the TPEX market	<ul style="list-style-type: none"> In 2024, GISA companies such as Intumit, Inc. and Champ-Ray Industrial Co., Ltd. registered on ESB and then applied for Mainboard listing. At the end of 2024, an accumulated 501 companies received GISA counseling, 239 were GISA-registered, and 30 successfully advanced to public issuance. Among them, 28 companies were ESB-registered and 4 Mainboard-listed. 	<ul style="list-style-type: none"> TPEX provided companies counseling for them to become GISA-registered, establish accounting and internal control mechanisms, and improve company fundamentals, thereby supporting GISA companies' advancement toward public issuance. The current GISA structure covers a diversified, innovative-thinking ecosystem, and serves as an agile segment for startups to access external resources and strengthen their own competitiveness, making it a cornerstone for entry into the capital market.
Hosted investment matching events for GISA companies	<ul style="list-style-type: none"> Invited 12 GISA companies with potentials to conduct fundraising presentations. Attracted nearly 80 professional investors from venture capitals, financial institutions and corporate investment departments to engage with GISA companies. 	<ul style="list-style-type: none"> TPEX built Taiwan's "innovation flywheel" and an internationally competitive environment for starting businesses, thereby supporting the innovation and development of Taiwan's new economy and new technology.

Introduction to the Emerging Stock Market

The purpose of establishing the Emerging Stock Market is to institutionalize the trading of unlisted stocks and prevent them from being traded through underground brokers. Through the counseling mechanism of ESB securities firms, investors can trade unlisted stocks safely, conveniently and legally. The Emerging Stock Market has now developed into a market that prepares stocks for TWSE/TPEX listings, and has four major functions, as follows: to guide issuing companies to become familiar with the regulations and operations of the securities market, to provide investors with a channel to understand issuing companies, to enhance transparency of issuing companies' financial and business information, and to provide liquidity and price discovery functions for pre-IPO stocks. Under the current mechanisms, companies that have traded on ESB for six months and above, or foreign companies that have not registered on ESB and have been under a securities firm's TPEX listing counseling for six months and above, can apply for TPEX listing.

In order to create a friendlier market environment and expedite IPOs, TPEX consolidated the ESB and Pioneer Stock Board (PSB) in 2024. Companies are also allowed to concurrently apply for ESB registration and file for public issuing, and can choose between general or simplified public issuing, which can shorten the preparation time by more than 3 months, a significant reduction on the timeframe for companies to enter the capital market. In addition, foreign issuers applying for ESB registration must concurrently file for public issuing, and may also choose between the general or simplified public issuing mechanisms.

ESB Performance And Highlights In 2024

Actions	Quantitative Results	Highlights
Allowed concurrent application for ESB registration and filing for public issuing	Additional 92 companies applied for ESB registration, among which 54 concurrently filed for public issuing.	Companies concurrently applying for ESB registration and filing for public issuing can reduce ESB preparation timeframe by roughly 3 months. For those opting for simplified public issuing, they will submit fewer application documents than if going through general public issuing, which effectively reduces time and costs spent on preparing company accounting records and building internal control mechanisms, thereby accelerating the startups' entry into the capital market.

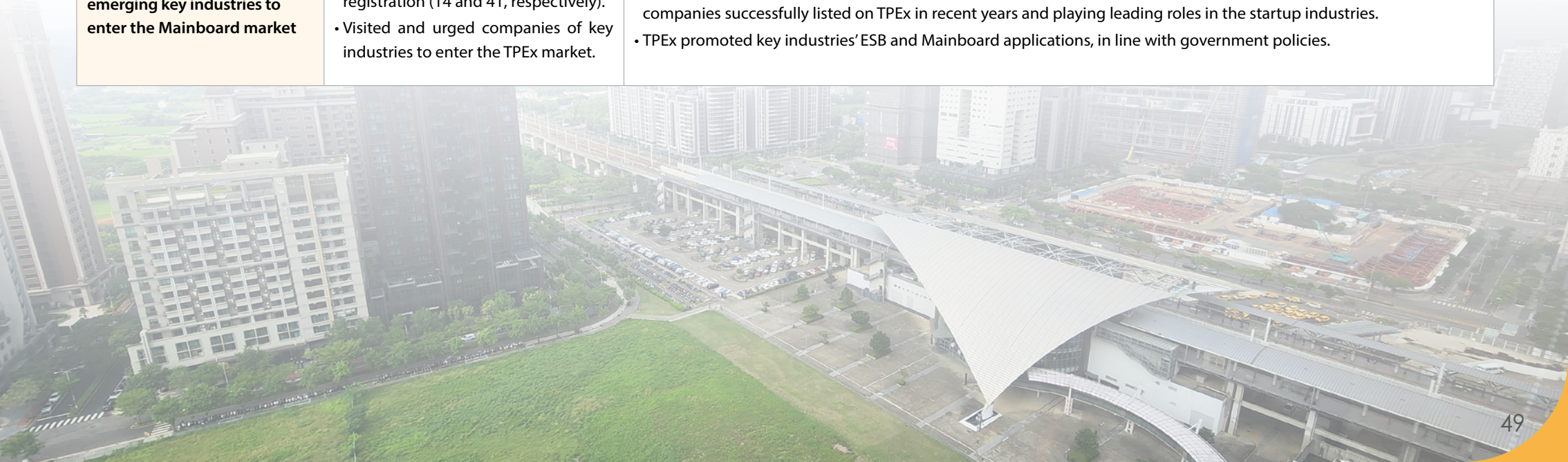


Introduction to the Mainboard Market

The Mainboard stock market is the foundation for TPEX's multi-tiered market structure. Its main purpose is to support emerging high-tech industries and SMEs with mature operations and certain performance level and scale to be listed and raise funds in the capital market. The Mainboard stock market sets rules on the applicant companies' profitability, stock dispersion and years in operation. In conformity with the government's policy to promote the technological industry, and to support the development of emerging technological businesses while safeguarding the investors' rights and interests, the following rules apply to companies with short years of operation or performance that is not yet in full play: If a company has been evaluated by the relevant central authority-in-charge as a technological business, agricultural technological or startup business, or cultural and creative business, and with market potentials, it may be exempted from the provisions on profitability and years in operation. In addition, in order to provide startups with flexible and diversified channels for TWSE/TPEX listing, TPEX has also added various conditions for listing, in order to support entry to the capital market for companies that have demonstrated operational performance and growth potential but have not yet met the profitability requirements. This measure is aimed at strengthening the financing momentum for the companies.

Mainboard Performance and Highlights in 2024

Actions	Quantitative Results	Highlights
Enhanced promotion for emerging key industries to enter the Mainboard market	<ul style="list-style-type: none"> • Drove 55 companies of key industries to apply for Mainboard listing and ESB registration (14 and 41, respectively). • Visited and urged companies of key industries to enter the TPEX market. 	<ul style="list-style-type: none"> • TPEX actively supported emerging, key industries' entry into the capital market. Examples include SaaS company 91APP, third-party payment company ECPay, and AI healthcare company EverFortune.AI, which are all emerging technological companies successfully listed on TPEX in recent years and playing leading roles in the startup industries. • TPEX promoted key industries' ESB and Mainboard applications, in line with government policies.



Highlighted Actions Driving Domestic and Foreign Companies' Mainboard and ESB Listings (Registration)

Quantitative Results

Domestic companies

- 12 companies of key industries became TPEX-listed and 41 applied for ESB registration.
- TPEX conducted 28 information sessions on its domestic and international businesses, with accumulated 142 outbound visits to and inbound visits from companies in Taiwan and beyond.
- TPEX co-hosted TPEX/ESB listing (registration) information sessions with intermediary institutions, attended seminars or forums to introduce the TPEX multi-tiered market, totaling 24 events. One-on-one interviews were also conducted with certain participating companies to understand and assist with solution of their corporate issues.
- TPEX continued interaction or collaboration with the Industrial Development Administration (Ministry of Economic Affairs), Ministry of Digital Affairs, Institute for Information Industry and other government agencies, and discussed efforts for quality companies to enter the capital market.

Foreign companies

- TPEX co-hosted four Foreign Companies' TPEX Listing Information Sessions with Taiwan government's overseas missions, overseas Taiwanese business associations and intermediary agencies, to introduce advantages of the TPEX market, and visited high-quality Taiwanese companies in Vietnam, Japan and Malaysia.
- TPEX established a dedicated point of contact servicing foreign companies pursuing listing in Taiwan, and handling contacts with and business promotions to overseas companies. TPEX has a dedicated webpage titled "Foreign Issuer Listing (Registration) on the TPEX/ESB" which helps investors, as well as foreign issuers and intermediaries intending to register on ESB or apply for TPEX listing, to understand the features and advantages of Taiwan's TPEX market and the relevant regulations for TPEX/ESB listing (registration).

Highlights

- The domestic business information sessions enabled more companies interested in entering the capital market to timely understand common issues during TPEX listing applications, which helps with their solution and preparation.
- In line with government policies, TPEX strengthened collaboration with external entities such as the authorities-in-charge and collectively promoted quality companies' and key industries' application for TPEX listing and ESB registration.
- TPEX examined regulations on TPEX/ESB listing (registration) applications at appropriate times, to ensure sound review mechanisms, while also providing external parties with regulation consultation services.
- TPEX held overseas information sessions to encourage high-quality overseas companies to pursue TPEX listing, and provided appropriate assistance and responses to companies having questions during the IPO preparation process.
- TPEX has strengthened collaboration with external entities such as Taiwan government's overseas missions, overseas Taiwanese business associations, local chambers of commerce, and overseas branches of financial institutions. A dedicated point of contact was also established to provide listing services for foreign companies, and to jointly promote quality overseas companies' application for TPEX/ESB listing (registration).
- Organized information sessions or attended those hosted by intermediary institutions, or joined them on visits to domestic and foreign quality companies.

2.1.4 Broadened Investment Participation

TPEX is dedicated to building a diverse, inclusive and resilient capital market. Through multiple strategies such as product innovation, mechanism optimization and educational promotion, it aims to enhance the participation and financial literacy of investors of different attributes and groups, thereby bring to life the spirit of inclusive finance and realizing the vision of sustainable market development.

Education- and Promotion-Enabled Deepening of Investor Participation and Literacy

In 2024, TPEX launched multiple educational and promotional events, in order to enhance the investors' understanding of market mechanisms and product characteristics.

- **27 investor seminars:** The seminars covered topics such as TPEX Mainboard and ESB stocks, ETFs, ETNs, futures and the gold platform, providing guidance on the mechanisms and knowledge on actual operations.
- **8 financial education and wealth management courses:** In line with promotion of financial knowledge accessibility, TPEX participated in retirement system information sessions hosted by the Ministry of Labor and helped improve the workers' financial planning and wealth management capabilities.
- **Media campaigns:** Market mechanisms and products were introduced through print and digital media platforms to enhance the public's trust and understanding of the capital market.

Innovative Promotion of ESG Products Leading Sustainability Engagement

In response to investors' increasing attention to sustainable investments, TPEX actively promotes participation in and education on ESG-focused products. In 2024, TPEX launched an ESG ETF trading incentive campaign and Lucky Draw for the Earth, which used gamified interactives to provide entertaining educational resources to enhance investors' awareness of ESG products and encourage their involvement therein.



Bond ETFs - Marked Popularization Results and Historic High Participation

TPEX has made remarkable achievements in promoting the popularization of bond ETF products. Natural persons' participation in the investments were effectively boosted through measures such as investor trading incentives, securities firms' competitions and educational campaigns. The following results show that the bond ETF products added to the depth and stability of the market, while providing investors with more diversified and low-risk asset allocation options. They reflect realization of the inclusiveness goals of the financial market.

- The average daily transaction value of bond ETFs reached **NT\$13.316 billion**, with an **annual growth rate of 163%**.
- The proportion of transactions by natural persons rose to 39%, showing significant growth in market participation by individuals in the general public.
- The number of transactions reached **2.45 million**, of which those by natural persons increased by 84% year-over-year, ranking the top among all types of investors.
- The issuance scale of TPEX listed bond ETFs is close to **NT\$3 trillion**, ranking **1st among Asia-Pacific exchanges** and **7th in the world**, indicating the international competitiveness and maturity of Taiwan's bond ETF market.

Strengthened Mechanism Alignment and Market Communication

In order to enhance the transparency of the bond market mechanisms and respond to the market's changing needs, TPEX actively hosted events in 2024 by referring to international mechanism designs and trends. The events included information sessions on the mechanisms and visits to the issuers and intermediaries. Communication was deepened both ways through the following means:

- Enable market participants' deeper understanding of key points in the TPEX mechanisms through direct dialogues and information exchanges.
- Collect opinions from the market as a reference for ongoing revision and optimization of the mechanisms.



2.2 FOSTERING SUSTAINABLE MARKETS

2.2.1 Promotion of Green Finance

With green finance becoming a critical global development topic, regions or countries are developing their green finance in the hopes that the mechanisms will guide global funds into environmentally friendly investments and those responding to climate change, which helps to suppress or combat global warming-induced threats to humans and damages to the environment. TPEX progressively built market mechanisms for Taiwan's sustainable bonds following FSC's Green Finance Action Plan 1.0 and 2.0, Corporate Governance 3.0 and Capital Market Roadmap. It also supports the companies' issuance of sustainable bonds, which facilitates their involvement in green investments and economic transformation with environmental benefits. However, the sustainable bond issuers in Taiwan are still mainly the financial institutions and large companies. For companies in general, their limited number of investment plans meeting sustainable requirements, coupled with the additional external evaluation cost required for sustainable bond issuance, constrains their issuance opportunities and leaves much room for growth in their issuance scale. Meanwhile, considering the convertible corporate bond issuers being mainly small- and medium-sized TWSE/TPEX listed companies, TPEX announced the amended Taipei Exchange Operation Directions for Sustainable Bonds on December 14, 2023, which includes convertible corporate bonds, exchangeable corporate bonds, and corporate bonds with warrants in the scope of sustainable bonds. The inclusion is expected to help expand the scope of sustainable finance from large companies to SMEs, supporting TWSE/TPEX listed companies to acquire funds for sustainable transformation.

TPEX intends to promote financial mechanism-enabled sustainable products and green finance, as a way to raise Taiwan companies' and investors' awareness of the environmental, social and corporate governance topics. The effort is expected to create a virtuous cycle in which investments and industries are sustainability-oriented, ensure Taiwan's achievement of the carbon reduction and sustainable development goals, and lead to a triple win of economic growth, environmental protection and social progress under implementation of

sustainable finance. TPEX will continue to expand the categories of sustainable bond products, open the market to more diverse issuers, and provide more diversified responsible investment options. In the meantime, strengthening of the information disclosure quality on sustainable bonds will be ongoing, in order to provide market participants more reference information on sustainable bonds, and thereby expanding the issuance scale of the market. In addition, TPEX will also continue to work with international organizations and boost the visibility of Taiwan's sustainable bond market.

In 2024, TPEX conducted a total of 17 visits and receptions involving quality companies in the green energy and environment sector were made, eight such companies registered on ESB, and one applied for TPEX listing. By the end of 2024, a total of 24 green energy and environment companies were registered on ESB.

Green Finance Publicity and Promotional Activities in 2024

- Co-hosted the Digital Net-Zero Forum – New Pathway for Future Industries with the Institute for Information Industry (III), and co-hosted the Leading the Future with Digital+ Conference with Taiwan Internet and E-Commerce Association (TiEA) and PwC Taiwan.
- Participated in Taiwan Information Security Association (TWISA)'s 2024 annual congress and the launch ceremony of the Taiwan Digital Defense Consortium (TWDDC). Introduced to the green energy companies TPEX's multi-tiered market, and answered questions about TPEX listing and ESB registration.
- Organized information sessions on sustainable convertible (exchangeable) corporate bonds, and promoted the sustainable bond mechanisms.
- Organized four sessions of 2024 Bond Market Briefings, in which TPEX introduced the sustainable bonds mechanisms to issuers, underwriters and evaluation institutions.

2.2.2 Promote the Sound Development of Mainboard/ESB Companies

To protect the investors and also safeguard shareholders' rights and interests, TPEX continues to strengthen supervision on all fronts. The implementation of various supervisory measures is expected to lead to the establishment of an efficient platform that supports healthy development of Mainboard/ESB companies while mitigating investment risks for investors. The financial and business supervision of Mainboard/ESB companies includes routine document-based or on-site audits of their financial reports and internal control mechanisms, exceptional audits of special cases, periodic or spot audits of TPEX listed companies' information reporting or material information.

Almost unaffected by COVID-19, the performance briefings of Mainboard/ESB companies in 2024 were all in-person, while online live streaming was also provided to facilitate access to the updates on TPEX listed companies for more investors. Through information disclosure and other interactions, the TPEX listed companies are urged to ensure legal compliance and strengthen corporate governance. TPEX will continue to reform governance of and supervision on TPEX listed companies, such as by reviewing and revising supervisory regulations for the TPEX market, promoting TPEX Mainboard/ESB companies' corporate governance (including sustainability information disclosure), and building good, effective internal control mechanisms for sustainability information management, by following the competent authority's policies, the recently adopted IFRS and Sustainability Disclosure Standards. TPEX also continues to conduct corporate governance evaluations, commend excellent companies, optimize corporate governance evaluation indicators for better differentiation, and implement improvement plans for various corporate governance indicators following policies of the competent authorities, in order to establish a sound corporate governance mechanism. Functions of the board of directors, independent directors and various functional committees of TPEX listed companies are also reviewed and strengthened.

Supervisory Measures And Major Results In 2024

Supervisory measures	UNIT: NUMBER OF COMPANIES	
	ESB companies	Mainboard companies
Financial report review	All 33 companies	All 214 companies
Formality review		
Substantive review		
Exception management analysis in accordance with regulations upon occurrence of material incidents	0	401
Audit of expert opinion letters	4	10
Audit of internal control implementation	24	92
Analysis and Audit of companies meeting criteria of financial and business / trading early warning indicators	18	8
Audit of material information	63	216
Notification for companies to disclose material information for those announced as attention securities and meeting TPEX's criteria for disclosure of recent financial information	202	354
Review of annual report	68	188

Actions Targeting Mainboard Companies

Actions	Highlights	Benefits
Corporate governance evaluation	Updated TPEX listed companies on recent corporate governance- and ESG-related amendments	Accelerated promotion of corporate governance among TWSE/TPEX listed companies' in line with the Sustainable Development Action Plans for TWSE and TPEX Listed Companies, supporting their healthy development and boosting market confidence.
Information sessions on TPEX listed companies' required practices	Four topics: <ul style="list-style-type: none"> • Recently amended regulations on material information • Reminders on information reporting • Common deficiencies in sustainability reports • Important internal control topics (including case studies on deficiencies identified in cyber security internal control audits) 	Shared cases of common deficiencies as a way to support TPEX Mainboard/ESB companies' legal compliance and information disclosure, and to strengthen their internal control/internal audit mechanisms and the quality of their corporate governance.
Financial report disclosure campaigns	Co-hosted four campaign sessions for 2024 IFRS Adoption with TWSE, Taifex and TDCC in northern, central and southern Taiwan. The sessions were attended by a total of roughly 3,545 finance- or accounting-function personnel of TWSE listed companies, TPEX Mainboard/ESB companies and publicly issuing companies. The video recordings of the sessions were also uploaded for online viewing.	Helped companies understand recognized and applicable practices of the new IFRS standards and its future development trajectory.
Advancement in sustainability information disclosure	<ul style="list-style-type: none"> • Hosted four sessions of Internal Control System of the Management of Sustainability Information Conference in northern, central and southern Taiwan to urge TWSE/TPEX listed companies to establish internal control and internal audit mechanisms for sustainability information management beginning 2025. • Hosted five sessions of Sustainability Report Preparation and Production Function Advocacy Meeting for TWSE and TPEX Listed Companies in northern, central and southern Taiwan covering "Requirements for Sustainability Report Preparation and Guidelines on Material Topic Disclosure," "Report Review Mechanism and Common Deficiencies," and "Instructions on the Report Production Function." • Hosted three sessions of Sustainability Report Practice Course for TPEX-Listed Companies in northern, central and southern Taiwan and introduced TPEX resources available for supporting TPEX listed companies' production of sustainability reports. 	Provided in-depth analysis of sustainability information practices, and effective tools and suggestions, helping companies enhance the quality of their sustainability information disclosure.
Deepening of corporates' sustainable governance culture	Hosted the Sustainable Development Committee and Chief Sustainability Officer Forum and promoted establishment of a Sustainable Development Committee (CSO) within TWSE/TPEX listed companies.	Invited companies to share their sustainable governance perspectives and opportunities and challenges surrounding sustainability actions. The exchange of actual experiences helped further sustainable development of the capital market and strengthen the companies' sustainable competitiveness.

Actions Targeting ESB Companies

Actions	Highlights	Benefits
Information sessions and seminars	<ul style="list-style-type: none"> • Information reporting course for ESB companies: This course was conducted through on-site presentations or video recordings uploaded to the TPEX website for companies to view. The course covered recent amendments to the regulations including those of material information and information reporting practices. • Courses for intermediary institutions: Lectures on the recently amendments to TWSE/TPEX listing-related regulations, review focuses in TPEX listing and ESB registration applications, and case studies and discussions. • Information sessions for securities firm personnel • Support for access to the latest and comprehensive market information 	Assisted ESB companies to understand the latest key amendments to TPEX laws and regulations, while ensuring legal compliance and information disclosure, in order for companies to implement legal compliance and internal control/internal audit mechanisms, strengthen the quality of their corporate governance, and protect the rights and interests of investors.
Industry Chain Information Platform	<ul style="list-style-type: none"> • As of the end of 2024, 39 ESB companies were included on the lists of relevant industries. • Through quarterly media coverage of forward-looking and highlighted industrial value chains, the featured industrial clusters were promoted to enhance visibility of individual companies therein and drive development of the industries. 	Periodically provided updates on industrial trends and backgrounds, and urged Mainboard and ESB companies to update their information, which helps investors better understand the issuing companies' positions upstream, midstream or downstream in the value chain.
Supervision on the finances and business of ESB companies	<ul style="list-style-type: none"> • Performed analyses and audits for 18 ESB companies with conditions meeting criteria of the financial and business early warning indicators. • Made 202 announcements of attention ESB securities • Performed formality reviews of ESB companies' financial reports in accordance with regulations, and also completed substantive reviews of financial reports for 33 ESB companies. • Audited implementation of internal control mechanisms for 24 ESB companies. • Conducted spot audits on the material information disclosure of 63 ESB companies. 	<ul style="list-style-type: none"> • Based on the resolutions of the daily financial and business crisis early warning meetings, collected and analyzed changes in the company fundamentals in real-time, held management meetings at appropriate times, and effectively monitored high-risk ESB companies. • Supervised financial and business abnormalities (including illegal cases) and managed both general and exceptional situations of ESB companies, in addition to taking appropriate preemptive actions on situations that may lead to operational crises. • Conducted spot audits on ESB companies' implementation of internal control mechanisms, in order to ensure the functioning of corporate internal control and to track improvement thereof. • Strengthened management of ESB companies' material information and press conferences, urging them to timely disclose material information in accordance with regulations, and ensuring their information transparency and correctness.
Real-time disclosure of material information and the information-triggered trading halt mechanism	<ul style="list-style-type: none"> • When the media coverage of ESB companies meet the criteria of material information or if the coverage deviates from the fact, TPEX would post relevant explanation on the Market Observation Post System (MOPS). The action was taken 132 times for ESB companies in 2024. • Ten material information press conferences were held by ESB companies in 2024, with trading halt for four companies. 	<ul style="list-style-type: none"> • Reminded the investing public to pay attention to the expected resolutions or information of ESB companies that upon disclosure may have a significant impact on shareholders' equity or securities prices. • Provided broad and fair opportunities for the dissemination of material information by ESB companies, and allowed investors time to digest the information, thereby reducing information asymmetry and enhancing the fairness of the securities market.

2.2.3 Maintenance of Market Order

TPEX continues to implement all supervisory regulations of the securities market, to ensure the fairness and order of the trading market and to protect investors' rights and interests.

Issuance

- When major finance- and business-impacting incidents occur in TPEX Mainboard/ESB companies, they may cause abnormal fluctuations in the stock prices. To minimize information asymmetry, TPEX established a trading halt mechanism by referencing the practices of international major securities markets. The Mainboard/ESB companies are required to apply for trading halt a day before (on T-1 day) if they plan to disclose specific types of material information such as merger, spin-off, bankruptcy or reorganization before 5:00 pm on a stock trading day (T day). Trading can resume on T+1 after the information is released. The trading halt mechanism prevents investors from making wrong decisions due to lack of information before complete information is disclosed by the Mainboard/ESB companies. This helps build a fair trading exchange market, allowing more comprehensive information disclosure and trade-related regulations.
- The Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities requires TPEX listed companies to post material information on MOPS at least two hours before the start of trading hours on the next business day of its occurrence. In cases where TPEX discovers TPEX listed companies have material information that should be disclosed but did not do so, are linked to media coverage that should be clarified, or disclosed incomplete material information, the companies would be required to make the announcement within two hours if they receive inquiry from TPEX before 5:00 pm on a business day. If TPEX inquiry is received after 5:00 pm of a business day or on a regular day-off, the announcement should be made no later than two hours before the start of trading hours on the next business day. In emergent contingencies or major incidents, material information should be disclosed within the timeframe mandated by TPEX, to ensure the investing public's timely access to the information. The procedure also requires certain important companies to organize a material information press conference, and that the meeting time is to be notified to the media by TPEX. If the meeting will be conducted in a way that allows investors' attendance, the company should announce the meeting time, and TPEX will also publicize the meeting information on its website.
- On a daily basis, TPEX notifies Mainboard/ESB companies by phone and requires them to post an explanation on MOPS on the same day if there is media coverage of information that meets TPEX's definition of material information and could impact the company's securities trading, or if the information deviates from the facts.

Important Actions and Results in 2024

- A total of 101 notifications for Mainboard companies to post material information on MOPS as clarification on media coverage.
- A total of 132 notifications for ESB companies to post material information on MOPS as clarification on media coverage.

Trading

To avoid acute market fluctuations, causing serious deviation in trading prices, the following measures are taken.

- **Mainboard stocks:** During the period from the first matched trade of a security during the current session until five minutes prior to market closing, if any execution price as test-calculated prior to each matching fluctuates beyond 3.5% of the reference price, TPEX shall postpone the matching of the security for two minutes, and continue to accept entries, cancellations, and changes of trading orders for that security. Matching will then proceed by call auction at the conclusion of the postponement period.
- **Emerging Stocks:** If during the trading hours for a given business day, the weighted average trading price for a stock is 50 percent or more above or below the weighted average trading price of the preceding business day, TPEX shall halt trading of the stock until the close of trading hours for the given business day.

The duration and number of times of trading interruptions and trading halts in 2024

Scenario	Stock type	Times	Duration
Information-triggered trading halt following application by the company	Mainboard	19 times	171 hours
	ESB	4 times	24 hours
Trading halts due to abnormal volatility (instant price stabilization measures)	Mainboard	22,521 times	45,042 minutes ^{Note}
Trading halts due to abnormal volatility (trading halt mechanism due to abnormal stock price fluctuations)	ESB	1 time	353 minutes ^{Note}

Note: Daily trading hours of Mainboard stocks (including block paired trade and non-paired trade) are from 8:00 am to 5:00 pm (9 hours), daily trading hours of ESB stocks are from 9:00 am to 3:00 pm (6 hours).

The TPEx market surveillance system mainly includes the surveillance and early warning operations and auditing of illegal transactions.

- **Surveillance and early warning:** For securities traded at abnormal prices and volumes, TPEx announces attention to trading information and disposition measures. On a daily basis, TPEx announces on its website securities meeting criteria for attention to trading information. If a security meets criteria for attention to trading information for multiple days and thus meets criteria for disposition, TPEx will implement advance collection of funds and securities and extended matching time to remind investors of trading risks.
- **Auditing of illegal transactions:** TPEx audits abnormal securities and reports them to the competent authorities and judicial agencies if suspected illegal manipulation or insider trading are identified, in order to protect the investors and maintain fairness in the market. TPEx also periodically educates listed companies and securities firms, for insiders of Mainboard and ESB companies to strengthen their legal awareness and their understanding of obligations and violation-related responsibilities under the securities and exchange regulations, thereby preventing illegal transactions in the securities market.

Important Actions and Results in 2024

- For Mainboard securities, 569 were announced for attention to trading information for a total of 3,787 times; 183 securities were announced for dispositions for a total of 338 times.
- For ESB securities, 101 were announced for attention to trading information for a total of 204 times; 9 securities were announced for dispositions for a total of 13 times.
- TPEx held six workshops on the prevention of illegal transactions for securities firm personnel and five workshops on Mainboard/ESB companies' insider stock ownership and illegal transaction prevention.

The trading system maintained regular operations without service interruptions.

TPEx continues to amend relevant regulations and adjust the early warning system based on products, trading mechanisms, and market development, to alert investors of the trading risks. On the front of illegal transaction audits, surveillance technology will be used to enhance TPEx's market supervision functionality and strengthen audits for prevention of illegal transactions. TPEx will also continue to collaborate closely with the competent authorities and judicial agencies on organization of meetings or case studies, and share audit experience and exchange views on illegal trading cases. In addition, resources of securities-related entities are integrated with a sharing mechanism which enables periodic information exchanges and extensive collection of views and suggestions, so as to enhance capacity in market monitoring and auditing for illegal activities.

2.2.4 Stabilized Operations of Securities Firms

As the securities market develops, TPEX progressively adjusts policies on securities firms in order to maintain stable operation of the securities market.

Routine audits

In accordance with the reform plan for auditing of securities firms and the principle of differentiated management, TPEX works with TWSE to perform audits on the finances, business, internal audit, and other operational aspects of securities firms. Audits will also be conducted on securities firms that only engage in equity crowdfunding business, those that only engage in security token offerings (STO), those of brokerage businesses for trading and exchanging beneficial certificates of funds, and financial institutions that only engage in bond business and leverage transaction merchants.

Special audits

TPEX conducts TPEX market-related special audits based on Article 7 of the Taipei Exchange Operation Rules for Audits of Securities Firms or Leverage Transaction Merchants and Follow-up, Assessment, and Guidance With Respect to Deficiencies.

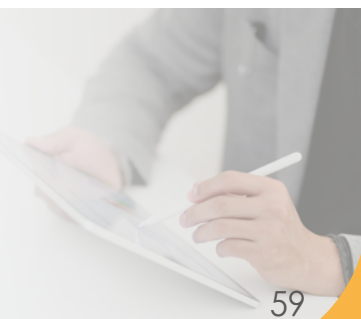
Risk Management Assessments of Securities Firms

TPEX selects securities firms that simultaneously operate securities brokerage, underwriting, and proprietary trading as assessment subjects, and agrees with TWSE on the division of assessment tasks in the annual assessments. Since 2023, the climate change theme has been included in the evaluations, in which the securities firms' implementation of relevant practices was examined.

In addition to continued implementation of various audit and assessment mechanisms for securities firms, TPEX also follows the Financial Cyber Security Action Plan of the competent authority for routine audits of securities firms' cyber security. TPEX urges securities firms to implement the measures, follow the graded protection requirements, apply critical patch updates, and continue to strengthen their protection mechanisms, which are prioritized in the cyber security audits of securities firms. Regarding risk assessments of securities firms, TPEX will timely revise the Risk Management Assessment Operation for Securities Firms - Risk Management Implementation Sampling Report and the Risk Management Mechanism Self-Inspection Form for Securities Firms. The revisions aim to facilitate the securities firms' self-inspections and TPEX's and TWSE's risk management assessments of the securities firms, thereby taking the assessments to the next level.

In 2024, TPEX conducted **12** routine audits on securities firms, **20** on cyber security, **14** on financial institutions engaged in bond business, and **5** on anti-money laundering. TPEX also completed tracking and improvement of deficiencies identified in the audits, and sent data for TWSE's compilation of a summary report, which was submitted to the competent authority.

In addition, TPEX also conducted **7** risk assessments of securities firms, **5** routine audits on leverage transaction merchants, **1** routine audit on a securities firm of brokerage business for trading and exchanging beneficial certificates of funds, **15** quarterly screening audits on underwritten auctions and book building, **14** routine audits on tax cut for risk-hedging warrant trading and **89** other special project audits.



2.2.5 Protection of Investor Rights and Interests

While innovating the mechanisms and products, and meeting investors' and businesses' needs, TPEx also works closely with the competent authority and implements supervisory regulations of the securities market based on the principles of investor and shareholder protection. Through various supervisory measures, TPEx helps Mainboard/ESB companies solidify their corporate mechanisms and improve transparency in their information disclosure, and provides a variety of services and platforms to enhance companies' visibility and elevate their international standing, facilitating their fundraising. TPEx also continues implementing and strengthening various mechanisms such as market management, trading and clearing, creating an open, transparent and sound TPEx market in which investors and shareholders are protected and the general public's investments are more secure.

Policies Protecting Investor and Shareholder Rights and Interests

TPEx ensures the fairness and order of the trading market and protects investors' rights and interests through promoting corporate governance, assisting the building of platforms for direct communication between the companies and investors, continually enhancing Mainboard/ESB companies' information transparency, and supervising their finances and business.

When a TPEx listed company violates the regulations, TPEx may send an official notification requiring improvements, include the company in a periodic announcement on the Key Financials and Transactional Information Section of the MOPS , impose a default fine, change its stock trading practices, or halt its securities trading, depending on the severity of the violation. If the incident involves violation of the Securities and Exchange Act, the case would be transferred to the Securities and Futures Bureau, FSC for administrative penalty. If illegal activities, insider trading or stock price manipulation are involved, the case would then be transferred to the Investigation Bureau, Ministry of Justice or the District Prosecutors Office.



Measures	Targets	Benefits
Promotion of relevant mechanisms and new products	TPEX listed companies, securities firms and investors	<ul style="list-style-type: none"> • Co-hosted six information sessions on net-zero buildings with the Architecture and Building Research Institute, Ministry of the Interior and participated in nine ESG- or sustainable bonds-related seminars, actively promoting sustainable bonds and introducing green buildings as a viable investment target for green bond issuance. • Hosted six information sessions on the new trading mechanisms and related services of the TPEX market for personnel of securities firms. The sessions focused on the important services and the latest regulatory amendments, as well as the latest and real-time market information. • Hosted 27 investor seminars covering the TPEX trading mechanism (including Mainboard/ESB securities), indexed products such as passive ETFs (including multi-asset ETFs), ETNs, index futures, active ETFs and the TPEX Gold Trading Platform. • Co-hosted three in-person institutional investor conferences overseas with Mainboard companies, in which local professional institutional investors were involved.
Protection measures	Investors and shareholder	<ul style="list-style-type: none"> • To enhance Mainboard companies' transparency and openness in information disclosure, TPEX amended relevant regulations and required all Mainboard companies to organize or be invited to at least one institutional investor conference within Taiwan beginning January 1, 2025. • Supervisory mechanism for total loss-absorbing capacity (TLAC) international bonds, and information disclosure mechanism on the dollar-denominated fixed-rate non-callable international bond theoretical price.
Services	Investors	<ul style="list-style-type: none"> • TPEX established a dedicated consulting line for ESB trading, and a dedicated line and email for investor services. A dedicated personnel is assigned to timely answer calls on the lines or to transfer them to contact persons within relevant departments. Most inquiries received timely resolution. • The dedicated lines received a total of 1,482 calls in 2024, with 744 through the ESB trading consulting line and 738 through the investor service line. Of the 549 emails received through the investor service mailbox, 100% were transferred to departments relevant to the inquiries and have been responded to.
Performance briefings of Mainboard companies	Investors	Hosted 24 briefings with featured TPEX listed industries as themes and invited participation from the three major institutional investors, four major funds and general investors. Seventy-one Mainboard companies participated in the briefings, forming a platform for them to directly communicate with investors and ensuring better information disclosure.
Performance briefings of ESB companies	Investors	Hosted two performance briefings for ESB companies through physical events and live streaming. Six ESB companies were invited, whose participation facilitated TPEX's services to them, the creation of a platform for direct communication with investors and better information disclosure.

2.3 COLLABORATING WITH STAKEHOLDERS

2.3.1 Participation of Public Associations

As of now, TPEX is a member of 16 public associations. In addition to participating in routine meetings and key business discussions organized by these associations, TPEX actively attends related seminars. These engagements serve as valuable opportunities to enhance exchanges of policy insights and professional knowledge with other members, as well as with stakeholders from industry and academia.

TPEX's Participation in Public Associations in 2024

List of Public Associations	Participation Situation
Taiwan Financial Services Roundtable	Group Membership / Director Roles
Securities and Futures Analysis Association of the Republic of China	Group Membership / Director Roles
Taiwan Corporate Governance Association	Group Membership
The Institute of Internal Auditors, R.O.C.	Group Membership
Business Council for Sustainable Development Taiwan	Group Membership
Taiwan Association of Certified Valuers and Analysts	Group Membership
Chinese International Economic Cooperation Association Taiwan	Group Membership
Chinese National Association of Industry and Commerce	Group Membership
Corporate Operating and Sustainable Development Association	Group Membership
Taiwan Stock Affairs Association	Group Membership
Taiwan M&A and Private Equity Council	Group Membership
Banking Education Association of Taiwan	Group Membership
Taiwan Bio Industry Organization	Group Membership
Financial Planning Association of Taiwan	Group Membership
The Taiwan Finance Association	Group Membership
Financial Engineering Association of Taiwan	Group Membership

2.3.2 Engagement with International Organizations

TPEX actively engages in activities hosted by international securities organizations, regularly attending general meetings and global conferences. Through these events, TPEX strengthens collaboration with peer exchanges and exchanges market insights. In addition, TPEX supports global initiatives on sustainability and governance to enhance its international visibility. In October 2020, TPEX signed a statement of support for the Task Force on Climate-related Financial Disclosures (TCFD). In 2024, TPEX was invited on multiple occasions to participate in international forums, policy initiatives, and thematic conferences, demonstrating the strong international connectivity of Taiwan's capital market.

TPEX's Participation in International Organizations and Initiatives in 2024

List of International Organizations	Participation Situation
The World Federation of Exchange, WFE	Full Member
Asian and Oceanian Stock Exchanges Federation, AOSEF	Full Member
The International Organization of Securities Commissions, IOSCO	Associate Member (Full member of Financial Supervisory Commission)
The Global Association of Central Counterparties, CCP Global	Full Member
Climate Bonds Initiative, CBI	Full Member
International Capital Market Association, ICMA	Full Member

TPEX's Participation in Activities of International Securities Market-Related Organizations in 2024






List of International Securities Market-Related Organizations	Participation Situation
The World Federation of Exchange, WFE	<ul style="list-style-type: none"> • 2024 Clearing and Derivatives Conference (Physical meeting: Madrid, Spain) • WFE 63rd Annual Meeting and General Assembly (Physical meeting: Malaysia) • WFE Working Committee Meeting (Physical meeting: Frankfurt, Germany) • Webinars: 3 sessions
Asian and Oceanian Stock Exchanges Federation, AOSEF	<ul style="list-style-type: none"> • 2024 Annual Meeting (Physical meeting: Busan, South Korea) • 2024 Working Committee Meetings (Virtual: 2 sessions) • 2024 Special Meeting (Virtual: 1 session) • 2024 Seminars (Virtual: 2 sessions)
The International Organization of Securities Commissions, IOSCO	<ul style="list-style-type: none"> • IOSCO Training Seminar (Physical meeting: Madrid, Spain) • AMCC 2024 Meeting (Physical meeting: Madrid, Spain) • IOSCO 2024 Annual Meeting (Physical meeting: Athens, Greece) • Phase I Seminar on International Financial System Certification (Physical meeting: Madrid, Spain) • 2024 Seminar (Virtual: 1 session)
The Global Association of Central Counterparties, CCP Global	<ul style="list-style-type: none"> • 2024 Annual Meeting (Physical meeting: Athens, Greece)
Climate Bonds Initiative, CBI	<ul style="list-style-type: none"> • 2024 Business Exchange Meeting (Virtual: 1 session)
International Capital Market Association, ICMA	<ul style="list-style-type: none"> • 2024 Annual Meeting (Physical meeting: Brussels, Belgium)







International Engagements in 2024



List of International Engagements	Description
APFF, Asia-Pacific Financial Forum	TPEX participated in the “Sustainable Finance Development” seminar held at Kumamoto Gakuen University in Japan. During the second session on sustainability disclosure, TPEX delivered a special presentation titled “Promoting Sustainability Development Among TPEX-Listed Companies in Taiwan.”
ACGA, Asian Corporate Governance Association	TPEX attended the 23rd Annual Conference of ACGA. Since 2003, ACGA has published the CG Watch, assessing overall corporate governance practices across 12 Asian markets. The report is highly regarded by institutional investors and market participants. In line with policies set by the competent authority, TPEX actively promotes good corporate governance among TPEX-listed companies and leverages the annual conference to better understand recent developments in governance across Asia and institutional investor perspectives.
The Asian Roundtable on Corporate Governance	TPEX attended the 25th Asian Roundtable on Corporate Governance, jointly hosted by the OECD and the Philippine Securities and Exchange Commission in Manila. Themed “Recent Corporate Governance Developments in Asia,” the event provided valuable insights into international trends in governance and sustainability.
Australia Fintech Delegation Visit	TPEX joined a cross-city delegation to Sydney and Melbourne, engaging in discussions with Australian financial regulators and institutions. Topics covered included Australia’s fintech regulatory framework and supervision mechanism, and physical assets tokenization, virtual assets, and financial fraud prevention, etc. Participating organizations included: Australian Securities and Investments Commission (ASIC), Australia Securities Exchange (ASX), Optiver, ANZ Bank, Fintech Australia, among others.
Vietnam – “Going Global: Accessing Taiwan’s Capital Market” Seminar	Supporting Taiwan’s New Southbound Policy, TPEX co-hosted “Going Global: Accessing Taiwan’s Capital Market” Seminar in Binh Duong Province and Dong Nai Province with PwC Taiwan, Fubon Securities, and Jianye Law Firm. Nearly 30 companies participated enthusiastically.
Kuala Lumpur, Malaysia – “2024 Premium Enterprises Entering Taiwan Capital Market” Seminar and Dinner	In collaboration with KPMG Taiwan, TPEX visited ethnic Chinese enterprises in Kuala Lumpur, Malaysia, and hosted a seminar to promote Taiwan’s capital market. Over 60 senior executives from local businesses attended the event.
Toyko, Japan – “Connecting with Taiwan Capital Market” Promotion Seminar in Tokyo	To enhance awareness of the TPEX market among overseas biotech and medical startups, TPEX co-hosted a seminar in Tokyo, Japan with Daiwa Biotech Venture, and PwC Taiwan. TPEX also conducted onsite visits to companies engaged in catering, smart healthcare, venture capital and regenerative wafer manufacturing. These efforts reflect TPEX’s continued commitment to attracting Japanese enterprises to list in Taiwan.

2.3.3 Promotion of Services

To enhance market participants' understanding of the TPEX's various systems and services, promotional efforts are carried out through multiple channels:

Promotion Channel	Description
TPEX Official Website 	<ul style="list-style-type: none"> • 2024, TPEX launched a brand-new official website that integrates digital and visual design concepts to create a more interactive, intuitive, and user-centric online platform. • The website features a mega menu to expand navigation options, enabling users to quickly and conveniently access TPEX's rich and diverse information. Additionally, responsive web design (RWD) was adopted to enhance the browsing experience across various mobile devices and provide smooth and efficient digital services.
TPEX ESG Center 	<p>Provides enterprises and investors with a one-stop search for the sustainable development information of the TPEX, the content includes four thematic sections: "Sustainable Development Bonds", "Issuer ESG", "Sustainable Indices and Commodities" and "Sustainable Development of TPEX".</p>
IFRS Sustainability Disclosure Alignment Portal 	<p>To help all walks of life better understand the IFRS sustainability disclosure standards, the special zone includes five major topics, including Taiwan's compliance framework, IFRS sustainability disclosure standards, advocacy area, practical guidelines and Q&A, and sustainability knowledge. Additionally, an exclusive contact email is provided to offer integrated, one-stop services for inquiries related to sustainability information.</p>
Green Securities Information Platform 	<p>The platform consolidates key domestic and international green-related labels and discloses the status of listed companies in obtaining these certifications. It also integrates information on sustainable finance policies, sustainable development bonds, sustainability indices, and green financial products in Taiwan. Moreover, the platform includes international green securities data, such as the Nasdaq Green Designation and the London Stock Exchange Green Economy Mark. This comprehensive resource enables issuers and investors to stay informed about global green finance developments and trends, serving as a valuable reference for financial institutions and investors in making investment and financing decisions.</p>
Industry Chain Information Platform 	<p>Disclose the industry and company information of emerging stock and Mainboard-listed companies, facilitate investors to check the basic information of the financial business of the relevant listed company groups in each industry and individual companies in each industry chain, and provide general industry information such as relevant industry introductions and government industrial policies.</p>

Promotion Channel	Description
Financial Investment Fraud Prevention Zone 	<ul style="list-style-type: none"> The section integrates press releases and media coverage, along with the production of anti-fraud infographics, promotional video clips, Facebook posts, and various investor education initiatives. These efforts aim to disseminate information on preventing financial investment fraud, providing the public with a one-stop resource for anti-fraud awareness. As of the end of 2024, the section has compiled a total of 12 new anti-fraud updates, 20 database entries, 10 promotional videos, 31 feature reports, 85 outreach event announcements, and 8 hyperlinks to relevant agencies. The total number of page views for the year reached approximately 28,320.
GISA Plus Section 	<p>To support the government's policy goal of the "SME Diversified Revitalization and Development Program," TPEX aims to assist more startups, innovative enterprises, and youth entrepreneurs, while also identifying hidden champion companies to join the TPEX family and enter the capital market. As part of this effort, the GISA Board has been transformed into "GISA Board Plus (GISA Plus)," and a dedicated webpage has been created to introduce the GISA Plus system.</p>
TPEX Portal 	<p>To continuously promote the sustainable development of TPEX-listed companies and build an ESG ecosystem within the capital market, while enabling investors to quickly identify information related to companies' operational risks, opportunities, and sustainability resilience, TPEX has integrated ESG disclosures submitted by listed companies along with relevant securities market regulations and business-related information. A new webpage platform, the 'TPEX Portal,' has been established to help investors and enterprises more easily access and utilize ESG-related information, and to improve the efficiency of retrieving business and form-related data for TPEX-listed companies.</p>
Market InfoHub 	<p>By integrating information from the TPEX official website and the "Market Information System" (MIS), and linking with data frequently accessed by investors on the "Market Observation Post System" (MOPS), the platform offers diversified information such as TPEX market index performance, net buy/sell data by the three major institutional investors, margin trading statistics, block trades, and various trading volume rankings.</p>
ETF InfoHub 	<p>The "ETF InfoHub" provides investors with the latest ETF market information through visual analysis tools, including statistics such as asset size and number of beneficiaries. It also features an "ETF Investment Filter" function, allowing investors to search for suitable TPEX-listed ETF products based on themes such as asset class, return type, and performance.</p>
TPEX Market Business Promotion Website 	<p>In order to provide market participants with access to relevant information on regulations, procedures, and educational materials, TPEX has consolidated key resources into the TPEX Market Business Promotion Website. This platform offers a one-stop interface for information retrieval and enhances the overall service quality of TPEX.</p>

Promotion Channel	Description
TPEX HOME Academy 	<p>Considering the needs of young individuals who are new to the capital market and eager to learn about securities, TPEX has specially compiled online learning resources to make it easy for the public to study from home.</p>
Facebook Fanpage 	<ul style="list-style-type: none"> • There are editors to interact with the public lively, promote highlight products or systems, and achieve education with entertainment. • Share the post on the fanpage of the competent authority to achieve policy communication and publicity.
Promotional Seminars	<p>Important policies, regulatory updates, and newly revised market rules and mechanisms are promoted to Emerging Stock and TPEX-listed companies, investors, and securities firms to enhance their understanding and compliance with the latest developments.</p>
On-site Visits / Tours	<p>Conduct on-site visits to domestic and international enterprises, as well as TPEX-listed and emerging stock companies, to introduce the multi-tier capital market.</p>
Networking / Matchmaking Events	<p>TPEX regularly organizes business promotion, networking, and matchmaking events for companies in the TPEX market.</p>
Media	<p>TPEX promotes its services and products through media channels on an irregular basis.</p>
Investor Phone / Fax	<p>To better serve the investing public, TPEX has established an exclusive investor service hotline and email, with assigned personnel responsible for handling inquiries. Upholding a professional and service-oriented approach, TPEX strives to respond promptly and enhance service efficiency.</p> <ul style="list-style-type: none"> ◆ Investor Service Hotline: 02-2796-3788 ◆ Investor Email: Accessible via the 'Contact Us' link on the official website