

INTRODUCTION TO TPEX

TPEX serves as a service center for corporate financing and financial products trading. The services provided include assisting characteristic companies with the potential to enter the capital market to obtain financing, improving primary and secondary markets for bonds, and providing platforms for centralized trading and over-the-counter negotiated trading. Since TPEX's incorporation in November 1994, it has been echoing with the international capital markets to improve securities issuance and trading by revising relevant regulations. Also, TPEX facilitates the listing of high-tech companies, creative ventures, small and medium enterprises, and even micro-businesses, making it a multi-purpose and well-rounded securities exchange.

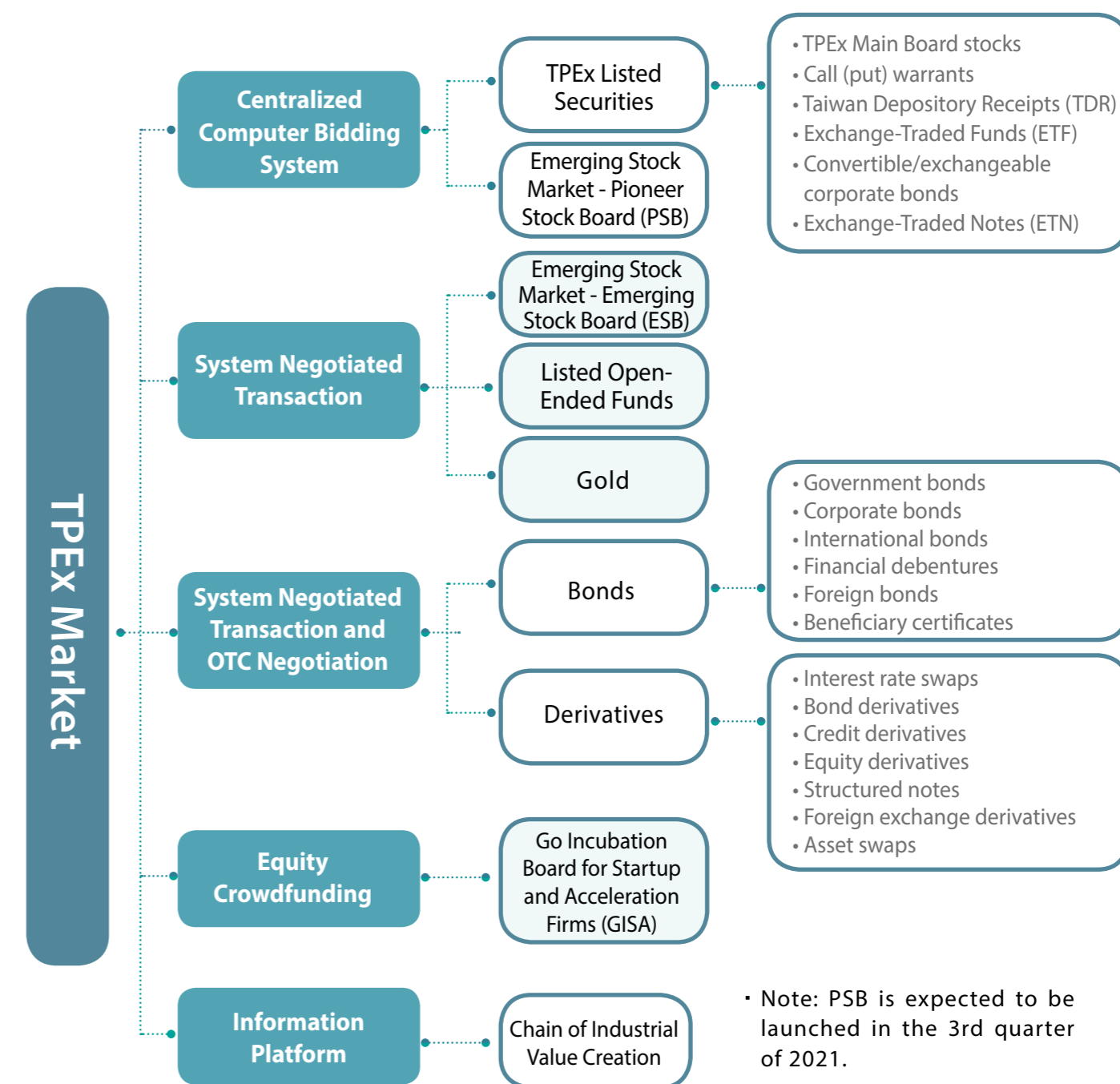
TPEX prides itself on being the force that drives the economy and cradles successful businesses. It operates a multi-tiered listing system that distinguishes listed entities among the Main Board, the Emerging Stock Board (ESB), and the Go Incubation Board of Startup and Accelerated firms (GISA) and supports the listing of bonds. It offers a high degree of versatility to satisfy the fundraising needs of businesses of varying sizes. TPEX also supports the nation's economic policies to grow specialized businesses and takes the initiative to develop new financial instruments and optimize the trading system.

In its 26th year, TPEX has become an all-rounded securities exchange and was recognized by the World Bank as one of the most experienced securities exchanges in supporting SMEs. Driven by the motto of becoming the preferred securities exchange for capital market participants, TPEX will continue bringing innovation with better services and more diverse products.

Profile

Name	Taipei Exchange
Headquarter	15F., No. 100, Sec. 2, Roosevelt Rd., Zhongzheng Dist., Taipei City
Year established	1994
Main scopes of service	Helping emerging small-to-medium-sized and micro-enterprises primarily in the high-tech industry, and the innovation and creativity industry to become listed and raise funds. Operating the market trading business of diverse instruments, such as stocks, bonds, ETFs, ETNs, call (put) warrants, and over-the-counter derivatives, including centralized trading and negotiation features.
Main market	Taiwan
Operating sites	Guting Office, Taipei City Banqiao Office, New Taipei City Banqiao Server Room, New Taipei City, Taichung Remote Backup Server Room, Taichung City
Number of employees	297 persons
Total assets	NT\$13.59 billion

TPEX Trading Services and Financial Products



History

Taiwan's over-the-counter (OTC) stock market took shape with the Taiwan Securities Association' efforts since February 1988. The Ministry of Finance subsequently decided in 1993 to establish TPEX, a non-profit institution, to formalize and strengthen Taiwan's capital market and specifically the OTC market. TPEX was established in accordance with the Securities and Exchange Act on July 27, 1994, and became officially operative on November 1. The initial funds were joint donations from the Taiwan Stock Exchange (hereinafter as TWSE), the Taiwan Securities Association, and the Taiwan Depository & Clearing Corporation (hereinafter as TDCC). The competent authority is the Financial Supervisory Commission (hereinafter as FSC).

1994~1999 Starting

- (1994/11) TPEX formally established
- (1996/7) Foreign investment permitted into the TPEX market
- (1998/12) Implemented the Joint Responsibility System Clearing and Settlement Fund system
- (1999/1) Permitted margin trading
- (1999/8) Promulgated relevant rules and regulations for the block trading system of Main Board stocks

2000~2004 Growing

- (2000/7) Introduced the Electronic Bond Trading System (EBTS) outright trade function
- (2002/1) Established the Emerging Stock Market
- (2002/5) Joined IOSCO as an affiliate member
- (2002/8) Officially launched the "Market Observation Post System (MOPS)"
- (2003/3) Launched OTC call (put) warrants

2005~2009 Maturing

- (2005/3) Introduced the EBTS repo trade function
- (2005/10) Obtained ISO9001 certification
- (2006/11) Issued the Formosa Bond
- (2006/11) Obtained the new version of ISO27001 information security standard certification
- (2007/3) Launched the Derivatives Trading System
- (2009/5) First foreign company registered on the Emerging Stock Market
- (2009/11) Launched the Foreign Bond Trading System

2010~2014 Expanding

- (2010/4) Became an affiliate member of The World Federation of Exchange (WFE)
- (2010/6) First foreign company became listed on the TPEX Main Board
- (2010/12) Officially launched the "TPEX Industry Value Chain Information Platform"
- (2011/1) First issuance of 2 ETFs, "Yuanta Taiwan GreTai 50 ETF" and "Polaris Taiwan Government Bond ETF," on the TPEX Main Board
- (2011/2) First foreign enterprise TDR listed on TPEX
- (2011/10) Became full member of the WFE
- (2013/4) Became full member of the AOSEF
- (2013/9) Become a member of CCP12, a global centralized clearing organization
- (2014/1) Launched the "Go Incubation Board for Startup and Acceleration Firms (GISA)"
- (2014/11) Officially launched the IRS Unwind Service Operating System
- (2014/12) Officially launched the IRS Platform

2015~2019 Deepening

- (2015/1) Officially launched the gold trading platform
- (2015/4) Permitted equity fundraising by securities firms
- (2016/9) Issued gold warrants
- (2017/5) Listed first batch of green bonds
- (2018/3) Awarded as a Green Bond Exchange
- (2019/3) Launched the TPEX 200 Index
- (2019/4) First issuance of 3 OTC ETNs
- (2019/6) Permitted the issuance of Sukuk by foreign issuers in Taiwan
- (2019/9) Recognized as "Designated Offshore Securities Market" by the U.S. Securities and Exchange Commission

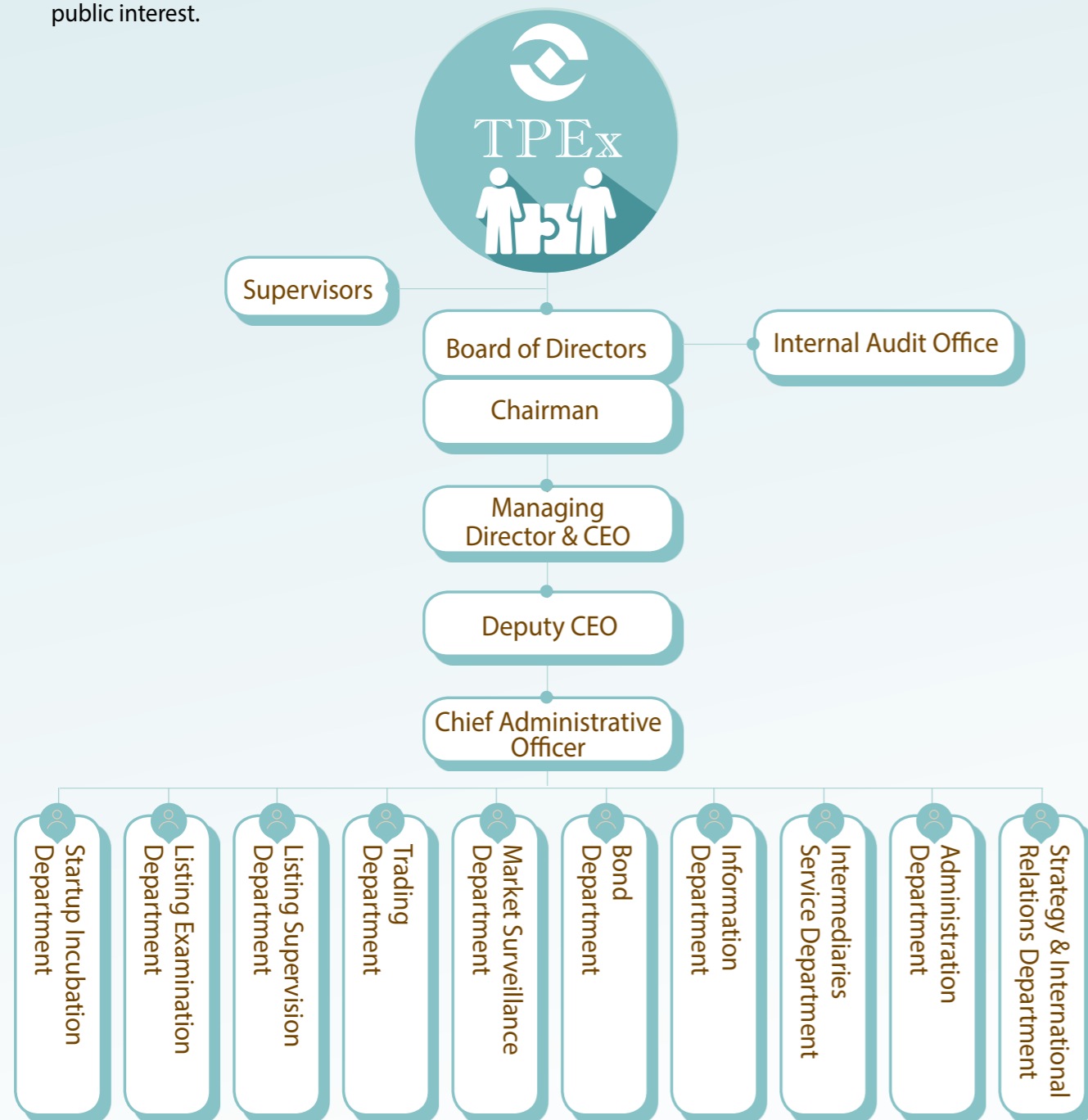
2020~2024 Leaping

- (2020/1) Promulgated the management measures and relevant regulations for security tokens (STO)
- (2020/3) Implemented the Continuous Trading System
- (2020/6) Released the TIP Taiwan TPEX CSR Index
- (2020/10) Established the Sustainability Bond Market
- (2020/10) Implemented the Intraday Odd Lot Trading system
- (2020/11) Annual issuance volume of the bond market in 2020 exceeded the NT\$3 trillion mark

Organizational Structure

The Joint Meeting of Directors and Supervisors is TPEX's highest governance unit, responsible for decision-making on economic, environmental, and social issues. The Board of Directors consists of 15 members, either delegated by the competent authority or elected among benefactors, experts, scholars, and securities firms. The five Supervisors were further appointed to supervise the Board of Directors. Relevant information on TPEX's governance is publicly available on the TPEX website.

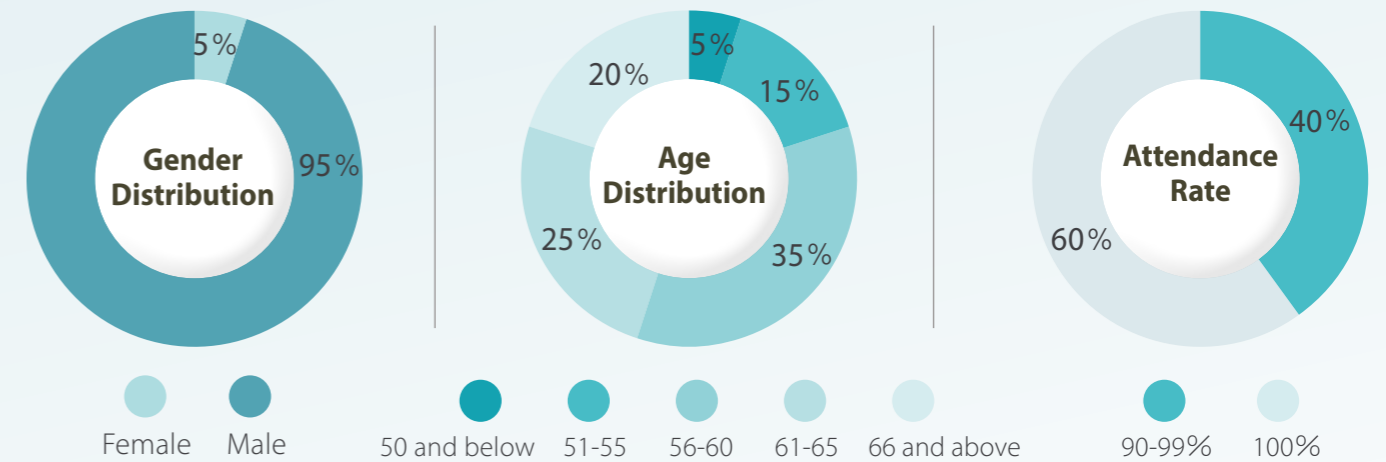
The current Board of Directors' three-year term is from August 10, 2018, to August 9, 2021. With expertise in management, finance, accounting, mathematics, law, and public finance, all directors are outstanding talents in the industry and academia with the commitments of being independent and upholding the public interest.



Chaired by the Chairman, TPEX convenes Joint Meetings of Directors and Supervisors every month. In 2020, TPEX held 12 meetings with a 97% average attendance rate of all directors and supervisors.

TPEX management team consists of the Managing Director & CEO, who implements the Board of Directors' resolutions and oversees TPEX business operations. There are up to two Deputy CEOs and one supporting Chief Administrative Officer. With the respective manager and up to two deputy managers heading the ten departments, the management assigns a team leader and a deputy team leader according to the business needs. In addition, an Internal Audit Office reports directly to the Board of Directors.

Members of the Joint Meeting of Directors and Supervisors



Business Performance

TPEX proactively promoted the listing on the TPEX market, launched diversified yet innovative instruments, enhanced domestic and foreign publicity, and participated in international organizations and conferences. The above efforts and the consequent daily average stock value growth contributed to the outstanding 2020 business performance and overall profit.

(Unit: NT\$)	2018	2019	2020
Operating Revenues	2,114,443,094	2,116,174,900	2,744,010,944
Operating Expenses	1,615,786,126	1,658,300,580	1,809,056,754
Non-Operating Income and Expenses	81,192,644	96,866,662	86,969,920
Surplus After Income Tax	479,942,233	463,147,449	833,896,408
Income Tax Expense	99,907,379	91,593,533	188,027,702