



證券櫃檯買賣中心  
Taipei Exchange

**Introduction to  
Taipei Exchange**

# Introduction

# TPEX

TAIPEI EXCHANGE

## OVERVIEW

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

**2,300+** 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**

**2%** Over half our listed firms posted an average cash dividend yield of more than 2% as at the end of June 2021.

**The No.1 in Bond ETF Issuance in Asia**

**USD 42bn+** Scale of the growing Bond ETF market

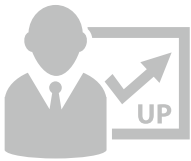
**TPEX winning the Green Bond Pioneer Award granted by the Climate Bonds Initiative (CBI)**

**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 2,300 public companies to gain access to the capital market

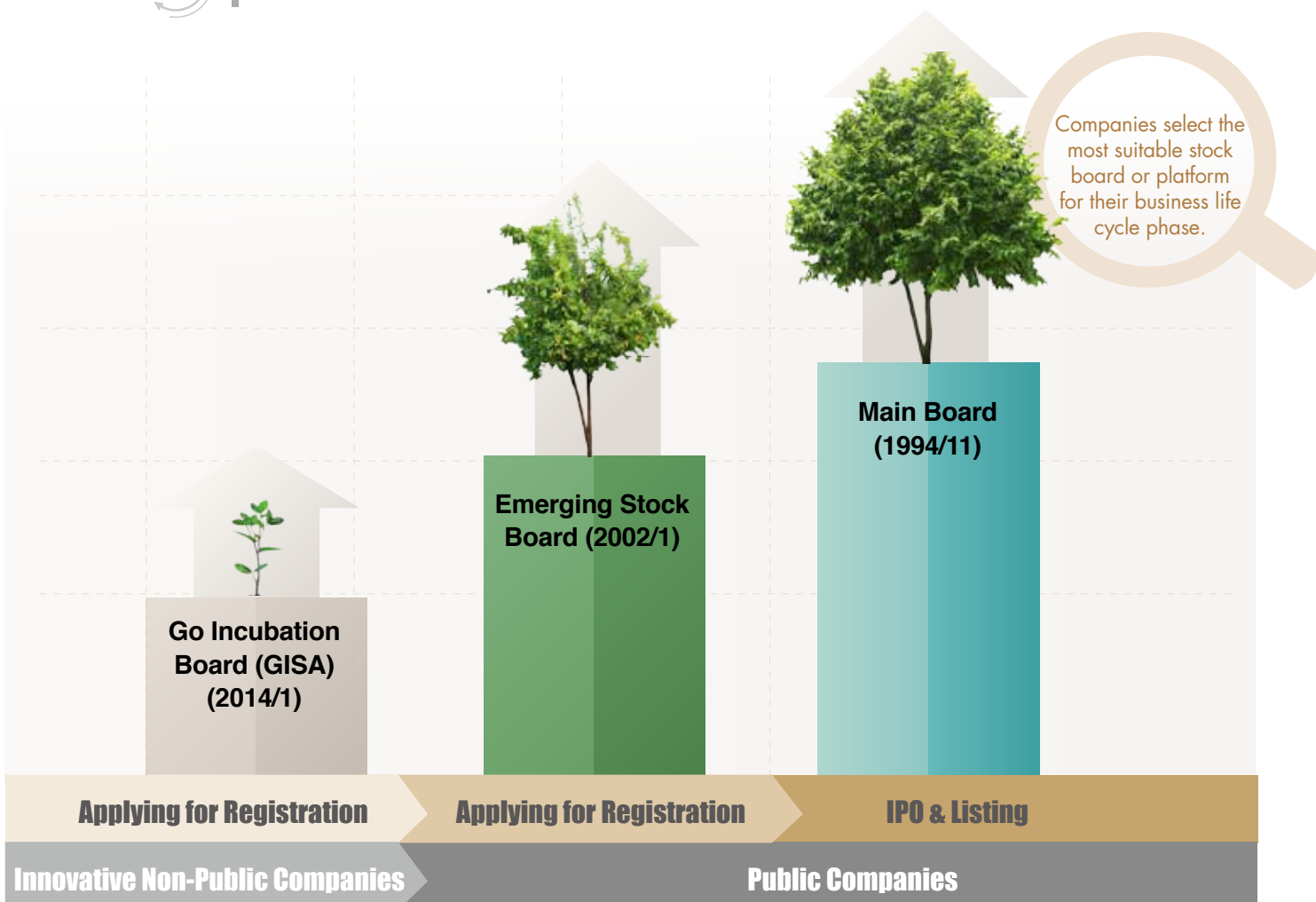
Since its inception in 1994, Taipei Exchange has enabled 1,740 companies to register on the Emerging Stock Board, and 1,330 companies to list on the Main Board.

As of the end of June 2021, the total number of companies listed on the Main Board was 787, with a further 267 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 20<sup>th</sup> 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

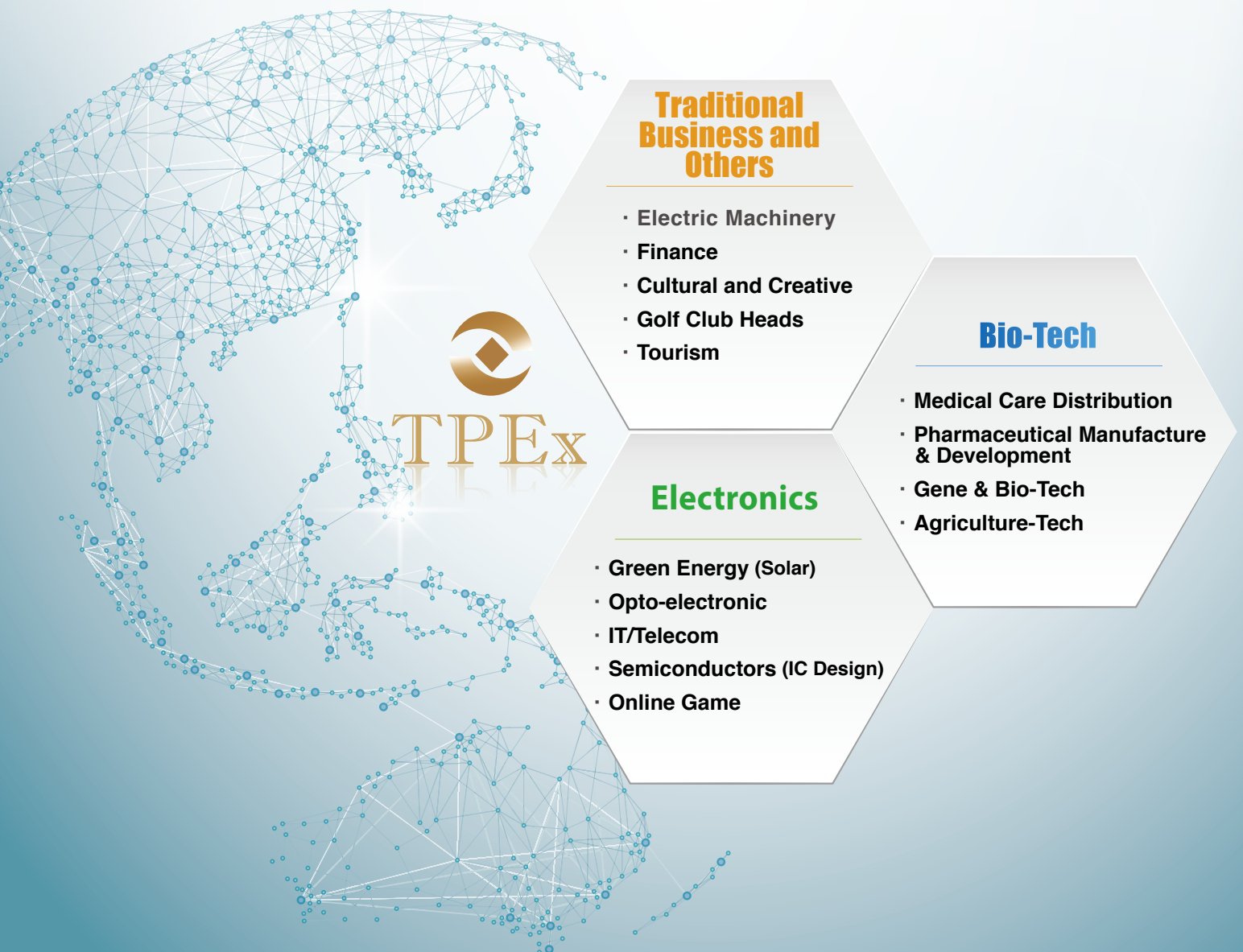
By building a multi-tiered market comprised of the Main Board, the Emerging Stock Board and the Go Incubation Board (GISA), Taipei Exchange provides a high-quality environment for financing, nurturing and growing enterprises at all stages of their growth.



# 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.



# 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



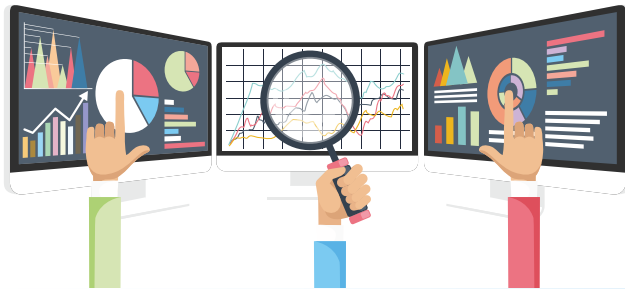
- ◆ To improve a company's visibility and foreign investor participation, high-quality listed firms are taken on domestic and international roadshows.
- ◆ When a firm joins the TPEX Community, we take the initiative to understand a company's needs, through regular "TPEX Community Member" activities such 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: over half our listed firms posted an average cash dividend yield of more than **2%** as at the end of June 2021.**



## The market is active and liquid

The turnover rate at the end of June 2021 was 180.33%. Such a robust level of market liquidity enhances investment efficiency. In terms of investor types, institutional and retail investors account for approximately 30% and 70% of trading, respectively. According to the latest statistics from WFE, the Main Board ranked 21st worldwide by monthly stock turnover.

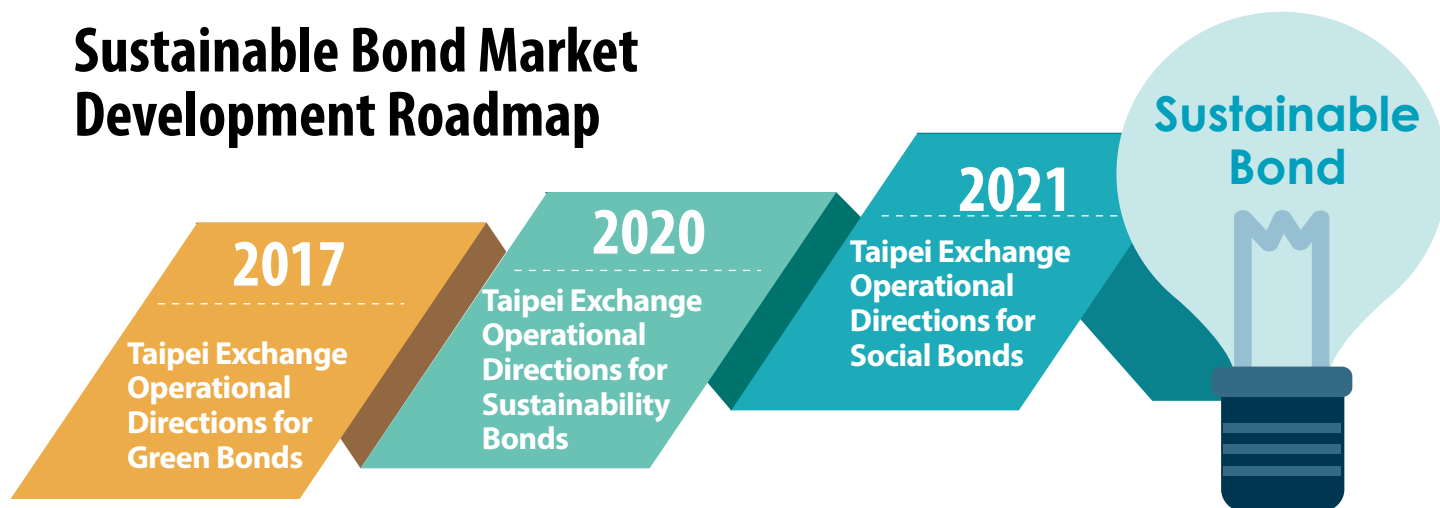
## We are leading the way in promoting corporate governance



According to "CG WATCH 2020" from ACGA, The Asian Corporate Governance Association, Taiwan ranks 4<sup>th</sup> 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 7 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

## Sustainable Bond Market Development Roadmap



## Launching a dedicated sustainable bond market

Taipei Exchange launched the Operation Directions for Sustainable Bonds on 29 April 2021 to develop sustainable finance in Taiwan, to diversify sustainable financing instruments, and to implement the plans announced by the Financial Supervisory Commission, including Corporate Governance 3.0 -Sustainable Development Roadmap, Green Finance Action Plan 2.0, and Capital Market Roadmap 2021-2023. After finishing the regulation regarding social bonds, the last piece of the puzzle, the Taipei Exchange has successfully consolidated the regulations of Green Bonds, Sustainability Bonds, and Social Bonds to launch this segment exclusively for ESG concept bonds on 18 May 2021.

**Sustainable bond market continues to develop:**

## Total issuance exceeds US\$8.4 billion

As of the end of June 2021, there have been a total sustainable bond issuance amount of approximately US\$8.4 billion. This amount includes 65 green bonds, 5 social bonds, and 6 sustainability bonds, with the issuance amount reaching US\$6.2bn, US\$0.4bn, and US\$1.8bn, respectively. Issuers include both domestic and foreign banks, state-owned enterprises, local and international corporations etc.



### 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.

# Product Innovation

## Bond ETF issuance close to **US\$42 billion**, ranking **1<sup>st</sup>** in Asia

Since the 1st bond ETF listed on the TPEX in 2017, the size of issuance has grown close to US\$42 billion, ranking 1st in Asia. A total of 93 ETFs tracking bond indices are listed on the TPEX. In terms of dividend yield, bond ETFs average dividend yield is 2.82% over the 1st half of 2021.

In the secondary market, as of the end of June 2021, the average daily value amounts to US\$30 million. The total number of market participants amounted to 72,352 including natural persons, proprietary traders, institutional investors, and foreign investors.



## Continuous Launch of Indices Characterizing TPEX

In March 2019, "TPEX 200 Index", which includes 200 stocks with the largest market capitalization and liquidity on the exchange, was launched. "TPEX 200 Index" combines the characteristics of high volatility, sensitivity, and representativeness of the overall TPEX stock market, which is the best measure of small and medium-sized stocks in Taiwan.

In response to global sustainable development, TPEX collaborated with Taiwan Index Plus Corporation, and the Business Council for Sustainable Development of Taiwan to launch the first ESG-based TPEX-listed stock index, "TIP Taiwan TPEX ESG Index", in June, 2020. Its screening method includes both international and local investment perspectives, and its evaluation result appropriately reflects the endeavors of TPEX companies which implement the ESG. Furthermore, in May, 2021, the TPEX launched two ESG thematic indices, "TIP TPEX ESG Growth Total Return Index" and "TIP TPEX ESG IT Elite Total Return Index". Both indices serve as underlying ones to be tracked by Taiwan's first two ESG ETNs listed on TPEX.







TPEX

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