



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**

**2,400+** 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**

**64%+** of listed firms are in Electronics and Biotech industries.

**Listed companies profit from steady growth**

**2%** Nearly 60% of our listed firms posted an average dividend yield of more than 2% at the end of 2023

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

**USD 64bn+** Scale of the growing Bond ETF market

**Green Finance and Sustainability Report received international recognition**

## Awards

Climate Bonds Initiative (CBI) "The Green Bond Pioneer Award"  
The Asia Sustainability Reporting Awards (ASRA) 2021:

- "Asia's Best Sustainability Report (Public Sector)" gold award
- "Asia's Best Stakeholder Reporting" gold award
- "Asia's Best Sustainability Report (CEO Letter)" silver award

**Participation in international organizations aligns TPEX with the highest global standards**

## Global Relations

- IOSCO Affiliate member
- WFE member
- AOSEF member
- CCP Global member
- CBI member
- ICMA member

# Expertise in Fostering SMEs



## Since its establishment, Taipei Exchange has assisted more than 2,400 public companies to gain access to the capital market

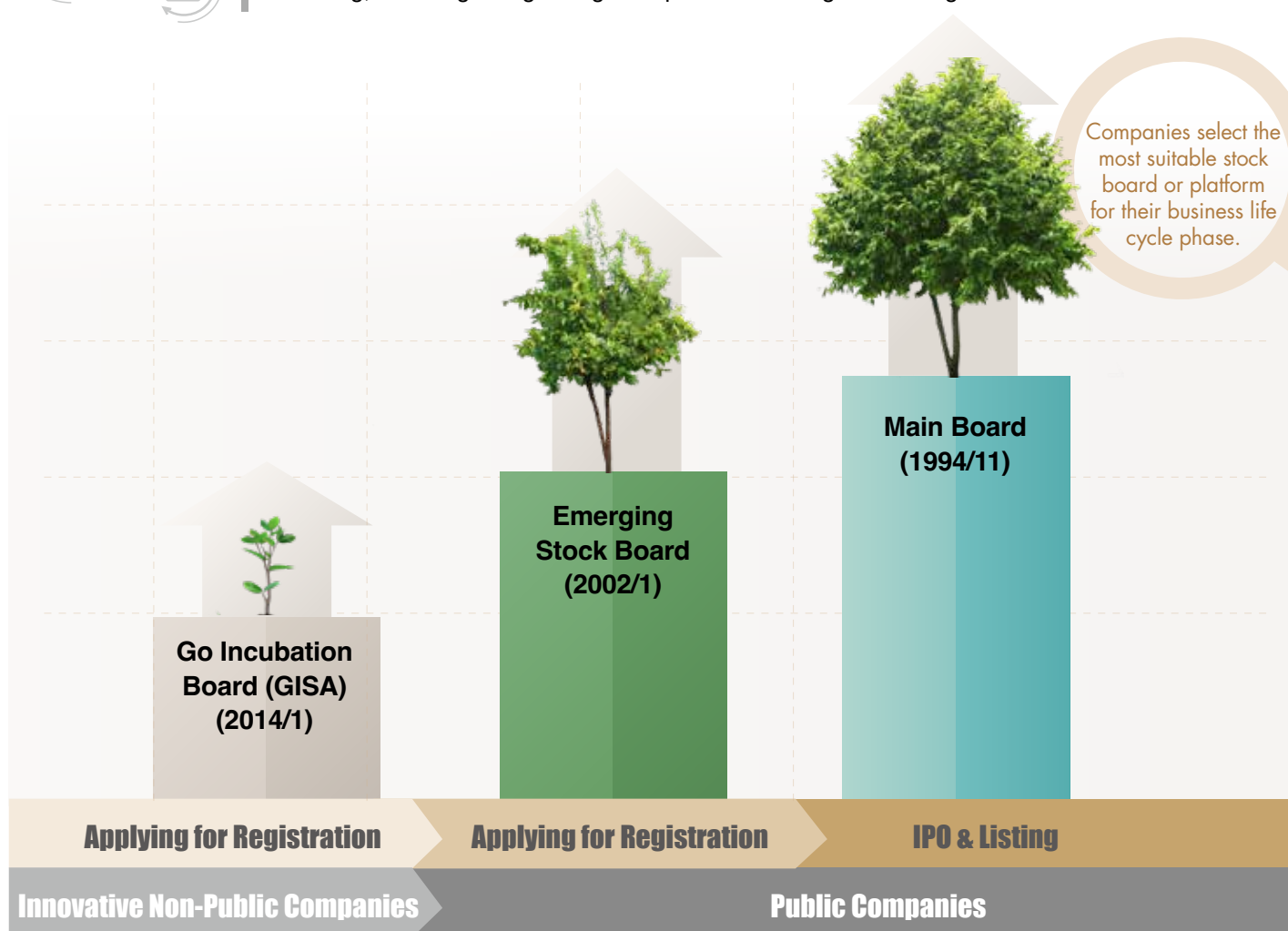
Since its inception in 1994, Taipei Exchange has enabled 1,922 companies to register on the Emerging Stock Board, and 1,379 companies to list on the Main Board.

As of the end of December 2023, the total number of companies listed on the Main Board was 816, with a further 329 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 the statistics from WFE at the end of 2023, the number of stocks listed on the TPEX places us 17<sup>th</sup> among 68 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

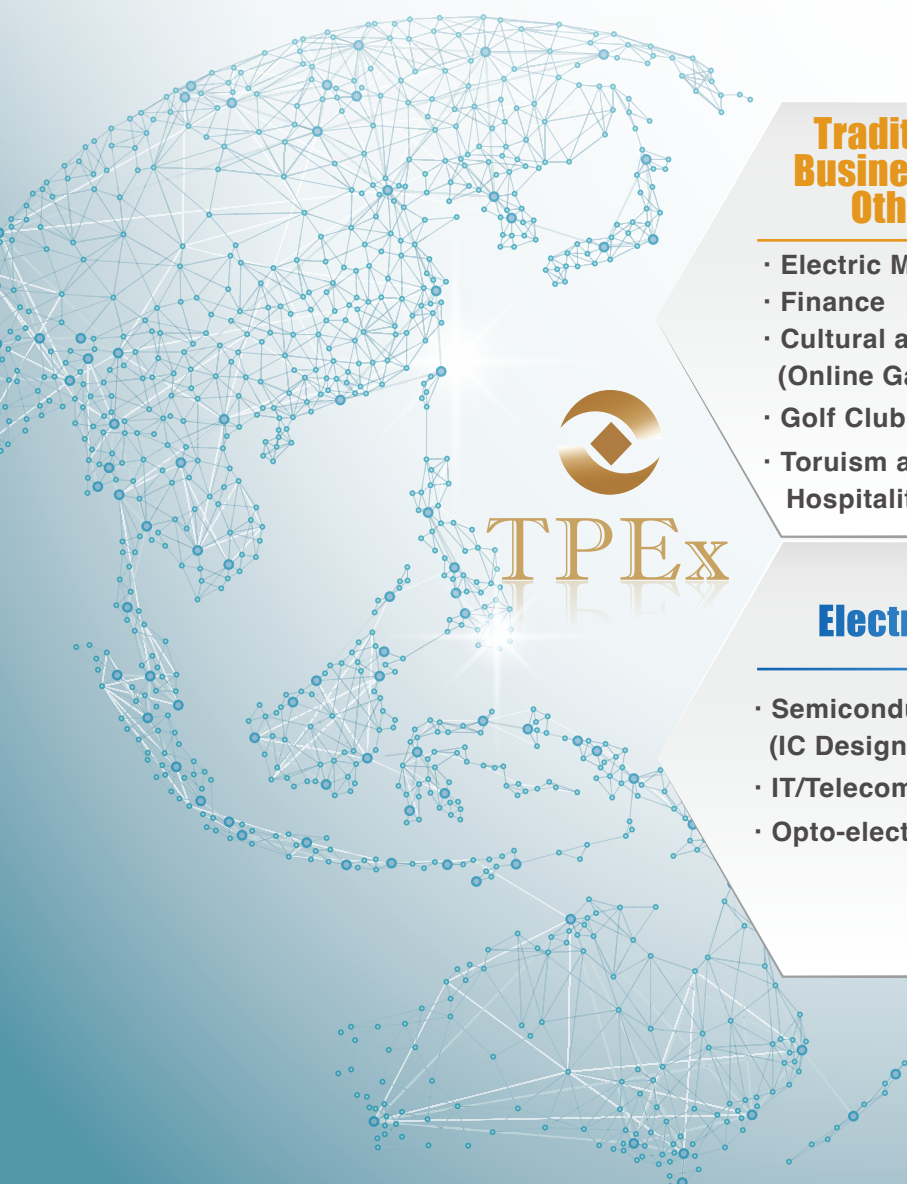
By building a multi-tiered market comprised of the Main Board, the Emerging Stock Board and the Go Incubation Board (GISA), Taipei Exchange provides a high-quality environment for financing, nurturing and growing enterprises at all stages of their growth.



# 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 and Environmental Services, Internet of Things, Cloud Computing and National Defense & Aerospace Industry, and so on. Over two decades 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.



### Green Energy and Environmental Services

- Green Energy
- Circular Economy
- Pollution Controlling

### Traditional Business and Others

- Electric Machinery
- Finance
- Cultural and Creative (Online Game)
- Golf Club Heads
- Tourism and Hospitality

### Bio-Tech

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

### Electronics

- Semiconductors (IC Design)
- IT/Telecom
- Opto-electronic

### Digital and Cloud Services

- E-commerce
- Cloud Computing
- Big Data

# 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 Market offers early exposure to investors, enhancing a company's visibility. 「Emerging Stock Board」 is designated to offer enterprises an easier way to enter into the capital market.
- ◆ 「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?



## Excellent market trading efficiency

For TPEX-listed stocks, call auctions are adopted for market opening and closing. However, to enhance trading efficiency and align with international practices, continuous trading has been implemented for the intraday trading session since March 23, 2020. In doing so, orders can be matched as they are placed, thereby increasing trading efficiency.



## 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: nearly 60% our listed firms posted an average dividend yield of more than 2% as at the end of 2023.**

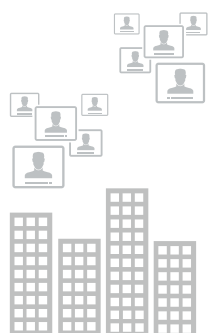


## The market is active and liquid

The turnover rate at the end of 2023 was 313.08%. 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 statistics from WFE at the end of 2023, the Main Board ranked 18<sup>th</sup> among 71 global exchanges by share trading value.

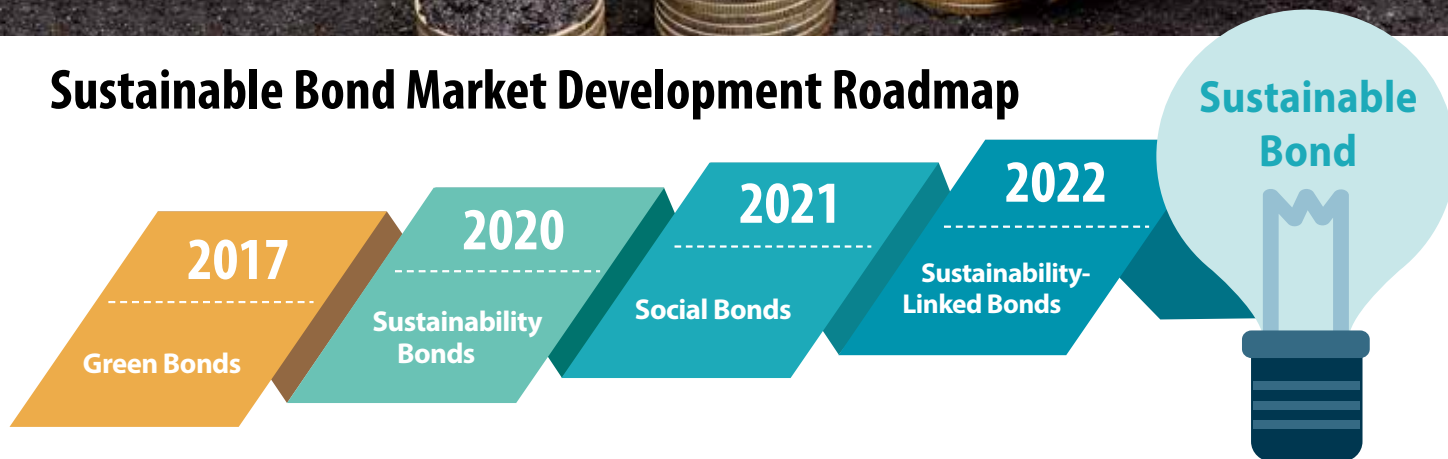
## We are leading the way in promoting corporate governance and sustainable development

According to "CG WATCH 2023" from ACGA, The Asian Corporate Governance Association, Taiwan ranks 3rd 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 sustainable development. Each year evaluation and annual grading of listed companies is conducted and this has been done for 9 years, with the results communicated to the general public. In the future, TPEX will continue to vigorously promote best practices in corporate governance. In accordance with the policies such as "Sustainable Development Action Plans for TWSE and TPEX Listed Companies", "Sustainability Road Map for TWSE and TPEX Listed Companies", "IFRS Sustainability Disclosure Standards" and "Corporate Governance Roadmap", TPEX has assisted companies in disclosure of GHG inventory information and set carbon reduction goals, improved the quality of sustainability information disclosure, and promoted to implement sustainable corporate development.



# 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 29th April 2021 to implement the plans announced by the Financial Supervisory Commission, including Corporate Governance 3.0 -Sustainable Development Roadmap, Green Finance Action Plan 3.0, and Capital Market Roadmap 2021-2023. 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. Furthermore, the TPEX established the Sustainability-linked Bond (SLB) Listing and Trading Mechanism in July 2022 to expand the scope of sustainable bonds.

### Total issuance of sustainable bond exceeds US\$17 billion

As of the end of December 2023, there have been a total sustainable bond issuance amount of approximately US\$17.9 billion. This amount includes 120 green bonds, 22 social bonds, 38 sustainability bonds, and 5 sustainability-linked bonds with the issuance amount reaching US\$12bn, US\$1.8bn, US\$3.8bn and US\$0.3bn, respectively. Issuers include foreign government, both domestic and foreign banks, state-owned enterprises, local and international corporations, etc.

### Providing a friendly bond market for companies to obtain capital for sustainable transformation

In order to continuously expand and deepen sustainable bond market services, the TPEX has continually played a key role in the promotion of the sustainable bond market, helping enterprises raise funds for sustainable transformation from Taiwan's capital market. In addition to establishing a dedicated website for sustainable bonds, which provides in-depth market information, the TPEX has also communicated the concepts and advantages of sustainable investment and financing to the market through visits to issuers and investors, as well as media reports, promotional events, and seminars. The TPEX aims to attract more participants to join the sustainable bond market and strengthen sustainable financing in Taiwan.

### Establishing a sustainable bond market with international competitiveness

The TPEX has continuously tracked the latest trends in international sustainable development, improved the market mechanism and aligned it with international standards, promoted the consistency of Taiwan's sustainable bonds with international market practices, and enhanced international communication and cooperation. The TPEX has also expanded the scope of sustainable bonds to attract international renowned institutions and companies to issue bonds in Taiwan, diversifying the participants and enhancing the global visibility of the TPEX's sustainable bond market. In addition, the development of the TPEX's sustainable bond market has also provided opportunities for Taiwanese market participants to interact with international organizations.

# Product Innovation



## Bond ETF issuance close to **US\$64.14 billion**, ranking **1<sup>st</sup>** in Asia

Since the 1st foreign-bond ETF listed on the TPEX in 2017, the size of issuance has grown close to US\$64.14 billion as of the end of 2023, ranking 1st in Asia. A total of 81 ETFs tracking bond indices are listed on the TPEX. In terms of dividend yield, bond ETFs average dividend yield is 4.47% as of the end of 2023.

In the secondary market, the average daily value amounts to US\$162.80 million in 2023. The total number of transactions amount to 1.3 million, an increase of 779% compared with 2022, and investors include retail investors, proprietary traders, and institutional investors.

The TPEX has introduced a dual-currency trading mechanism for ETFs in 2023. Investment trust companies can apply for USD or CNY trading of ETFs, allowing trading and settlement in that foreign currency in addition to NTD. This makes it easier for domestic and foreign investors with foreign currency to invest ETFs, meeting their needs for foreign-currency asset allocation.

## Continuous Development of Indices Featuring TPEX



In March 2019, "TPEX 200 Index" was launched. This Index includes 200 stocks with the largest market capitalization and high liquidity on the Exchange. "TPEX 200 Index" not only represents the overall TPEX equity market, but also serves as one of the best SME benchmarks in Taiwan. TPEX also developed sub-indices based on the TPEX 200 Index. These indices are composed with various themes including

"Quality 50 Index", "TPEX Semiconductor Leaders Total Return Index", and "TPEX200TR Daily Return Leveraged 2X Index". In 2023, TPEX collaborated with FactSet to launch the "TPEX FactSet Smart Climate Index Series", which includes three indices. This initiative marked a milestone characterizing the first climate resilience index in Taiwan, which further enhances the diversity of TPEX stock price indices.

In pursuit of the sustainable development goals of the securities market, TPEX has collaborated with Taiwan Index Plus Corporation in recent years in the launch of indices, including "TIP TPEX ESG Index", "TIP TPEX ESG Growth Total Return Index", "TIP TPEX ESG IT Elite Total Return Index", "TIP TPEX ESG HD TR Index", "TIP TPEX ESG 30 Index", and "TIP TPEX ESG ML Total Return Index". These indices serve as the underlying of five ESG ETNs and one ESG ETF as of the end of 2023. TPEX is committed to exerting its investment influence over the development of sustainable finance.

Categories	Securities Code	Securities Name
ETN	020041	Mega TPEX FactSet SC Climate NZE TR ETN
	020040	Yuanta TPEX ESG LDR ETN
	020035	Yuanta TPEX ESG High Dividend TR ETN
	020027	Yuanta TPEX ESG Growth ETN
ETF	020026	Mega TIP TPEX ESG Growth Total Return N
	00928	CTBC TIP Customized TPEX ESG 30 ETF







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