



# CHAPTER 1 BUILDING A ROBUST MARKET

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## 1.1. Growth

### 1.1.1. System Optimization

Considering that natural persons account for nearly 80% of transaction value, TPEX has committed to promoting a more efficient and convenient trading environment. Promoting transaction efficiency is the main development direction of TPEX to achieve fair competition between natural persons and legal persons in an environment.

#### Market Maker and Liquidity Provider Programs

In June 2021, TPEX launched the Market Maker and Liquidity Provider Programs. TPEX selects Main Board stocks of high-quality and low-liquidity and adopts a parallel mechanism for “stock market makers” and “trading incentive participants”. To benefit investors, securities companies and the overall market, the mechanism seeks to provide competitive quotes, increase trading opportunities, and thereby invoke market transactions.

In the future, TPEX will continue to refer to foreign practices and observe domestic implementation, and continue to evaluate and adjust the selection criteria for stock market-making targets, and the qualifications for stock market makers and trading incentive participants.

✓ **After the launch of the Market Maker and Liquidity Provider Programs, more than 90% of the market-making stocks have two-way quotes for more than 80% of the entire trading time, and the average daily transaction value of the market-making stocks has increased by 66% (during the same period, the overall TPEX Main Board stock transaction only increased by 21%), significantly outperforming the overall market.**

#### Intraday Odd-Lot trading system

Different from the after-hour odd-lot trading, which can only be matched once, the Intraday Odd-Lot trading will be matched every 3 minutes from 9:10. After the launch of the Intraday Odd-Lot trading system, it facilitates young people and petty bourgeoisie’s investment in TPEX stocks and lowers barrier of entry for high-priced stocks, providing a more convenient and efficient channel. In addition, it provides securities companies with periodic investment channels to eliminate the treasury risks of their remaining stock inventory, and make investors realize profits. In the future, TPEX will assess whether to adjust the Intraday Odd Lot matching interval, and whether to permit Odd Lot Day Trading, thus providing investors with more diversified trading methods.

#### ✓ Multiple promotion channels:

- Communicate opinions with securities companies through Taiwan Securities Association, and hold seminars for securities companies.
- Hold investor seminars, and set up investor hotline and investor e-mailbox.
- TPEX sets up the website (TPEX official website > Mainboard > Trading System > Market Maker or > Intraday odd lot trading section) and social network sites.

### 1.1.2. Diverse Financial Instruments

As the main promoter, TPEX is committed to developing and promoting a number of financial products and policies, building a dynamic and sound financial environment to meet the product diverse needs of investors.

#### Launching of relevant ESG indexes and thematic investment products

Since the launch of the “TPEX 200 Index” in 2020, the best indicator of Taiwan’s small and medium-sized stocks, supported by abundant funds and steady growth of Main Board companies, the relevant indexes launched based on its constituent stocks. Despite being afraid of pandemic, the market volume reached a record high on December 30, 2021, and the increase and yield rate were both better than the TPEX index (32.65%; 3.62%).



In 2021, TPEX launched the “TIP TPEX ESG IT Elite Total Return Index” and “TIP TPEX ESG Growth Total Return Index”, combined with the advantages of the clustering of electronic stocks in the TPEX market and the high growth characteristics of small and medium-sized enterprises, by working with Taiwan Index Plus Corporation and Taiwan Business Council for Sustainable Development. The performance of the two indexes was outstanding. Beside, securities companies also issued ESG-themed ETN products, providing investors with more diversified sustainable investment solutions. By 2021, 6 ETFs have been issued, with a total transaction issuance amount of NT\$34.354 billion, a significant 205% increase compared to 2020. The number of bond ETFs listed was 87, and the issuance scale reached NT\$1.27 trillion. The number of listings and issuance scale ranked first and seventh among major stock exchanges in Asia-Australia region and the world respectively.



**TIP TPEX ESG Growth Total Return Index :**

The index adopts the "ESG Performance Score" which covers three aspects of environment (E), society (S) and governance (G) of the Taiwan Business Council for Sustainable Development. The index selects the top 10 TPEX-listed companies which fulfill ESG performance with mid- to long-term growth in revenue, earnings, EBITDA or market value, as constituent stocks.

**TIP TPEX ESG IT Elite Total Return Index :**

Focusing on the two major highlights of the electronics industry and sustainable performance, among the electronics stocks that account for more than 60% of the overall market value of TPEX the index selects the profitable companies with good " ESG Performance Score " assessed by the Taiwan Business Council for Sustainable Development (the average return on equity in the past 12 quarters shall be positive), and then rank the top 10 stocks as constituent stocks according to the market capitalization issued.

Please refer to the Sustainable Bond Market under sustainability performance for relevant information on Social Bonds.

**Outstanding performance of the International Bond Market**

By the end of 2021, the scale of the International Bond Market reached 763, and the balance reached NT\$ 6.09 trillion, which was a new record high. In terms of issuance volume, a total of 202 International Bonds were issued in 2021, exceeding 200 bonds for the first time and hitting a record high, with a total issuance of NT\$1.17 trillion throughout the year. The International Bond Market has a global reputation in the international financial market. Issuers are distributed in 33 different countries, and foreign issuers account for 95% of the issuance, including 7 central government bonds and 1 local government bond.

**Product diversity and innovation is the key to the growth of capital market**

TPEX is committed to new indexes, new products, new systems. In 2022, TPEX will establish the SLBs Market, and conduct information exchanges on SLBs through holding seminars and actively visiting issuers and intermediaries. Meanwhile, it provides consulting

services on sustainability bond related information. With the joint efforts and active participation of all market participants, TPEX hopes to effectively utilize capital market funds and transform them into momentum for supporting industrial transformation and development and injecting real economic growth.

**Average Daily Number and Volume of Trades Executed at TPEX in 2021**

Product / asset type	Average Daily Number of Trades in 2021(Times)	Average Daily Volume of Trades in 2021(NT\$)
Stocks	591,671	83,098,184,181
Call (put) warrants	27,027	727,101,814
Exchange-Traded Funds (ETF)	4,905	987,941,712
Convertible / Exchangeable Bonds	2,817	1,498,910,143
Exchange Traded Notes (ETN)	638	35,150,779
Local Currency Bonds	1,650	112,716,290,866
Foreign Currency Bonds	32	3,791,102,378
Bond ETFs	1,418	847,147,488



**Sustainability-Linked Bond (SLB) :**

SLB is characterized by a flexible issuance structure and flexible use of funds. It is expected to effectively assist companies that urgently need to transform to net zero carbon emissions, as well as companies that are willing to move towards sustainable operations, to having suitable debt instruments to raise the required funds to achieve carbon neutrality goals and fulfill ESG commitments.





### 1.1.3. Expanding the capital market

The main purpose of TPEX is to support the development of emerging enterprises, provide enterprises with convenient fund-raising channels to facilitate efficient financing in the primary market, and assist them to develop and thrive in the future to create employment opportunities, while taking into account the protection of investors' rights and interests and meeting the fund-raising needs of enterprises. TPEX will also follow the development trend of domestic and foreign markets, review and revise relevant regulations and supporting measures in a timely manner, and improve various systems to create a fair, efficient, innovative, open, diversified and internationalized capital market.

#### A Multi-tiered capital market

As of the end of December 2021, 788 companies in total (756 domestic companies and 32 foreign companies) were listed on the Main Board, 296 companies (291 domestic companies and 5 foreign companies) were registered on the Emerging Stock Board, and 91 domestic companies were registered on GISA.

#### Encourage High-Quality enterprises to list on TPEX Main Board or Register on the ESB



- Held or participated in **22** domestic and foreign business promotion briefings (three of which were conducted online), and visited and received visits from **82** domestic and foreign enterprises.
- A total of **3** "Listing and Registration Promotion Briefings" were held with intermediaries.
- In order to attract high-quality overseas companies to apply for Main Board and ESB, **2** sessions of "Foreign Business Listing Procedures Promotion briefings," were held online with accounting firms; in addition, a dedicated service person for overseas companies has been set up to handle the business promotion.
- Continue to communicate or cooperate with governments to jointly promote high-quality enterprises to enter the capital market
- In order to promote the Pioneer Stock Board and introduce systems, TPEX has visited **30** companies and held or been invited to participate in **20** briefing sessions.
- Arrange business promotion activities, including potential cases provided by intermediaries such as securities firms and accounting firms.

## 2 GISA

- A total of **22** GISA companies have been successfully transferred to public offering, of which **14** are currently registered on the ESB, and **2** companies have been successfully listed on the Main Board.
  - Participated in a total of **29** promotional seminars related to GISA; subsidized **23** GISA companies to participate in domestic professional exhibitions; together with **18** GISA companies and TPEX, participated in the "2021 InnoVEX Online Forum", "2021 Meet Taipei - Startups for Tomorrow", and "2021 Meet Greater South - Discover Innovation:Startup Native by South".
  - Organized 2 startup investment (and business) matching meetings, and assisted **15** GISA companies to conduct one-on-one negotiation with large enterprises, venture capitals or investors with business collaboration opportunities or investment possibilities.
  - Provision of one-on-one legal consulting services for GISA companies.
- TPEX will continue to create a friendly fundraising environment, expand the TPEX market scale, promote corporate governance, and encourage product diversification, so as to give full play to the competitive advantages of "providing high-quality services and building an efficient platform".

### 1.1.4. Expanding investment participation

TPEX provides bonds, stocks, warrants, ETFs, ETNs, derivatives to attract investors of different attributes and types to participate in the investment. A variety of incentives and promotional activities have been planned and designed.

Action	Performance	Highlight
The "Searching for the Double-Winner of the TPEX Series Indexes", whose content includes two major themed activities, the Miraculous Foresight and the King of Performance. (Activity period: 1 November to 30 December 2021)	<b>11,000+</b> participants	TPEX specially selected the benchmark index "TPEX 200 Index", the indicator of the TPEX market trend, and planned an easy-to-understand index guessing game, so that participants could learn how to grasp the market trend by observing the benchmark index; in addition, the constituent stocks of the "TIP Taiwan TPEX ESG Index" checked by ESG evaluation and two ESG-themed TPEX-listed ETNs were selected as investment targets, and a simulated portfolio performance competition was planned, with a number of risk control mechanisms designed, allowing participants to experience sustainable investment and develop concepts for investment risk management.
Pioneer Stock Board trading system prize quiz (Activity period: 1 June to 30 September 2021)	<b>30,924</b> participants	In order to let more investors know about the Pioneer Stock Board Market, a prize quiz was held.
Bond ETF Investor Trading Incentive Event	In 2021, a total of nearly NT\$2 million were distributed to 640 winners and 4 winning securities firms.	The effect of the decentralization of bond ETFs has gradually emerged. In 2021, the cumulative number of investors in bond ETFs listed on the Main Board Market has exceeded 80,000, an increase of 22,000 over last year, an increase of 38%.



### TPEX bond ETFs ranked first in APAC

The effect of the decentralization of bond ETFs has gradually emerged. In 2021, the listed bond ETFs attracted over a cumulative 80,000 investors, exhibiting an increase of 22,000 and a 42% growth. The bond ETFs' issuance scale exceeded NT\$1.2 trillion. It not only provides a diversified investment channel for investors in Taiwan, but also builds a stable and efficient bond ETF market, creating brilliant achievements for Taiwan's financial market.

### TPEX builds a diverse investment-friendly environment and strengthens the risk awareness of young investors

Through conducting seminars and visiting issuers and intermediaries, we exchange information with market participants, encourage market participants to invest, and enhance the vitality of the stock market. In addition, from the perspective of the age of investors, the proportion of account openings in all age groups in the population has generally increased, especially among young people aged 20 to 30. The proportion has rapidly increased from 25.4% five years ago to 36.1%, and has grown significantly to 1.23 million. In order to help young people establish investment discipline and strengthen risk awareness, TPEX continues to widely reach the young generation through the Internet or social media, and produces lively and interesting promotional media such as promotional videos or online programs (collaborating with well-known financial online programs/live streamers, for key opinion leaders (KOLs) young people agree with to lead the topics) as well as uses various online channels to promote and publicize, so that the themes can be more complete and young people can grasp the key points.

## 1.2. Sustainability

### 1.2.1. Market supervision

In order to protect the investing public and the rights and interests of shareholders, TPEX has rolled out many supervisory measures, including regular audits on financial reports and internal control, audits on listed companies' information reporting, and exceptional management checks. By the implementation of various supervision works, it's expected to build an efficient platform to promote the sound development of Main Board and ESB companies, and reduce investment risks for investors.

TPEX will continue to handle promotion and education seminars on newly revised laws and regulations, and establish a sound communication channel with the companies. TPEX will also strengthen the education and training of the industry database and the industry knowledge and inspection cases of the supervisors to enhance the supervision over high-risk companies. Furthermore, TPEX reviews and revises the relevant supervision regulations

of TPEX in line with the policies of the competent authorities and the newly International Financial Reporting Standards (IFRSs) to promote the Main Board and ESB companies' corporate governance and supervision system reform. To establish a sound corporate governance system, TPEX promotes companies to pay attention to corporate governance (including ESG information disclosure) by conducting corporate governance evaluation, praising outstanding companies, and continuing to improve the degree of discrimination with the policies of the competent authorities. In addition, TPEX will strengthen supervision with technologies.

### 2021 supervisory measures and performance

Unit: cases

Supervisory measure	ESB Companies	Main Board Companies
Reviewing financial report: Formality review Substantive review	All ESB companies 32	ALL Main Board Companies 208
When material incidents happen, performing exception management analysis in accordance with regulations	2	633
Auditing the implementation of the internal control system	22	92
Analyzing in accordance with financial and business early warning indicators	56	109
Auditing material information	44	455
For companies that have been placed on alert, and where the latest financial information should be published according to TPEX standards, contacting the company to release material information	63	583

### 1.2.2. Transaction monitoring

To ensure fairness and investor protection, TPEX has issued relevant regulations that cover issuance, trading, and surveillance to maintain the order of securities market transactions.





### Issuance



- Considering the occurrence of incidents that have a significantly impact on a company's financial conditions, TPEX has formulated the trading suspension mechanism in order to reduce information asymmetry
- With the "Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities", TPEX hope to ensure that relevant information can be disclosed in time when Main Board companies encounter matters having a significant impact on shareholders' equity or securities prices (including changes related to corporate financial soundness, major corporate transactions, positive or negative news about the company's products, changes in key management personnel, regulatory or control developments that affect the company's operational capabilities, legal events and other major events related to shareholders meetings).

#### Key actions and performance in 2021:

4 ESB companies and 19 Main Board companies applied for information related trading suspension.

To avoid the severe deviations in transaction price due to violent market fluctuations, relevant measures are in place:

- **Main Board stocks:** When transaction price rises or falls by more than 3.5% of the reference stocks price with violent stock price fluctuations from the first matching after to 10 minutes before the market closes, TPEX will delay the matching for 2 minutes and continue to accept key-in, cancellation and changes of buy/sell orders within the delayed matching period, and match after the current delayed matching period ends.
- **ESB stocks:** For ESM stocks: TPEX has introduced the trading halt mechanism for abnormal stock price fluctuations. When the weighted average trading price of individual stocks during the trading hours of each business day rises or falls to more than 50% compared with the previous business day, trading will be halted until the end of trading hours for the day.

#### The timing and number of trading interruptions and trading suspensions in 2021

Cause	Number (Times)	Duration
Trading suspensions due to intra-day volatility interruption of Main Board stocks	20,106	40,212 minutes
Trading suspensions due to intra-day volatility interruption of ESB stocks	11	2,853 minutes
Trading halts due to public disclosure of information	19	171 hours (Note)

(Note) : Daily trading hours (including block trades) are from 9:00 am to 5:00 pm (9 hours in total).

### Supervision



TPEX's supervisory measures include surveillance and early warning, and audits on illegal transactions:

- **Surveillance and early warning:** For securities traded at abnormal prices and volumes, TPEX makes an announcement of attention or takes disposal measures. TPEX publishes daily announcements on the website regarding securities that meet the criteria. If the condition remains for consecutive days, TPEX will implement advance collection of funds and securities and extended matching time to remind investors of trading risks.
- **Audits on illegal transactions:** TPEX audits abnormal securities tradings. If there is suspected illegal manipulation or insider trading, the violation shall be reported to the competent authority and judicial authority for handling to protect the investors and maintain market order. TPEX also distributes information on illegal transactions among issuers and securities firms to enhance their awareness.

#### Key actions and performance in 2021:

Announcement of Attention Main Board Securities has been announced 3,828 times among 543 securities; Announcement of Disposition Main Board Securities has been announced 379 times among 195 securities; Announcement of Attention Emerging Stock Market Securities has been announced 63 times among 36 securities.

TPEX held 7 workshops on prevention of illegal transactions for securities firm practitioners as well as insider ownership workshops.

### Information

In 2021, the trading system operated normally, and there was no service interruption.

In addition, in line with the establishment of the Pioneer Stock Board, on March 31, 2021, an announcement was made to amend the "Directions for Announcements or Notices of Attention to Trading Information and Dispositions for Emerging Stock". For stocks with abnormal price and volume changes, announcements of attention will be made; if there is a persistent abnormal price and volume situation, measures will be taken. Due to the development of the day-trading market, the "Taipei Exchange Operation Directions for Announcement or Notice of Attention to Trading Information and Dispositions" and "Numerical Standards for and Exceptions to the Irregularity Standards in Article 4, Paragraph 1 of the Announcement or Notice of Attention to Trading Information and Related Dispositions" were amended for the warning system for the attention on July 26. In the event of a simultaneous occurrence of day-trading abnormality that meets the criteria for announcement of attention, the implementation period of the disposal measures will be extended to 12 business days to remind investors to pay attention to the trading risks that may arise from day trading. In the future, TPEX will revise relevant regulations and adjust the early warning system with various products, trading systems, market development to remind investors to be aware of the trading risks. In the aspect of illegal transaction audits, supervision technology will be utilized to strengthen the effect of market supervision, so as to improve the audit efficiency and quality of market supervision operations. TPEX also continues to cooperate closely with the competent authorities and judicial authorities to enhance the capability of market monitoring and illegal transaction audits through different aspects from discussions in meetings or case studies.



### 1.2.3. Securities companies' audit

With the development of the securities market, the countermeasures taken by TPEX for the management of securities companies have been progressively adjusted to maintain the stable operation of the securities market.

#### Routine audits


In terms of routine audits, TPEX works with TWSE to perform audits on the financial, business, internal audit, and other operational aspects of securities firms. There are also routine audits on securities firms operating only equity crowdfunding, those only security token offering, and those only operating bonds and leverage transactions.

#### Special audits

In terms of special audits, TPEX acts according to the "Operational Guidelines for Follow-up, Assessment, and Guidance in Regard to Securities Firm Audit Deficiencies."

#### Securities companies' risk management and evaluation operations

Securities companies that concurrently operate securities brokerage, underwriting and proprietary business are selected as the targets in the performance of annual evaluation. In 2021, a total of 7 evaluations were carried out. In order to strengthen the overall risk control of securities companies, the strengthening mechanisms such as risk limit control, profit and loss limit monitoring, exception management sign-off procedures and stress testing have been incorporated into relevant evaluation index items and the relevant weights have been adjusted. In response to the issue of climate change, the "Risk Management Best-Practice Principles for Securities Firms" was revised at the end of 2021 and was announced and implemented after the approval of the competent authority.



- In 2021, TPEX performed **12** routine audits on securities firms;
- **16** routine audits on financial institutions;
- **6** audits on anti-fraud scheme;
- in addition, there were **7** risk assessments of securities firms,
- **3** routine audits on leverage transaction merchants,
- **1** routine audit on securities firms operating only equity crowdfunding,
- **13** quarterly screening and auditing of underwriting bidding and book building cases,
- and **134** irregular special audits.
- Furthermore, from April 12 to September 23, 2021, TPEX and surrounding units held a total of 22 promotional seminars on the amendments of the regulations for establishing internal control systems of securities firms, with a total of 1,800 participants.

In addition to the continuous implementation of audits and evaluations for securities firms, TPEX will follow the financial security action plan of the competent authority for routine security audits of securities companies. To strengthen the protection mechanism of securities firms from hacker attacks, which will serve as the focus when carrying out information security audits TPEX supervises

and urges securities firms to implement various measures and hierarchical protection mandatory tasks. In addition, regarding the risk evaluation of securities firms, TPEX will revise the "Securities Firms Risk Management Evaluation Work - Risk Management Implementation Sampling Test Report Form" and "Self-inspection Form for the Risk Management Mechanism of Securities Firms" to help securities firms and TPEX and Taiwan Stock Exchange conduct risk management evaluation, so as to improve the level of risk management evaluation of securities firms.

### 1.2.4. Investment protection

While innovating systems and products to meet the needs of investors and companies, TPEX also adheres to the principle of protecting the rights and interests of investors and shareholders, and works closely with the competent authorities to implement securities market supervision laws and regulations. By continuing to implement and strengthen market management, trading, and settlement as well as other systems, TPEX seeks to create an open, transparent, and sound market.

#### Relevant actions to protect the investors of TPEX companies in 2021

Action	Performance	Highlight
<b>Handling of Corporate Governance Evaluation</b>	From February 25 to March 12, 2021, the online course of the "8th Corporate Governance Evaluation Seminar" was held to promote various measures to strengthen the board of directors, independent directors and functional committees of listed companies.	In line with "Corporate Governance 3.0 - Sustainability Roadmap", accelerating the promotion of corporate governance of listed companies, assisting enterprises in sound development and enhancing market confidence.
<b>Performance presentations of listed companies</b>	Three major institutional investors, four major funds and investors were invited to participate, and the presentations were conducted with the theme of TPEX family distinctive industries (including TPEX 200, biotechnology and medical care, IC design, etc.). There were a total of 33 sessions, and a total of 96 listed companies participated.	Improve services for Main Board companies, establish a platform for direct communication and interaction between companies and investors, and increase information disclosure.
<b>2021 Sustainability Forum</b>	Two online forums were held on August 31 and September 1, 2021, and more than 2,000 people participated online. Through questionnaires and real-time QA interaction, the depth of the events and the engagement of participants were enhanced.	From the perspectives of business operation and investment respectively, integrating multiple practice viewpoints and adding the professional vision of corporate leaders, the Sustainability Forum brought a lot of resonance and excitement to the corporate representatives or investors attending the event.
<b>Promotional briefings and seminars</b>	<p>√ <b>Propaganda Conference regarding Regulations and Directions for Main board and Emerging stock board Companies</b></p> <p>Conducted online from September 30 to October 29, 2021, the contents included themes like "Newly Amendment Regulations on Material Information", "Important Issues of Internal Control", "Key Amendments to Laws and Regulations", "Derivative Financial Product Transaction Confirmation Platform", "TPEX ESG Index Evaluation Method".</p>	Assist Main Board and ESB companies in understanding the key points of the latest amendments to the TPEX laws and regulations. Performing well in legal compliance and information disclosure makes the companies implement the compliance and internal control and audit systems to strengthen the quality of corporate governance, and protect the rights and interests of investors.



**Action**

**Performance**

**Highlight**

**Promotional briefings and seminars**

**√Promotional seminar on new trading systems and related services of the TPEX market**

In 2021, 7 sessions were conducted for associated persons of securities firms, providing the latest and most real-time market information for various important businesses and the latest revised market regulations.

**√Promotional seminars of Pioneer Stock Board**

11 sessions were held for securities firms, and 5 sessions of "2021 TPEX Investor Seminars" were held for investors to introduce the system of the Pioneer Stock Board.

**√Bond promotional seminars**

On April 29, 2021, the Green Bond and Sustainability Bond Market were introduced to issuers, underwriters and certification bodies, with a total of 3 online sessions. On May 27, the online promotional seminar on the "Sustainable Bond Market and Social Bond Market Introduction" was held to introduce the regulations of Social Bond Market and Sustainable Bond Market.

**√Investor seminars**

In 2021, TPEX held the seminars in cooperation with a number of securities companies, of which 5 sessions were broadcasted online and 4 sessions were held physically. The topics covered introduction of intraday odd-lot trading system, stock market maker system, TPEX 200 Index, and indexed products (such as ETF, ETN, index futures).

**Promotional seminars on financial report filing**

From December 7 to 17, 2021, 5 "Promotional Seminar on the Adoption of Inline XBRL for Financial Report" were held with across Taiwan. A total of 400 accounting personnel from listed, Main Board, and ESB companies participated.

In addition, relevant briefing sessions were held for securities dealers and investors to assist in obtaining the latest and comprehensive market information.

In order to improve the filing efficiency of issuing companies and understand the various operations and reporting contents of financial reports using iXBRL.

In addition to the relevant operations mentioned above, there were still ① strengthening KY companies' supervision mechanism: discussing and strengthening the supervision mechanism of KY companies and optimizing the hierarchical management measures of supervision indicators; ② optimizing the hierarchical management measures of supervision indicators; dividing the financial focus area into "financial information" and "transaction information" indicators, adding multiple query methods, improving the browsing interface, and revising the regulations of TPEX and renaming the area "Key Financial and Transaction Information". ③ In December 2021, practice guidelines for opinion issuance by expert were announced, which can be used as a reference in the implementation of evaluation business. ④ According to the scale of paid-in capital, listed companies will be promoted in three stages from 2022 to announce the annual self-assessed financial information, applicable to all listed companies from 2024.

## 1.3. Collaboration

### 1.3.1. Participation in Guilds and Associations

TPEX is currently a member of 17 domestic associations. In addition to participating in regular meetings, TPEX also actively attends activities and seminars organized or co-organized by various associations.

#### Domestic Association Membership

Name of entity	Participation status
Taiwan Financial Services Roundtable	Member/Director
Securities Analysts Association, Chinese Taipei	Member/Director
Accounting Research and Development Foundation	Member/Director
Taiwan Corporate Governance Association	Member
The Institute of Internal Auditors, R.O.C.	Member
The Business Council for Sustainable Development of Taiwan	Member
Chinese Association of Intangible Assets Valuation	Member
Chinese International Economic Cooperation Association, Taiwan	Member
Chinese National Association of Industry and Commerce, Taiwan	Member
Corporate Operation Association	Member
Taiwan Stock Affairs Association	Member
Taiwan Mergers & Acquisitions and Private Equity Council	Member
Banking Education Association of Taiwan	Member
Taiwan Bio Industry Organization	Member
Financial Planning Association of Taiwan	Member
Taiwan Finance Association	Member
Financial Engineering Association of Taiwan	Member

### 1.3.2. International Interactions

Due to the pandemic's impacts in 2021, almost all physical activities have been postponed. However, TPEX is still actively participating in virtual conferences, forums and seminars to learn international trends and maintain international engagements.



### International Organization Membership

Name of entity	Participation status
The World Federation of Exchange (WFE)	Full member
Asian and Oceanian Stock Exchanges Federation (AOSEF)	Full member
The International Organization of Securities Commissions (IOSCO)	Affiliated member (FSC, the competent authority, is a full member)
The Global Association of Central Counterparties (CCP12)	Full member
Climate Bonds Initiative (CBI)	Partner
Task Force on Climate-related Financial Disclosures(TCFD)	Supporter
International Capital Market Association (ICMA)	Full member

### Participation in international securities conferences and seminars

#### Participation in related organizations and activities in the international securities market

<b>WFE</b>	<ul style="list-style-type: none"> <li>• 2021 online seminars (5 sessions);</li> <li>• 60th annual meeting and general assembly video conference of WFE</li> <li>• WFE-IOMA Clearing &amp; Financial Derivatives Conference online seminar</li> </ul>
<b>IOSCO</b>	<ul style="list-style-type: none"> <li>• Affiliated Members Consultative Committee (AMCC) 2021 online seminar (2 sessions);</li> <li>• AMCC 2021 video annual meeting and mid-year meeting (1 session each);</li> <li>• IOSCO 2021 World Investor Week (WIW) video conference (2 sessions)</li> </ul>
<b>CCP12</b>	<ul style="list-style-type: none"> <li>• 2021 annual meeting video conference (2 sessions)</li> <li>• 2021 special annual meeting video conference (2 sessions)</li> </ul>
<b>AOSEF</b>	<ul style="list-style-type: none"> <li>• 2021 Working Committee video conference</li> </ul>

#### Participation in meetings of other securities-related organizations

Asia Securities Industry & Financial Markets Association (ASIFMA)	1 video seminar
Climate Bonds Initiative (CBI)	1 video seminar
The Institute of Internal Auditors (IIA)	2021 annual meeting video conference
Asian Corporate Governance Association (ACGA)	2021 annual meeting video conference
Korea Exchange	2021 Global ETP Conference in Seoul

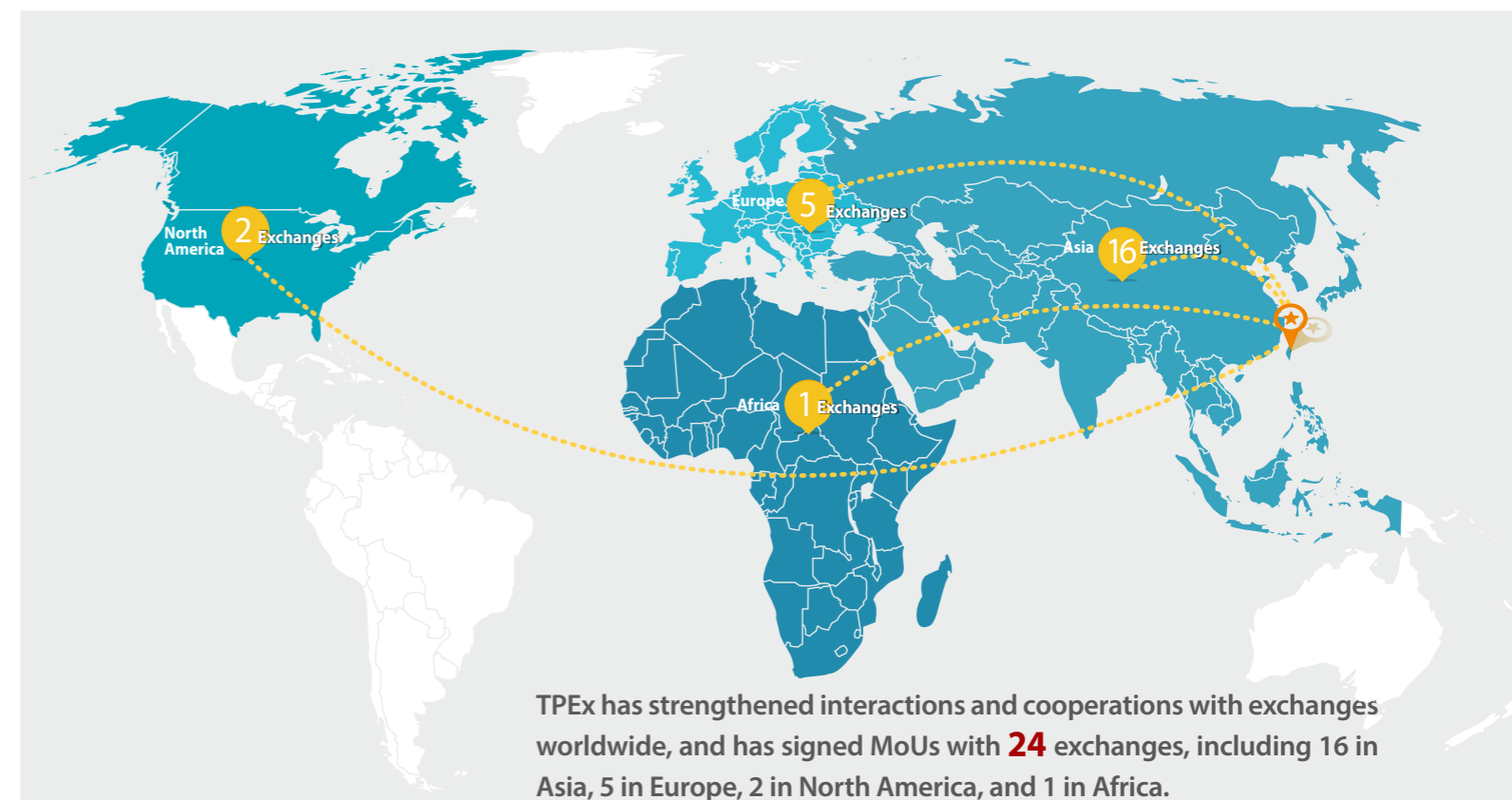
### WFE's Women Leaders

During the selection of Women Leaders for WFE in early 2021, TPEX CEO Edith Lee stood out among nearly 60 nominees from around the world to be recognized by WFE, alongside 20 other winners, as Women Leaders of 2021. WFE also featured these 21 outstanding women in the March 2021 issue of Focus.



### Collaboration with exchanges in various countries

TPEX has signed memorandums of understanding (MoU) with 24 exchanges worldwide. Although the pandemic affected face-to-face dialogues, TPEX still maintained good interaction with and learned from partner exchanges through video and email. During this period, we shared with Capital Market Authority (CMA) the progress of listing promotion of SMEs in both markets and the development process of multi-tiered market in TPEX.







### Promoting listing (registration) of foreign enterprises on TPEX market

Due to the impact of the global pandemic, TPEX held 2 “TPEX Listing for Overseas Businesses Seminar” in 2021 to introduce the TPEX market's advantages and how to enter, thereby encouraging companies run by Taiwanese businessmen to return to Taiwan. By the end of the year, there were 32 foreign enterprises listed on Main Board and 5 foreign enterprises registered on the ESB.

### 1.3.3. TPEX service promotion

To help capital market participants understand and make use of the services provided by TPEX, we plan and promote through various channels, including:

Promotional channel	Description
<p>TPEX official website</p> 	<ol style="list-style-type: none"> <li>1. Considering the participants' diversity in the capital market, "Focus Areas" was set up on the homepage. Visitors can browse according to their identity or the topics they are interested in.</li> <li>2. The "TPEX Events" and "Media Gallery" sections were set up to promote relevant policies, key businesses, and recent activities.</li> </ol>
<p>Facebook fan page</p> 	<ol style="list-style-type: none"> <li>1. Considering that the younger generations are more familiar with Facebook, a social media manager has been appointed to actively interact with the public, promote key products or systems, and disseminate information in an interesting way.</li> <li>2. Posts on the fan pages of competent authorities are shared on the TPEX fan page to facilitate policy communication.</li> </ol>
<p>TPEX Sustainability Section</p> 	<p>TPEX establishes a Sustainability Section on its official website in 2020 to strengthen communication with stakeholders, and present TPEX's sustainability actions and performance more comprehensively and timely.</p>
<p>TPEX HOME education</p> 	<p>Considering the needs of young people who are new to the capital market aim at easy home learning when learning securities knowledge, the online learning related resources of TPEX are specially collected.</p>



Promotional channel	Description
Promotional seminars	TPEX promotes various important businesses, systems, and the latest revised regulations for companies, investors, and securities firms.
On-site visits	TPEX makes on-site visits to domestic and foreign companies to introduce the multi-tiered capital market.
Networking / matching activities	TPEX regularly organizes business promotion networking and matchmaking activities for enterprises in the TPEX market.
Media	TPEX promotes its services and products through the media.
Investor hotline / fax	<p>TPEX upholds a professional stance and a fair and objective attitude in processing investor complaints, petitions or consultations, in a timely manner. All investor emails received in 2021 were forwarded to the relevant business departments for processing after receipt.</p> <ul style="list-style-type: none"> <li>▪ Investor service hotline: 886-2-2366-6100</li> <li>▪ ESB market investor consultation hotline: 886-2-2369-6102</li> <li>▪ Email address of Investor Mailbox: Click on "Contact Us" on the TPEX Official website to access the Investor Mailbox</li> </ul>

#### New sections in 2021

The "Sustainable Bond Market" and "Pioneer Stock Board section" set up in 2021 allow users to inquire about relevant information in one-stop through information integration.

Relevant information can be found in sustainability performance chapter.