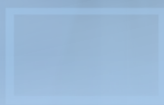


證券櫃檯買賣中心
Taipei Exchange



Introduction to Taipei Exchange

Introduction



TAIPEI EXCHANGE

OVERVIEW

Recognized by the World Bank as one of the most successful SME exchanges in the world

2,200+ public companies have gained access to the capital market through TPEX.

Prominent Electronics and Biotech groups consist of complete industrial clusters of firms operating in various sub-sectors

66%+ of listed firms are in Electronics and Biotech industries, further allocated to a systematic and representative ecosystem of sub-sector groups.

Listed companies profit from steady growth

3.10% average cash dividend yield for the 1st half of 2020

The No.1 in Bond ETF Issuance in Asia

USD 40bn+ scale of the growing Bond ETF market

TPEX winning the Green Bond Pioneer Award granted by the Climate Bonds Initiative (CBI)

CBI TPEX implements world-class green bond listing guidelines in support of our mission as a green exchange.

Participation in international organizations aligns TPEX with the highest global standards

IOSCO IOSCO Affiliate member
WFE member
AOSEF member
CCP12 member

Expertise in Fostering SMEs



Since its establishment, Taipei Exchange has assisted more than 2,200 public companies to gain access to the capital market

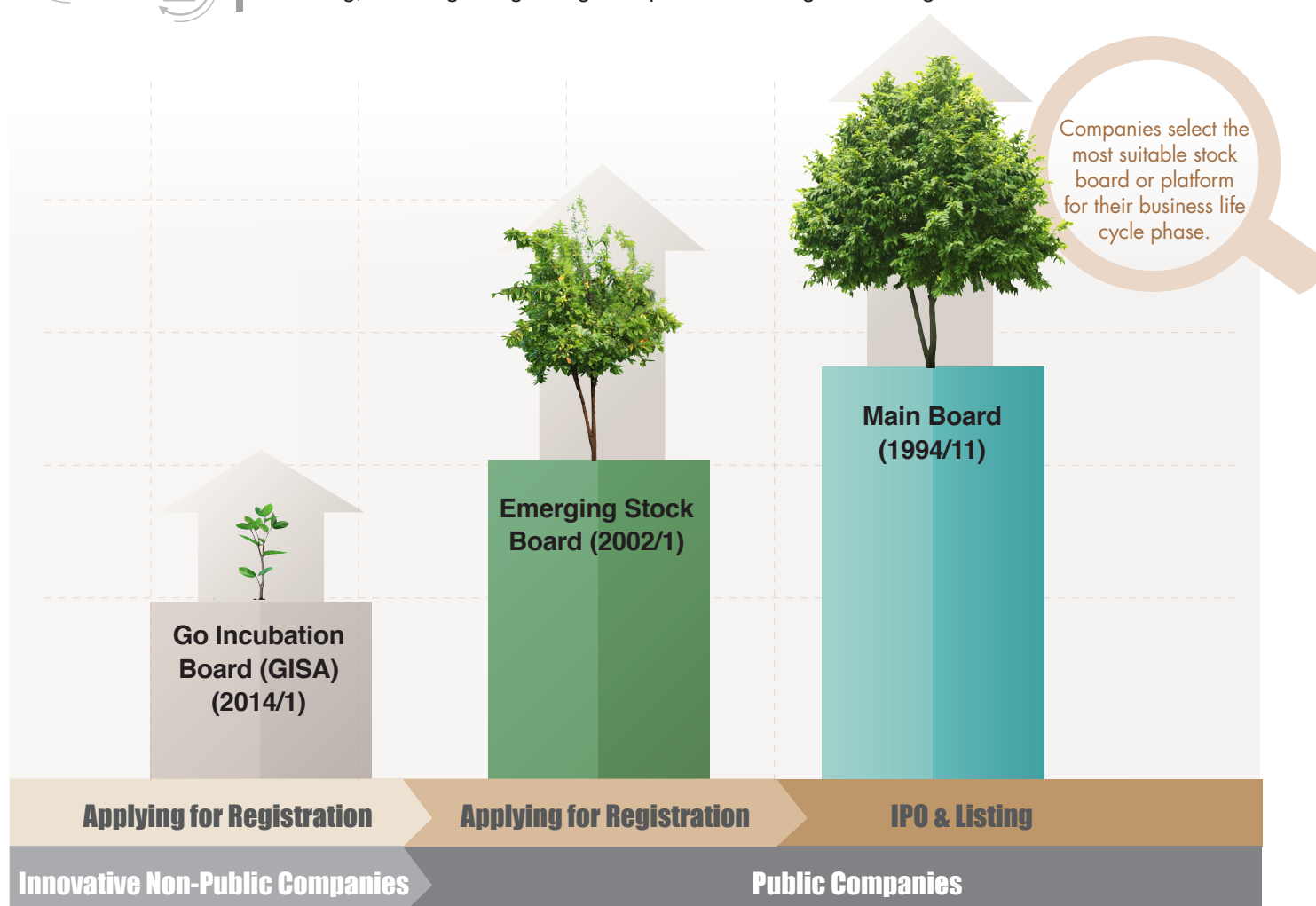
Since its inception in 1994, Taipei Exchange has enabled 1,679 companies to register on the Emerging Stock Board, and 1,310 companies to list on the Main Board.

As of the end of June 2020, the total number of companies listed on the Main Board was 776, with a further 248 firms registered on the Emerging Stock Board. Featuring a legion of over one thousand corporate clients, TPEX was recognized by the World Bank in the latter's January 2015 Policy Research Working Paper as one of the most successful SME exchanges in the world. According to latest statistics available from the WFE, the number of stocks listed on the TPEX places us 18th among all global exchanges. All indications are that we can expect steady growth in listings to continue over the coming years.



A complete multi-tiered market architecture

By building a multi-tiered market comprised of the Main Board, the Emerging Stock Board and the Go Incubation Board (GISA), Taipei Exchange provides a high-quality environment for financing, nurturing and growing enterprises at all stages of their growth.



Expertise in Fostering SMEs

Diverse listed companies, organized into strong, characteristic industry clusters

We actively encourage firms to list on the TPEX, firms in sectors including Health Care, Agricultural Science & Technology, Cultural & Creative Industries, Smart Machinery, Green Energy Technology, Internet of Things, Big Data and National Defense & Aerospace Industry, and so on. Over 25 years of experience in developing a market catering to SMEs has allowed us to construct a comprehensive market, including industrial groups of emerging technologies and innovative business models, such as Electronics and Biotechnology. Our Industry Groups are also characterized by robust ecosystems of inter-related sub-groups. This ensures our corporate clients to receive the best possible access to capital via our markets, positioning their stock offerings in the most appropriate category. The below graph illustrates examples of these characteristic industry clusters for the Traditional Business, Electronics and Biotech industry groups, which are prominently representative on the TPEX.



Traditional Business and Others

- Electric Machinery
- Finance
- Cultural and Creative
- Golf Club Heads
- Tourism

Bio-Tech

- Medical Care Distribution
- Pharmaceutical Manufacture & Development
- Gene & Bio-Tech
- Agriculture-Tech

Electronics

- Green Energy (Solar)
- Opto-electronic
- IT/Telecom
- Semiconductors (IC Design)
- Online Game



TPEX

Why list on TPEX?



Multi-tiered market architecture facilitates fund-raising

- ◆ **Go Incubation Board:** It fosters early-stage micro-enterprises, paving the way for going public and eventual listing on the TPEX.
- ◆ **Emerging Stock Board:** As a feeder-market for the Main Board, this Board offers early exposure to investors, enhancing a company's visibility.
- ◆ **Main Board:** As the ultimate stage of corporate clients' capital market journey, the Main Board is an actively traded environment, offering our clients attractive valuation multiples on their stocks.
- ◆ **Diversified instruments:** TPEX provides companies with the flexibility to use a full array of financing instruments such as stocks, bonds, convertible bonds, preferred stocks, and so on.



Versatile listing environment and transparent review process

- ◆ A listing environment suitable for enterprises at all scales and stages of development
- ◆ The listing review process is efficient and transparent: The Review Committee generally completes its assessment within 6 weeks.
- ◆ Flexible listing criteria applicable to certain industries
- ◆ Reasonable listing costs
- ◆ Subsequent to an IPO, access to capital is made convenient via Secondary Public Offering.

Our service doesn't end with the listing



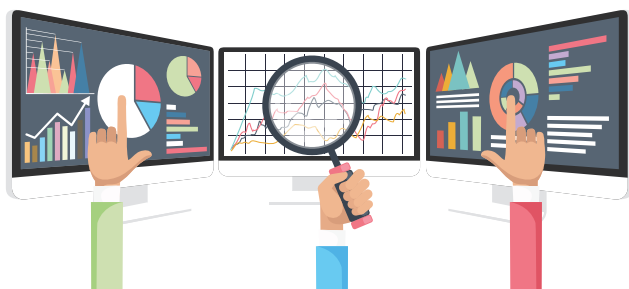
- ◆ To improve a company's visibility and foreign investor participation, high-quality listed firms are taken on domestic and international roadshows.
- ◆ When a firm joins the TPEX Community, we take the initiative to understand a company's needs, through regular "TPEX Community Member" activities such as conducting on-site visits.
- ◆ We provide seminars and other briefings to share up-to-date knowledge on legal, regulatory, and other key developments which may impact our clients.



Vibrant secondary market enhances the company's public profile

- ◆ High turnover and good liquidity in the secondary market reduce corporate clients' issuance costs.
- ◆ Reasonable P/E ratios appropriately reflect fair value of a company.
- ◆ Our healthy and liquid secondary market promotes brands of listed companies, attracting both business partners and talents in various fields.

Why invest on TPEX?



Transparent market information

We facilitate the timely dissemination of important corporate news such as a company's key financial and management information, shareholder meetings, dividend distributions, corporate governance and other material information.



Profitable listed firms: Average cash dividend yield of **3.10% at the end of June 2020**

At the end of June 2020, 341 companies listed on TPEX had cash dividend yields exceeding 3%, representing 43.94% of the companies listed on the TPEX.

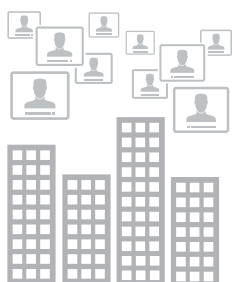


The market is active and liquid

The turnover rate at the end of June 2020 was 148.39%, indicating that high market liquidity is enhancing investment efficiency. In terms of investor types, institutional and retail investors account for approximately 30% and 70%, respectively. According to the latest statistics from WFE, the Main Board ranked 22nd by monthly stock turnover.

We are leading the way in promoting corporate governance

According to "CG WATCH 2018" from ACGA, The Asian Corporate Governance Association, Taiwan ranks 5th in Asia. TPEX has encouraged companies to strengthen corporate governance practices and business health for many years. To enable this, we designed evaluation guidelines covering four categories. These categories include protection of shareholders' rights, operational guidance for a well-structured board of directors, information transparency improvement, and the implementation of corporate social responsibility. Each year evaluation and annual grading of listed companies is conducted and this has been done for 6 years, with the results communicated to the general public. In the future, TPEX will continue to vigorously promote best practices in corporate governance.



Green Bond Pioneer in Asia



Climate Bonds Initiative (CBI) Award

Certification for the Green Bond Exchange

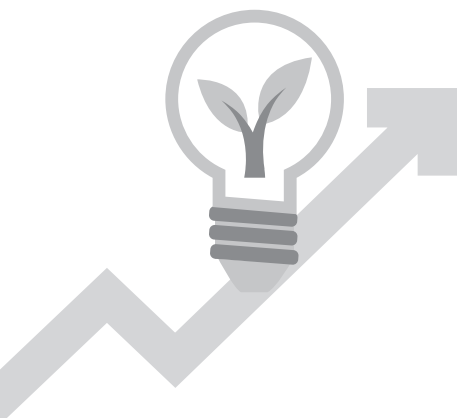
The Climate Bonds Initiative (CBI) and the London Stock Exchange Group jointly established the Green Bond Pioneer Awards Committee in 2016. The TPEX was presented with the Green Bond Pioneer Award by the Committee in March 2018.



Green bond market continues to develop:

Total issuance exceeding US\$3.3 billion

As of the end of June 2020, there have been a total of 42 issues of green bonds, with a total issuance amount of approximately US\$3.8 billion. Issuers include both domestic and foreign banks, state-owned enterprises, local and international corporations etc. In support of sustainability, the United Nations SDGs, and government's green energy policy, we have taken on the role as a green exchange to promote green bonds and other green products.



Product Innovation

Bond ETF issuance over **US\$40 billion**, ranking **1st** in Asia

As of the end of June 2020, the size of issuance has exceeded US\$40 billion, ranking 1st in Asia. A total of 95 ETFs tracking bond indices are listed on the TPEx. In terms of performance, bond ETFs averaged a total return rate of 5.49% at the end of June 2020 (including all coupon payments).

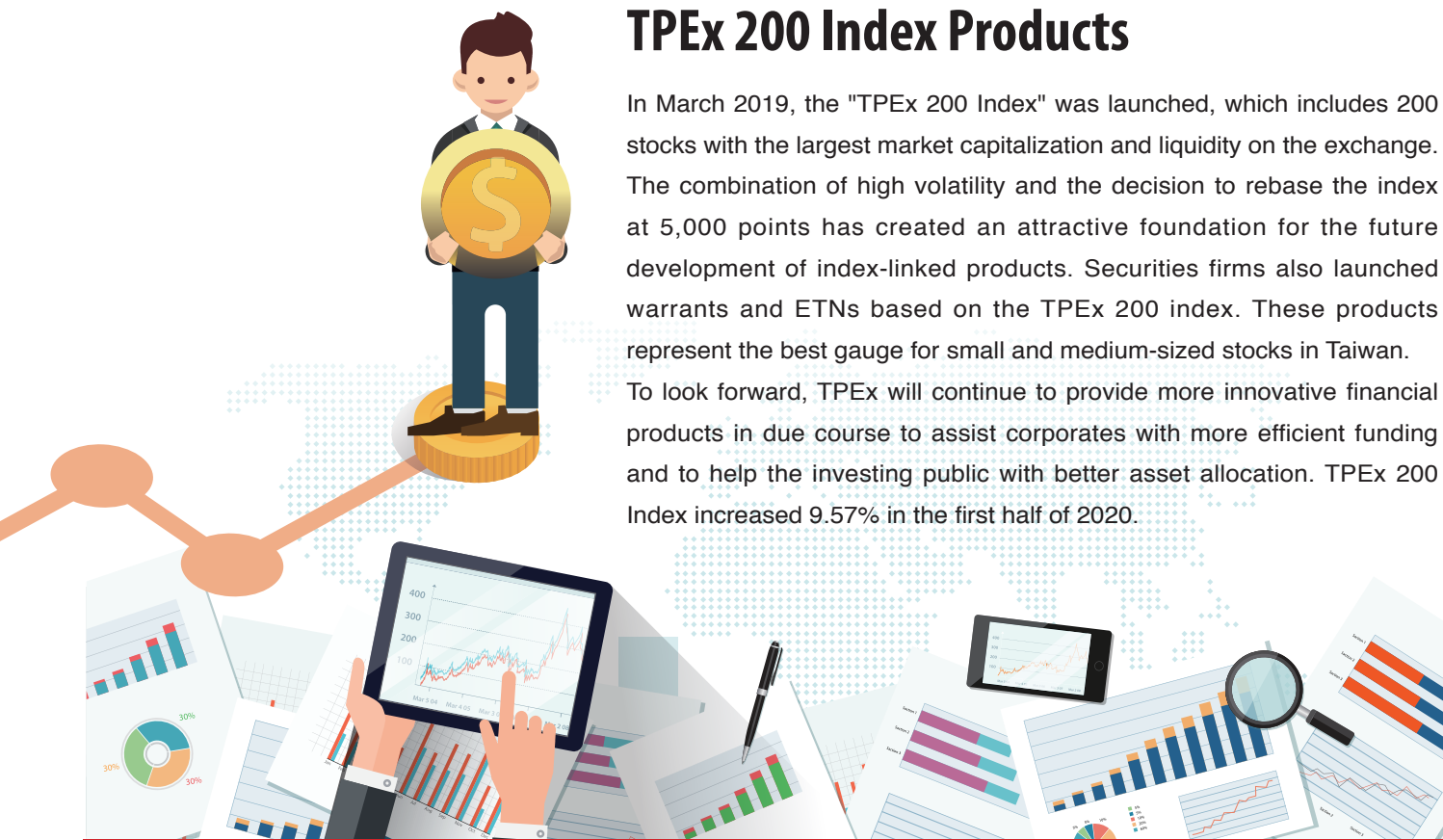
In the secondary market, as of the end of June 2020, the total year-to-date turnover amounted to US\$25.9 billion, with an average daily value of US\$2.2 billion. The total number of market participants amounted to 52,055 including natural persons, proprietary traders, institutional investors, and foreign investors.



TPEx 200 Index Products

In March 2019, the "TPEx 200 Index" was launched, which includes 200 stocks with the largest market capitalization and liquidity on the exchange. The combination of high volatility and the decision to rebase the index at 5,000 points has created an attractive foundation for the future development of index-linked products. Securities firms also launched warrants and ETNs based on the TPEx 200 index. These products represent the best gauge for small and medium-sized stocks in Taiwan.

To look forward, TPEx will continue to provide more innovative financial products in due course to assist corporates with more efficient funding and to help the investing public with better asset allocation. TPEx 200 Index increased 9.57% in the first half of 2020.





TPEX

Add : 15F,No.100,Sec.2,Roosevelt Road,Taipei,Taiwan,10084

Tel : 886-2-2369-9555 Fax : 886-2-2369-5517

E-mail : server@tpex.org.tw

FB: <https://www.facebook.com/TaipeiExchange>

Address: <http://www.tpex.org.tw>

Statistics calculated as of June 30st, 2020

Publication serial number: 11-10908001

