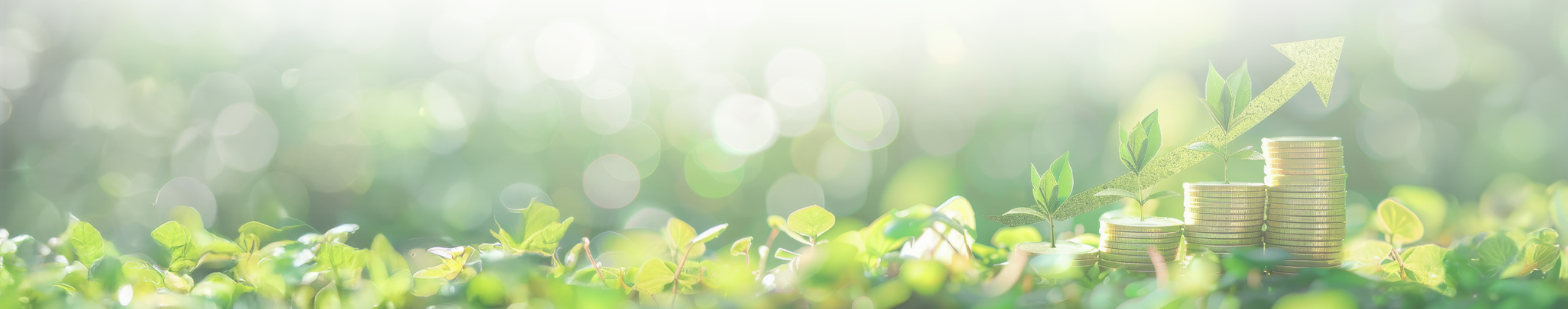
CHAPTER 2 Sustainable Finance

2.1 Development of the Sustainable Bond Market

2.1.1 Expansion the Sustainable Bond Market

TPEx, in coordination with the Financial Supervisory Commission, continues to implement sustainable finance policies alongside actively responding to the growing global and domestic investor demand for ESG-related products. It has consistently advanced and expanded the framework of the sustainable bond market. Since introducing the green bond framework in 2017, TPEx further established the trading systems for sustainability bonds, social bonds, and sustainability-linked bonds (SLBs) in 2020, 2021, and 2022, respectively. As a result, the scope of sustainable bonds has been expanded to include four major categories: green bonds, social bonds, sustainability bonds, and SLBs. This enables issuers to select the most suitable instrument based on their investment plans and sustainability strategies. To further address the diverse financing needs of enterprises in net zero transition and transformation investments, TPEx introduced the sustainable convertible (exchangeable) bond initiative in 2023. Convertible (exchangeable) bond and bonds with warrants were incorporated into the scope of sustainable bond products, thereby broadening the applicability of sustainable financing instruments, advancing the corporate bond market structure, and enhancing corporate flexibility together with efficiency in leveraging capital markets to support sustainable transition. Meanwhile, Taiwan's sustainable bond framework is designed with reference to international standards, including the Green Bond Principles (GBP) issued by the International Capital Market Association (ICMA), as well as the regulatory frameworks of major international exchanges. According to the latest 2025 update of ICMA's GBP, blue bonds and biodiversity bonds are classified under the green bond category. Accordingly, Taiwan's green bond framework also encompasses blue bonds and biodiversity bonds, thereby meeting the diversified sustainable financing needs of the market.

In 2025, TPEx continued to serve as the convener of the Sustainable Bond Team under the Capital Market Service Group. It brought together evaluation institutions for sustainable bonds, underwriters, and other industry experts to integrate professional resources and jointly promote the of Taiwan's sustainable bond market. On the government side, TPEx maintains a trilateral coordination mechanism with the Ministry of Finance and the Financial Supervisory Commission to provide public infrastructure project authorities with relevant information and consultation services on sustainable bonds. It also participated in bond issuance discussion meetings, offering professional insights from both market and institutional perspectives. In addition, in coordination with projects identified by the National Development Council, TPEx assisted executing agencies of potential sustainable investment projects in assessing the feasibility of issuing sustainable bonds. On the corporate side in 2025, TPEx visited 18 companies and 6 underwriters to explain issuance procedures and practical case studies, thereby expanding market participation. On August 12, 2025, Yeedex Electronic Corporation issued Taiwan's first green convertible bond by a TPEx-listed



company, marking a milestone in extending the system to small- and medium-sized issuers. Furthermore, TPEx participated in the Capital Market Service Group's Guiding Funds into Public Infrastructure subgroup. Through cross-ministerial communication and external expert platforms, it assisted government agencies in evaluating the use of sustainable bonds and financial asset securitization tools for fundraising, thereby improving the financial efficiency of public infrastructure projects and reducing fiscal burdens.

Furthermore, to promote the SLB market development, TPEx has continuously assisted in clarifying accounting classification issues related to investments. In addition to securing early adoption of the IFRS 9 amendment in 2025, the Accounting Research and Development Foundation issued relevant Q&A guidance in December 2025. TPEx expects that more practical accounting guidance will help establish market consensus, reduce investment uncertainty, as well as encourage issuers with greenhouse gas reduction and green transformation needs to make better use of flexible, goal-oriented green finance instruments. This will further support diversified financing needs and deepen the long-term development of Taiwan's sustainable bond market.

Performance of Sustainable Bond Promotion in 2025

Since the establishment of Taiwan's sustainable bond framework in 2017, encompassing green bonds, sustainability bonds, social bonds, and SLBs, the market has demonstrated steady and sustained growth in issuance volume. In 2025, annual sustainable bond issuance exceeded NT$200 billion for the first time. A total of 63 sustainable bonds were issued in 2025, with total issuance reaching NT$209.06 billion, both record highs in terms of issuance volume and total issuance amount. These results demonstrate that sustainable bonds have become an important financing instrument for both corporate and public-sector entities to support sustainable investment and capital allocation initiatives.

Among the various bond categories, green bonds remained the dominant product in the market, with 43 issuances totaling NT$180.585 billion. Sustainability bonds accounted for 17 issuances with an aggregate amount of NT$21.275 billion, while social bonds recorded three issuances totaling NT$7.2 billion. The overall issuance structure reflects the market's increasing focus on environmental issues and highlights the growing role of sustainable finance in supporting a broad range of sustainability-related investment projects.

Sustainable Bond Market in 2025

Bond Category		New Issuances in 2025		Cumulative Issuances as of End-2025	
		No. of Issues	Amount (NT$ 0.1 billion)	No. of Issues	Amount (NT$ 0.1 billion)
Sustainable Bonds	Green Bonds	43	1,805.85	195	6,541.16
	Sustainability Bonds	17	212.75	64	1,423.72
	Social Bonds	3	72	36	778.03
	SLBs	0	0	6	159.00
Total		63	2,090.60	301	8,901.91

Promoting Sustainable Government Bonds

In addition to assisting domestic and international corporations in raising funds through sustainable bonds, TPEx has actively promoted the issuance of sustainable government bonds by both central and local governments. These efforts aim to facilitate the sustainable transformation of public infrastructure and social investments while expanding the impact of sustainable finance. At the central government level, TPEx assisted National Quemoy University in preparing its Green Bond Framework, which obtained green bond eligibility certification in September 2025. Subsequently, on January 30, 2026, the first-ever Green Central Government Bond was issued through the Ministry of Finance. This milestone broadened central government participation in the sustainable bond market, enhanced its demonstration effect, and established an important landmark in the development of Taiwan's sustainable bond market.

At the local government level, the Taipei City Government issued social responsibility government bonds in January and March 2024, with a total of six issuances amounting to NT$10 billion during the year. The Kaohsiung City Government issued a cumulative total of seven green government bonds between 2024 and the end of 2025, raising NT$12.1 billion. In the meantime, the Taoyuan City Government obtained eligibility certification for NT$6 billion in sustainability bonds in December 2024 and subsequently issued four sustainability government bonds in March and December 2025, totaling NT$6 billion. The proceeds from Taoyuan's bond issuances were primarily allocated to the construction of the Green Line Metro and social housing projects. This represented Taiwan's first issuance of sustainability government bonds by a local government, injecting new momentum into the country's sustainable bond market. It is also expected to encourage other government agencies with self-financing public infrastructure projects to utilize sustainable bonds as a financing tool, thereby supporting the funding of public infrastructure and social welfare initiatives across Taiwan.

Issuer	Taipei City Government	Kaohsiung City Government		Taoyuan City Government
Bond Type	Social Bonds	Green Bonds		Sustainability Bonds
Year of Issuance	2024	2024	2025	2025
Amount Issued (NT$)	NT$10 billion	NT$2 billion	NT$10.1 billion	NT$6 billion
Use of Proceeds	Construction of the Xinyi Line and Songshan Line MRT projects	Construction of the Red Line and Orange Line MRT projects		Taoyuan Metro Green Line and social housing development projects

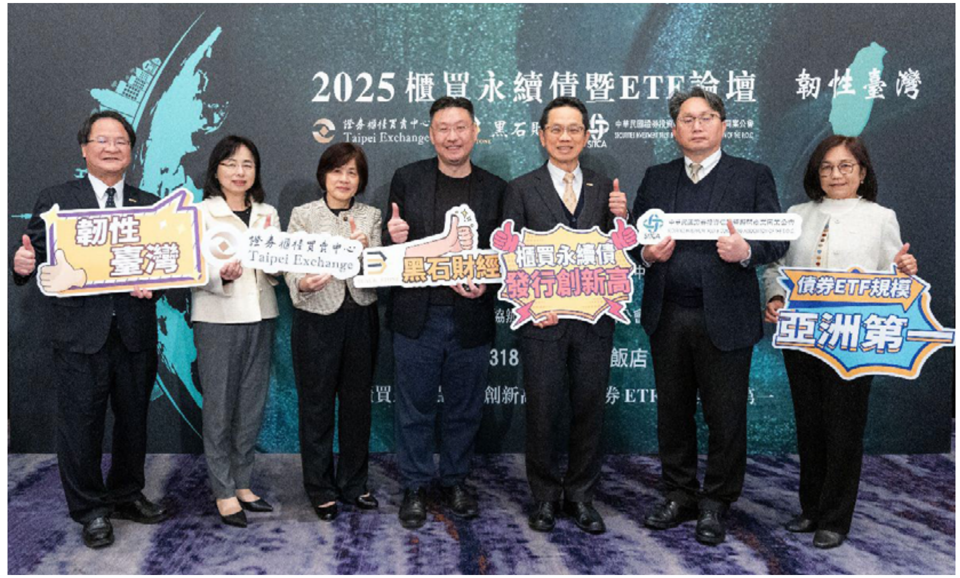
2.1.2 Promoting Green Finance

Green finance has become a key global development priority. Countries and regions worldwide are actively advancing green finance initiatives, aiming to channel capital into environmentally friendly investments and climate-change mitigation efforts through financial instruments, thereby reducing the risks and impacts associated with global warming. In line with regulatory policy directions, TPEx has progressively advocated and refined Taiwan's sustainable bond market framework. This includes assisting enterprises in issuing sustainable bonds to finance environmentally beneficial green investments and support economic transformation. However, the current domestic issuance of sustainable bonds remains concentrated among financial institutions and large corporations. For general enterprises, eligible sustainable investment projects are relatively limited, and the cost of external evaluation required for issuance further constrains market growth. As a result, both issuance volume and market scale still have room for expansion. Given that most convertible bond issuers in Taiwan are small- and medium-sized listed companies, TPEx amended the Operation Directions for Sustainable Bonds on December 14, 2023, to include convertible bonds, exchangeable bonds, and bonds with warrants within the scope of eligible sustainable bond instruments. In 2025, TPEx successfully assisted Yeedex Electronic Corporation in issuing Taiwan's first green convertible bond, marking the first such issuance by a TPEx-listed company. The proceeds were used to construct a gold-level green building factory, directly supporting energy efficiency improvement and low-carbon building development. This case not only demonstrates the issuer's commitment to ESG principles but also serves as an important model for SMEs and TPEx-listed companies participating in the sustainable bond market.

TPEx also never ceases to encourage government agencies with financing needs for self-financing public infrastructure projects to raise funds for public infrastructure and social welfare initiatives in Taiwan through the issuance of sustainable bonds. Following the issuance of social bonds by the Taipei City Government and green bonds by the Kaohsiung City Government, the Taoyuan City Government issued Taiwan's first sustainability bond combining both environmental and social benefit projects on March 18, 2025. This demonstrates the continued increase in local government participation in the sustainable bond market and the clear strengthening of overall market issuance momentum.

To forge ahead with the development of the sustainable bond and bond ETF markets, TPEx held the Resilient Taiwan TPEx Sustainable Bonds and ETF Forum on March 18, 2025, bringing together regulators, issuers, and professional institutions to share views on the development trends of sustainable bonds and sustainable index products, with the goal of enhancing market understanding combined with practical application of sustainable financial instruments. In addition, TPEx hosts the annual Bond Market Promotion Seminar to introduce the sustainable bond framework to issuers, underwriters, and external reviewers, while continuing to keep abreast of the latest market developments.

In 2025, a total of 15 visits and exchanges were conducted with green energy and environmental protection companies. During the same year, six green energy and renewable energy companies were newly registered on the emerging stock market, and two enterprises submitted applications for listing on the TPEx market. As of the end of 2025, there were 16 green and environmental protection companies listed on market. In terms of ESG-related index products, the market currently offers multiple listed ETFs and ETNs, providing investors with diversified options to participate in sustainable development and climate-related investments through index-based strategies. This has contributed to enhancing the depth and breadth of Taiwan's sustainable finance product ecosystem.



Event Photo of "Resilient Taiwan TPEx Sustainable Bonds and ETF Forum"

ESG-Related Index Products

Category	Name
ETF	CTBC ESG Investment Grade Bond ETF, SinoPac Taiwan ESG ETF, KGI ESG BBB Bond 15+ ETF, CTBC TPEx ESG 30 ETF, Capital ESG Investment Grade Bond 20+ ETF, CTBC High Yield Investment Grade Bond ETF, SinoPac ESG Bank Bond 15+ ETF, Uni-President ESG Investment Grade Bond 15+ ETF
ETN	Yuanta TPEx ESG Growth ETN, Yuanta TPEx ESG High Dividend ETN, Yuanta TPEx ESG Leading Companies ETN, Mega Semiconductor Climate ETN

2.2 Assisting Enterprises in Promoting Sustainable Development and Enhancing Trading Mechanisms

2.2.1 Promoting Healthy Development of ESB and TPEx-Listed Companies

The TPEx mission is to foster the development of emerging growth enterprises by providing efficient and accessible fundraising channels, enabling companies to raise capital effectively in the primary market, thereby supporting their growth and expansion, creating employment opportunities, alongside driving economic momentum, while safeguarding investor rights and meeting corporate financing needs. In response to domestic and international capital market trends, TPEx continuously reviews and enhances relevant regulations and supporting measures, with the goal of building a fair, efficient, innovative, open, diversified, and internationally oriented capital market.

To protect investors and safeguard shareholder rights, TPEx continues to strengthen market supervision through measures such as financial reporting and internal control system inspections, exceptional case management, as well as information disclosure plus material information review. These efforts promote the sound development of ESB and TPEx-listed companies and help reduce investment risks. In addition, to facilitate investors having a greater understanding the operational performance and development strategies of TPEx-listed companies, TPEx promotes real-time online broadcasts of key events such as earnings presentations and investor conferences. This enhances transparent disclosure and two-way communication mechanisms, including advocacy to direct TPEx-listed companies to comply with regulatory requirements.

TPEx remains committed to its core principle of protecting investors and shareholder interests. It strives to build a transparent, efficient, and stable regulatory framework for the capital market by strengthening supervisory measures, reducing information asymmetry and misconduct risks, in tandem with guiding ESB and TPEx-listed companies toward financial soundness and sustainable development.

Monitoring Measures and Key Performance for ESB and TPEx-Listed Companies

Unit: number of times

Monitoring Measures	ESB companies		Mainboard companies	
	Implementation in 2024	Implementation in 2025	Implementation in 2024	Implementation in 2025
Audit of financial statements of ESB and TPEx-listed companies	33	37	214	219
Analysis based on material indicators under exception management	0	0	401	249
Review of expert opinions	4	4	10	10
Audit of internal control system implementation	24	26	92	94
Review of the timeliness, accuracy, and completeness of material information disclosures by ESB and TPEx-listed companies	63	56	216	220
Review of annual reports of shareholders' meetings	68	73	188	193

Actions toward TPEx-listed Companies

Action	Key Highlights	Benefits
Corporate Governance Evaluation	Promoted recent amendments to corporate governance and ESG-related regulations to TPEx-listed companies.	In alignment with the Sustainable Development Action Plans for TWSE- and TPEx-listed Companies, this initiative accelerates the advancement of corporate governance among listed companies in Taiwan, supports sound corporate development, and enhances market confidence.
Briefing Sessions on Mandatory TPEx-listed Company Requirements	Covered six key topics: 1. Newly revised material information disclosure requirements and common deficiencies. 2. Key reminders and common deficiencies in information reporting. 3. Recent critical issues related to internal control systems. 4. Green Securities Certification Program. 5. Corporate Value Enhancement Plan. 6. Latest ESG developments and key issues.	Through the sharing of practical case studies involving common deficiencies and interactive discussions with participants, TPEx-listed companies were assisted in strengthening regulatory compliance and internal control systems.
Financial Reporting Information Sessions	In collaboration with the Taiwan Stock Exchange (TWSE), Taiwan Futures Exchange (TAIFEX), and the Taiwan Depository & Clearing Corporation (TDCC), there were four information sessions were held across northern, central, and southern Taiwan under the theme Promoting Taiwan's Adoption of International Financial Reporting Standards (IFRS). The sessions introduced the regulatory roadmap for Taiwan's planned adoption of IFRS 18 Presentation and Disclosure in Financial Statements by 2028, replacing IAS 1, and explained major amendments related to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures concerning contracts referencing nature-dependent electricity.	Assisted companies in understanding the endorsement, application, and future implementation direction of new IFRS standards.
Enhancing Sustainability Information Disclosure	• Conducted three Sustainability Disclosure Practice Workshops and Information Sessions across northern, central, and southern Taiwan to explain current sustainability reporting requirements and provide practical recommendations on cross-functional collaboration, material sustainability issue management, and sustainability data collection. • Held four IFRS S2 Disclosure Practice Workshops for key members of IFRS S2 implementation teams at listed companies. Led by professional instructors from the Big Four accounting firms, the workshops provided hands-on training covering reporting processes and scenario analysis exercises. • Organized four IFRS Sustainability Disclosure Standards Information Sessions centered on IFRS S2 climate-related disclosures, illustrating standard requirements through examples from four different industries and sharing common implementation challenges and frequently raised questions. • Conducted six Greenhouse Gas Inventory Practice Workshops and one Greenhouse Gas Inventory Information Session across Taiwan. Through step-by-step practical guidance, participants learned the complete process of identifying emission sources, collecting data, combined with performing calculations and analyses, thereby strengthening their greenhouse gas inventory capabilities.	Provided in-depth analysis of sustainability information disclosure practices, together with practical tools and recommendations, to help companies augment the quality, completeness, and effectiveness of sustainability-related disclosures.

Actions toward ESB Companies

Action	Key Highlights	Benefits
Information Sessions and Training Programs	• ESB Company Information Reporting Courses: Conducted through in-person sessions or recorded presentations uploaded to the TPEx website for company access. Topics included newly amended regulations, revised requirements for material information disclosures, and practical guidance on information reporting procedures. • Intermediary Institution Training Programs: Covered newly revised TPEx and Emerging Stock Market regulations, key review considerations for companies applying for TPEx or Emerging Stock Market listings, and case study discussions for knowledge sharing along with professional exchange.	Assisted ESB companies in understanding the latest regulatory amendments and compliance requirements issued by TPEx, strengthening regulatory compliance and information disclosure practices. These efforts help companies enhance internal control and internal audit systems, improve corporate governance quality, plus safeguard investor interests.
Strengthening Financial and Operational Oversight of ESB Companies	• Conducted analyses and inspections of eight ESB companies that met financial and operational early-warning indicators. • A total of 356 instances of ESB companies were designated as attention securities • Performed formal reviews of financial reports in accordance with applicable regulations and completed substantive reviews of financial reports for 37 ESB companies. • Conducted inspections of internal control system implementation at 26 ESB companies. • Performed random inspections of material information disclosures for 56 ESB companies.	• Maintained daily financial and operational risk early-warning meetings to promptly collect and analyze changes in companies' fundamentals and, when necessary, convened supervisory meetings to effectively monitor high-risk ESB companies. • Strengthened oversight and routine management of abnormal financial and operational situations, including unlawful activities, enabling proactive responses to potential operational crises. • Conducted inspections of internal control system implementation and tracked corrective actions to ensure the effectiveness of internal control operations. • Enhanced management of material information disclosures and press conferences, urging ESB companies to disclose material information in a timely manner and in accordance with regulatory requirements, thereby promoting transparency, accuracy, alongside investor protection.

To assist micro-, small- and medium- enterprises (SMEs) in accessing the capital market, TPEx established the Go Incubation Board for Startup and Acceleration Firms (GISA) in 2014 as an important incubation platform for emerging enterprises. Early-stage startups often face challenges such as limited capital resources, low product visibility, constrained research and development capabilities, and underdeveloped internal control systems. To address these challenges, TPEx provides GISA companies with supportive resources and structured guidance programs, helping them progressively strengthen their operational capabilities in addition to corporate governance foundations. Through these efforts, companies are better positioned to connect with broader capital market opportunities, achieve sustainable growth, and build a foundation for long-term business success.

Action	Key Highlights	Benefits
Hosting GISA Company Investor Matching Events and Information Sessions	• In 2025, TPEx partnered with Deloitte, EY, PwC, KPMG, and the Venture Capital Association to co-host five GISA investor matching events in Taipei, Taichung, Tainan, and Kaohsiung. • In addition, TPEx participated in 110 promotional events and information sessions to introduce the GISA framework and its advantages .	Provided complimentary investor matching services for GISA companies, helping small- and medium-sized enterprises gain exposure, increase visibility, and expand opportunities to secure investment.
Participating in Major Domestic Trade Shows with GISA Companies	In 2025, TPEx joined 19 GISA companies in four major thematic exhibitions, including InnoVEX 2025, BIO Asia–Taiwan 2025, Meet Greater South 2025, and Meet Taipei Startup Festival 2025. TPEx also provided subsidies for 19 GISA companies to independently participate in professional trade exhibitions in Taiwan.	Enhanced public and investor awareness of the GISA platform in addition to its operating framework while increasing the visibility and market exposure of participating companies.
Supporting High-Quality Domestic Enterprises in Entering the TPEx Market	As of the end of 2025, a cumulative total of 575 companies had participated in GISA guidance programs, and 282 companies had been registered on GISA. Among them, there were 34 GISA companies that successfully became public companies, including 31 companies that advanced to the Emerging Stock Market. In addition, six companies have been listed on TPEx and two companies on the TWSE.	Assisted companies in establishing sound accounting and internal control systems, strengthening corporate fundamentals, as well as supporting their steady progression from GISA registration toward public offering and long-term growth.

2.2.2 Enhancing Corporate Governance Evaluation

Since the competent authority issued the 2013 Blueprint for Strengthening Corporate Governance, Taiwan has continuously deepened and optimized its corporate governance systems and measures. In the biennial CG Watch rankings published by the Asian Corporate Governance Association (ACGA), Taiwan's performance has shown steady improvement. According to the CG Watch 2023 report, Taiwan ranked third among 12 Asian markets, tied with Singapore and only behind Australia and Japan, demonstrating that the effectiveness of Taiwan's corporate governance reforms has been highly recognized by international professional institutions.

To further enhance the overall performance of TPEx-listed companies in corporate governance and corporate social responsibility, TPEx regularly holds briefing sessions to help these listed companies stay up to date with the latest evaluation indicators, regulatory adjustments, along with governance improvement directions, thereby strengthening their understanding of and responsiveness to sustainability policies. In addition, to enhance market transparency and international alignment, TPEx encourages both TPEx-listed and ESB companies to voluntarily disclose material information in English and has compiled reference templates for English-language material disclosures, thereby improving bilingual disclosure standards and enhancing international visibility. As of the end of 2025, there were a total of 461 TPEx-listed companies that published English material information disclosures, accounting for 53% of all TPEx-listed companies. Furthermore, to continuously augment the quality and consistency of English disclosures, TPEx has revised the Common English Terms and Sample Templates for Material Information Disclosure by TPEx-listed Companies and made them available on the TPEx Portal and the TPEx Market Information and Outreach Website to assist enterprises in strengthening corporate governance and disclosure quality.

Since its implementation in 2014, the Corporate Governance Evaluation has been structured around four major dimensions: protecting shareholders' rights and ensuring equitable treatment of shareholders, strengthening the structure and operation of the board of directors, enhancing information transparency, and promoting sustainable development. These indicators have gradually guided enterprises to reinforce corporate governance foundations and address sustainability-related issues. The results of the 11th Corporate Governance Evaluation were announced in April 2025, followed by an award ceremony in June to recognize companies with outstanding governance performance. TPEx-listed companies ranked in the top 20% were included in the Corporate Governance Index constituents, leveraging market mechanisms to incentivize governance improvements. Compared with the 10th evaluation results, the 11th evaluation saw an increase of eight companies in the in top 5% category, while eight companies have consistently maintained the top 5% performance sector across all eleven evaluations, demonstrating the continued strengthening of corporate commitment to governance excellence. The indicators for the 12th evaluation were communicated in early 2025, and the evaluation results are expected to be completed in 2026.

As environmental and social issues gain increasing global importance, and to further encourage companies to enhance ESG disclosure and promote sustainability transformation, TPEx will restructure the original four corporate governance evaluation dimensions into three dimensions Environmental (E), Social (S), and Governance (G)—and rename it the ESG Evaluation in 2026. This provides a more comprehensive and integrated presentation of corporate performance across environmental, social, and governance aspects.

2.2.3 Driving Corporate Sustainability Initiatives

To guide TWSE- listed and TPEx-listed companies toward sustainable development, TPEx, in alignment with the Financial Supervisory Commission's policy initiatives, including the Sustainable Development Action Plans for TWSE- and TPEx-listed Companies and the goal of Build Taiwan into an Asian Asset Management Center, continues to support TPEx-listed companies in implementing and deepening sustainability practices. These efforts encompass net zero carbon reduction, alignment with IFRS Sustainability Disclosure Standards, enhancement of sustainability governance frameworks, promotion of green securities mechanisms, improvement of information transparency, and advancement of paperless filing practices, thereby strengthening corporate sustainability competitiveness.

Guiding Enterprises Toward Net Zero Through Sustainability Outreach Programs

Through a variety of outreach channels, including seminars and multimedia educational resources, TPEx assists TPEx-listed companies in disclosing greenhouse gas inventories and assurance information in accordance with the Sustainability Development Roadmap for Listed and TPEx-Listed Companies. TPEx also encourages companies to establish carbon reduction targets, strategies, and concrete action plans, while promoting the disclosure of Scope 3 greenhouse gas emissions information. These initiatives help TPEx-listed companies advance ESG practices and achieve sustainable development goals. In 2025, TPEx organized a total of 18 outreach and educational events related to sustainability disclosures and greenhouse gas inventory management.

Alignment with IFRS Sustainability Disclosure Standards

In accordance with Taiwan's roadmap for aligning with IFRS Sustainability Disclosure Standards, TPEx-listed companies will be required to adopt the IFRS Sustainability Disclosure Standards in three phases starting from 2026, based on their paid-in capital. To facilitate a smooth transition to the international sustainability disclosure framework, the TPEx website has established the IFRS Sustainability Disclosure Standards Alignment Section (https://isds.tpex.org.tw), providing a one-stop service and free resources for corporate sustainability reporting. These resources include the latest regulations, implementation guidelines and examples, promotional videos, Q&A materials, and dedicated transition roadmaps, all aimed at enhancing the sustainability disclosure capabilities and reporting quality of TPEx-listed companies.

Deepening the Culture of Corporate Sustainability Governance

To continuously strengthen board governance effectiveness and diversity, TPEx has promoted a phased approach for TPEx-listed companies. Upon the expiration of directors' terms, companies are required to appoint at least one director of a different gender. If any gender does not account for at least one-third of the board, the company must explain the reasons in the annual shareholders' meeting report and disclose specific plans together with measures to enhance board gender diversity. In addition, it is stipulated that more than half of the independent directors of TPEx-listed companies shall not serve more than three consecutive terms, in order to enhance the professionalism and independence of board composition. For companies with paid-in capital of NT$10 billion or more and financial institutions, it is further required that independent directors account for no less than one-third of the board seats, and that independent directors shall not serve more than three consecutive terms. These measures aim to strengthen board oversight mechanisms and decision-making quality, thereby enhancing the robustness of corporate governance.

Unit: Percentage of All TPEx-Listed Companies

All TPEx-listed companies	2023	2024	2025
Companies with at least one director of a different gender	76%	86%	94%

Enhancing Sustainability Information Disclosure

In February 2024, TPEx introduced the Green Securities Information Platform (https://eco-fin.tpex.org.tw), which consolidates and discloses information on domestic and international green certifications obtained by listed companies, showcasing their green achievements. To further help investors and financial institutions easily identify whether corporate revenue sources align with sustainable economic activities, TPEx launched the Green Securities Certification Scheme in 2025 and simultaneously upgraded the platform to version 2.0, adding a dedicated Green Securities Certification section (https://eco-fin.tpex.org.tw/ESGGreenStockDesignations) to provide internationally aligned information. Starting in 2026, the Green Securities Certification Scheme will formally enter the certification phase. In addition to updating the framework, TPEx provides sample disclosure formats for green revenue reporting while also conducting promotional seminars and video training materials to help issuers together with investors gain a deeper understanding of the system, further promoting attention to green issues in the capital market and among enterprises.

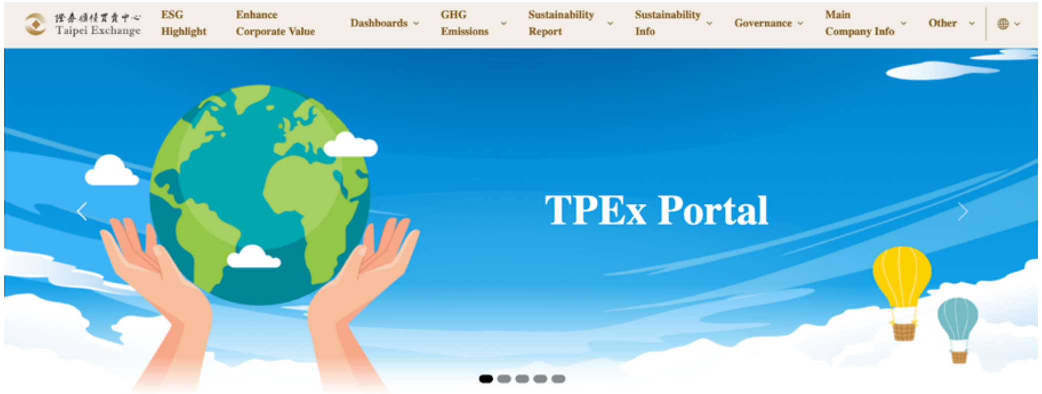
In addition, to assist listed companies in disclosing ESG-related information in a more efficient and consistent manner, TPEx and the TWSE jointly established the ESG Digital Platform in May 2024 to encourage companies to disclose diverse sustainability information. In response to the requirement that all listed companies must prepare sustainability reports starting in 2025, a Sustainability Report Generation Assistance Function was added to the ESG Digital Platform in 2024 and officially launched in February 2025. This function provides standardized sustainability report templates to improve reporting efficiency, along with GRI Standards, mapping tools and reference examples, thereby strengthening the completeness and quality of disclosures. TPEx also continues to support enterprises through promotional seminars to enhance sustainability reporting practices.

TPEx continues to adopt a phased approach to requiring TPEx-listed companies to disclose greenhouse gas inventory and assurance information, to establish carbon reduction targets, strategies, and action plans. Companies are also encouraged to refer to the Sustainability Accounting Standards Board (SASB) Standards to disclose industry-specific key performance indicators and include a SASB index mapping in their reports. Furthermore, to strengthen the accountability of companies and their boards regarding sustainability reporting, TPEx requires that sustainability reports, in principle, be submitted to the board of directors for resolution and approval. In addition, a Sustainability Report tab has been added to the TPEx Portal to integrate relevant regulations, guidelines, and reference materials, enabling users to access sustainability reporting information more efficiently. By the end of 2025, all 832 TPEx-listed companies required to publish their 2024 sustainability reports had completed their filings. In addition, there were 19 newly listed companies in 2025 that voluntarily prepared sustainability reports. As of the end of December 2025, a total of 851 TPEx-listed companies had completed the filing of their 2024 sustainability reports.

Reporting Year	2021	2022	2023	2024
Number of Preparers	196	256	347	851
Percentage of TPEx-Listed Companies at Year-End	24%	31%	41%	97%
Remarks	Mandatory: 51 companies Voluntary: 145 companies	Mandatory: 96 companies Voluntary: 160 companies	Mandatory: 96 companies Voluntary: 251 companies	Mandatory: 832 companies Voluntary: 19 companies

Strengthening Stakeholder Communication and Implementing Paperless Filings

To guide TPEx-listed companies toward greater emphasis on long-term corporate value and sustainable operations, TPEx encourages TPEx-listed companies to actively engage with shareholders and other stakeholders. The specific action of "formulating a corporate value enhancement plan, submitting it to the board of directors for approval, and disclosing relevant information in a designated section" will be incorporated into the 2026 ESG evaluation indicators. In terms of paperless filings, starting from Fiscal Year 2026, TPEx-listed companies will fully adopt electronic filing for annual shareholders' meeting reports, independent director declarations and qualification checklists, share buyback filings, as well as quarterly financial reports beginning from the first quarter of 2026. Paper submissions will no longer be required, thereby improving filing efficiency and advancing energy conservation and carbon reduction.



To continuously promote the implementation of sustainability policies, TPEx annually consolidates key regulatory updates, practical implementation focuses, and compiles the TPEx Listed Company Reminders for reference and compliance. In 2025, continuing this practice, the 2026 TPEx Listed Company Reminders briefing was released and made available on the TPEx Portal. This serves to remind companies to proactively understand key regulatory and disclosure requirements for 2026, collect relevant information in advance, and make appropriate preparations, thereby supporting listed companies in achieving sustainability goals and advancing sustainable development together with enterprises.

2.2.4 Maintenance of Market Order

Issuer Market

TPEx continuously implements securities market regulatory requirements and is committed to maintaining fairness and order in the trading market while safeguarding investor rights and interests.

- Considering that material events affecting the financial condition or business operations of TPEx-listed and ESB companies may result in abnormal stock price volatility, and in order to reduce information asymmetry, TPEx has established a trading suspension mechanism with reference to major international securities markets. Under this mechanism, if a company expects to disclose material information—such as mergers, spin-offs, bankruptcy, or restructuring—before 5:00 p.m. on a trading day (T-day), it must apply for trading suspension on the previous business day (T-1 day). Trading resumes on T+1 day after the information is disclosed. This mechanism ensures that investors are not forced to make decisions based on incomplete information, thereby enhancing market fairness and strengthening the completeness of disclosure and trading regulations.
- Under the TPEx Regulations Governing the Verification and Public Disclosure of Material Information of TPEx-Listed Securities, TPEx-listed companies are generally required to input and disclose material information on the Market Observation Post System no later than two hours before the start of trading on the next business day following the occurrence of a material event. Where TPEx identifies cases involving undisclosed material information, unclarified media reports, or incomplete disclosures, companies are required to respond within specified timeframes. If a company receives an inquiry from TPEx before 5:00 p.m. on a business day, it must disclose the relevant material information within two hours of notification at the latest. If the inquiry is received after 5:00 p.m. or on a non-business day, disclosure must be completed no later than two hours before the start of trading on the next business day. In cases of urgent or material events, companies must disclose within the designated TPEx timeframe. Certain key material events also require a press conference. TPEx will notify the media of the meeting time in advance, and if the press conference is open to investors, companies must also announce the event through a material information filing prior to the conference. TPEx will additionally publish relevant meeting information on its website.
- TPEx conducts daily monitoring of media reports concerning TPEx-listed and ESB companies. Where reported information constitutes material information under TPEx regulations,this may significantly affect stock prices, or is inconsistent with facts, TPEx will notify the company in a recorded telephone discussion to disclose explanatory information via the Market Observation Post System on the same day.

Key Actions and Implementation Results in 2025 (Note)

- TPEx-listed companies were notified to disclose clarifications of media reports via the Market Observation Post System in 69 instances, and trading suspensions were implemented 23 times (totaling 207 hours).
- ESB companies were notified to disclose clarifications of media reports via the Market Observation Post System in 88 instances, and trading suspensions were implemented four times (totaling 24 hours).

(Note) The trading hours for TPEx-listed securities (including block trading and continuous trading) are from 8:00 a.m. to 5:00 p.m. (a total of nine hours), while Emerging Stock securities are traded from 9:00 a.m. to 3:00 p.m. (a total of six hours).

<table>
<tr><td>Trading Market</td><td>To avoid significant deviations in transaction prices due to extreme market volatility, the following regulatory measures are implemented:
• TPEx-listed stocks: From the first intraday matching session of a security to five minutes before market close, if the simulated execution price at each matching exceeds a ±3.5% deviation from the reference price, TPEx will impose a two-minute delay on the matching process for that security. During the delay period, buy and sell orders may still be entered, cancelled, or amended. After the delay expires, trades are executed through a call auction mechanism.
• Emerging stocks: If the weighted average transaction price of an individual security rises or falls by 50% or more compared with the previous trading day's weighted average price during any trading session, trading of that security will be suspended for the remainder of the trading day.

Key Actions and Implementation Results in 2025
• TPEx-listed companies: 23,739 suspensions (totaling 47,478 minutes).
• Emerging stocks: five suspensions (totaling 267 minutes).</td></tr>
<tr><td>Surveillance Framework</td><td>The surveillance system of the securities market primarily consists of an early warning monitoring mechanism and investigations into illegal trading activities.
• Early warning monitoring: This mechanism targets securities with abnormal price or volume movements by publishing Attention Trading Information and implementing regulatory disposition measures. TPEx publishes daily announcements of securities that meet attention trading criteria. If a security meets the attention threshold for several consecutive days alongside reaching disposition criteria, measures such as pre-delivery of cash/securities and extended matching intervals will be imposed in accordance with regulations to alert investors to trading risks.
• Illegal trading investigations: Abnormal securities are subject to analysis and investigation. Where suspected market manipulation or insider trading is identified, cases are reported to the competent authority and judicial agencies for further action, in order to protect investor interests and maintain market fairness. TPEx also regularly conducts outreach to issuers and securities firms to enhance insiders' understanding of securities regulations, compliance obligations, and legal liabilities, thereby strengthening the prevention of illegal trading activities in the securities market.

Key Actions and Implementation Results in 2025
• A total of 500 TPEx-listed securities were placed under Attention Trading Information, with 3,441 disclosures issued. There were 159 TPEx-listed securities that were subject to trading disposition measures, with 281 cases implemented.
• A total of141 Emerging Stocks were placed under Attention Trading Information, with 365 disclosures issued. There were 13 Emerging Stocks that were subject to trading disposition measures, with 22 cases implemented.
• A total of six seminars were held for securities firm professionals on preventing illegal trading practices. There were five briefing sessions that were held for insiders of TPEx-listed and ESB companies regarding shareholding disclosure and prevention of illegal trading.</td></tr>
<tr><td>Information Systems</td><td>In 2025, the trading system operated normally, with no service interruptions recorded.</td></tr>
</table>

TPEx continuously updates relevant regulations in response to the development of new products, trading systems, and market evolution, also enhances its early warning and surveillance mechanisms to promptly alert investors to potential trading risks. In the area of illegal trading investigations, TPEx leverages regulatory technology to strengthen market supervision efficiency and refine investigative procedures to prevent the occurrence of unlawful trading activities. In addition, TPEx maintains close cooperation with competent authorities and judicial agencies through regular meetings, case studies, and professional exchanges. For cases involving suspected illegal trading, TPEx shares investigative experience and shares views to enhance enforcement effectiveness. Furthermore, TPEx integrates supervisory resources from securities-related institutions and establishes mechanisms for information sharing with regular communication. This approach enables the incorporation of diverse perspectives alongside practical insights, thereby strengthening the effectiveness of market surveillance and illegal trading investigations.

2.2.5 Stabilized Operations of Securities Firms

As the securities market continues to evolve, TPEx has continuously adjusted its supervisory measures for securities firms in response to changes in market structure and business models, in order to maintain the stable operation of the securities market.

Routine Inspections

In accordance with the reform program for securities firm inspections and the principle of differentiated supervision, TPEx and the TWSE have a shared division-of-labor mechanism to conduct inspections covering securities firms' financial operations, business activities, and internal audit functions. Depending on their scope of operations and business nature, inspections are conducted on securities firms engaged solely in equity-based crowdfunding business; those engaged solely in virtual asset businesses involving securities characteristics; those acting solely as intermediaries in the trading and exchange of beneficial certificates of funds, financial institutions engaged solely in bond-related businesses, as well as leveraged transaction dealers.

Special Inspections

Special inspections related to the securities market are conducted in accordance with Article 7 of the TPEx Operation Rules for Audits of Securities Firms or Leverage Transaction Merchants and Follow-up, Assessment, and Guidance With Respect to Deficiencies.

Securities Firm Risk Management Evaluation

Securities firms engaged simultaneously in brokerage, underwriting, and proprietary trading businesses are selected as those being evaluated. TPEx and the TWSE coordinate the division of evaluation responsibilities and jointly conduct annual assessments to gain a comprehensive understanding of the implementation of securities firms' internal systems in addition to operational practices.

TPEx continues to implement inspection and evaluation mechanisms for securities firms. In addition to complying with the Financial Cybersecurity Action Plan issued by the competent authority, TPEx strengthens its oversight of cybersecurity compliance, including ensuring that firms implement required measures, adopt tiered defense controls, promptly patch critical system updates, and continuously enhance cybersecurity protection mechanisms. Furthermore, TPEx and the TWSE continue to conduct the securities firm risk management evaluation program, further deepening the evaluation framework to enhance the overall level of risk management supervision.

Implementation of Sustainable Development Promotion and Climate Risk Management for Securities Firms

In response to climate change, securities firms are required, under the Securities Firms Risk Management Practice Guidelines, to periodically disclose climate risk management information by the end of June each year starting in 2023. On March 13, 2023, TPEx issued the Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms and simultaneously requested all securities firms to adopt relevant measures at an early stage, so as to comply with the schedule for preparing sustainability reports (or sustainability indicators), as well as conducting Greenhouse Gas Scope 1 and Scope 2 inventories and assurance.

In addition, to guide securities firms in aligning with IFRS Sustainability Disclosure Standards and enhance the quality of information disclosure, TPEx amended the Rules Governing the Preparation and Filing of Sustainability Reports by Securities Firms on August 15, 2025. It also continues to use supervisory and audit mechanisms to review whether firms comply with climate risk management regulations combined with disclosure requirements, thereby promoting the strengthening of sustainability risk management and response capabilities among securities firms.

- In 2025, TPEx conducted a total of **11** routine inspections of securities firms; **20** routine inspections related to information and cybersecurity; **17** routine inspections of financial institutions concurrently engaging in bond-related business; and **6** anti-money laundering inspections. TPEx has followed up on deficiencies identified during these inspections and ensured that corrective actions were completed. It has also submitted consolidated information to the TWSE for reporting to the competent authority.
- In addition, there were **6** cases of securities firm risk assessment exercises, **5** routine inspections of leveraged trading merchants, **1** routine inspection of securities firms engaging exclusively in brokerage services for trading and exchange of fund beneficiary certificates, **13** cases of underwriting auction and book-building transactions selected for quarterly screening inspections, **14** routine inspections related to warrant hedging tax reduction compliance, and **81** ad hoc special inspections.

2.3 Investor Participation and Rights

2.3.1 Expansion of Investment Participation

TPEx is committed to building a diverse, inclusive, and resilient capital market. Through continuous promotion of product innovation, regulatory optimization, and educational outreach, it seeks to enhance investor participation across different profiles and demographics to improve financial literacy, thereby advancing the goals of financial inclusion coupled with sustainable market development. In 2025, TPEx continued to expand investor participation initiatives. The overall implementation results are as follows:

Specific Measures	Content	Performance in 2025
Organizing Incentive and Promotional Activities	TPEx offers a wide range of products, including equities, bonds, warrants, ETFs, ETNs, and derivatives. To help investors better understand these products and encourage participation, it organized diversified incentive and promotional programs.	• TPEx collaborated with recommending institutions, the National Development Fund, the Small and Medium Enterprise and Startup Administration, joint accounting firms, securities firms, venture capital and private equity associations, and listed company venture capital units to form the GISA Plus Platform Alliance. Together, they conduct investment and business matching events, networking sessions, and seminars across Taiwan, helping innovative startups and SMEs strengthen innovation capacity and market competitiveness. • A series of TPEx Market Performance Presentation Conferences were held. In addition, TPEx co-hosted institutional investor forums such as the Taiwan Industry Summit Forum with securities firms, and the Taiwan Biotechnology Industry Summit Forum during the BIO Asia–Taiwan 2025. These events also introduced simultaneous YouTube livestreaming to enable broader investor participation. Furthermore, in collaboration with KGI Securities, the TPEx & KGI Pre-Computex Taiwan Corporate Day briefing session was held to facilitate direct communication between TPEx-listed companies and institutional investors, aiming to attract international capital inflows into the TPEx market. • Overseas investor relations events were conducted jointly with securities firms, including the 2025 Taiwan Investment Online Forum with SinoPac Securities and seven TPEx-listed companies, the 2025 Taiwan Corporate Day in Singapore with Fubon Securities alongside eight TPEx-listed companies, and a joint overseas institutional investor forum in Hong Kong with KGI Securities and eight TPEx-listed companies, attracting foreign capital investment in Taiwan. • An Investor Relations Management Sharing Session was held, inviting TPEx-listed companies to share their investor relations practices, followed by presentations from foreign institutional investors on how they evaluate corporate value and transparency. • Following the regulator's approval of balanced bond-equity ETFs, the first passive balanced ETF in the market (KGI US TOP Balanced ETF, ticker: 00980T) was listed on August 15, 2025. • In 2025, TPEx successfully introduced one USD-denominated leveraged bond ETF (Cathay 20-Year U.S. Treasury + TPEx U, 00687C) listed on January 10, 2025 and two active bond ETFs: 00980D (Active Allianz Investment Grade Income) listed on August 4, 2025 and 00981D (Active CTBC High Yield Bond) listed on September 16, 2025. • To help investors understand USD-linked ETF features and trading mechanisms, a Leveraged Trading Incentive Award was launched in 2025 to encourage participation in USD-linked ETF trading. • Incentive campaigns for 2025 TPEx-listed ETFs and ETNs were also conducted.

Specific Measures	Content	Performance in 2025
Investor Education and Financial Literacy Enhancement	To strengthen investors' understanding of market systems and product characteristics, multiple educational initiatives were implemented:	• A total of 27 investor seminars covering topics such as TPEx and emerging stock markets, ETFs, ETNs, the TPEx 200 Futures, and gold, providing both system education and product knowledge. • There were eight financial literacy courses, conducted in cooperation with the Ministry of Labor during retirement system briefings, helping improve workers' financial planning and management skills. • Ongoing media outreach through print and digital platforms to promote understanding of market systems and products, enhancing public trust and awareness of the capital market.
Promotion of the Sustainable Bond Market and Issuer Diversification	To encourage broader participation from corporations and government entities in sustainability initiatives.	• A total of 63 sustainable bonds were issued in 2025, with total issuance reaching NT$209.06 billion. • Taoyuan City Government became the first local government in Taiwan to issue a sustainability bond combining environmental and social impact projects. Central government agencies were also assisted in obtaining eligibility approval and are scheduled to issue the first green central government bond in January 2026. • The first TPEx-listed company successfully issued a green convertible corporate bond, with proceeds used to construct a gold-level green-certified building, demonstrating concrete action toward energy efficiency improvement. • An external review subsidy program for sustainable bonds was implemented.
Strong Growth in Bond ETF Retail Participation	TPEx has achieved significant success in retail participation of bond ETFs through investor incentive programs, brokerage competitions, and educational campaigns. These efforts have increased participation from individual investors, streng-thened market depth and stability, plus provided more diversified in addition to lower risk asset allocation options, reflecting the inclusiveness and financial accessibility of the capital market.	• Average daily turnover of bond ETFs reached NT$8.217 billion. • The share of trading by natural persons increased to 34%, indicating strong retail participation. • The number of trading participants reached 1.54 million, of which natural persons accounted for 99%. • The outstanding issuance size of TPEx-listed bond ETFs approached NT$3 trillion, ranking first in the Asia-Pacific region and 7th globally, demonstrating the strong international competitiveness and maturity of Taiwan's bond ETF market.
Strengthening Regulatory Alignment and Market Communication	To strengthen regulatory alignment and market comm-unication, and to enhance transparency in the bond market while responding to evolving market conditions, TPEx has referenced international regulatory frameworks and trends.	• TPEx actively held regulatory briefing sessions and conducted outreach visits to issuers together with intermediaries. • Through direct dialogue and information exchange, market participants were enabled to gain a deeper understanding of the key priorities plus design principles of TPEx regulatory frameworks. • At the same time, market feedback was collected and used as an important basis for continuous refinement and optimization of regulations.

2.3.2 Safeguarding Investor Rights and Interests

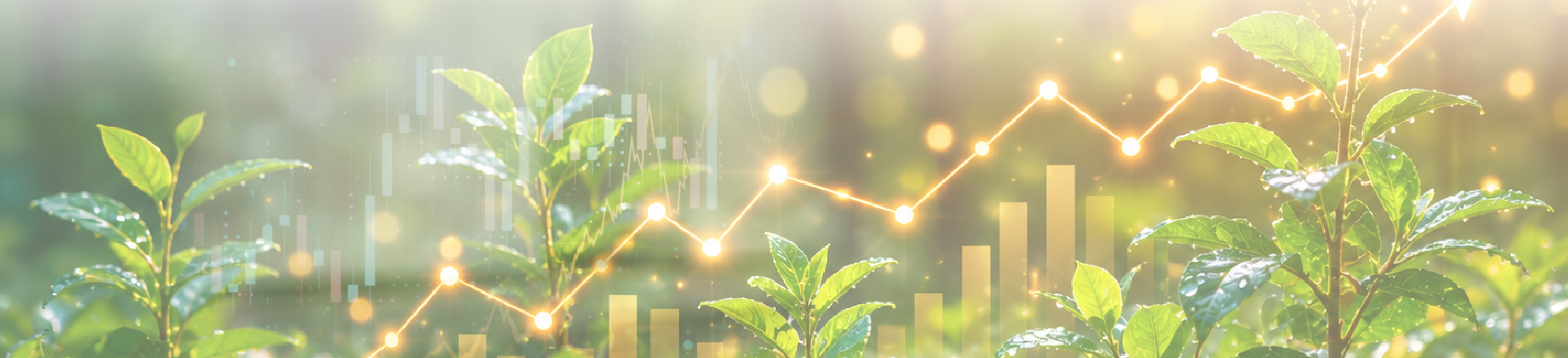
While promoting innovative regulatory frameworks and diversified financial products to meet the diverse needs of investors and issuers, TPEx consistently upholds the core principle of protecting the rights and interests of investors as well as shareholders. TPEx also maintains close cooperation with the competent authority to jointly implement securities market regulatory requirements. Through a range of supervisory measures, TPEx guides and assists TPEx-listed and ESB companies in strengthening corporate governance in tandem with internal control systems, improving the quality and transparency of financial disclosures in addition to material information reporting, and providing diversified services alongside platforms to enhance companies' visibility in the capital market and alignment with international standards. This enables enterprises to more efficiently raise funds through the TPEx market, while jointly fostering a fair, transparent, and sound market environment that safeguards investor plus shareholder rights in addition to enhancing public confidence and investment stability.

Policy on Protecting Investor and Shareholder Rights

TPEx promotes corporate governance, establishes and optimizes platforms for direct communication between companies along with investors, continuously enhances the transparency of TPEx-listed and ESB companies, in addition to strengthening financial and operational supervision. These efforts aim to ensure fairness in tandem with order in the trading market and to protect investor rights and interests.

To maintain a sound capital market and safeguard shareholder rights, when TPEx-listed or ESB companies violate relevant regulations, TPEx will impose appropriate measures depending on the severity of the case. These may include issuing formal notices requiring improvement, imposing penalty fees, changing trading methods for the stock, or suspending trading of the company's securities. TPEx also provides investors with access to financial and trading information through dedicated disclosure sections. If a TPEx-listed company experiences significant changes such as a shift in corporate control or major alterations in business scope, relevant information is to be compiled and disclosed in a dedicated Changes in Control or Business Scope section for investor reference. In cases involving violations of the Securities and Exchange Act or related laws and regulations, the matter will be referred to the Securities and Futures Bureau of the Financial Supervisory Commission for administrative sanctions. If securities crimes such as insider trading or market manipulation are involved, the cases will be transferred to judicial authorities for investigation.

In addition, TPEx provides a link on its official website under Services → Investor Services to the Securities and Futures Investors Protection Center's group litigation and claims registration page, helping investors access relevant remedies and protection channels.



Item	Highlights and Performance	Positive Impact Description
TPEx-Listed Company Performance Presentations and Industry Forums	• To enhance transparency in information disclosure and strengthen public communication, TPEx revised relevant regulations, requiring all TPEx-listed companies to hold or participate in at least one investor conference annually in Taiwan, either self-organized or by invitation, effective January 1, 2025. • In coordination with quarterly financial reporting releases, TPEx held 25 TPEx Market Performance Presentation conferences focusing on key listed industry sectors, with a total of 81 company participations. • On June 30, 2025, the Investor Relations Management Sharing Session was held to help TPEx-listed companies improve the quality of communication with investors, attracting more than 140 companies and nearly 200 senior executives. • Forums and investor conferences co-hosted with securities firms: (1) On May 19, 2025, the TPEx & KGI Pre-Computex Taiwan Corporate Day attracted nearly 400 domestic and international institutional investors, providing a platform for direct face-to-face communication between TPEx-listed companies and investors. (2) On July 4, 2025, the Taiwan Industry Summit Forum was held, facilitating in-depth exchanges between three TPEx-listed companies and institutional investors. (3) On July 24-25, 2025, during the Asia Bio Expo, there were seven TPEx-listed biotechnology companies that participated in the Taiwan Biotechnology Industry Summit Forum for bilateral communication with investors. (4) On November 17, 2025, a joint investor conference with Macquarie Securities brought together 10 TPEx-listed companies and institutional investors for face-to-face discussions.	Enhanced services for TPEx-listed companies by establishing a direct communication platform between companies and investors, thereby improving information transparency alongside market engagement.
ESB Company Earnings Conferences	On May 19 and August 19, 2025, TPEx held two earnings conferences for ESB companies in both physical and live-streamed online formats, with participation from six ESB companies.	Enhanced services for ESB companies by providing a direct communication platform between companies and investors to strengthen information disclosure.
Bond and Derivatives Market Promotion Events	• Participated in six seminars and panel discussions related to ESG and sustainable bond, actively promoting the sustainable bond market. • Hosted the Resilient Taiwan TPEx Sustainable Bonds and ETF Forum to support the development of the sustainable bond and bond ETF markets. • Conducted four Bond Market Promotion Seminars to introduce the sustainable bond framework to issuers, underwriters, and external review institutions, while reinforcing post-listing information reporting requirements. • Organized the New Taiwan Dollar Interest Rate Swap (IRS) System Enhancement Briefing, introducing newly added and optimized functions of TPEx's derivatives trading system to further strengthen market services.	Assisted investors in staying informed about the latest developments in the bond market and derivatives trading framework.
TPEx Investor Education Seminars	From March 25 to December 5, 2025, TPEx conducted 27 investor seminars across Taiwan. To provide flexible participation options, selected sessions were simultaneously live-streamed and recorded for online viewing.	Helped investors stay abreast of market developments and enhance their financial literacy as well as investment knowledge.

Item	Highlights and Performance	Positive Impact Description
Strengthening Board Functions	TPEx continued to promote compliance among TPEx-listed companies with the phased corporate governance requirements introduced in 2024, including the appointment of at least one director of a different gender, maintaining independent directors at no less than one-third of board seats, and limiting the tenure of independent directors to no more than three consecutive terms. In addition, beginning in 2025, any TPEx-listed company whose board composition includes less than one-third representation of either gender is required to disclose the reasons and corrective measures in its annual report presented to shareholders. TPEx also reviewed the implementation status of TPEx-listed companies whose directors' terms expired in 2025 following their shareholders' meetings.	Promoted board gender diversity and strengthened the functions of independent directors, thereby enhancing the effectiveness plus governance quality of functional committees.
Industry Value Chain Information Platform	In response to the accelerating trends of digital transformation and Industry 4.0, and as companies increasingly adopt automation technologies to address rising labor costs and workforce shortages while improving operational efficiency, TPEx added an Automation Industry Chain category to its Industry Value Chain Information Platform on July 9, 2025. This new category enables market participants to stay informed about industry trends and future developments. With the addition of the Automation Industry Chain, the platform now covers a total of 31 major industry categories. Users can search by stock code or company name to access information on a company's industry classification, company-specific profile, peer companies, and its position within the upstream, midstream, and downstream segments of the industry value chain.	The platform regularly updates industry overviews, policy developments, and profiles of leading domestic and international companies, providing timely value chain information. It helps investors gain a clearer understanding of the roles and competitive positioning of TPEx-listed and ESB companies within their respective upstream, midstream, and downstream industry value chains.
Service Mechanism	TPEx has established an investor service hotline and investor mailbox, receiving 2,841 telephone inquiries in addition to 750 emails. These serve as important channels for investors and market participants to provide feedback, raise questions, and understand relevant systems. Dedicated personnel are assigned to answer the hotline to provide timely responses, or to transfer inquiries to the relevant business department for response. Most inquiries can be answered promptly.	This helps strengthen communication channels to enhance the protection of investor rights and interests.

On June 30, 2025, the Investor Relations Management Sharing Seminar was held at the International Convention Center.

2.3.3 Service Promotion

To enhance market participants' understanding of TPEx's various systems and services, TPEx promotes its initiatives through multiple communication channels, as outlined below:

Promotion Channel	Description
TPEx Official Website	• Designed with digitalization and visualization concepts to create a more interactive, intuitive, and user-oriented online platform. • Uses a Mega Menu to enable faster and more convenient access to a wide range of TPEx information. Adopts responsive web design (RWD) to optimize user experience across different devices and provide seamless digital services.
TPEx ESG Section	• Provides a one-stop portal for sustainability-related information, including four main themes: Sustainable Bonds, Issuer ESG, Sustainability Indices and Products, and TPEx Sustainable Development initiatives.
IFRS Sustainability Disclosure Standards Alignment Section	• Established to help stakeholders better understand and implement IFRS Sustainability Disclosure Standards, the section includes Taiwan's alignment framework, IFRS Sustainability Disclosure Standards, a promotional section, practical guidance along with Q&A, customized search functions, and sustainability knowledge resources. It also provides a dedicated contact email for one-stop integrated services on sustainability-related information.
Green Securities Information Platform	• Compiles major domestic and international green labels and discloses listed companies' certification status in addition to green securities accreditation information. Integrates global sustainable finance policies, Taiwan's sustainabl bonds, sustainability indices and products, as well as international labels such as Nasdaq Green Designation and London Stock Exchange Green Economy Mark. Also covers Taiwan's green securities certification system together with sustainable economic activity taxonomy, helping investors and issuers understand global green finance trends in order to use the information for investment and financing decisions.
Industry Value Chain Information Platform	• Provides industry classifications and company information for TPEx-listed and ESB companies. Allows investors to access peer group data, company financial and operational fundamentals, as well as upstream-midstream-downstream value chain relationships. Also includes industry introductions and government policy updates for broader macro-level insights.

Promotion Channel	Description
Fraud Prevention Information Section	• Integrates news releases, media reports, anti-fraud warning materials, promotional videos, social media posts, and investor education activities. Provides a one-stop information service to raise public awareness of investment fraud prevention.
GISA Plus Section	• Aligned with the government's SME development policy, the platform supports startups, innovation-driven enterprises, and youth entrepreneurship. Aims to help hidden champion companies enter the capital market to join the TPEx ecosystem. Provides a dedicated portal introducing the GISA Plus system.
TPEx Portal	• To further promote the sustainable development of TPEx-listed companies, foster an ESG ecosystem within the capital market, to enable investors to quickly identify information related to corporate risks, opportunities, transformation efforts, plus sustainability resilience, TPEx has integrated ESG information reported by TPEx-listed companies with securities market regulations and business-related resources relevant to such companies. Accordingly, TPEx launched a new online platform, the TPEx Portal, which facilitates easier access to and utilization of ESG-related information by both investors together with businesses, while also improving the efficiency of inquiries regarding TPEx-listed company operations in tandem with related forms and disclosures.
Market InfoHub	• Combines TPEx website, Market Information System (MIS), and Market Observation Post System data. Provides comprehensive market indicators such as index performance, institutional trading activity, margin trading, block trades, and trading rankings.
ETF InfoHub	• The ETF InfoHub provides investors with the latest ETF market information through intuitive visualization and analytical tools, including key statistics such as assets under management plus the number of beneficiaries. The platform also features an ETF Investment Screener, which allows investors to search for TPEx-listed ETFs that align with their investment and financial planning needs based on criteria such as asset class, return type, as well as performance metrics. By offering comprehensive and user-friendly ETF information, the platform supports investors in making more informed investment decisions.
TPEx Market Information and Outreach Website	• To provide market participants with convenient access to information on relevant systems, operational procedures, regulations, and educational resources, TPEx has consolidated this information on the TPEx Market Information and Outreach Website, offering a one-stop information platform and enhancing the quality of services provided by TPEx.

Promotion Channel	Description
TPEx HOME Learning Center	• To help newcomers to the capital market build their knowledge of securities and investing, TPEx has compiled a wide range of online learning resources in the TPEx HOME Learning Center, enabling the public to learn about the securities market conveniently from home.
Elementary School Financial Literacy and Sustainability Education Teaching Resources	• To help children develop sound financial values and decision-making skills, TPEx has established a dedicated Financial Literacy and Sustainability Education Teaching Resources section tailored for upper-elementary students. The materials cover six key topics: consumption, saving, investment and risk, financial investment instruments, ESG together with sustainable investing, and financial fraud prevention. The program aims to comprehensively enhance financial literacy among young learners plus provides a complete set of teaching resources, including teacher manuals, presentation slides, worksheets, teaching aids, and demonstration videos, enabling educators to quickly master instructional techniques so as to prepare lessons with ease.
Facebook Fan Page	• TPEx utilizes Facebook posts to promote featured products and market initiatives, while also sharing content from the competent authority's official social media pages to enhance policy communication and outreach.
Instagram Fan Page	• TPEx uses Instagram posts to promote featured products and market initiatives, while also sharing content from the competent authority's official social media pages to enhance policy communication and outreach.
Information Sessions	• TPEx conducts information sessions for TPEx-listed companies, ESB companies, investors, and securities firms to introduce key business initiatives, market systems, along with newly amended regulations and market rules.
Corporate Visits and Study Tours	• TPEx organizes visits to domestic and international enterprises, as well as TPEx-listed and ESB companies, to introduce the multi-tier capital market framework.
Networking and Business Matching Events	• TPEx hosts networking and business matching events for companies participating in the market to facilitate communication and business opportunities.
Media Outreach	• TPEx promotes its services and products through various media channels.
Investor Services	• TPEx operates a dedicated investor service hotline staffed by professional personnel to provide prompt responses and consultation services. Investor satisfaction with the service exceeds 99%. In handling investor complaints, petitions, and inquiries, TPEx adheres to principles of professionalism, impartiality, and objectivity, striving to provide timely in additional to appropriate responses. • Investor Service Hotline: 02-2796-3788 • Contact Email: Accessible through the Contact Us section of the official TPEx website.

2.4 Promotion of Financial Transactions

2.4.1 Enhancing Products and Services

As a key driver of the domestic securities market, TPEx is committed to formulating and promoting a wide range of financial products in tandem with policies. Through continuous institutional enhancement and product innovation, TPEx aims to expand the scale of the capital market, foster a dynamic and sound financial environment, to enhance the competitiveness of Taiwan's securities market, while also responding to investors' demand for greater diversification of financial products. In 2025, the TPEx market achieved concrete results across the stock, bond, and ETF markets. The key initiatives and outcomes in each segment are summarized as follows:

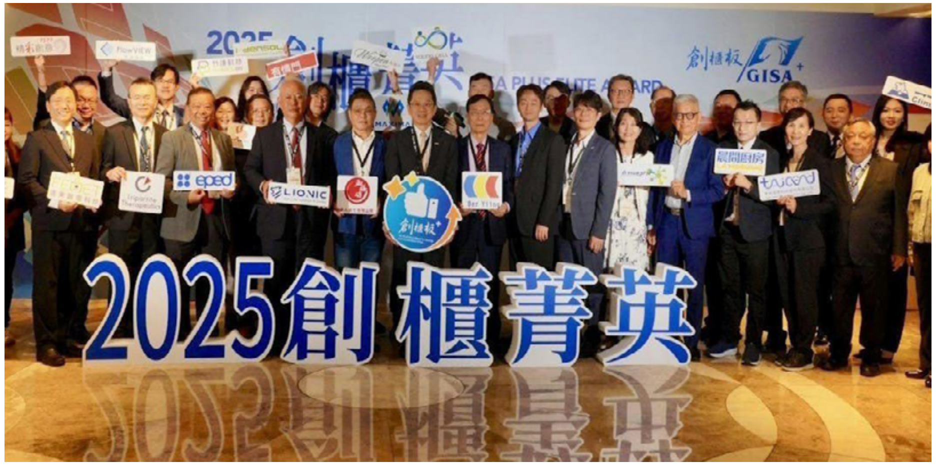
Equity Market

In 2025, the number of applications for TPEx listing and emerging stock registration reached 44 and 87 companies, respectively. The number of TPEx listing applications hit a ten-year high, while emerging stock registrations also exceeded 80 companies for two consecutive years, reflecting sustained strong fundraising momentum among enterprises entering the capital market. In addition, a total of 116 companies were newly registered or received advisory support for GISA in 2025 (including 42 companies in core strategic industries), representing a twofold increase compared with 54 companies in 2024. Moreover, four companies successfully progressed from GISA to the capital market. As of 2025, the total number of registered companies on GISA reached 138, up from 107 in 2024, demonstrating that the enhanced framework has effectively attracted high-quality enterprises to participate in the capital market, with significant implementation results. TPEx also continues to actively support quality companies in accessing the capital market. In 2025, nearly 80% of emerging stock applicants (68 companies) adopted a joint application mechanism for public offering registration, indicating that this streamlined process has effectively accelerated companies' entry into the capital market.

Enhancing Services in the TPEx Market

I.Increasing Corporate Visibility

In 2025, TPEx launched the inaugural GISA Elite Selection Program, attracting 105 startups to participate. Among them, companies related to GISA (including both registered and in-advisory-stage firms) accounted for as much as 58%, demonstrating strong recognition of GISA system among high-quality startup teams. At the same time, TPEx actively led GISA companies to participate in multiple international startup exhibitions in addition to providing subsidy programs to support companies in exhibiting independently, thereby expanding brand exposure and business development opportunities. Through the integration of diversified advisory mechanisms, investment matchmaking platforms, branding channels, and professional training programs, TPEx continues to enhance the market visibility plus the overall competitiveness of GISA companies, helping promising startups and SMEs achieve steady growth while gradually transition into the capital market.



Group Photo of the 2025 GISA Elite Selection Program

II.Organizing Promotional Seminars

In alignment with Taiwan's roadmap for adopting the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, and to help TPEx-listed and ESB companies understand the latest regulatory amendments together with common deficiencies identified in regulatory inspections, TPEx held a series of seminars in 2025, including: IFRS promotional seminars, Obligations of TPEx-Listed and ESB Companies briefing sessions, including Insider shareholding and anti-market manipulation compliance seminars for company insiders. In addition, in response to the transition of the Corporate Governance Evaluation system toward an ESG-based evaluation framework, TPEx also organized related briefing sessions to help TPEx-listed companies fully understand the 2026 ESG evaluation indicators.

III.Supporting Companies in Preparing Sustainability Reports on a Comprehensive Basis

To assist TPEx-listed companies in understanding ESG disclosure requirements and preparing sustainability reports on a full-scale basis, TPEx established an ESG Digital Platform in 2025. The platform introduced a Sustainability Report Generation Assistance function, which integrates companies' existing ESG disclosure data and automatically generates draft report content. The platform also provides reference frameworks for sustainability reports, working papers, GRI Standards, along with sample reports. In August 2025, the report export and layout design functions were further enhanced, including the addition of chapter title pages, which are displayed when exporting draft sustainability report files. These improvements help enhance the overall quality and professional presentation of sustainability reports.

In addition, to help TPEx-listed companies more efficiently access sustainability reporting resources, TPEx added a dedicated Sustainability Report tab on the TPEx Portal. This section consolidates relevant regulations, preparation guidelines, templates, reference materials, and promotional information, providing diversified plus practical resources to help companies better understand key reporting requirements and improve report quality.

IV.Strengthening Investor Engagement

To enhance two-way communication between investors and listed companies, TPEx organized a series of TPEx Market Performance Presentation Conferences, and also co-hosted institutional investor forums such as the Taiwan Industry Summit Forum with securities firms. In addition, TPEx held the Taiwan Biotechnology Industry Summit Forum during the BIO Asia–Taiwan 2025. These events were further supplemented with live streaming via YouTube, enabling broader investor participation. Furthermore, TPEx collaborated with KGI Securities to host the TPEx & KGI Pre-Computex Taiwan Corporate Day briefing session, providing a platform for TPEx-listed companies and institutional investors to engage in direct dialogue. These initiatives aim to attract greater international capital inflows into market, enhance the depth as well as competitiveness of Taiwan's capital markets, and continue supporting the government's policy objective of developing Taiwan into an Asian Asset Management Center.

TPEx also organized the Investor Relations Management Sharing Forum, inviting experienced TPEx-listed companies to share practical insights into investor relations management, while foreign institutional investors shared perspectives on corporate valuation and information transparency. Through these diverse viewpoints, the program helps TPEx community continuously enhance the quality of communication with investors, thereby contributing to long-term corporate value creation and realization.

Furthermore, TPEx integrated multiple stakeholders—including recommending institutions, the National Development Fund, the Small and Medium Enterprise and Startup Administration, joint accounting firms, securities firms, venture capital and private equity associations, and corporate venture capital arms of listed companies—to establish the GISA Plus Platform Alliance. The Alliance conducts investment and business matchmaking events, networking sessions, along with forums across Taiwan, helping innovative startups and SMEs strengthen R&D capabilities plus enhance market competitiveness.

To continuously improve the quality of English-language disclosures by TPEx-listed companies, TPEx regularly updates sample templates for English material information filings. These are published on both the TPEx Portal in addition to the TPEx Market Information and Outreach Website for reference and download. This initiative supports consistency and completeness in English disclosure practices, further enhancing international visibility.

Bond Market

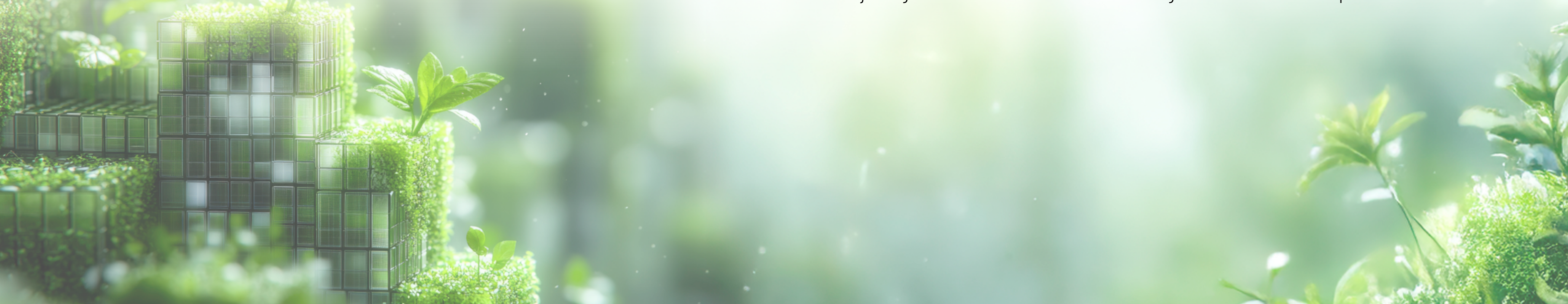
In alignment with its ESG-driven sustainable development strategy, TPEx has continued to promote the sustainable bond market. In 2025, the issuance volume of sustainable bond reached a record high, exceeding NT$200 billion for the first time in a single year. During the year, TPEx successfully facilitated the issuance of Taiwan's first local government sustainability bond. It also assisted central government agencies in obtaining qualification recognition and supported the issuance of Taiwan's first TPEx-listed corporate sustainability-linked convertible bonds. To further promote the development of the SLB market, TPEx has continued to serve as a key facilitator of market communication and regulatory coordination. It assisted in clarifying accounting classification issues related to investments as well as successfully advocating for the early adoption of amendments to IFRS 9 in 2025. In addition, it contributed to the issuance of a relevant Q&A guidance by the Accounting Research and Development Foundation in December 2025.

Through the establishment of more practical and feasible accounting guidance, TPEx aims to build market consensus, reduce uncertainty on the investment side, while also encouraging issuers with greenhouse gas reduction and green transformation needs to utilize SLBs as a flexible financing instrument linked to sustainability performance. This approach supports diversified funding needs while further deepening the development of Taiwan's sustainable bond market. For more details on policy measures and achievements in the sustainable bond market, please refer to Section 2.1.

ETF Market

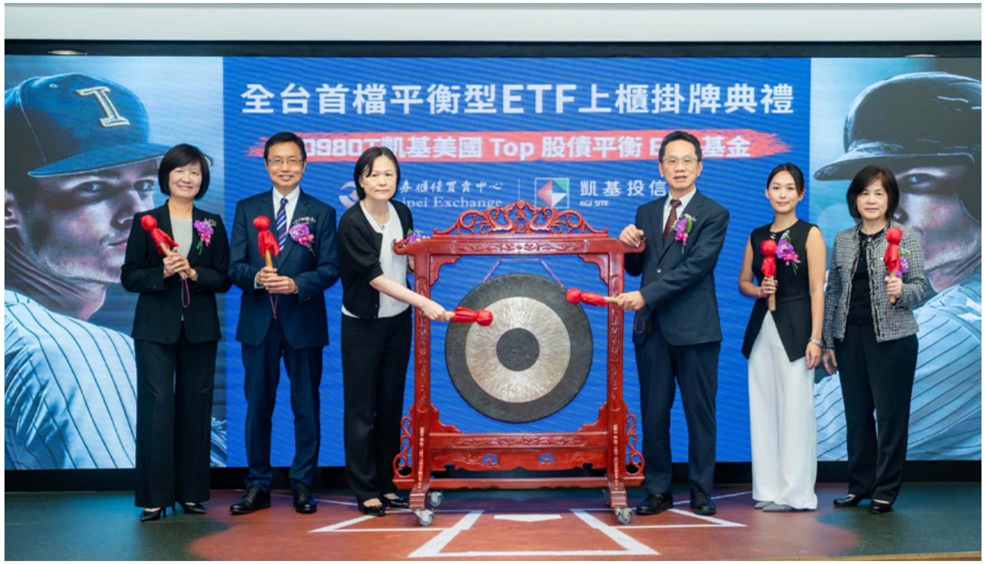
In response to the global trend of rapid growth in actively managed ETFs, such products have become increasingly aligned with market demand. The promotion of active ETF products enhances issuers' flexibility in product development as it helps meet the diverse needs of investors. In addition, amid rapidly changing global financial conditions and rising market uncertainty in recent years, investors' demand for multi-asset along with equity-bond balanced allocation strategies has continued to increase. The concept of asset allocation is no longer limited to institutional investors, as retail ETF investors can also achieve risk diversification through multi-asset ETF products. TPEx will continue to actively promote the issuance of active ETFs and multi asset ETFs, supporting issuers in launching new ETF products. Investors can construct diversified trading strategies through different ETF combinations to meet their needs for asset allocation and risk diversification.

In recent years, TPEx has actively expanded the diversity of ETF products and promoted the issuance of active ETFs together with multi-asset ETFs, achieving tangible results. In 2025, TPEx successfully facilitated the listing of one multi-asset ETF and two actively managed bond ETFs. As of the end of 2025, a total of 95 bond ETFs were listed on TPEx, with total AUM reaching approximately NT$3 trillion, maintaining the leading position in the Asia-Pacific securities market. This demonstrates the depth and international competitiveness of Taiwan's bond ETF market. In addition, on January 10, 2025, TPEx launched Taiwan's first USD-denominated ETF, which allows subscription alongside redemption in U.S. dollars in the primary market and trading in the secondary market, providing investors with a new foreign currency investment option combined with injecting more diversified and forward-looking momentum into the capital market.

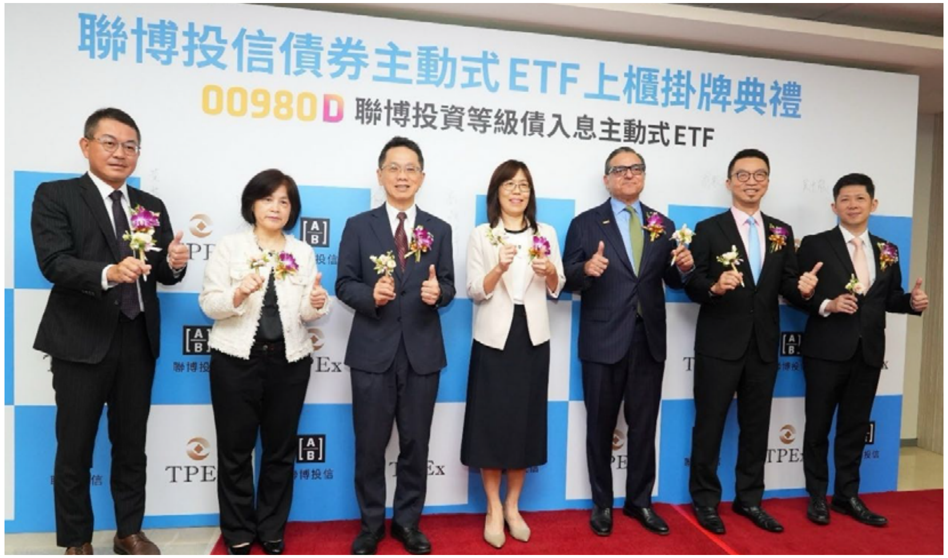


To implement the Strengthening Asset Management Initiative under Taiwan's development strategy as an Asian Asset Management Center, TPEx has successively established partnerships with Bloomberg Index Services Limited, FTSE Russell, and S&P Dow Jones Indices LLC in 2025. Through professional exchanges in index construction, these collaborations aim to enhance TPEx's international visibility in tandem with providing asset managers with a broader range of thematic indices covering equities, bonds, and multi-asset strategies. In 2025, TPEx also co-launched six branded indices with ICE Data Indices, including one multi-asset index in addition to five bond indices. In addition, it collaborated with Bloomberg Index Services Limited to launch one bond index, one equity index, and one multi-asset index.

Looking ahead, TPEx will continue to adapt to market developments while deepening international cooperation by exploring new indices that integrate climate resilience and sustainability themes, thereby expanding investors' access to ESG- and climate-related investment opportunities. At the same time, through continuous enhancements in product design, disclosure quality, with professional services, TPEx aims to build a capital market that is innovative, diversified, stable, and internationally connected.



Listing Ceremony for Taiwan's First Balanced ETF on the TPEx



Listing Ceremony for the AB Active Bond ETF on the TPEx

2.4.2 Optimizing the Trading System

TPEx continues to enhance and optimize its trading systems, with the objective of establishing a fair, efficient, and convenient trading environment. These efforts aim to improve market liquidity, strengthen price discovery functions, so as to better meet the expectations of investors and other market participants. Given that natural persons account for approximately 70% of trading value in the market, TPEx has proactively introduced various measures to promote institutional innovation that balances fairness and efficiency in market participation. To improve trading efficiency, TPEx has fully implemented the intraday continuous auction (order-by-order matching) trading system, further enhancing quotation transparency and execution immediacy. Looking forward, TPEx will continue to assess market needs along with development trends, and will adopt a rolling review approach to refine trading mechanisms, thereby improving trading convenience, strengthening market resilience, plus reinforcing the foundation for sustainable capital market development.

I. Transfer Mechanism between TPEx and the TWSE

To provide companies with flexibility to choose the most suitable trading market based on their development stage and positioning after listing, TPEx opened a transfer mechanism in February 2025. Companies listed on the TWSE main board or TIB may apply for TPEx listing or relisting if they meet the relevant criteria. The design of this mechanism follows the principles of the existing TPEx to TWSE transfer system. Key features include exemption from the six-month Emerging Stock Board registration requirement, a streamlined review process primarily based on document review without on-site inspection or review by TPEx Listing Review Committee, and completion of an internal review meeting within one month of application receipt, followed by submission to the Board of Directors for final approval.

II. Facilitating Securities Firms' Subscription to GISA Shares

To incentivize securities firms to recommend companies for registration on GISA and accelerate their progression into the emerging stock market, TPEx, in line with regulatory initiatives allowing integrated securities firms to invest in capital increases of GISA companies, introduced a mechanism permitting securities firms' subscription of newly issued shares during the registration period to be counted toward their mandatory subscription quota as recommending securities firms. To balance price discovery and investor protection, TPEx requires that at least 0.5% of the shares subscribed—and no fewer than 100,000 shares—must be completed within three months prior to application or emerging stock registration.

III. Full Online Application for Emerging Stock Registration

To implement ESG principles and support carbon reduction as well as paperless operations, TPEx has fully adopted an online application system for emerging stock registration starting July 2025. This initiative enhances administrative efficiency while facilitating secure and sustainable document management.

IV. Allowing Offshore Subsidiaries of Listed Companies to Issue Professional Board International Bonds and Promoting Diversification of the International Bond Market

To expand diversified corporate financing channels and further develop Taiwan's bond market, TPEx, in coordination with the Financial Supervisory Commission's Asia Innovation Capital Platform initiative, opened a new mechanism in June 2025 allowing offshore subsidiaries of TWSE- or TPEx-listed companies—whether directly or indirectly 100% owned—to issue international bonds in Taiwan. Such issuances are exempt from prior effectiveness filing requirements, provided that the parent company provides a full guarantee for the subsidiary's debt obligations. These bonds may only be sold to professional investors. This measure aims to attract more diversified issuers and products into the TPEx market with the goal to further deepen the development of Taiwan's international bond market.

V. Normalizing Diversified Collateral for Margin Trading and Aligning TPEx Margin Eligibility with TWSE Standards

To enhance investors' flexibility in fund allocation and risk management capabilities, so as to to strengthen overall market stability, TPEx has expanded the scope of eligible collateral for credit transactions. This now includes odd-lot shares and Emerging Stock Board securities. In addition, TPEx has relaxed the eligibility criteria for margin trading of TPEx-listed stocks to align with TWSE standards, removing previous requirements related to paid-in capital and profitability. Furthermore, companies that transfer their listing from the TWSE to TPEx are allowed to retain their margin trading eligibility upon listing, ensuring continuity of credit trading functionality.

VI. Continuing to Promote the Gold Spot Trading Platform in Support of Inclusive Finance Policies

To increase flexibility in investor asset allocation and lower the entry threshold for participation in TPEx's gold spot trading platform, TPEx revised the trading rules for gold spot registration and trading, reducing the trading unit from one Taiwan tael to one Taiwan mace. Following this adjustment, the number of participating investors has increased significantly, demonstrating that the measure effectively broadens market participation and supports the policy objective of promoting financial inclusion.